A photograph of the Bank of America Building in Charlotte, North Carolina, featuring a large, white, angular, and sculptural facade. In the foreground, a man in a white shirt and dark trousers is walking up a wide set of grey stone steps. Two large, leafy green trees stand on either side of the steps. The sky is visible through the upper levels of the building's structure.

**Bank of America Corporation
2015 Business Standards Report
and Environmental, Social and
Governance Addendum**

**How we live
our purpose**



Since the financial crisis, we have worked hard to transform our company by focusing on the needs of the customers and clients we serve. We recognize the important role of financial institutions in the economy, and understand our decisions and actions affect people's lives every day. We've taken significant action to follow through on that responsibility.

In all we do, we are guided by a common purpose to make financial lives better by connecting our customers, clients, and communities with the resources they need to be successful.

Our Business Standards Report shows how our company today is more straightforward, less risky, and built on a stronger foundation that lives up to our purpose.

As part of our transformation, we've built our liquidity and capital to record levels, while relentlessly narrowing our focus to concentrate on the businesses and services that matter most to our customers and clients. This progress is the result of a strategy we set in motion several years ago to simplify the company, resolve mortgage-related and other issues from the crisis, rebuild our balance sheet, invest in our company and our capabilities, and pursue a straightforward model focused on responsible growth.

Our more than 200,000 teammates work every day to deliver on our strategy and bring our purpose to life — helping our customers and investing in our communities. We have a culture of teamwork and a passion to do what's right to deliver for all those we serve — from individuals at every stage of their financial lives, to companies of every size, and in communities across the U.S. and around the globe.

While we have more work to do, we are pleased to detail our progress in this report.

A stylized, handwritten signature in black ink, appearing to read 'B Moynihan'.

Brian Moynihan
Chairman and Chief Executive Officer

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CHAPTER 1: Delivering on Our Purpose: An Introduction

At Bank of America, we have a clear purpose to help make financial lives better through the power of every connection. We fulfill this purpose by executing a business strategy that is focused on serving the core financial needs of people, companies, and institutional investors by connecting them with capabilities across our eight lines of business.

In the years following the financial crisis, we've transformed and simplified our company. Today, we are a less complex company that manages risk more rigorously than ever. We've focused our business model on the core products and services our customers and clients need. We've built record capital and liquidity, sold or liquidated assets that didn't serve our customer-focused strategy, and reduced expenses, while pursuing operational excellence.

We put in place several straightforward operating principles to ensure our global team is aligned around the work we do. These principles include being customer-driven in all we do, managing risk well, operational excellence, creating a great place to work for our employees, and delivering value for our shareholders.

All of the hard work to strengthen the focus and foundation of our company comes together as an engine for responsible growth.

What follows is a report on Bank of America's business standards, our culture, and the work we do to drive our strategy of responsible growth, through the lens of the strategy's four tenets:

- We must grow and win in the market.
- We must grow with our customer-focused strategy.
- We must grow within our Risk Framework.
- We must grow in a sustainable manner.

Throughout this report, we discuss how we live our purpose and how we fulfill our environmental, social, and governance (ESG) responsibilities. We look at the work we've done to strengthen our culture and bring together our employees through a common set of expectations. We provide information about our corporate governance, our risk management and control functions, and how our relationships with customers and key stakeholders are deepening in ways that are unique to Bank of America.

Our hope is that this report will help you better understand the work we're doing and the ways we've changed to help make financial lives better for the people, companies, and institutions we serve.

CHAPTER 2: Our Values and Responsible Growth

What Guides Us

At Bank of America, our purpose, operating principles, and values form the foundation of our culture — a culture that is rooted in integrity, disciplined risk management, and delivering together as a team to better serve our clients, strengthen our communities, and deliver value to our shareholders.

Our culture is built on the tenets of responsible growth and serving our customers. It comes through in our commitment to ensuring that our policies, practices, products and programs all align to our purpose. Our Code of Conduct, which provides basic guidelines for our business practices and professional and personal conduct expectations, along with our Risk Framework, which describes our risk management approach and provides clear accountability for managing risk across the company, are foundational to our culture.

We seek to reflect what stakeholders expect of global companies today. At all times, we're listening to and engaging with a diverse set of stakeholders — including our employees, stockholders, customers, clients, and community advocates — listening to their feedback to help inform our decisions. Through continual debate and dialogue — with internal and external stakeholders — we believe more informed, balanced decisions are made.

These efforts have allowed us to focus on our customers and clients with renewed clarity, and to deliver the full range and depth of our resources and global reach to help them achieve their goals. Through stronger connections with customers and clients, we're building more financially secure communities — recognizing that we only succeed when our customers, clients, employees, and our communities thrive.

Our Values

We recognize that cultivating a strong culture is an ongoing effort, fostered day after day in both formal and informal ways. Building a unified culture requires thoughtful, purposeful action. This work helped us bring together all of our employees — from different businesses, companies, and countries — with a unifying idea of what it means to work for Bank of America.

Our values not only inform the way we conduct business and make decisions, they underscore who we are and what we believe as a company. For employees from Jersey City to Singapore, this builds an emotional connection and pride in the organization that can drive greater engagement. These values also define how our company invests in our employees around the globe who support customers and clients every day.

Our Chairman and CEO routinely discusses the company's values with employees and external audiences, underscoring our commitment to doing business the right way: with honesty and integrity. Whatever path brought each of our employees to Bank of America, we are one company, with a common set of values to guide and inspire how we connect with customers, clients, communities, and each other:

We Deliver Together

We believe in the importance of treating each customer, client, and teammate as an individual, and in treating every moment as one that matters. We strive to go the distance to deliver, with discipline and passion. We believe in connecting with people person-to-person, with empathy and understanding. We believe everything we do for customers, clients, teammates, and the communities we serve is built on a solid business foundation that delivers for shareholders.

We Act Responsibly

We believe that integrity and the disciplined management of risk form the foundation of our business. We know our decisions and actions affect people's lives every day.

We Realize the Power of our People

We strive to help our employees reach their full potential. We believe that diverse backgrounds and experiences make us stronger. We respect every individual and value our differences — in thought, style, culture, ethnicity, and experience.

We Trust the Team

We believe the best outcomes are achieved when people work together across the entire company. We believe great teams are built on mutual trust, shared ownership, and accountability. We act as one company and believe that when we work together, we best meet the full needs of our customers and clients.

Responsible Growth

When we look at where we stand today, our company is stronger, simpler, and better positioned to deliver long-term value to our shareholders, thanks to the straightforward way in which we serve our customers and clients. The path forward is clearly one of responsible growth.

Responsible growth has four pillars:

- We must grow and win in the market.
- We must grow with our customer-focused strategy. We aren't going to grow by buying assets where we do not have an underlying relationship with the customer, such as mortgages originated by another company. Our growth will come through knowing our customers and clients, and being able to do more for them.
- We must grow within our Risk Framework. This is the foundation of everything we do.

- We must grow in a sustainable manner. This means having the right business model, ensuring rigorous governance practices are in place, making decisions that are right for the customer and which strengthen our brand, and treating our employees well.

We Must Grow and Win in the Market

We serve three groups of customers — people, companies, and institutional investors. In the U.S. we serve all three customer groups, and outside the U.S. we serve larger companies and institutional investors. This approach has helped simplify our operations and reduce our risk profile.

- **People:** For the people we serve, we believe we have the best consumer, small business, and wealth-management franchise in the country. We serve 47 million households, and every week we interact with customers more than 130 million times.
- **Companies:** For the companies we serve, our Global Banking business works with virtually every company in the S&P 500. In many products and geographies, Global Banking has greater market share than our consumer business, delivering solid and recurring profitability. Recognizing the businesses we serve are the engines of the economy, we bring the broadest array of solutions, both domestic and international, to our clients to help companies grow, improve cash flow and invest for the future.
- **Institutions:** Turning to the institutional investors we serve, our Global Markets business is one of the most capable platforms in the world. This business provides capital to companies necessary for growth, and serves many of the world's largest institutional investors who manage savings and investments through pension and retirement funds. Our presence and global reach in fixed income and equity products allow us to provide them access to investment opportunities.

As we look across our businesses and the clients they serve, we have a leading set of capabilities in every area where we operate. That is the power of this company; that is the strength of the model and the balance we are striking to ensure we are doing all we can for our customers and clients, while optimizing our balance sheet to perform efficiently with the post-crisis regulations.

We Must Grow With our Customer-Focused Strategy

We have a simple goal. We need to do more with our customers by bringing them everything they need to live their financial lives.

One of the ways we drive our customer-focused strategy is through our business integration work. Several years ago, we embraced a local market-driven approach. We organized the United States into more than 90 market coverage areas.

At the local market level, our teams are working together to look at every customer and client relationship in their market and ask: are we doing all we can for them?

We have seen dramatic growth in the way we are referring existing clients to other teammates who may not yet have a relationship with those particular clients — from nearly 300,000 referrals five years ago to roughly 5 million in 2015.

Through this approach we are a global company that feels local.

We Must Grow Within our Risk Framework

As a financial services company, our business is to be the very best at managing all types of risk, and to do so in a responsible manner that serves our clients, shareholders, and communities, and helps the economy grow.

Whether investing in a small business, making a credit decision, or preventing fraud, nearly every aspect of our work calls for sound judgment and a commitment to doing what's right for our customers, shareholders, and communities. Our culture emphasizes that we are one team, and we have a shared responsibility to manage risk well, act responsibly, have an ownership mindset, and escalate issues so they can be addressed proactively.

Our Risk Framework is foundational to our culture and describes our approach to managing risk well so we can run our business and grow responsibly. The Risk Framework is not a concept; it sets forth clear ownership and accountability for managing risk across the company to ensure that we maintain strong risk-management discipline.

We have invested heavily to improve our risk-management practices, and we are committed to having best-in-class risk-management capabilities, because we know that managing risk well is foundational to everything else we do.

We Must Grow in a Sustainable Manner

Building a sustainable company is about how, at the core of everything we do, we are guided by our principles to make the right decisions that will hold us in good stead today and in the future. We think about this in a variety of ways.

First, it's important to maintain focus on operational excellence, and on the momentum we've built managing expenses. We've made significant improvement in decreasing our operating expenses, even while making investments to improve efficiency and grow our platform.

Sustainability also includes having the right governance. We have a diverse and experienced Board of Directors that provides independent oversight. Our Board constantly looks for ways to ensure its diversity and

strength, and monitors corporate governance best practices to adapt and improve when necessary.

This rigorous oversight extends across our businesses. For example, each line of business makes decisions through a governance process made up of business leaders and control partners who debate the issues — ensuring we are striking the right balance between risk, business opportunity, and customer focus. And, our Global Environmental, Social and Governance Committee (ESG Committee), led by Anne Finucane, Vice Chairman at Bank of America, with senior leaders from each business line, meets regularly to ensure we are looking at our progress through an environmental, social and governance lens. This committee is accountable to the CEO and reports at least annually to our Board's Corporate Governance Committee.

Our approach to sustainability also comes through in our commitment to ensure our policies, practices, products, and programs all align to our purpose. We've done this in part by creating simple, safe, transparent, and easy-to-use financial solutions that give people greater control of their finances.

Another way we think about sustainability is the work we do to strengthen our local economies and invest in our communities.

- In 2015, this included increasing our environmental business initiative to \$125 billion — one of the largest bank commitments to address climate change and demands on natural resources — through lending, investing, capital raising, and developing financial solutions for clients.
- We also extended more than \$235 million to Community Development Financial Institutions (CDFIs) to support affordable housing, small business growth, and neighborhood stabilization.

- And, we extended more than \$180 million in philanthropic investments, and our employees donated nearly 2 million hours of volunteer service to the causes they care about around the world.

Finally, to be a sustainable company, we must be a company that values our people and gives all employees the support they need to build their careers, achieve their goals, and have the resources they need to improve their lives and the lives of their families.

We have a diverse and inclusive workplace that reflects the diversity of the customers, clients, and communities we serve in more than 35 countries around the world. We provide resources and strategies to help employees develop no matter where they are in their careers. Through our recruitment programs and partnerships, we are investing in the future by bringing the best and brightest to work at Bank of America.

We've also made changes to our benefits, increasing our wellness offerings and other family support programs to reflect the needs of our workforce. Our health care benefit premiums are progressive, based on how much an employee earns. In 2011, for employees making less than \$50,000 a year we reduced premiums by 50% and have kept those costs down. These employees have had the ability to keep premiums flat for the last four years. And we continue to invest in our wellness programs for all employees, to increase activity and improve overall health.

As we think about all the ways we pursue sustainability, our focus is to use our size and scale in ways that contribute positively to our communities, create opportunity for our customers and employees, and grow our company responsibly.



Case Study: **Reinforcing Responsible Business Practices – Environmental, Social and Governance Committee**

An important way we've cultivated and strengthened our culture of responsible business practices is through more focused oversight of environmental, social, and governance (ESG) issues. In 2014, Bank of America formed a Global Corporate Social Responsibility Governance (GCSR) Committee to provide oversight of our corporate responsibility strategy and initiatives, including community development, corporate philanthropy, volunteerism, the Community Reinvestment Act, and environmental efforts.

In February of 2016, we strengthened the Committee's oversight of ESG issues by expanding its responsibilities to include more formal oversight governance activity. The Global Corporate Social Responsibility Committee was re-chartered as the Global Environmental, Social and Governance Committee to reflect this broadened set of responsibilities. In addition to providing broader strategic oversight, the Committee ensures that our environmental, social, and governance activity is in alignment with and supportive of our company's responsible growth strategy, notably sustainable growth.

The ESG Committee and its teams provided important leadership over a number of significant initiatives, including:

The Signing of the United Nations-Supported Principles for Responsible Investment (PRI)

- In 2014, our Global Wealth and Investment Management division became the first wealth management firm to sign the U.N.-supported Principles for Responsible Investment on behalf of its discretionary asset-management business. The PRI initiative is an international network of investors working together to understand the implications of sustainability for investors, and support signatories in incorporating these issues into their investment decision-making and ownership practices.

The Formulation of a Human Rights Statement and Vendor Code of Conduct

- These two documents, developed by the GCSR Committee and their teams in 2014, demonstrate our effort to operate a responsible and transparent business. Our Human Rights Statement articulates the company's commitment to supporting fundamental human rights, and demonstrates leadership in responsible workplace practices across our enterprise and in all regions where we conduct business. Our Vendor Code of Conduct outlines the standards we set for our vendors to demonstrate their commitment to basic working conditions and ethical business practices. The principles contained in the Human Rights Statement and the Vendor Code of Conduct are consistent with the United Nations Declaration of Human Rights and the International Labour Organization's Fundamental Conventions. Our Human Rights Statement and Vendor Code of conduct can be found at www.bankofamerica.com.

CHAPTER 3: Governance and Leadership

Governance and Leadership

Cultivating and implementing the transformation underway at Bank of America requires strong governance and leadership. Changes are implemented across the company by a strong Board of Directors, skilled management, and clear and effective governance practices.

Board of Directors

Our 13-member Board of Directors brings a vital independent perspective based on their experience in different organizations and different industries in both the public and private sectors.

Among other things, the Board of Directors is responsible for ensuring that continued embedding of values and ethical conduct remains a sustained priority. Our Board and its committees oversee:

- Management's identification of, management of, and planning for our company's material risks, including operational, credit, market, interest rate, liquidity, reputational, capital management, liquidity planning, and legal and regulatory compliance risks.
- Our company's maintenance of high ethical standards and effective policies and practices to protect our reputation, assets, and business.
- Management's development and implementation of an annual financial plan and strategic business plans, and monitoring our progress against these financial and strategic plans.
- Our corporate audit function, our registered independent public accounting firm, and the integrity of our consolidated financial statements.
- Our company's establishment, maintenance, and administration of appropriately designed compensation programs and plans.

Our Board is also responsible for:

- Reviewing, monitoring, and approving succession plans for the Chairman and the Lead Independent Director, and for our CEO, and other key executives to promote senior management continuity.
- Conducting an annual self-evaluation of our Board and its committees.
- Identifying and evaluating director nominees and nominating qualified individuals for election to serve on our Board.
- Reviewing our CEO's performance and approving the total annual compensation for our CEO and other executive officers.

Board Oversight and Committee Structure

To support our corporate goals and objectives, risk appetite, and business and risk strategies, we maintain a governance structure that delineates the responsibilities for risk management activities, and the governance and oversight of those activities, by management and our Board.

Our Board has five active committees: Audit, Compensation and Benefits, Corporate Governance, Credit, and Enterprise Risk. These committees regularly make recommendations and report on their activities to the entire Board. Each committee may obtain advice from internal or external financial, legal, accounting, or other advisors as desired.

The Board is committed to strong, independent oversight of management and risk through this governance structure. Our Enterprise Risk Committee, Audit Committee, and Credit Committee have the principal responsibility for enterprise-wide oversight of our company's risk management. Each of these

committees regularly receives updates on risk-related matters within the committee's responsibilities, and reports on these updates to our Board. This process provides our Board with integrated, thorough insight about our enterprise risk management.

We believe this holistic Board and committee risk oversight process complements and remains consistent with our Board's commitment to maintaining a strong, independent Board and committee leadership structure. More information on the role of the Board committees in oversight of risk structure can be found on p. 25.

In addition, our Compensation and Benefits Committee oversees, among other things, our compensation policies and practices so that they don't encourage unnecessary or excessive risk-taking by our employees.

Our Corporate Governance Committee oversees our Board's governance processes; identifies and reviews the qualifications of potential Board members; recommends nominees for election to our Board; recommends committee appointments for Board approval; reviews and reports to our Board on our environmental, social and governance activities; leads our Board and its committees in annual self-assessments; and reviews and assesses stockholder feedback and our stockholder engagement process.

Board Leadership Structure

On October 1, 2014, we amended our bylaws to permit leadership of the Board by either an independent Chairman or a Lead Independent Director, and adopted governance provisions contemplating the responsibilities of a Board leader, whether an independent chair or a Lead Independent Director. On September 22, 2015, at a special meeting, our stockholders ratified the Board's decision to amend our bylaws to provide this flexibility to the Board in determining leadership structure.

The Board elected Brian T. Moynihan, our CEO, as Chairman of the Board, and the independent directors of the Board elected Jack O. Bovender, Jr. to serve in the newly established Lead Independent Director role. Our Board determined at that time and continues to believe that the leadership structure with Mr. Moynihan as Chairman and CEO and Mr. Bovender as Lead Independent Director is in the best interests of Bank of America and its stockholders based on the company's present needs and circumstances.

Our Board's amendment of its Corporate Governance Guidelines codified a description of the duties and responsibilities it expects from either an independent Chairman of the Board or a Lead Independent Director, depending on which leadership structure is in place. This development documents the independent leadership that our Board expects, having not had such a documented role description previously. The duties and responsibilities include the following:

Board Leadership

- In the case of the Chairman, presiding at all meetings of our Board and, in the case of the Lead Independent Director, presiding at all meetings of our Board at which the Chairman is not present, including at executive sessions of the independent directors.
- Calling meetings of the independent directors, as appropriate.
- In the case of the Lead Independent Director, if the CEO of our company is also Chairman, providing Board leadership if the CEO/Chairman's role may be (or may be perceived to be) in conflict.

Board Culture

- Serving as a liaison between the CEO and the independent directors.
- Establishing a close relationship with the CEO, providing support, advice and feedback from our

- Board while respecting executive responsibility.
- Acting as a “sounding board” and advisor to the CEO.

Board Focus

- **Board Focus:** In consultation with our Board and executive management, ensuring that our Board focuses on key issues and tasks facing our company and on topics of interest to our Board.
- **Corporate Governance:** Assisting our Board, the Corporate Governance Committee, and management in complying with our Corporate Governance Guidelines and promoting corporate governance best practices.
- **CEO Performance Review and Succession Planning:** Working with the Corporate Governance Committee, the Compensation and Benefits Committee, and members of our Board; contributing to the annual performance review of the CEO, and participating in CEO succession planning.

Board Meetings

- In coordination with the CEO and the other members of our Board, planning, reviewing, and approving meeting agendas for our Board.
- In coordination with the CEO and the other members of our Board, approving meeting schedules to assure that there is sufficient time for discussion of all agenda items.
- Advising the CEO of the information needs of our Board, and approving information sent to our Board.
- Developing topics of discussion for executive sessions of our Board.

Board Performance and Development

- **Board Performance:** Together with the CEO and the other members of our Board, ensuring the efficient and effective performance and functioning of our Board.

- **Board Assessment:** Consulting with the Corporate Governance Committee on our Board’s annual self-assessment.
- **Director Development:** Providing guidance on the ongoing development of directors.
- **Director Assessment/Nomination:** With the Corporate Governance Committee and the CEO, consulting in the identification and evaluation of director candidates’ qualifications (including candidates recommended by directors, management, third-party search firms, and stockholders) and consulting on committee membership and committee chairs.

Stockholders and Other Stakeholders

- Being available for consultation and direct communication, to the extent requested by major stockholders.
- Having regular communication with primary bank regulators (with or without management present) to discuss the appropriateness of our Board’s oversight of management and our company.

Board Qualifications

Our directors bring varied and unique experiences and attributes to their service on our Board. Our Board considers the following qualifications, attributes and skills important for our directors:

- Our directors are seasoned leaders, and the majority serve or have served as chief executive officers.
- Our directors bring to our Board a vast depth and diversity of public company, financial services, private company, public sector, academic, nonprofit, and other domestic and international business experience.
- Our directors have held leadership positions in complex financial services organizations and with our primary regulator, and management roles in the areas of risk, operations, finance, technology, and human resources.

- Our directors represent diverse viewpoints and bring a blend of historical and new perspectives about our company as a result of their varied lengths of tenure as our directors. Seven of the Board's 13 current members have joined since 2012.

Our Board believes that this mix of attributes among the directors enhances our Board's independent leadership and effectiveness. Our Corporate Governance Guidelines further provide director nomination standards, including the requirements that director candidates:

- Have the desire to represent the interests of all stockholders.
- Be capable of working in a collegial manner with persons of diverse educational, business and cultural backgrounds, and possess skills and expertise that complement the attributes of the existing directors.
- Be capable of constructively challenging the Chairman and CEO and other senior executives, as appropriate.
- Represent a diversity of viewpoints, backgrounds, experiences, and other demographics.
- Demonstrate notable or significant achievement and possess senior-level business, management, or regulatory experience that would benefit our company.
- Be individuals of the highest character and integrity.
- Be free of conflicts of interest that would interfere with their ability to discharge their duties or that would violate any applicable laws or regulations.
- Be capable of devoting the necessary time to discharge their duties, taking into account memberships on other Boards and other responsibilities.

Current Composition of the Board

Our directors possess backgrounds, qualifications, attributes and skills that, when taken together, provide our company with a broad range of experience in large,

complex organizations; regulated industries; consumer, commercial and corporate businesses; and international organizations.

Of our directors, seven have international experience, nine have CEO experience, one has deep experience in cyber-security, two are African-American and four are women, one of whom is Hispanic. Our directors also have experience in financial and regulatory oversight, risk management, strategic planning, and technology. They bring depth and breadth of financial, operational, risk, and other areas of expertise relevant to our company; through their varied lengths of tenure, they bring a blend of historical and new perspectives about our company.

Director Independence

While the New York Stock Exchange listing standards require a majority of our directors to be independent, our Corporate Governance Guidelines go even further and require a substantial majority of our directors to be independent. Eleven of our 13 current directors and each member of our Audit, Compensation and Benefits, and Corporate Governance committees are independent.

The independent and non-management directors bring a caliber and diversity of expertise, experience, and leadership, and are a testament to the Board's commitment to self-evaluations, continuous refreshment and rigorous, independent oversight.

The Board's commitment to independent oversight of management is augmented by federal banking regulatory requirements, including the Federal Reserve Board and the Office of the Comptroller of the Currency. Our company is strenuously regulated, and our Board must contain members who have experience that meets certain regulatory requirements, including: independence; financial literacy and expertise;

experience in identifying, assessing, and managing risk exposures of large, complex financial firms; and/or understanding of risk management principles, policies, and practices relevant to our company or a comparably sized company.

In furtherance of those and other regulatory requirements, members of our Board and the independent committee chairs (including our Lead Independent Director) frequently meet with our regulatory authorities without management present.

Our Corporate Governance Guidelines require that the non-management directors meet in executive session at each regularly scheduled Board meeting at the direction of the Lead Independent Director (when the Chairman is not present), with the Lead Independent Director presiding. The Lead Independent Director also plays a central role in the Board's stockholder engagement program, and is available to communicate with stockholders and other parties. In addition, the Lead Independent Director may serve on committees of the Board, and Mr. Bovender currently serves on the Board's Corporate Governance Committee.

Ongoing Stockholder Engagement Program

The Board and management are committed to engaging with the company's stockholders and soliciting their views and feedback on important performance, governance, compensation, and other matters. We review our stockholder engagement practices regularly with an eye towards continual improvement.

Our corporate secretary and investor relations teams, together with relevant executive management members and directors, conduct stockholder outreach throughout the year, and inform our management and the Board about the issues that our stockholders tell us matter most to them.

Stockholder feedback is shared with the Board and its committees to enhance our governance practices, to facilitate a dialogue between stockholders and the Board, and to provide transparency of those practices to our stockholders through enhanced disclosure.

We review the voting results of our most recent annual meeting of stockholders, the stockholder feedback received through our engagement process, the governance practices of our peers and other large companies, and current trends in governance as we consistently consider enhancements to our governance practices and disclosure.

Enhancements in Response to Stockholder Feedback

The Board has demonstrated a record of independent oversight, actively engaging and maintaining a robust and regular dialogue with management. Since 2009, the Board has enacted significant governance changes in response to stockholder engagement and feedback.

After considering feedback received from our stockholders, our company:

- Adopted an enhanced stockholder engagement program that includes the active involvement of our Lead Independent Director and other independent directors.
- Adopted a proxy access right to permit a stockholder, or a group of up to 20 stockholders, owning continuously for at least three years shares of our company representing an aggregate of at least 3 percent of the voting power entitled to vote in the election of directors, to nominate and include in our proxy materials director nominees constituting up to 20 percent of the Board, provided that the stockholder(s) and the nominee(s) satisfy the requirements in our bylaws.
- Implemented the right permitting stockholders holding at least 10 percent of our outstanding common shares to convene a special meeting, provided that the stockholders satisfy the requirements in our bylaws.

- Implemented leading incentive compensation recoupment policies and committed to disclose certain forfeitures under these policies.
- Implemented progressive stock ownership guidelines for senior management and our directors.
- Gathered additional information regarding significant investors' voting policies and procedures on key governance matters and shared that information with the Board and Corporate Governance Committee.
- Enhanced our disclosures relating to a number of matters, including greenhouse gas emissions from our own operations and our U.S. utility portfolio, and published a new coal policy, which helps ensure that we play a continued 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.
- Enhanced our political activities disclosure to include:
 - A more detailed discussion of our participation in the political process;
 - Current and historical reports of our Political Action Committee (PAC) contributions;
 - A list of trade associations to which we paid more than a de minimis amount;
 - A list of tax-exempt organizations organized under Section 527 of the U.S. Internal Revenue Code to which we made contributions;
 - Information regarding the management, compliance, and monitoring of our political activities, including our Corporate Governance Committee's oversight of our significant policies and practices (see the "Political Activities" page of our Investor Relations website at <http://investor.bankofamerica.com>).
- Enhanced our proxy statement disclosure regarding our Board leadership structure, including a discussion of the robust and transparent independent Board leader duties.

- After consultation with many of our significant stockholders on the Board's leadership structure, the Lead Independent Director's role and responsibilities, and the process the Board undertook to effect the bylaw amendment, held a special meeting seeking stockholder ratification of the amendment of our bylaws to provide the Board flexibility in determining its appropriate leadership structure.
- Committed that we would produce this Business Standards Report to increase transparency around our processes and standards, corporate culture, governance, and business practices.

We also have provided the following stockholder rights:

- There are no super majority amendment provisions in our Certificate of Incorporation or our bylaws.
- Our directors are elected annually by a majority voting standard in uncontested elections.
- Our Corporate Governance Committee considers director candidates recommended by stockholders.
- We do not have a "poison pill" in effect.

Management

Management Team Structure

Management team members are the standard-bearers for our business practices and our culture throughout the organization. Therefore, ensuring the right management team is in place is critical to the success of our entire enterprise.

The team is led by Brian Moynihan, our company's Chairman and CEO, who, in his more than 20 years at Bank of America, has run each of the major customer and client businesses — consumer and small business banking, wealth management, and corporate and investment banking. Since assuming the CEO position, Mr. Moynihan has made clear and purposeful changes to resolve legacy issues and ensure that the management team and the company can execute our responsible growth strategy.

The management team Mr. Moynihan has built and cultivated demonstrates both depth of knowledge in each line of business, as well as broad industry experience. The team further understands and values the journey that our company is on and the cultural change happening throughout the bank.

We have a strong performance management process in place that evaluates management team member performance against each of our operating principles, and holds individual team members accountable for delivering on our commitments and embodying our values. As of the end of 2015, the average tenure among management team members is 29 years in the financial services industry.

The future of our management team is frequently discussed with our Board of Directors, and we have a well-developed succession and development-planning process in place to identify and develop the next generation of leaders.



Case Study: New Product Launch – A Governance Structure

When we look to bring a new product to market, that product must go through an extensive review and approval process to ensure that it meets the needs of our customers and clients, and is aligned with the company's goals and risk appetite. Products must serve the interests of our customers and clients, and comply with applicable laws and regulations in the jurisdiction where they will be offered.

Our New Product Review and Approval Policy sets requirements designed to manage risk and ensure the product is consistent with the bank's risk appetite. It's a strong example of the transformations underway at Bank of America. As part of the process, lines of business are required to follow a new product review and approval process, which includes, but is not limited to, the following:

Business Governance

- Each business has a committee of senior executives with designated responsibility for reviewing and approving new products. Membership includes representation from within the business and the control functions that support it. At a minimum, approval must be granted from a committee with representatives from the line of business, as well as Compliance, Legal, Risk, Finance, and Global Technology and Operations. Additionally, Corporate Tax, Corporate Treasury, Balance Sheet and Capital Management, operational risk, market risk, and credit risk are all consulted in the approval process.
- Depending on the product, there may be an additional layer of approvals required, as determined by the business risk team. These approvals could include internal committees, such as the International Governance & Control Committee, Global Marketing & Corporate Affairs or the Management Risk Committee.

Enterprise Governance

- The Enterprise New Product Pipeline Review identifies potential impacts a new product could have on business or control functions. Each new product undergoes a risk assessment, which considers the following factors: general information, compliance, legal, operational risk, market risk, credit risk, finance, global technology and operations, corporate tax, balance sheet and capital management, corporate treasury and resolution risk.

All new products working through the review process must be properly documented, including the analysis of the relevant risk factors. Additionally, the policy includes robust monitoring, reporting and escalation processes throughout.

CHAPTER 4: Responsible Growth

Part 1: Responsible Growth: Winning in the Market

Overview

As you will read throughout this report, our purpose is to make financial lives better for our customers, our clients, and our communities by connecting them to the resources they need to be successful. That purpose has guided us over the past several years to change and make our company simpler, more straightforward, stronger, and better.

Today ...

- We're a simpler company to navigate and to do business with because of the thousands of ideas our employees have generated to streamline, simplify, save money, and cut the red tape.
- We're a more straightforward company because we've exited businesses and sold assets that didn't fit our customer- and client-focused strategy, and put most of our legacy issues behind us.
- We're a stronger, sounder company because we've built record levels of capital and liquidity, and strengthened our risk-management practices.
- We have leading capabilities across all our businesses, and a strategy that is focused on connecting our capabilities to deliver for our customers and clients.

All of this comes together as an engine for responsible growth. Across our businesses, you can see the progress of this strategy and our teams' focus on growing the right way. Responsible growth is growth that is customer-focused, within our Risk Framework, and sustainable.

Winning in the Market

The first pillar of responsible growth is a strong business and a winning mindset. Simply put, this is how we can best grow responsibly — by being a profitable business and by competing in the market.

How does this happen? Within the company, we've determined that we must continue to grow our business with more customer-facing teammates and more customer-friendly products, services, and technology. In this report, we'll discuss our Simplify and Improve initiative, which is driven by feedback from customers and employees, and focuses on ways we can make it easier to do business with Bank of America. We'll also discuss the modernization of our technology platforms, which has made banking easier for customers and clients in many different ways.

To compete in the market, Bank of America must also have the very best people in each of our disciplines. We must invest in our talent and in training, so our people can grow business relationships thoughtfully and meaningfully where it makes the most sense for customers and clients. Later in this report, we'll discuss the ways we're helping our people grow in their roles with the company while achieving their highest professional aspirations.

For Bank of America to grow in the market, we must put the full capabilities of our whole team at the service of customers and clients. This is what we mean when we talk about the power of connection and of delivering one company. If we can help customers and clients take advantage of everything the company has to offer, we're confident we can help improve their financial lives. This is at the heart of our work in recent years.

Part 2:

Responsible Growth: Focusing on Customers

Overview

As you have read throughout this report, we've undertaken significant efforts over the past several years to make Bank of America simpler, more straightforward, stronger, and better. At the heart of these efforts is a clear focus on customers and clients, and making their financial lives better.

This customer focus, and the efforts we've made to deepen our relationships on every level, is the second pillar of our responsible growth strategy.

We recognize that our customers' needs may be very different. Whether they're individual consumers or families, small business owners, or large multinational companies, we know that we succeed only when our customers and clients are thriving. That's why our operating principles and responsible growth strategy are focused clearly on the customer.

Our customers and clients have told us what they expect from us, and we intend to live up to those expectations. By listening, we take into account their preferences, concerns and goals, and we deliver what they need.

All these efforts have allowed us to focus on our customers and clients, and to deliver the full power of our resources and global reach to help them achieve their goals.

- Families can have the tools and support they need to live more successful financial lives, including saving for a home, college tuition, and a secure retirement.
- Neighborhoods can be built on a solid foundation of responsible home lending and economic

development investments that help them grow and thrive.

- Small businesses can be connected to the capital they need to invest and create jobs.
- Organizations, nonprofits, and companies solving society's toughest problems have the resources and expertise of our bank and the volunteer efforts of our employees behind them.

Throughout this chapter, you'll find examples of the many ways we're transforming our company to be even more customer-driven.

People

We serve individuals, families, and small businesses through our Retail Banking, Preferred and Small Business Banking, Merrill Lynch Wealth Management, and U.S. Trust businesses. Our products and services range from basic banking to meeting specialized financial needs – developing responsible products, services, and practices that lead to better financial decisions, a stronger company, and a healthier economy.

Simplifying Banking and Investing for Our Customers

The people we serve have changed the way they bank, so we've changed to meet their needs. While we continue to serve these customers and clients across the country, we're doing it differently than before.

First and foremost, we've simplified products and reduced fees. We've also listened to customers, clients, and employees, and made changes based on their feedback that make it easier for customers to work with us, so we can help them take advantage of what the company has to offer – and ultimately improve their financial lives. We focus on understanding the unique needs of our customers so we can build better, more personal relationships and do more for and with them.

What our customers told us is clear: Don't let me spend money I don't have; give me the tools to do the simple things myself and at my own convenience; help make investing easier; and please recognize my loyalty. These insights led to:

- **Simplified Products in Consumer Banking:** Instead of a long list of complicated options, we've simplified our offerings to three core products that, between them, serve the full spectrum of customer needs — from basic banking to more extensive capabilities.
 - Bank of America Core Checking® is our most popular account and provides all the benefits of a checking account with easy ways to qualify for monthly fee waivers.
 - Bank of America Interest Checking® is interest-bearing for customers with more extensive needs and larger balances.
 - SafeBalance Banking® is an alternative option for our customers who want more predictability in the way they bank, protection from overdrafts, and the ability to manage their finances without using paper checks.
- **Increased Transparency:** We've continued to simplify the disclosures across all our products to ensure that they're straightforward and easy to understand. Our goal is to ensure that our customers clearly understand all the features, requirements, and benefits of our products.
- **More Ways to do Business With us:** Customers can bank with us when and where it's most convenient for them, whether depositing a check with their mobile phone, paying bills through online banking, making purchases with a digital wallet, speaking with a teller, or using one of our ATMs with Teller Assist®. Our online and mobile Bank by Appointment tool allows customers to schedule same-day financial center appointments with specialists, and mobile users can add the appointments directly to their calendar.

Our customers now schedule more than 15,000 appointments each week, and these improvements will make it even easier to get connected to all that Bank of America offers to improve their financial lives. And as technology advances, so do we.

- **More Accessible Expertise:** We want to be a trusted partner for our customers and clients when they're making their most important financial decisions. These are often occasions that require more specialized capabilities, like buying a house, opening a small business, or investing for the future. We do all this through our relationship managers and a network of dedicated specialists in our financial centers. They stand ready to help whenever our customers and clients need more personalized service.
- **Easy Ways to Invest for the Future:** We want to talk to clients about the many ways we can help them think about and manage their money.
 - Life Priorities – We've worked to better connect people's lives to their finances through broader, more personally meaningful conversations with a financial advisor about their life priorities. This effort is designed to ensure clients can pursue what's most important to them to achieve peace of mind and prepare for the future.
 - Merrill Edge® – We offer self-directed online investment options that combine investment insights from Merrill Lynch with the ease and convenience of a robust online platform. Customers have easy access to investment research and one-on-one guidance from financial solutions advisors, together with intuitive tools that make it easy to invest and track their progress.
 - Merrill Lynch Wealth Management – We've changed the dialogue with our clients, talking to them about their money in simple language. We've also developed solutions that are focused on their personal goals and on achieving outcomes that are meaningful to them.

 **Case Study:**
SafeBalance Banking®

As part of our ongoing product development process, in 2013, we conducted research with customers in their homes to better understand their habits and beliefs about their financial lives. We also sought feedback from representatives on our National Community Advisory Council, a council of civil rights, consumer advocacy and community development leaders from across the country.

During our research, we gave customers a series of activities designed to explore their relationships with money from every angle — from simple everyday transactions like buying a cup of coffee, to more philosophical questions about money as a source of happiness, stress, or distress.

We learned how people make emotional connections to the various tools of finance, including the credit cards they carry in their wallets.

These customers told us that if an account could prevent transactions from going through when there is not enough money in the account, it would help them gain better control of their spending.

Based on that research and following considerable conversations with and feedback from leaders on our National Community Advisory Council, in early 2014, we launched a low-fee banking account called SafeBalance Banking™.

Developed as an alternative option for customers who want more predictability in the way they bank, the new account prevents them from incurring overdraft fees by allowing transactions only when they have enough money in their accounts. SafeBalance Banking also eliminates the uncertainty created by check writing by eliminating this activity altogether.

Since its launch, SafeBalance Banking has received praise from consumer advocates and civil rights organizations as a leading example of how we've focused on providing customers with banking solutions that effectively address their everyday challenges while helping them build better money habits.

Helping Customers Advance Better Money Habits

For each person, feeling in control of their money and making finances simpler and easier to manage means something different. For some, it's all about more predictability in their everyday finances; for others, it's getting useful information in moments that matter. Here are some of the ways we're helping people manage their finances:

- **Alerts:** We have a range of proactive alerts that customers can set up to be notified of account activity.
- **Policy on overdrafts:** We don't let debit card customers overdraft at the point of sale. As part of our commitment to providing more clarity and transparency for customers, in 2010, we made the decision to only allow debit card transaction at the point of sale if a customer has enough money in his or her account. Customers also cannot overdraw their account at the ATM, unless they proactively agree that they understand a fee will be charged. This change helped customers by reducing the likelihood they may inadvertently overdraw their account and incur unexpected overdraft fees on those transactions.
- **Better Balance Rewards™ credit card:** To underscore the importance of building better credit habits, we offer a credit card that rewards responsible credit behavior. With this card, customers who pay more than their minimum payment on time each month receive a \$25 credit in their statements each quarter.
- **BetterMoneyHabits.com:** Developed in partnership with nonprofit Khan Academy, this online education resource — free, objective, and open for all — is part of our commitment to helping everyone understand more about their finances, one decision at a time. This partnership is described in greater detail later in the report. BetterMoneyHabits.com pairs Khan Academy's

expertise in online learning with our financial know-how to deliver simple, easy-to-understand information on a wide range of personal finance topics.



Case Study:

Better Money Habits in Our Financial Centers

We recognize that Bank of America has an important role to play in helping people feel financially confident, so we offer free and unbiased financial education through BetterMoneyHabits.com and within our financial centers.

Better Money Habits is an online financial education resource that we developed in partnership with Khan Academy, a nonprofit organization whose mission is to provide a free world-class education for anyone, anywhere. The Better Money Habits site is free, objective, and available to everyone, and it pairs Khan Academy's expertise in online learning with our financial know-how to deliver simple, easy-to-understand information on a wide range of personal finance topics, including saving, budgeting, building credit, paying down debt, paying for college, and buying a house.

Since the site launched in 2013, we've connected millions of people to information that can help them make better financial decisions. As of December 31, 2015, over 11 million people have visited the site, and our content has been viewed more than 92 million times.

We also use the simple, easy-to-understand information provided through Better Money Habits within our financial centers. Our employees talk with customers about their financial needs and show them how to access this free information to help them address a particular need or to build their general financial know-how.

We began training our associates with the launch of BetterMoneyHabits.com in 2013 and continue to invest in their training. Currently, any one of our financial center associates can pull up materials to print and share with customers, and we have tablets in more than 2,000 financial centers to walk customers through the resources in real time. For example, if a customer is applying for a credit card but doesn't have a good credit history, our personal bankers can show them information on how to improve their credit score.

Approximately 5,200 financial center associates have participated in the Better Money Habits Recognition Program training as of December 31, 2015. We're currently working to identify opportunities to include this topic in customer engagement training so our teammates can point to the resources in their everyday sales and service conversations. Better Money Habits is also included in our relationship banker training and will be included in the relationship manager training as it is developed. We're also working to include appropriate links in servicing communications that go out to customers regarding events like overdrafts and name changes. Regular internal communications direct employees to these resources and share success stories to increase engagement and encourage employees to make Better Money Habits a part of every customer conversation.

A Strong Culture of Serving Retail Banking Customers

We have instituted processes and provided training so our associates clearly understand our values and operating principles. We set clear expectations of behavior for customer interactions, and our employees spend time in training and skill-building activities in person, on the job, and online. We provide continuing education and support through each of our communications channels as employees progress in their careers.

These key strategic communications channels include an interactive Intranet, where consumer banking employees find tools, training, job aids, and leader messages. We also publish “The Water Cooler,” a blog that enables front-line employees to interact with each other, leaders, and business experts. Employees stay connected with our culture through local leadership engagement, daily guidance from financial center managers through a routine called the “Daily Huddle,” and continual feedback and coaching.

Several times each year, employees in our financial centers and call centers participate in “focus weeks,” which provide intense grounding in key elements of their work. For the past several years, employees have participated in activities and learning opportunities during the first week of October, which marks a national focus on customer service. Called “My Customer Week,” the full slate of activities includes videos, role playing, coaching, and exercises that teach employees how to make customer interactions easier and more personal.

Our New Playbook for Customer and Client Engagement

Strengthening our company culture has involved the full commitment and engagement of our managers and leaders as well as the front-line associates. Our Customer Engagement Playbook outlines the core

behaviors and expectations of our financial center associates and enables our leaders to manage and coach them based on business needs, staffing models, and local market conditions. When core behaviors and expectations are consistently met, we show our customers how we’re committed to being better, one connection at a time.

The Playbook covers essential elements, such as how we engage customers, build relationships, and solve problems, and it describes foundational expectations and behaviors. Employees are asked to make a personal pledge to embrace the Customer Experience Commitments:

- Make interactions easier by making it simple for customers to do business with us.
- Make expertise more accessible by partnering with our experts as one team to help our customers.
- Make relationships more human by caring for customers and treating them with respect.
- Share our success by doing the right thing for customers, teammates, and the community.

To enable us to meet our customer satisfaction goals, we publish and use a series of job aides, which help employees understand how to more fully connect and interact with customers:

- Our Customer Experience Guide provides details on behaviors that contribute to our unique customer experience.
- Our Customer Indicators Reference Guide provides an overview of the customer indicators and how customer- and client-facing employees can better use them during various interactions.
- Our Driving Success in Customer Satisfaction Leader Toolkit is designed to help managers and leaders demonstrate and coach associates to achieve better connections with our customers and improve performance in key areas impacting customer experience.

Focusing on Our Clients – Global Wealth and Investment Management

The Global Wealth and Investment Management (GWIM) business of Bank of America – comprised of Merrill Lynch Wealth Management, Global Wealth and Retirement Solutions, and U.S. Trust – is focused on leading the financial industry away from a traditional top-down, one-size-fits-all approach, in favor of a new dialogue. We engage in conversations with clients and prospects so that we can understand what matters most to them and their families, and then tailor advice to help them pursue their goals.

Our GWIM businesses are supported by over 15,700 client-facing advisors, who manage \$2.38 trillion in client assets in over 800 offices around the world. GWIM provides a high-touch client experience through a network of financial advisors who are focused on meeting our clients' needs. Our specialists support our advisors and clients in delivering personalized guidance, solutions, and thought leadership to help meet our clients' needs in investments, banking, and retirement planning. Our vast resources and customized solutions include wealth structuring, investment management, brokerage products, banking and credit needs, financial and succession planning, philanthropic and specialty asset management, family office services, custom credit solutions, trusts and banking, specialty asset management services, financial administration, and family trust stewardship.

First and foremost, we are client advocates. We stress to clients and prospects that our business is not about selling products or investments, but looking for ways to make their financial lives better. This is why each client relationship is grounded in a dialogue focusing on that individual's priorities and objectives. With that understanding, we can discuss how to best use our broad capabilities to make their experience a positive one.

The people of GWIM serve our clients with enormous dedication and talent. Merrill Lynch and U.S. Trust draw upon a combined heritage of more than 250 years of wealth management and private banking leadership, serving generations of individuals and families. They are recognized today for their industry-leading service and innovation in meeting the needs of our clients.

A Culture that Sets Us Apart in Global Wealth and Investment Management

Merrill Lynch and U.S. Trust also share the belief that we serve our clients best through the combined efforts of a team of people working together toward a common objective. Dedicated individuals contribute their talents and expertise to develop customized strategies for each client. For their part, clients can be confident their advisor teams stand ready to respond promptly to their questions and requests, to regularly review their progress, and be fully transparent about risks or fees.

Our advisors have the ability to align the company's broad resources and expertise to a client's financial needs. It could be a young couple's desire to save and invest for their first home, their children's education, and a secure retirement. It could be the capital a small business seeks to develop new technologies or create jobs in struggling communities, provided by individuals investing with a social purpose. It could be the advice and guidance sought by high net worth clients for wealth structuring, trusts and banking, and for help leaving legacies to their loved ones and gifts to their favored charities.

In each instance, GWIM can meet our clients' needs with teamwork that delivers solutions to provide greater value to our clients. As an example, Merrill Lynch and U.S. Trust teams are collaborating side-by-side to provide industry-leading trust capabilities to their

clients, bringing together advisors and specialists to develop comprehensive plans, execute as one team and review the results, so they can continue to improve.

Developing Our Global Wealth and Investment Management Advisor Force

We recognize the importance of developing and enhancing the knowledge and skills our GWIM advisors need to provide a client-centered approach. This is why, even as the advisor population is shrinking across our industry, GWIM's advisor numbers continue to rise, thanks to the success of our recruiting and our commitment to investing in identifying and developing new advisors.

We employ various methods to train our experienced advisor force to ensure they remain current on topics that impact their business, and enable them to leverage their expertise for the benefit of our clients. We also have several formal programs to develop new talent. For example, front-line advisors who rise through the Merrill Lynch Practice Management Development (PMD) program graduate from the most rigorous training program in the industry. Over a three-year period, we provide our advisors the knowledge and discipline they need to build their practices and portfolios and serve and deliver goals-based financial guidance to clients. In 2015, the PMD program was awarded a gold medal in the Brandon Hall Group Excellence in Sales and Performance Awards for the third consecutive year.

After graduating from the PMD program, advisors continue to refresh and expand their knowledge, and GWIM encourages advisors to gain additional certifications, with Certified Financial Planner® among the most popular. In today's environment of rapid change, there's also unrelenting pressure to stay current on market events, new products, and benefits available to their clients, enhancements to our advisory platform, and regulatory requirements that will affect our advisors' practices and clients.

Our Global Wealth and Investment Management business runs two additional formal training programs. The first recruits college graduates and trains them to contribute as members of Financial Advisor teams. The second prepares candidates to become Financial Advisors within our banking financial centers, where they offer traditional banking and investment solutions to prospective wealth management clients.

U.S. Trust's Private Client Advisor (PCA) Development program is a world-class training program unique in the industry. Associates are equipped over an 18-month period with the training and experiences necessary to build a sustainable business and serve many types of clients, from families managing wealth across multiple generations, to business owners, corporate executives, nonprofit organizations, and foundations. Upon successful completion of the program, associates will transition into a PCA role and have access to the full complement of U.S. Trust's advisor-training continuum, which is designed to familiarize them with the broad array of solutions and capabilities available to clients and to deepen their business acumen and client-facing skills. U.S. Trust also partners with providers such as the Wharton School at the University of Pennsylvania for select executive education programs, and associates are encouraged to obtain professional designations such as Chartered Financial Analyst®.

Helping Our Clients Manage Risk

As clients have seen increasing volatility in markets during the past decade, they're seeking assurances that financial firms like ours are fully committed to helping them identify and avoid unnecessary risks.

Our commitment to a strong culture focused on managing risk has impacted the discipline we employ in how we bring products and services to market, and also the steps we take to inform and educate our clients about risk, so that the appropriate choices are made. Our thinking and our actions with clients are guided

by this culture of risk mitigation and transparency. By asking the right questions and addressing concerns proactively, we're providing both a higher level of service and greater confidence in their financial strategy.

Companies and Institutions

Our Global Banking and Markets (GBAM) business delivers Business Banking, Global Commercial Banking, Global Corporate and Investment Banking, and Global Markets services for companies and institutions across the globe. We provide institutional clients worldwide access to our leading sales and trading and research franchises, investment banking services, global client relationships, and product innovation.

Our Global Banking business works with virtually every company in the S&P 500. Through our platform, we're building long-standing relationships with institutional, corporate, and commercial clients in the U.S. and internationally, focused first on understanding each client's specific strategic needs, and then on creating opportunities and solutions by delivering our full range of investment banking and asset management products and services.

Sales and Trading Practices

In 2014, Global Markets launched an initiative to analyze and, where necessary, further enhance our sales and trading market practices. This initiative focused on market conduct and how that conduct is reflected in fair, well-functioning and transparent markets.

Throughout our sales and trading practices, we've taken steps to mitigate conduct risk through preventive and detective measures. Senior managers are engaged in the implementation and oversight of practices and controls to ensure that employees uphold the company's conduct expectations. Salient aspects of the control framework are outlined below:

- Enhanced routines to hold employees and managers accountable for conduct incidents which may result in outcomes ranging from verbal coaching up to termination of employment and/or claw-back of compensation in the most serious cases.
- Business and desk heads have conducted multiple conduct-focused training sessions across the globe for all sales and trading employees, emphasizing our culture of compliance; additionally, new-hire orientation and newly promoted employee sessions focus on conduct and culture expectations.
- Business controls and compliance teams have conducted specific line-of-business training covering acceptable versus unacceptable employee market conduct.
- Access to customer order information and potential resulting conflicts have been further limited through information-security controls designed to restrict access to only those who need to know the information for legitimate business purposes.
- Multi-user chats have been prohibited for two or more banks and/or dealers, are limited to those who have a business purpose, and are closely monitored.
- E-communication reviews have been significantly enhanced, and efforts continue to correlate trading behavior to e-communications and voice communications.
- Sales and trading supervisors are required to review their employee's e-communications, including chats, and escalate potentially problematic communications.
- Supervisory and surveillance capabilities have been improved and continue to be enhanced, and additional compliance testing reviews have been recently added to complement traditional surveillance capabilities.
- These policies and procedures continue to be assessed for further improvement.

Additionally, conduct incidents including policy violations, unprofessional and problematic e-communications and matters identified through supervisory, compliance, human resources, and risk management processes are aggregated globally and incorporated into performance management and compensation decisions. In addition, conduct incidents are reviewed by the Conduct Review Forum, which includes senior business, compliance, human resources, and risk managers to determine if heightened supervisory requirements should be imposed.

Enhanced Controls for Payday Lending/ Predatory Lending

Prohibited Client Relationships and Transactions

Due to inherent, legal, reputational, or financial risk issues, we deem certain extensions of credit as prohibited – which means that relationships or transactions with those specific clients or industries are unacceptable under any circumstances, no exceptions permitted. Under this framework, relationships or transactions that are in violation of Office of Foreign Assets Control sanctions, speculative in nature and purpose, in support of predatory lending practices, or designed to facilitate illegal or improper activities such as unlawful internet gambling are not permissible. Business unit risk teams ensure that these transactions or relationships are prohibited through review of credit approval documentation. In addition, training on prohibited transactions, clients, and industries is conducted as part of the company's overall credit risk governance, as part of general training on core credit policy.

Higher Risk Transactions, Client Types, and Industries

Higher risk transactions, client types and industries present heightened reputation, regulatory, money laundering, and financial risk. Higher risk transactions, client types and industries require a higher level of scrutiny and may warrant enhanced due diligence,

elevated approvals and adherence to monitoring standards. Through proactive and rigorous client selection processes, we have simplified and de-risked our portfolio, including exiting certain businesses that were perceived to engage in unfair, deceptive, or abusive acts or practices. For example, our Commercial and Corporate Banking groups do not actively do business with payday or car title lenders.

Part 3: **Responsible Growth:** **Managing Risk**

Overview

As a financial institution, risk is inherent in all of our business activities. Managing risk well is foundational to our business and our ability to deliver responsible growth. It contributes to the strength and sustainability of our company for the future, and supports the work we do today to serve our customers, clients, community, shareholders, and employees. We invested heavily after the financial crisis to improve our risk management practices and are committed to having best-in-class risk management capabilities.

Key components of our risk management approach include our Code of Conduct, Risk Framework, culture, risk appetite, risk management processes, and three lines of defense, each of which is discussed in detail below.

Code of Conduct and Risk Framework

Our Code of Conduct and Risk Framework are foundational to our culture. Our Code of Conduct provides basic guidelines for our business practices and professional and personal conduct that all employees are expected to follow. Our Risk Framework describes our risk management approach and provides for the clear ownership and accountability for managing risk across our three lines of defense – the front line units, independent risk management, and Corporate

Audit. Our Global Risk Management group performs the function of independent risk management, the second line of defense.

Culture

Managing risk well is a key operating principle that is fundamental to our culture and critical to our success. Our values require us to act responsibly, and our operating principles compel us to take ownership of managing risk. At our company, everyone has a role to play in managing risk. We encourage employees to take personal ownership of, and continuously focus on, risk management as an integral part of our business practices and activities. Our approach to risk management is intended to reinforce a culture of personal integrity and accountability where risks are promptly identified, escalated, and debated, thereby benefiting the overall performance of our company.

We've worked to cultivate a culture and create an environment in which employees discuss risks openly, and exchange insights that help in day-to-day decision-making and strategic planning. Our focus on creating a diverse and inclusive culture further enhances our risk management, as employees feel valued and empowered to share their various perspectives on how we run our businesses. We discuss this in more detail on p. 40. Additionally, our company's ongoing formal and informal training and communications help sustain a shared understanding of risk management and build risk skills throughout our company.

Sustaining and continually strengthening our culture rooted in disciplined risk management is a clear expectation of executive management and the Board of Directors. Our leadership and risk governance routines consistently reinforce this message.

Principles of Managing Risk

The following form the foundation of our operating principle of managing risk well:

- Integrity is required and employees are expected to be honest, ethical, and trustworthy.
- Managing risk well protects our company and enables us to deliver on our purpose and strategy.
- We treat customers fairly, act with integrity and conduct ourselves properly to support the long-term interests of our employees, customers, and shareholders, and the financial markets.
- Individual accountability and an ownership mindset are the cornerstones of our Code of Conduct and are at the heart of managing risk well.
- All employees are responsible for proactively managing risk as part of their day-to-day activities through the prompt identification, escalation, and debate of risks.
- While we employ models and methods to assess risk and better inform our decisions, proactive debate and discussion lead to the best outcomes.
- Our lines of business are first and foremost responsible for managing all risks in their businesses.
- Independent risk management provides independent oversight, while Corporate Audit provides independent assessment and validation.
- We strive to be best-in-class by continually working to improve our risk management practices and capabilities.

Managing Risk in Practice

Key to managing risk well is our philosophy that all employees take the initiative to identify, escalate, and debate risk issues across our enterprise.

- **Identify:** We foster a culture where employees are encouraged to proactively identify risks, including emerging risks, in all of our activities and in every part of the company. We believe that it's important to identify risks regardless of their probability of occurrence at any given point in time, as probabilities continually change, and paradigm shifts in economies and markets can dramatically alter probabilities.

- **Escalate:** We require employees to be diligent, and escalate risks at the point of discovery. We expect employees to notify their managers immediately when they have identified a potential risk. They're also encouraged to share any risk-related concerns with their manager's manager or with partners in Global Risk Management or Corporate Audit. We expect managers to create an environment in which everyone is encouraged to ask questions, raise concerns, and challenge others constructively.
- **Debate:** We promote frank dialogue and the deliberation of risks and, consequently, seek to create and maintain an environment that promotes open debate, challenge, and resolution of risk-related issues. We encourage our employees to be intellectually curious, and require them to both initiate and participate in a thorough, dispassionate, and objective challenge process where they can discuss risks, issues, and concerns openly in order to arrive at the best possible outcome.

Ongoing Efforts to Strengthen Managing Risk

Since the financial crisis, we've worked diligently to enhance and embed routines into our daily operations that support a sound culture rooted in disciplined risk management. In 2014, we surveyed employees to establish a baseline for our risk management practices that support our culture and identify strengths and opportunities for improvement. We launched various initiatives based on those survey results, and we continue to incorporate lessons learned into our practices, and tailor these practices to the dynamic business environment. This enables us to sustain high risk management standards and continuously strengthen our culture as part of our commitment to build leading risk management capabilities.

Recent initiatives to strengthen our culture and risk management practices include the following:

"Tone From the Top" and Leading by Example

The Board and executive management set our core values and drive our culture of risk management through setting the tone from the top and leading by example. The Board and executive management team reset our company's direction in 2010 by carefully articulating our purpose and strategy, and clearly describing our operating principles and values. Since then, we've continued to make significant strides to instill a sound culture consistent with this direction. For example, our CEO has led numerous global town halls discussing our values and operating principles and emphasizing responsible growth. In addition, members of senior management have participated in discussions where they've shared their insights on how to build a strong culture of risk management. They've also reinforced the importance of each employee's role in managing risk at all-hands meetings and town halls, through executive communications, and by personal acknowledgment of employees who have demonstrated exemplary risk management practices.

Performance Management, Compensation, and Recruiting

Risk and controls are an important part of our performance management, compensation, and recruiting processes. Our compensation policies and practices encourage responsible risk-taking consistent with the Risk Framework and risk appetite. Over the past several years, we've aligned performance plans and compensation with risk management tools and enhanced promotion and reward practices to reinforce the importance of delivering results over both the short and long term. Our performance management and compensation practices are designed to reward employees who conduct business and achieve results in the right manner. Compensation can be influenced not only by what the employee achieves, but how the employee achieves it, and while employees have the opportunity to earn increased compensation for strong

performance, some may receive a decreased amount, or no incentive at all, if performance has not met expectations. Career advancement and job promotion opportunities are tied to overall employee performance, including adoption of our culture, and adherence to our Risk Framework and the company's core values. For our leaders, we incorporated objectives about risk into their assessment process, and we enhanced our expectations for leaders by adding desired behaviors to their performance goals, which are aligned with our culture. More information about our compensation practices can be found on p. 44.

Building Skills and Capabilities

Recruiting highly skilled and experienced personnel is critical to our success and to the continual enhancement of our skills, capabilities, and culture. Our employees are our most important resource, and we strive to hire the best people. Over the past several years, we've focused on hiring highly skilled and experienced personnel for Global Risk Management, including in the areas of Global Compliance, global risk analytics, and model risk management.

Training helps sustain our culture. All new employees are provided training and information during on-boarding to help acclimate them with our values, risk framework, and risk management practices. We also require employees to take annual training on our Code of Conduct, which provides basic guidelines for business practices and professional and personal conduct which employees are expected to follow. We provide role-based training for certain priority compliance topics, such as the Servicemembers Civil Relief Act, Regulation W, and the Volcker Rule. We incorporate training on risk management into specialized development training for employees, such as our Manager Excellence training, a training series for managers, and our "Risk Minute Video" training. In addition, certain lines of business develop and conduct their own tailored trainings to address risks specific to their operations.

Communications

We have a comprehensive communications strategy that articulates key messages across the company about our values and operating principles. We continuously drive home key messages, such as: we all have a role in risk management, and managing risk well is everyone's job. We've executed a campaign to encourage employees to be intellectually curious and "use their voices" to proactively raise issues and provide effective challenges. We also carried out an enterprise-wide "risk week" program aimed at creating greater awareness of and attention to risk management and culture, and over the past several years, we've worked to enhance the company's intranet site with additional tools and resources on risk management practices. We recognize that creating and maintaining a strong culture requires vigilance and a steadfast commitment to a robust communications strategy, and we continue to focus on this by identifying enhancements to our communications strategy.

Providing Role Clarity

We carefully articulate responsibility and accountability for managing risk at each level of the company – the Board of Directors, executive management, managers and employees. In addition, we've implemented fundamental changes over the past several years to enhance the governance and oversight of our control environment. We have clear ownership and accountability for managing risk across our three lines of defense: front line units, independent risk management, and Corporate Audit. Front line units are first and foremost responsible for managing all risks of their businesses.

This past year we reorganized our global risk management operating model to make the group a more efficient and effective second line of defense. As part of this reorganization, we established front-line unit risk teams that face our eight lines of business and have primary responsibility for providing strategic,

holistic, and independent oversight across all risks within a business; and enterprise risk teams that have deep subject matter expertise for a given risk type, product or capability with end-to-end enterprise-wide responsibility.

This operating model will further drive proactive management of all types of risk across the company, increase our effectiveness at managing risk, and facilitate more holistic thinking about risk and the interplay between risk types.

Reinforcing Our Culture With Formal Processes

The company's governance framework provides structure and robustness to our risk management activities and reinforces our culture focused on managing risk. Components include our Board of Directors, Board committees, management committees, and their related risk management routines. Policies, standards, procedures, and processes further reinforce our culture.

An overarching theme of our efforts to enhance our culture is simplification. Among other things, we've streamlined our governance structure and operating model, clarified roles and responsibilities, simplified processes and reporting, and reduced bureaucracy and complexity. Our risk governance and controls are supported by policies, standards, procedures, and processes that provide consistency and clarity on requirements for managing risk and how these requirements must be addressed, and also help streamline and simplify governance practices.

Risk Appetite

Our risk appetite establishes guidelines and parameters around the amount of capital and earnings we're willing to put at risk to achieve our strategic objectives and business plans. The risk appetite is reviewed and approved by our Board of Directors at least annually.

In addition, management and certain committees of the Board monitor risk metrics relative to our risk appetite limits and take action as necessary to proactively and effectively manage risk.

Our risk appetite is rooted in several principles, including:

- **Overall risk capacity:** Our overall capacity to take risk is limited, so we prioritize the risks we are willing to assume. Our risk capacity informs our risk appetite.
- **Financial strength to absorb adverse outcomes:** Our objective is to maintain a strong and flexible financial position so we can weather challenging economic times and take advantage of organic opportunities for growth.
- **Acceptable risks:** We consider all types of risk, including those that are difficult to quantify. Qualitative guidance in our risk appetite statements helps us manage risks that are hard to quantify in a manner consistent with our culture. We seek to assume only those risks that we have the skills and capabilities to identify, measure, monitor, and control.

Risk Management Processes

Risk management is an essential component of our daily business activities. We employ an effective risk management process that involves identifying, measuring, monitoring, and controlling risk as part of our daily activities.

Risk considerations are also of paramount importance when establishing our strategic and financial plans. Our strategic planning process consists of a top-down approach based on our risk appetite, financial considerations, strategic themes, and economic assumptions, integrated with a bottom-up approach driven by our lines of business. Our risk appetite, and capital and liquidity considerations are integral parts of our strategic planning process. We consider them

throughout the process in order to make the strategy of each line of business align with our company's overall appetite for risk and financial resources.

In addition, we employ key processes, such as stress testing, capital adequacy assessments and recovery, and resolution planning, to help us make sound business-planning decisions. We conduct companywide stress tests on a periodic basis to better understand balance sheet, earnings, capital, and liquidity sensitivities to certain economic and business scenarios, including conditions that are more severe than anticipated. We've developed and maintain contingency plans that are designed to outline in advance how we will respond in the event of potential adverse outcomes. These contingency planning routines include capital contingency planning, liquidity contingency funding plans, and recovery planning. Contingency response plans, are designed to enable us to increase capital, access funding sources, and reduce risk through consideration of potential actions that include asset sales, business sales, capital or debt issuances, and other de-risking strategies.

The Three Lines of Defense

The three lines of defense consist of front-line units, independent risk management, and Corporate Audit.

Front-Line Units

Front-line units, which include our eight lines of business, are organizational units or functions that engage in activities designed to generate revenue or reduce expenses, provide operational support or servicing to any organizational unit or function in the delivery of products and services to customers, or provide technology services to any such organizational unit or function. Front-line units are our first line of defense in managing risk and are held accountable by the CEO and the Board for appropriately assessing and effectively managing all the risks associated with their activities.

Independent Risk Management

Our Global Risk Management group performs the function of independent risk management, the second line of defense, and is responsible for independently assessing the risks associated with our company's domestic and international business activities — providing effective challenge and overseeing risk. Global Risk Management establishes policies and procedures that outline how our aggregate risks are identified, measured, monitored, and controlled. It also escalates material risks that it identifies, as appropriate, to our executive officers, Board, and relevant committees. Global Risk Management oversees all types of risk, including compliance risk.

Global Risk Management is led by the Chief Risk Officer, who reports directly to both the Enterprise Risk Committee and the CEO and is responsible for the development and implementation of our Risk Framework. Global Risk Management is organized into enterprise risk teams and front-line unit risk teams that work collaboratively in executing their respective duties. Enterprise risk teams establish and assess adherence to policies and standards, provide company-level risk oversight, and monitor and report on risks. These teams also ensure that risk profiles remain within specified limits and align with our risk appetite. Front-line unit risk teams oversee the risk management governance structure for the lines of business and other front-line units.

Global Compliance is led by the company's global compliance executive, who maintains the authority for oversight of compliance risk and compliance-related matters. Global Compliance has responsibility for the overall identification, management, escalation and objective independent oversight of compliance risks and compliance-related matters across the company.

Corporate Audit

Corporate Audit is the third line of defense. Corporate Audit, led by the corporate general auditor, maintains its independence from the front-line units, independent risk management, and other control functions by reporting directly to the Audit Committee of the Board. The corporate general auditor administratively reports to the CEO. Corporate Audit provides independent assessment and validation through testing of our key processes and controls across the company.

Key Risk Types

We have defined seven key types of risk: strategic risk, credit risk, market risk, liquidity risk, operational risk, compliance risk, and reputational risk.

Strategic Risk

Strategic risk is the risk resulting 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. We continually face strategic risks due to the changing regulatory and competitive environments in which we operate, in addition to the development of new products and technologies in the financial services industry.

We proactively consider strategic risk throughout the strategic planning process. Our Board reviews and approves our strategic plans after considering strategic risks in addition to other types of risk. In addition, we set strategies within the context of our overall risk appetite, and track the performance of our strategic plan to proactively manage our risks.

We have been working since the financial crisis to enhance the management of strategic risk, and are continuing to do so, by:

- Working closely with front-line units to verify the appropriateness of line-of-business risk appetites within the company's overall risk appetite.

- Assessing line-of-business strategies to ensure consistency with the company's overall strategic direction and financial and capital plans.
- Strengthening our forward-looking analytics and stress-testing tools.
- Performing analysis, including stress testing, on portfolios to understand risk due to changes in macroeconomic or geopolitical conditions.
- Conducting deep dives on exposures and activities in different countries or sectors to ensure consistency with our overall business strategy and risk appetite.

Credit Risk

Credit risk is the potential loss due to a borrower's or counterparty's future inability or failure to repay their contractual obligations to us, and it can significantly impact earnings. Credit risk is created each time we commit to or enter into an agreement with a borrower or counterparty.

We manage credit risk to borrowers and counterparties based on their risk profile, which includes assessing repayment sources, underlying collateral, and the expected impact of the current and forward-looking economic environment on borrowers and counterparties. Underwriting, credit management, and credit risk limits are proactively reassessed as a borrower's or counterparty's risk profile changes. In addition, we employ collection and loan modification programs, as well as customer assistance infrastructure, to mitigate our exposure to credit risk. In our lines of business, we utilize various methods to mitigate losses, including increased portfolio monitoring for moderate-to-weak risk profiles and hedging.

Initiatives to improve our management of credit risk that were undertaken over the course of the several years following the financial crisis include:

- Transforming from a product-focused to a customer-focused strategy for extensions of credit, thereby improving the overall quality of our credit portfolio.

- Establishing risk appetite statements and limits at legal entity, line of business, and business unit levels to better manage and control the level of risk. This has helped us enhance our monitoring and measuring of credit risk by improving analytics and adding granular and dynamic credit risk limits, to better control and manage credit risk within our risk appetite.
- Continuously enhancing our loss modeling and stress-testing capabilities to improve our ability to measure the performance of our credit portfolios under various stress scenarios.
- Better measuring our key vulnerabilities and concentrations (e.g., to residential and commercial real estate).
- Changing our loan underwriting criteria (e.g., max loan to value, minimum FICO) and actively monitoring our performance against those standards.

Market Risk

Market risk is the risk that changes in market conditions, and which may adversely impact the value of our assets or liabilities or otherwise negatively impact our earnings. Market risk is inherent in financial instruments to which we have exposure through our operations and activities, including loans, deposits, securities, short-term borrowings, long-term debt, trading account assets and liabilities, and derivatives.

Market risk management ensures that the front-line units remain within the company's stated market risk appetite. We manage this primarily through establishing and monitoring a set of market risk limits. These limits have thresholds that may not be exceeded without executive and risk management approvals. In addition to limit monitoring, the market risk teams assist the lines of business with understanding, measuring, and monitoring the market risk in their portfolio and advising on risk reward or hedging decisions. Market risk management also has responsibility for setting enterprise policy and process standards.

Recent enhancements to our market risk management practices, which were motivated in part by regulations promulgated subsequent to the financial crisis, include:

- Increasing the frequency and granularity of market risk data reconciliation efforts.
- Enhancing daily reconciliation processes.

Liquidity Risk

Liquidity risk is our potential inability to meet expected or unexpected cash flow and collateral needs while continuing to support our businesses and customers. Many of our operations and activities impact our liquidity risk profile, and liquidity risk is present in each of our major business lines and enterprise activities. Our liquidity risk profile is also impacted by corporate activities, such as strategic funding decisions, tax planning, and litigation settlements.

Understanding our liquidity risk profile in aggregate and on a granular basis is fundamental to managing liquidity risk across our enterprise. We employ liquidity measures to ensure the appropriate composition, maturity profile, amount of funding, and liquidity of assets. We also employ limits to control the amount of certain types of assets and liabilities within our liquidity risk appetite. In addition, we have developed certain funding and liquidity risk management practices which include: maintaining excess liquidity at the parent company and selected subsidiaries; determining what amounts of excess liquidity are appropriate for these entities based on analysis of debt maturities and other potential cash outflows, including those that we may experience during stressed market conditions; diversifying funding sources, considering our asset profile and legal entity structure; and performing contingency planning.

Recent improvements to our management of liquidity risk include:

- Strengthening our absolute levels of liquidity across all risk measures.
- Hiring additional personnel to support expanded liquidity risk management coverage.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems, or from external events. We manage operational risk by designing and implementing internal controls to identify, measure, monitor, and control risks. We have quality assurance controls in place within processes to consistently assess controls and benchmark their effectiveness and efficiency across multiple business processes. We also rely on all employees to conduct themselves properly, contribute to an effective internal control environment, and manage operational risk within their roles.

Our recent enhancements to strengthen operational risk management include:

- Developing and implementing governance routines to prioritize and coordinate risk management improvement opportunities.
- Adopting consistent processes to ensure business-led risk management forums are run with the necessary rigor, and provide the appropriate environment to effectively escalate and debate key issues.
- Developing and implementing an enterprise-wide control framework to govern, control, and mitigate risks associated with spreadsheets throughout their lifecycle.
- Enhancing our commercial and consumer loss forecasting capabilities.
- Improving counterparty risk management practices.

Our operational risk management efforts include the management of model risk. Model risk refers to the potential for adverse consequences from decisions based on incorrect or misused model results.

Our recent enhancements to strengthen the model risk management function include:

- Increasing accountability for model risk

management by line-of-business and control functions to ensure model risk is managed consistently with other major risk categories.

- Strengthening model risk management practices, procedures, and systems.
- Revising the model risk policy and enterprise-wide standards for review and challenge of models across the company.
- Continuing to build out the risk appetite framework for model risk with enhanced metrics and monitoring.

Compliance Risk

Compliance risk is the 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, regulations, and related self-regulatory organizations' standards, and codes of conduct.

We manage compliance risk through an integrated set of controls and processes to address external and internal risks, including a complex and dynamic regulatory environment and the evolving products, services, and strategies of the front-line units and control functions.

Our recent enhancements to strengthen our global compliance program include:

- Creating a new centralized testing function to enhance compliance-testing capabilities and test design, as well as documenting consistent and efficient procedures. This new function enables stronger, independent testing capabilities for the company and brings together testing expertise across all groups.
- Improving our compliance risk assessment approach to more clearly focus on business and control functions, assessing the inherent

compliance risk of activities and the effectiveness of controls, and determining control weaknesses to be strengthened and enhanced.

- Enhancing our compliance reporting to provide an independent view of compliance risk across the company and support transparent communication and management awareness of compliance risk. This reporting brings together a comprehensive and independent view of compliance risks and themes across the company.
- Instituting a new compliance policy that establishes clear roles and responsibilities for the management of compliance risk, and drives more consistent execution by clarifying roles across Global Compliance and front-line units.

Reputational Risk

Reputational risk is the risk that negative perceptions of our company's conduct or business practices will adversely affect us and our business by, among other things, not being able to establish new or maintain existing customer relationships. Many of our business activities expose us to reputational risk, and we evaluate the potential impact to our reputation across a broad spectrum of activities and risks. We manage reputational risk by establishing policies and controls in our business and risk management processes to mitigate reputational risks in a timely manner and through proactive monitoring and identification of potential reputational risk events.

Over the past several years, we've taken steps to strengthen our management of reputational risk, including:

- Updating and enhancing our policies and guidance for our reputational risk committees, including explicit inclusion of environmental and social issues.
- Improving our reporting on reputational risk.

Part 4: Responsible Growth: Growing in a Sustainable Manner

Sustainable Responsible Growth

We are invested in the company's long-term sustainable growth, and the fourth pillar of our responsible growth strategy emphasizes the importance of this commitment.

We understand that we must sustain operational excellence in all our functions, as well as continue to be innovative in how we deliver end services to our customers and clients. Later in this chapter, you'll read how we've focused resources and expertise on lower-fee products, mobile banking, and financial education, and how we're ensuring enhanced security throughout the banking process.

Sustainable responsible growth also means that we're able to attract and retain great people, in all our business disciplines, and be viewed by our own people and by people within our industry as a great place to work. Sustaining this broad support and engagement starts with a culture of shared success. We've made significant investments in the health and wellness of our people, and in deepening the principles of inclusiveness and diversity across the company. We've built the core principles of corporate social responsibility into our strategy, and we're guided by these principles across our entire business.

Operational Excellence

Sound day-to-day operations within an organization like ours are most clearly felt by customers and clients. Throughout the company, we continue to reduce expenses and reduce volatility in risk and quality, and we already are setting the standard for operational excellence in several measures within our industry. The ongoing goal of operational excellence remains one of our key operating principles.

Simplifying and Strengthening the Company

In response to today's economic realities and to the evolution of our own business model, we've made important changes to every facet of our operations, including how the company is capitalized and structured.

Financial Strengthening

Since 2009, Bank of America has reduced risk and decreased the size of its balance sheet while substantially strengthening capital and liquidity. Our company's post-crisis strategy has been clear: to deliver the full breadth of the franchise to three customer groups while building and maintaining a strong and secure balance sheet. This transformation has emphasized both increasing available financial resources (capital and liquidity) and reducing and better managing risk across businesses. Specifically, the company has accomplished the following:

- Increased capital levels by \$43 billion, or 36%, since the end of 2009 to \$162 billion at the end of 2015 (Tangible Common Equity), while materially reducing the company's risk profile.
- Built record levels of excess liquidity — \$504 billion at the end of 2015 — more than double the end of 2009.
- Significantly reduced the total long-term debt footprint, from \$523 billion in the fourth quarter of 2009 to \$237 billion at the end 2015.
- Lowered refinancing risk by reducing, extending, and smoothing the maturity profile for parent long-term debt, as demonstrated by a reduction in near-term, annual long-term debt maturities from over \$50 billion to approximately \$20-25 billion per year.
- Concurrently maintained strong parent liquidity, with 39 months' coverage of maturities, versus 27 months' coverage of maturities in 2009.
- Eliminated both parent commercial paper and broker-dealer master notes, resulting in an 86

percent reduction since 2008 in total outstanding commercial paper and short-term borrowings.

- Further moderated short-term liquidity risk in non-traditional repo, as 79 percent of the overall portfolio now has a term of greater than one month, up from 55 percent in 2010.
- Focused the franchise on serving core customers and eliminated proprietary or non-core activities, including \$73 billion in divestitures.

Structural Simplification

As part of the company's transformation since the financial crisis, simplifying the legal entity structure has been a priority. A few key actions taken include:

- The number of legal entities has been reduced by roughly 45 percent since 2011.
- A number of internal mergers have simplified the organizational structure, reducing complexity and interconnectedness:
 - Merrill Lynch & Co., Inc. was merged into Bank of America Corporation on October 1, 2013.
 - Two smaller banks, Bank of America Rhode Island, N.A., and Bank of America Oregon, N.A., were merged into Bank of America, National Association (BANA) in 2013.
 - FIA Card Services, National Association was merged into Bank of America, National Association (BANA) as of October 1, 2014.

The simplification of the legal entity structure over the past several years has been coupled with a strengthening of the oversight of the company's legal entities. The company developed a Subsidiary Governance Policy in 2010 that included tiering the entire population of legal entities, setting minimum legal entity reporting requirements and designating representatives from the businesses, finance, and risk as formal legal entity designees. A Legal Entity executive, or LEE, was formally named in 2011 with the responsibility to oversee the Subsidiary Governance

Policy. The LEE ensures that the legal entity structure is measured against the formal set of criteria as part of business processes and routines.

Simplify and Improve Initiative

In addition to financial and legal entity structural changes, we've asked our teammates for ways we can improve operations within the company. We call this process at the bank "Simplify and Improve," or SIM, and it's a key part of our strategy to grow Bank of America sustainably. The SIM initiative has become an idea generator throughout our organization.

We launched SIM in 2014 in response to feedback from employees, customers, and clients who said we could make it easier to do business with Bank of America. Even before SIM was implemented, we looked for ways to optimize the processes at the heart of our business. With this in mind, our SIM team started collecting ideas from employees across the company. At the same time, dedicated teams in each area of the company precisely mapped our current processes behind the bank's core functions — including ATM security, loan approvals, and investment analysis and advice — to better understand how those functions can be improved.

This work has resulted in nearly 1,000 ideas that have been approved or implemented in the first year of SIM. We anticipate these ideas will deliver a higher level of service and security to our customers and clients while generating significant savings and revenue for the company. And there are thousands of other ideas within our SIM pipeline that continue to be reviewed. Here are just a few examples:

- **Streamline approvals:** In the past, the credit process in Business Banking has been time consuming because of the many approvals required. The SIM team has streamlined the approval process, reducing the Business Banking approval grid from 24 to four pages and making requirements clearer and more consistent for customers.
- **Consolidate tools and systems:** Our SIM team within Enterprise Business and Community Engagement consolidated more than 100 data elements from 35 systems into one tool. In addition, the reporting that was done manually is now automated, which will save the thousands of hours it took to compile it previously.
- **Move in real time:** Recently, the SIM team within Merrill Lynch Wealth Management consolidated the view of customer data in the Client Wellness Dashboard, reducing the number of clicks it takes to locate the data from over 70 to just one. This provides managers access to real-time analytics to enable them to more effectively coach advisors on growth opportunities and risk management.
- **Make authentication easier:** With the rise of calls from mobile phones, we're developing a "click to dial" solution that will allow clients to call us by using a "contact us" button within the mobile app to authenticate directly. By having mobile numbers on file, clients will not have to re-authenticate once connected with customer service specialists.
- **Deliver one company:** We want to improve the Home Loans experience by allowing our client-facing employees to access client documents and accounts that are currently part of their overall Bank of America relationship, including Retail Banking, Preferred, and Small Business, Merrill Lynch and U.S. Trust. For the customer, this creates a more streamlined and efficient home loan process.
- **Speed decision-making:** We are simplifying our operations in Consumer Lending by increasing automation for new account acquisition and credit line increases while remaining within our risk parameters. This will increase our consistency, and provide customers with quicker decisions. We are also consolidating technology platforms to reduce operational complexity and operational risk.

Addressing Customer Concerns

How we resolve customer complaints through operational excellence presents one of the greatest opportunities we have to strengthen our relationship with customers. Quite simply, it can make or break their connection with the bank.

Formed in 2014, the Enterprise Customer Care Resolution (ECCR) team brings together groups responsible for resolving customer concerns across card, deposits, and mortgage areas. The team also includes groups that work with lines of business to ensure customers receive consistent, fair, and responsive treatment when their concerns are resolved and remediated.

Reducing the number of people the customer has to deal with is one of the most important challenges of this initiative. The ECCR team members work with experts in all areas of the bank, but operationally, we want just one person to be the customer's point of contact until we resolve the issue.

In 2015, the team developed training, coaching exercises, role-playing activities, and online resources to help ECCR teammates refine their skills at resolving and preventing customer issues. Call-quality measurement and policy and procedure updates are already improving the customer experience. Alignment with enterprise initiatives, such as call monitoring and customer authentication, will also build competitive advantage, as customers who have a positive service recovery experience should be more receptive to speaking with a company representative about deepening their banking relationship.

Technology Simplification and Modernization

Global Technology and Operations (GT&O) is the functional organization within Bank of America responsible

for managing the company's global infrastructure, technology, and operations to meet client needs with appropriate controls and testing to ensure operational risks are mitigated.

Over the past several years, we've invested in the modernization of our platforms, resulting in less complexity through the retirement of applications and the simplification of technology environments. Efforts span from the consolidation of platforms – such as reducing three deposit platforms to one – to broader transformational programs that are eliminating duplicate systems of record, automating manual processes, significantly increasing processing capacity, and delivering more resilient hardware and software.

In partnership with front-line units and control functions, GT&O develops strategic plans that provide roadmaps for technology capabilities and foundational architecture. These plans address:

- What is possible and proven in technology today.
- Use of scale to change the way infrastructure is deployed.
- Digitization of platforms and operating processes.

Our work to simplify and modernize our systems over the past several years is making banking easier for customers, clients, and employees. For example:

- **Consumer Deposits platform:** Converting to a single national deposits platform from three platforms enabled us to offer all customers a consistent coast-to-coast sales and service experience.
- **Merrill Lynch One®:** The integration of five separately managed Merrill Lynch platforms into one offers a single view of a client's holdings across all of their accounts, providing financial advisors a clearer understanding of how different investment portfolios align to client goals.

- **CashPro®:** Our consolidated client treasury services platform for Corporate and Commercial Banking clients provides access to comprehensive cash flow information on accounts worldwide.
- **Credit card processing platform:** This has been the largest domestic platform conversion in the credit card-serving industry. We converted approximately 86 million consumer credit card accounts, updated 2,500 operational procedures to reflect process changes, and trained 17,000 employees for the conversion. We completed this conversion to better integrate our systems, improve efficiency and customer service, and help us customize products based on customer and client needs.

In addition, operational risk has been reduced through improved platform stability – enabled by simplification and modernization efforts – and the management of operational performance through strict governance over error analysis, root cause discovery, and disciplined mitigation programs. Operational risk has also been reduced through the monitoring and management of high-risk processes and identification of key controls for these processes.

Resolution Readiness

During crisis situations, it's crucial for our company to function properly, and operations are a key part of this. Bank of America takes very seriously our role in the global financial system, and we're committed to exemplary recovery and resolution preparedness. We have a responsibility to operate our businesses not only to serve our customers and clients and benefit our shareholders but also in a manner that limits the possibility that severe financial stress at the company could cause harm to customers, employees, U.S. taxpayers, or the overall economy or financial system. We're focused on limiting this possibility, and we've embedded the consideration of enhancing resolvability in many of our strategic decisions.

Since 2009, we've made significant strides to enhance our resiliency and our preparedness for crisis situations through a combination of increased financial strength, reduced risk profile, simplified company structure and operations, and well-developed crisis-management protocols. We're committed to identifying additional opportunities to improve our resiliency and crisis preparedness.

Enhancing Resolvability

Bank of America is committed to improving resolvability by identifying and mitigating risks. To ensure that impediments are identified and mitigated on an ongoing basis, the company has incorporated the identification of resolvability risks into its business routines. Since submitting its first Resolution Plan in 2012, Bank of America has completed over 20 projects to enhance resolvability. We've aligned the completed resolvability enhancements and the actions underway into four primary areas of resolution preparedness:

- **Financial preparedness:** The framework for and placement of capital and liquidity necessary to execute the resolution strategies for the material entities.
- **Structural preparedness:** The continued rationalization of the company's legal entity structure and business practices for enhanced recoverability and resolvability.
- **Decision-making preparedness:** The formalization of overarching event management governance to guide Board and management decisions during times of severe financial stress.
- **Operational preparedness:** The further build-out of executable operational continuity capabilities.



Case Study: Our Environmental Operations

Today, the bank's operations are on a path to be more environmentally sustainable. Efforts such as reducing greenhouse gas (GHG) emissions, paper and water consumption, diverting more waste from landfills through recycling and composting, and occupying buildings that are LEED-certified are all initiatives that reduce costs while reinforcing responsible operations and environmental stewardship throughout our organization.

Since 2010, we have made significant progress towards our global operational environmental goals:

- Greenhouse gas emissions reduced by 26%
- Paper usage reduced by 29%
- Water consumption reduced by 28%
- 19% of our workplace is LEED-certified

In 2011, Bank of America set a goal to reduce our absolute greenhouse gas emissions by 15 percent by 2015. The goal spans our global operations in more than 35 countries, and builds on our previous GHG reduction of 18 percent from 2004 to 2009 in our U.S. portfolio. We will far exceed this goal.

Data centers are essential to our business. As our data centers account for 20-25 percent of our GHG emissions, our goal is to significantly increase the efficiency of our overall data center footprint. Since 2010, we've exited more than 30 data centers, consolidating our computing operations into significantly fewer buildings and reducing our energy usage in this area. We will continue to emphasize efficiency in our data centers in the coming years, to help simplify our operations, reduce costs, and lower emissions.

Water is essential to our operations, and we take very seriously our responsibility to carefully manage our water resources. We've significantly reduced our water usage through the installation of many types of water-saving fixtures, and we've recycled or reused more than 23 million gallons of water throughout our facilities. Today, we use a billion fewer gallons of water annually than we did in 2010.

We report annually on our greenhouse gas emissions and water usage to CDP. In 2015, we received a perfect score of 100 for disclosure and an A for performance from CDP, and were listed on the CDP Climate A List and the Climate Disclosure Leadership Index (CDLI) for the sixth consecutive year.

Paper is a significant contributor to our environmental footprint. We have three paper-usage goals we've worked to achieve by 2015: decrease our overall paper use by 20 percent; use an average of 20 percent post-consumer recycled content by weight; and use only paper sourced from certified forests. Throughout 2014 and 2015, we continued to focus on transitioning customers to online banking, reducing employee printing, and increasing the digital delivery of key documents. Since 2010, we've reduced our paper use by 29 percent, and we are on track to reach our goal of having 100 percent of our paper sourced from certified forests.

We plan to announce the results of our 2015 global operations' environmental goals in Spring 2016, when we will also announce our new suite of environmental goals.

Great Place to Work

Based in more than 35 countries, our employees represent the diversity of the communities we serve — in thought, style, experience, culture, race, ethnicity, gender identity, and sexual orientation. Their unique perspectives help us make financial lives better for people, companies, and institutions around the world.

As we strive to make Bank of America a great place to work, we listen to our employees to build on our programs and resources to enhance their employee experience, help them become better in their jobs, and further their careers with us. Through their feedback, we've learned that the needs of our employees are changing as today's workforce is changing. Many employees are raising children, supporting aging parents, staying in the workforce longer, and changing their career paths to pursue personal goals. To support these diverse needs and drive our culture of making financial lives better, we focus our efforts on several key areas:

- Growing our diverse and inclusive workforce.
- Empowering professional growth and development.
- Rewarding performance that balances risk and reward.
- Investing in health, emotional, and financial wellness.

Growing our Diverse and Inclusive Workforce

We are a diverse and inclusive company where our employees are actively encouraged to bring their full selves to work, and are empowered to share their perspectives on how we run our company and support one another. The diversity of our employees — in thought, style, sexual orientation, gender identity, race, ethnicity, culture, and experience — is essential to our ability to meet the needs of our diverse customers and clients. Today, more than half of our global workforce is female, and more than 40 percent of our U.S. workforce is racially and ethnically diverse. Our senior leadership is

equally diverse, with six of our CEO's direct reports and six of our 13 Board of Director members being female and/or persons of color.

We have a disciplined approach to maintaining and continuing to improve our diversity. Our Global Diversity and Inclusion Council, chaired by Brian Moynihan and comprised of senior leaders from around the company, is responsible for setting diversity and inclusion goals and practices. Our Global Diversity and Inclusion Organization is a team of employees whose full-time responsibility is to partner with every business and region to develop diversity and inclusion strategies, recruit diverse talent, manage partnerships and alliances focused on diversity, and actively engage our employees. Each member of our management team, including the CEO, has diversity and inclusion metrics incorporated into their business goals, and that focus is expected for all managers across the company. In fact, each of our lines of business have councils charged with planning and implementing diversity strategies and meeting their targeted goals and metrics. To support these efforts, we have recruiting programs specifically designed to identify qualified diverse candidates, including partnering with more than 200 schools, colleges, universities, and external organizations.

Through our far-reaching recruitment programs and partnerships, we're bringing the best and brightest from around the world to Bank of America. In order to build the next generation of leaders, we have campus staff dedicated to recruiting and retaining talent, and aligned with top diverse external organizations and conferences in order to build a more diverse workforce. Our most recent campus recruiting class was more than 50 percent diverse.

We have many programs in place to help develop high-performing, diverse employees, and prepare them for the next level of their career. Programs like our Global Women's Conference, Black Executive Leadership

Summit, and Hispanic Latino Leadership Summit connect employees to senior leaders, outside experts, and to guidance on how to differentiate themselves and achieve their career goals. We also have 12 employee networks, which are comprised of more than 200 chapters and over 70,000 members around the world, for women, black/African-American, Hispanic/Latino, military, LGBT, and employees with disabilities. These networks provide employees with opportunities to connect to develop leadership skills, build strong ties with the communities we serve, and bring lasting value to our business strategies.

All of these programs and efforts were created based on the feedback we receive from our teammates. They are at the heart of all of our efforts in creating an inclusive workplace. After each Employee Engagement Survey, the management team, as well as every line of business, reviews the results to evaluate ongoing efforts to improve the employee experience. Employee satisfaction action teams are formed to gain a deeper understanding of the survey results, prioritize issues and concerns, and develop solutions. These action teams are also a vehicle to gather employee feedback on an ongoing basis, on both the issues and the solutions.

In addition to surveys, employees are encouraged to share their feedback in many other ways – through direct feedback with their managers, regular employee town hall meetings, line-of-business meetings, and Flagscape, our intranet for employees. Through Flagscape, we run a program called “Speak Up!” that encourages all employees to share feedback, ideas, questions, and success stories with management. In 2015, employees posted almost 18,000 submissions through the program. We also offer employees direct mechanisms to:

- Contact the Global Human Resources Service Center with HR-related questions.
- Report ethical concerns or violations.

- Contact the Employee Banking and Investments team for confidential solutions for our credit products.
- Leverage bank assistance on behalf of family members and friends (U.S. only).

The conversation with our employees about their experience at Bank of America never ends. We'll continue to learn from their diverse perspectives, and together, we'll work to make our company an even greater place to work.

Empowering Professional Growth and Development

Our employees' career growth and professional development is a top priority. The primary goal of our development and career management programs and tools is to help employees be effective and grow in their roles, while achieving their highest professional aspirations. We know that people learn best in a variety of ways, so the learning options we make available range from instructor-led learning and web-based training to eBooks and videos — ensuring our employees can access what they need when they need it to grow skills and expertise to better do their jobs and serve our customers and clients. We also encourage our employees to explore external opportunities for learning, and in the U.S., we offer a tuition reimbursement program that provides thousands of employees up to \$5,250 per year for courses related to a current or future role at the company.

Manager Effectiveness

Our managers are critical to influencing our company culture and supporting employees in their career development. To help them be more effective in managing and leading their teams, we launched an innovative development program called Manager Excellence. Our audience benefits from access to experienced senior leaders, industry experts, and peers,

providing diverse points of view and valuable lessons learned. Topics are determined by leader feedback and support company priorities, giving leaders insights and practical tips on a variety of managerial, business, and professional subjects. In 2015 we had over 60,000 leaders (both managers and non-managers) who participated in Manager Development, including Manager Excellence. Our leadership programs connect employees, executives, and thought leaders across the organization. We provide access to leadership and opportunities for our key talent to advance their careers through programs such as Know Your Talent. It connects top-talent employees in Global Banking and Markets with HR professionals for career conversations and ongoing development and support. Through our Women's Leadership Program, female managers hear from faculty from Columbia Business School and University of North Carolina at Chapel Hill Kenan-Flagler Business School to enhance their skills and prepare them for leadership roles. Women who attend this program are seven times more likely than their peers to be promoted.

We also continued training for employees and managers around how unconscious bias can affect how we run our businesses, reaching nearly 24,000 employees since 2013. Unconscious bias is an automatic positive or negative belief we are unaware we hold. Recognizing unconscious bias can help us become more effective at retaining our best employees and developing their careers. Additionally, we launched inclusive leadership training for managers. Inclusion focuses on how everyone can bring their whole self to work. We are continuing to integrate this message in all our leader programs.

We know that when we invest in these leaders and managers and they're effective in leading their teams, we see strong work performance from employees, we

identify risks and opportunities more effectively, and we retain top talent.

Career Growth

In the last couple of years, we made great progress to help all employees achieve their personal career goals and better support our customers and clients. We developed a career tool called myCareer — a new internal careers site that offers enhanced job search capabilities and career planning tools. It's simple to navigate, and packed with resources to help employees explore career options and find opportunities that fit their skills and interests. Since its launch in 2014, employees have signed up for more than 32,000 job alerts, giving them immediate access to roles that fit their skills and interests. Making it easier for our employees to grow and continue their careers at the company allows us to retain great talent and institutional knowledge, which drives stability across all we do for customers, clients, and each other.

In addition to myCareer, we also developed the Career Path tool to better enable career planning for select financial center roles. This new tool was designed to help employees, including tellers, identify potential next roles based on how they want to expand their career. The tool asks employees a series of questions about how they want to support customers and interact with their teams. From those responses, the tool suggests possible next roles and outlines the skills and experience needed to get there. In 2015, the Career Path tool received more than 43,000 page views, and as a result of the favorable feedback we've received from employees, we're expanding the tool to include more roles across the company.

Rewarding Performance That Balances Risk and Reward

Our Pay for Performance philosophy connects an employee's pay to company, line-of-business, and individual performance results.

Performance

Through our performance management process, employees understand expectations for their role through ongoing dialogue with their manager. Employees have a performance plan that helps them focus on specific goals in their role with the company, and each plan has actionable goals with a focus on supporting our culture.

A Culture of Risk Management

As we mentioned earlier in this report, responsible growth is critical to how we run the company and we've been more deliberate over the past several years to make sure strong risk management is woven throughout our performance management process, so that our business and performance activities are sustainable and disciplined. Throughout the year, employees receive coaching on their performance and opportunities for development, and, ultimately, they receive a rating for their full-year performance based upon their achievement of goals for their job.

Over the last few years, we've enhanced the training and development we provide to not only help employees achieve their own professional goals, but also help them be more effective at managing risk well. In 2015, our employees logged more than 9.5 million training hours, taking advantage of thousands of courses offered through our employee learning curriculum. Courses span our business practices, regulatory matters, and risk management.

All employees are required to partake in annual training on our Code of Conduct, which outlines business practices and professional and personal conduct that everyone is expected to follow. The Code, which is grounded in our values, guides how we meet our responsibilities and manage risk for customers, clients, shareholders, and each other.

Our Ethics and Compliance (E&C) Hotline, established in 2004, enables and encourages employees who witness unethical activities to report them in a confidential manner. In addition to financial improprieties or fraud, unethical activities can also include Code of Conduct infractions, sexual harassment, discriminatory practices, retaliation, and conflict of interest. Complaints or possible violations can be submitted anonymously and in complete confidence to the E&C Hotline.

We will not retaliate, and we prohibit employees from retaliating, against any employee who in good faith reports suspected unethical conduct or violations of laws, regulations, or company policies. We will not terminate employment, demote, or otherwise discriminate against an employee for calling attention to suspected unethical acts, including providing information related to an investigation. Allegations of retaliation are investigated, and anyone found responsible for retaliating against an employee who reported to the E&C Hotline is subject to disciplinary action, up to and including termination of employment and possible legal action.

Each E&C Hotline complaint is assigned to an internal group who is responsible for determining the appropriate course of action and resolving the reported issue. Our Ethics Oversight Committee and Board of Directors are regularly updated regarding whistleblower-related matters and Code of Conduct violations.

Control Function Feedback

To further support the company's Risk Framework, we review annually those senior leaders and employees who have the ability to expose the company to material risk. We review their roles against components of our Risk Framework to determine those who take and control material risk for the company. We call these individuals "covered employees," and we created a

rigorous performance review process for them called Control Function Feedback. Over the last few years, this review process has been enhanced, and each of these leaders and employees receives direct feedback and evaluations from their independent control partners, such as finance, risk, audit, legal, human resources, and compliance, on their ability to drive results for their customers and clients in a way that supports effective risk management for the company. Control Function Feedback is separate from, but included within, the overall performance management process we described in the Performance section of this report. We've increased the number of covered employees who are now part of this control function review process, including many traders and sales personnel. Since inception in 2010, the number of senior leaders and employees who have been identified as covered employees has doubled, and most recently increased 30 percent from 2014. Since 2010, we have also applied claw-back features to deferred incentive awards, which allow the company to review for detrimental conduct or financial loss on an individual basis.

All these efforts at Bank of America help manage a strong top-down culture, and promote effective risk management transparency throughout our business. The added rigor around managing our most senior employees helps ensure we drive the right risk focus and balance when it comes to making performance and pay decisions.

We also have increased our focus on expectations around conduct and behavior as we continue to improve business operations. For example, Global Banking and Markets employees took additional training in 2015 to help them better understand elements of the Code of Conduct, including customer privacy, expense requirements, media engagement and appropriate use of email. This provided a consistent understanding of conduct and behavior, whether an employee is based in Houston or Hong Kong.

Compensation

Bank of America has a well-governed pay-for-performance program that rewards long-term, sustainable results that are aligned with stockholder interests.

Compensation ties pay to performance while balancing rewards with prudent business decisions and sound risk management. Compensation is comprised of an appropriate mix of salary, benefits, and incentives paid over time that properly aligns employee and stockholder interests. Criteria for payment of incentive compensation takes into account company-wide, business unit, and individual factors. Compensation is determined on the basis of a combination of financial and non-financial factors that reflect both the current period and a longer period.

Compensation Plan Review

Our compensation programs incorporate significant governance processes and procedures. In order to ensure that the design of our incentive plans appropriately balances risks with compensation outcomes, we have a compensation governance structure and an annual incentive design process that is conducted in partnership with the independent control functions (finance, risk, audit, legal, human resources, and compliance). Additionally, all of our approximately 25 compensation plans are reviewed and certified annually by the risk management function, and corporate audit assesses our plans on a scheduled basis. Each year, we continue to strengthen the governance and controls around compensation. For example, we recently reviewed the risk, operations, and compliance metrics that are part of the compensation plan in our consumer business.

In our financial centers, incentive awards are determined by a mix of sales, operational excellence, customer experience, and compliance-based metrics. For employees who are part of our Merrill Edge plans, incentive awards are determined by sales metrics, client experience results, and behavior and conduct considerations.

In our Global Wealth and Investment Management business, Financial Advisors are subject to a supervisory structure, and advisors not in good standing are ineligible to participate in certain business and compensation programs.

Across our Global Banking and Markets business, we've adjusted compensation arrangements to ensure that we don't reward imprudent risk taking. We provide employees and managers additional structure by pre-loading guiding questions within the performance management tool. The questions cover such topics as financial and risk metrics, collaboration with support and control partners, professional conduct, diversity, and personal and team development.

Hourly Wage Strategy

We're committed to paying all of our employees competitive wages, and we invest considerable time in educating and supporting our managers to make sound and market-informed pay decisions. In particular, we monitor the compensation of employees who are paid hourly to ensure their wages are competitive with industry trends. To that end, we pay our U.S. employees significantly higher than federal, state, and local minimum wage requirements. We will continue to focus on this topic as we stay committed to paying competitive wages.

Compensation at Senior Levels

All senior business heads and control function heads meet with the Board of Directors' Compensation and Benefits Committee individually as part of the process of reviewing and approving the company's bonus pools; discussions center on culture, risk management, and talent. The company's CEO and the CEO's direct reports receive a majority of their total compensation in variable, performance-based pay. Half of those equity-based awards are structured as performance units that will be awarded only if the bank meets

specific performance goals over a three-year period. All awards are subject to claw-back policies.

Investing in Health, Emotional and Financial Wellness

We know that supporting the physical, financial, and emotional wellness of our employees in their personal life also supports them in their work life, so they can be the best at work and at home.

Health and Wellness

Our approach to health is built on the things we can do together with our employees to manage health care costs: focusing on wellness, providing education and support, and partnering with efficient and accountable health care providers. We offer all employees who work 20 hours or more per week health and insurance coverage.

Over the last few years, we've increased our focus on health and wellness by providing opportunities for employees to become more knowledgeable about their health, and help them save money on future health care expenses. Eighty seven percent of employees, spouses, and partners completed voluntary health screenings and assessments in 2015, while 74,000 employees have engaged a health coach or nurse to help manage chronic conditions, improve nutrition, reduce stress, or provide other wellness support and guidance.

By completing two voluntary wellness activities — a health screening and health questionnaire — U.S.-based employees maintain a \$500 credit toward their annual medical plan premium. If a covered spouse or partner also completes both activities, the total credit is \$1,000. Our goal with these activities is to actively address health risks by helping employees take advantage of available resources, and learn more about their health so they can prevent and address health issues.

As a direct result of the wellness assessment, the company identified some common health- and

lifestyle-related concerns. Employees were concerned about not getting enough physical activity during the week, making poor diet choices and coping with stress. Following the success of the wellness activities, in 2013 the company further increased its wellness focus in two key areas — launching an activity-based program and expanding the wellness activities.

Get Active!

To complement its wellness activities and respond directly to employee feedback about getting engaged in more physical activity, the company introduced Get Active! in October 2013. This voluntary program uses team-based activity challenges to help employees improve their overall health. Employees use the program's website to log their steps or exercise minutes, view team standings and show support for teammates. In the eight-week challenge, participants could earn a reward by walking 56,000 steps per week.

In 2015, a remarkable 80,000 employees took part in our Get Active! global challenge, forming more than 12,000 teams - surpassing initial expectations. Senior leaders were active participants and program champions. Progress of top teams was highlighted at divisional town halls; managers led by example by wearing their pedometers; teams were praised at department meetings; and there was an overall healthy spirit of competition, collaboration and fun. As a result, employees took more than 28 billion steps in the global challenge - equal to 568 trips around the world.

Alignment of Health Care Costs and Compensation

We continue to align the cost of health care with compensation. Our health benefit premiums are progressive based on how much an employee earns; the more our employees earn in yearly pay, the more they contribute overall to the cost of their health benefits. In 2011, for employees making less than \$50,000, we reduced their premiums by 50 percent. We've kept

those costs down, giving these employees the ability to keep premiums flat for the last four years. For 2015 and 2016, we offered all employees a medical option with no premium increases.

Regardless of how much an employee earns, we continue to cover the majority of costs for employees' medical coverage and offer health care savings accounts to help employees manage their annual out-of-pocket expenses. On average, we pay approximately 65 percent of all our employees' health care costs, totaling billions of dollars each year.

Work-Life Benefits

In addition to our focus on health and wellness, we offer a variety of support to working families with benefits like back-up child care, back-up elder care, elder care resources (including up to six hours of in-person assistance with a professional care manager per year at no cost), discounts on certain child care center fees and tuition, reimbursement of up to \$240 per month per child for eligible employees' child care expenses, and more.

We offer a range of paid and unpaid leave options to enable employees to take time away from work. Parental leave policies differ from country to country. In the U.S., we provide 100 percent paid time off — up to 16 weeks for adoption, maternity and paternity leave — for eligible employees to care for a new child. An employee can take up to 26 weeks total of paid and unpaid leave. Parents also have the flexibility to take their leave when it works best for their family within the first 12 months after the child arrives.

We support employees who are new parents to help balance work with family life by offering a number of programs and benefits to help them make the transition back to work. In 2015, more than 8,000 employees took parental leave. Approximately 93 percent of women and 98 percent of men returned to work after their leave.

Eligible employees in the U.S. can also take advantage of opportunities that encourage flexibility. These options include flex time and compressed workweeks, reduced hours, and alternative work locations.

Emotional Wellness Support

We recognize that emotional wellness is as important as physical wellness. Stress caused by factors at home or at work can have an impact on our employees' quality of life and their ability to do their job well. That is why one of the most important things we do is provide support to our employees during major life events that impact their personal and professional lives. Our current employees, and the people who have retired from our company after years of dedicated service, deserve our focused attention during the moments in their lives that matter the most.

One of most impactful improvements we've made is establishing a dedicated Life Event Services team. The team assists our U.S. employees who need support during major life events, which may include taking a leave of absence, facing a terminal illness, retiring from the company, or undergoing a gender transition while working for Bank of America. The team also supports employees and retirees when a dependent passes, and their families when our employees and retirees pass. In all cases, Life Event Services specialists ensure they are able to provide timely, holistic support for the financial and emotional wellness of their clients.

The Life Event Services team is comprised of employees with special training and backgrounds that enable us to make the process as easy as possible and to ensure those involved can take advantage of all of our available resources and support.

In addition, our Employee Assistance Program provides employees access to free and confidential counseling and resources for addressing personal and emotional issues, including parental advice, legal services, financial

counseling, and domestic violence support. We've also created an internal Domestic Violence Taskforce to further educate our employees about this serious issue, and the variety of resources we have available to employees and their families.

The work of these teams has made a dramatic impact on our entire company. In 2015 alone, the Life Events Services team extended support to over 10,000 employees, retirees, and family members. The powerful feedback from our employees, retirees, and their families about the support they have received and the difference these teams make in their lives is a constant reminder that we have made the right decision by making an investment in these areas.

Financial Wellness

We believe that the more informed people are about their money, the clearer their financial outlook can be. This applies not just to our customers, but to our employees as well. That's why we offer competitive financial benefits that help employees prepare for retirement and protect their family in the long term.

401(k) – Automatic Enrollment

Our competitive 401(k) benefits help employees increase their savings for retirement through company-matched contributions of up to 5 percent of eligible pay, and an additional 2 to 3 percent automatic company contribution, starting after one year of service. In 2015 we saw a steady growth in the voluntary level of participation in our 401(k) plan, with 89 percent of employees participating in a retirement account. In 2016, we implemented automatic enrollment at 1 percent to the 401(k) plans, as well as a Welcome employer contribution of \$50 to all newly hired employees to help promote 401(k) savings. We believe this will help individuals who may have postponed joining the plan get a jump-start on saving for their retirement. Employees can opt out of participating in the 401(k) plan, if they choose.

Employees receive up to one time their annual base pay in life insurance from the company at no cost. They have the option to purchase additional insurance for themselves, as well as certain coverage for their spouse/partner and children. To offer income protection in case of a prolonged illness or injury, employees receive long-term disability insurance of up to 50 percent of their annual base pay from the company at no cost.

Our health care accounts offer employees a beneficial, tax-advantaged resource to manage their health care expenses — thus helping to reduce financial stress. Over the past two years, we increased our communications and education efforts so that employees can better understand their features and purpose. HSAs offer employees a valuable way to save for future medical care, while paying for current expenses. Further, employees can use the guidance and advisory resources available through our financial wellness programs to create an investment strategy for their HSA that complements their investment direction for their 401(k), etc.

We offer a variety of financial education resources to encourage employees to save for a healthier future and that meet a variety of financial objectives. Our Benefits Education and Planning Center provides free personalized guidance for budgeting, debt management, retirement planning and more, while our Employee Banking and Investments group provides access to a full range of discounted banking and investing products and services to help employees pursue their short- and long-term financial goals.

Through our partnership with non-profit online education innovator Khan Academy, we provide Better Money Habits®, a free education resource available to anyone, anywhere. For our employees, we worked with founder and CEO Sal Khan to create two videos — one about maximizing the 401k match, and the other about

rollovers. Better Money Habits empowers our employees, their families, and the general public with educational tools on complex money topics, so they can be more confident in their financial decision-making.

Delivering for Shareholders and Other Stakeholders

Through our work, we seek to reflect what stakeholders — including our stockholders — expect of global companies today. At all times, we're listening to and engaging with a diverse set of stakeholders who are interested in or directly affected by our company's business. As part of our stakeholder engagement process, including our stockholder engagement, we listen to the feedback of our constituents to help inform our decisions. Through continual debate and dialogue with all of these groups, we believe better informed, more balanced decisions are made.

We have a variety of ways in which we engage our shareholders, customers, clients and employees, and have described many of these methods in previous chapters of this report. The information that follows outlines several of the ways in which we engage and listen to other key stakeholders.

Regulators

Our Code of Conduct, which translates our values into the actions we should take as representatives of the company, includes respect for laws and regulations, and fair and honest communications. All employees have a duty to fully cooperate with any regulatory examination or request for information.

The Global Regulatory Relations team, in place for more than 10 years, is available to assist regulatory agencies as needed. The team also provides guidance and training to employees so that regulatory interactions are efficient and that regulators receive information needed in a timely manner. We also have specialized Regulatory Relations teams that support individual

businesses and help drive transparent, responsive interactions with our regulators around the world.

Senior Leadership Engagement and Regulatory Interaction

Our senior executives meet regularly with our regulators. These sessions help us gain insight regarding the focus and concerns of our regulators, and provide a forum for us to keep regulators updated about our business activities. We discuss key regulatory matters and business updates in multiple forums, including Board of Director and senior management meetings.

Our businesses and control functions engage regulators through exams, ongoing supervision, regular meetings and ad hoc inquiries for information. We also provide scheduled reports to regulators. Throughout these engagements, we seek to confirm that regulators are getting the information they need in a timely manner.

Lobbying and Political Activities

Bank of America often shares interests with groups that advocate and shape public policy positions on issues that are important to the financial services industry and the global business community. We believe that we're better when we work with others to bring about consensus and advocate for issues of importance to us, our customers and clients, and the communities we serve.

We have a Corporate Political Contributions Policy Statement that sets forth basic principles concerning the company's stance on political contributions and activities. Together with our other policies and procedures included in our Code of Conduct and Political Action Committee (PAC) governance documents, it guides our company's and associates' approach to political involvement. As a global financial services company, Bank of America is committed to

participating in the political process in a manner that is consistent with solid corporate governance practices and complies with legal requirements. It's in this spirit that we encourage our employees to be active in our democratic society and provide opportunities to do so through the PAC program and voluntary community service-oriented activities.

In 2014, our company's Public Policy group and the Office of the Corporate Secretary worked together to improve our political activities public disclosure in the following ways:

- Changed the overall focus of the political activities on <http://investor.bankofamerica.com> to include all of Bank of America's political activities.
- Included reports of PAC contributions, in addition to links to each state's reporting website.
- Included a list of trade associations of which Bank of America is an active member and pays more than \$25,000 in dues.
- Included a list of 527 organizations to which Bank of America contributed.
- Stated that Bank of America does not make corporate contributions to candidates for public office, political parties, or PACs.
- Stated that Bank of America may support 501(c)(4) groups on public policy matters, but does not support the election of specific candidates or funding of specific expenditures.
- Stated that when Bank of America PACs make political contributions, they do so to promote the interests of the company, without regard to the private political preferences of its executives
- Included information regarding the management, compliance, and monitoring of Bank of America's political activities, including the Corporate Governance Committee's oversight of significant policies and practices.

Memberships and Contributions

Trade associations in which Bank of America is an active member and which received more than \$25,000 in annual dues are listed on the company's website. When we make payments to these organizations, including membership fees and dues, we restrict the organization from using the funds for any election-related activity at the federal, state, or local level, including contributions and expenditures (including independent expenditures) in support of or opposition to any candidate for any office, ballot initiative campaign, political party committee, or PAC. Payment of dues or other contributions to a trade association does not mean that Bank of America agrees with every policy position the organization may adopt based on the consensus of their membership or otherwise.

Bank of America and its affiliates do not make corporate contributions to candidates for public office, political parties, or PACs. In appropriate circumstances, however, we may make contributions to non-candidate organizations, such as political convention host committees, organizations organized under Section 527 of the Internal Revenue Code, or presidential inaugural committees, to the extent permitted by applicable law.

While we don't use corporate funds to make independent political expenditures, we may, from time to time, use corporate or PAC funds to support or oppose state or local ballot initiatives that affect the business environment. These contributions are reported in accordance with any applicable laws or regulations.

Consideration is given to entities that support policies and initiatives that are important to the company. Our policy forbids the use of our facilities, equipment, or other assets for political purposes without consent and to the extent prohibited by applicable law.

Bank of America encourages informed participation in the democratic process. We also respect the rights of our employees to support issues and candidates of their

choosing, and employees may elect to make personal political contributions, either directly or through company-sponsored or other political committees as permitted by applicable local, state, and federal laws, as well as the laws of any applicable jurisdiction outside of the United States. Employee contributions are not reimbursed by Bank of America.

Additionally, employees are encouraged to participate in political activities on their own time and in accordance with their individual desires and political preferences. When engaging in political activities, apart from Bank of America responsibilities, employees are expected to make it clear that they are acting as an individual and not as a representative of the company. Employees who wish to accept an appointment to public office or file as a candidate for election must first obtain approval consistent with Bank of America policy to avoid any conflict of interest.

Stakeholder Engagement

We listen to many stakeholders, including our shareholders, customers, and employees. We also actively engage our community leaders to receive feedback and input on our business.

Market Presidents

Each of our local markets is led by a Market President. The Market President's role is to work with our different lines of business within the company, sometimes with individual employees, so that customers and clients get the benefit of everything we have to offer them. They work to make sure our customers have a positive and consistent experience with Bank of America, regardless of how they do business with us.

The Market President is also the voice for the company in that community. They guide our efforts to be a responsible corporate citizen, whether through our day-to-day business activities, our employee volunteer programs, or our philanthropic support for organizations that make a positive impact.

As part of this role, they regularly engage with local influencers, including civic leaders and policy makers, to solicit their feedback and engage them on pressing issues in the community. They also regularly speak with our customers and clients in the local community to field questions and listen to feedback.

National Community Advisory Council

Our National Community Advisory Council (NCAC) is a prime example of an engagement process that is designed to drive change. Created in 2005, this 31-member council is comprised of prominent community development leaders from across the U.S. The NCAC addresses critical issues affecting affordable homeownership and economic development in some of our nation's distressed and underserved communities. It joins public and private sector leaders to provide an external perspective and work with the company on the programs and services that will keep us on the forefront of community revitalization.

Members of the NCAC include:

- Aeris
- Brookings Institution
- Beaulac Associates, LLC
- CATO Institute
- CDC Small Business Finance
- Center for Financial Services Innovation
- Ceres
- Chicago Community Loan Fund
- Consumer Federation of America
- Clean Air Task Force
- C2ES
- Enterprise Community Partners, Inc.
- Greenlining Institute
- Harvard Kennedy School's Corporate Social Responsibility Initiative
- The Leadership Conference on Human Rights
- Local Initiatives Support Corporation (LISC)
- Low Income Investment Fund
- National Association for the Advancement of Colored People
- National Coalition for Asian Pacific American Community Development
- National Community Reinvestment Coalition
- National Council of La Raza
- National Foundation for Credit Counseling
- The National Urban League
- Nature Conservancy
- NeighborWorks
- Opportunity Finance Network
- The Pew Charitable Trusts
- Self-Help Venture Funds
- Urban Institute
- U.S. Green Building Council
- World Resources Institute

Investing in Our Communities

Our expertise, reach and resources provide us the opportunity to play an important role in helping build thriving economies around the world.

We are deeply involved in community development work related to affordable housing, small business lending and neighborhood revitalization, and have been for years. We've worked to create sustainable community and local economic development through public-private partnerships around the world. Whether we're helping a small business get off the ground, or leveraging our relationships with community development financial institutions to connect people and communities to the capital they need, our longstanding commitment to investing in local economies helps our communities and their stakeholders prosper. Below are more examples of our investment in the economic development of our communities.

Supplier Diversity

We're supporting the growth of diverse businesses through our profitable vendor relationships with minorities, individuals with disabilities, and businesses owned by veterans, women, and the LGBT community through our Supplier Diversity program. In August 2014, Bank of America became the first Financial Services Institution to ever be inducted into the Billion Dollar Roundtable, a nationally recognized organization created to recognize and celebrate corporations that achieved spending of at least \$1 billion with minority-owned and women-owned suppliers. Since the 2001 establishment of the organization, no other corporation in the Financial Services sector has achieved \$1B in direct minority-owned and women-owned business spend. 2015 marked the 25th anniversary of Bank of America's Supplier Diversity and Development Program, and we launched a number of initiatives to commemorate the event, including the following:

- Awarded close to \$1MM in scholarships to diverse business owners for capacity building education.
- Hosted an Inaugural Bank of America Capacity Building Forum, bringing together current and high-potential Bank of America Tier I / II diverse vendors with Bank of America leadership and Procurement Executives
- Re-launched the formal Supplier Diversity and Development Mentoring Program
- Re-launched the Supplier Diversity and Development Small Business Institute

Community Development Financial Institutions (CDFI)

CDFIs are private-sector local loan centers that offer financing for small businesses, affordable housing, and other economic revitalization projects, primarily within low- and moderate-income communities. CDFIs are often a good source of capital for those who may not qualify for a traditional bank loan, and through 2015 we've invested \$1.2 billion in more than 240 CDFI partners. To further our impact, in 2015, we developed an online U.S. CDFI directory to connect small businesses to more capital. The directory will allow entrepreneurs and small business owners to find a CDFI in their community to help access the funding they need to grow their business.

Supporting Communities Around the Globe

We're investing in building leadership and increasing the impact of high-performing U.S. nonprofits through our Neighborhood Builders® program and fostering the next generation through our Student Leaders® program. Over the course of more than 10 years with \$190 million invested, we've recognized more than 800 nonprofits, provided leadership training to nearly 2,000 nonprofit leaders, and connected more than 2,100 students to employment and service opportunities.

We're supporting local communities through capital investments in many cities. Through these projects, we help revitalize neighborhoods by creating jobs and building or renovating buildings, land, and infrastructure to drive and enrich local economies and communities.

We've created philanthropic partnerships with global organizations such as (RED) and Special Olympics that go beyond giving money to offering our time, expertise, talents, and the use of our connections to customers and communities, bringing beneficial change to communities around the world.

Last year alone, our employees volunteered approximately 2 million hours in a variety of ways, including mentoring young people, feeding the hungry, and supporting the needs of veterans. In partnership with Habitat for Humanity, we launched the first global, multicity build, taking place during one week in 36 communities around the world. The initiative, which we repeated in 2015, was part of a \$6 million investment in local Habitat affiliates across the globe, as part of our commitment to revitalizing local communities and creating affordable housing.

Impact Investing

Bank of America is committed to meeting client demand and working to build a commercially viable market for impact investing. We know that structuring portfolios to help foster good corporate practices has enormous potential to change investments, lives, and communities.

- **Social impact bonds:** In December 2013, Bank of America worked with New York State and Social Finance Inc. to offer a social impact bond aimed at reducing recidivism. Through this partnership, \$13.5 million in capital was raised to finance a 5 1/2-year pay-for-success program that provided re-entry employment services to 2,000 formerly incarcerated individuals in New York City and Rochester, N.Y.

In April 2014, Bank of America Foundation commissioned a four-month feasibility study by nonprofit Social Finance to assess the use of social impact bonds and other pay-for-success programs to address critical shortfalls in the funding of effective reintegration and ongoing support services for military veterans. The study was designed to assess how new financial instruments and programs could help, how they would be funded, and how their success might be measured.

- **Environmental, Social, and Governance (ESG) Training in Wealth Management Business:** Across our wealth management businesses, we provide ESG/Impact Investing training and education programs for advisors, each one tailored to the clients those advisors serve. For example, both U.S. Trust and Merrill Lynch offer their own versions of in-person training programs that dive deeply into the history of impact investing, the landscape of preferred and best practice approaches and strategies, common concerns to foster better understanding of our ESG/Impact Investing offerings, and how to best serve our clients. Additionally, Merrill Lynch financial advisors attend training through breakout sessions at national Advanced Education Symposium events and regional Strategic Solutions Symposiums held throughout the year. Merrill Edge delivered ESG/Impact Investing training in 2015 Outlook workshops, including in-person presentations and conference calls for Merrill Edge advisors. Non-advisor employees had opportunities to be educated about ESG/Impact Investing through employee town halls and Diversity & Inclusion forums. Finally, thought leadership on ESG/Impact Investing from our Chief Investment Office has been shared with Merrill Lynch advisors in an implementation guide and a white paper.



Case Study: Transformational Finance

\$125 Billion Transformational Finance Commitment and Green Bonds

We recognize the crucial role of large financial institutions in driving the global transition to a low-carbon economy. This is why Bank of America in 2015 pledged to increase the company's current environmental business initiative from \$50 billion to \$125 billion by 2025 to address climate change and demands on natural resources through lending, investing, capital raising, advisory services, and developing financing solutions for clients around the world.

The commitment was announced in July 2015 at the White House's American Business Act on Climate Pledge event, which recognized corporations for their support of action to address climate change. To meet this commitment, we will continue to lend, invest, and deploy innovative capital markets solutions designed to accelerate the funding of low-carbon projects, focusing in particular on financial innovation, such as expanding our Catalytic Finance Initiative (CFI) and developing the green bond market.

The CFI is designed to stimulate at least \$10 billion of new investment into high-impact clean energy projects. A key component of the CFI is the development of innovative financing structures that reduce investment risk to attract a broader range of institutional investors. Through the CFI, we're helping to make clean energy investments more financeable — especially in emerging markets, where the benefits of such projects are amplified by their positive impact on health, education, and job creation in the communities nearby.

In addition, Bank of America has played a leading role in the development of the rapidly expanding green bond market, issuing the first benchmark-sized corporate green bond in 2013 — a \$500 million offering — followed by a second green bond for \$600 million in the spring of 2015.

Green bonds play an important role in moving capital to renewable energy, energy efficiency and other low-carbon sectors. We believe that corporate issuers of green bonds, ourselves included, have the potential to be a key driver of growth in this market. In 2014, we collaborated with financial industry peers to develop the Green Bond Principles, providing much-needed guidance on the issuance process for green bonds. Bank of America was the No. 1 underwriter of green bond issuances in 2014 and 2015.

CHAPTER 5: Ongoing Commitment

Our Transformation Continues

Bank of America in 2016 is an organization that continues to evolve and improve. We have a solid foundation to build upon, and a legacy of more than 200 years of banking and community building across the U.S. and around the world. The changes we've made have simplified and strengthened our organization and enriched our culture, and they build on our company's very best qualities.

This significant investment of time and effort is making a difference. As you've read in these pages, we've created a foundation for responsible growth and the disciplined management of risk that permeates our entire organization.

The decisions we make at Bank of America are supported by a system of strong internal governance, which we've enhanced with a network of external experts and leaders from public, private, and nonprofit sectors. Together, these stakeholders align our decisions and actions with the commitment we share to build thriving economies — families secure in their own homes, successful small businesses, and nonprofits and companies solving tough problems.

This approach ensures that decisions we make as an organization are clear, fair, and grounded in the principles of shared success, responsible citizenship, and community building. As we continue on this path and channel investment and deploy capital responsibly and sustainably, Bank of America acts as an engine to help our overall economy grow.

The culture we've developed, nurtured, and encouraged across the company is built on this atmosphere of mutual trust and the knowledge that when we work together, we can fully meet the needs of our customers and clients. We realize that developing the next generation of leaders is critical to the future success of our company, so we strive to equip our leaders with the resources they need to reach their highest career aspiration. In short, we're putting the depth of our franchise and our whole team to work for our customers and clients — wherever they are, and however they've come to Bank of America.

As we take stock of where the company stands today, we can see the tangible results of hard work as we have simplified, strengthened, and transformed our company. We have a strong foundation, and a strategy focused on the customers we serve, and all the capabilities we possess have come together as an engine for responsible growth.

All of this is made possible by more than 200,000 teammates who come to work every day to serve clients and improve our communities. Together, we will continue to take the company forward and deliver value to those we serve.



2015 Environmental, Social and Governance Addendum

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



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

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

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**



December

During the UN Conference on Climate Change (popularly known as **COP21**) in Paris, we

sponsored 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**

November

Completed the largest affordable housing loan transaction in history in San

Francisco (\$770 million), in cooperation with seven development firms



December

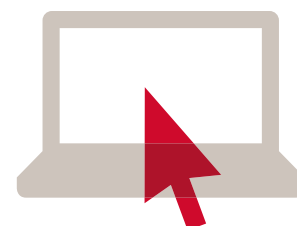
Completed \$10 million commitment to (RED), with all funds

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**

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**

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





ENVIRONMENTAL SUSTAINABILITY

In this
section

- Goals and Progress
- Our Approach
- Transformational Finance
- Our Operations
- My Environment
- Philanthropy
- Environmental Governance and Policies
- Looking Ahead

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.

Environmental goals and progress

We invite you to read details of our progress toward meeting selected environmental goals in 2015.



OUR TARGETS

\$125 billion

in low-carbon and other sustainable business by 2025 through lending, investing, capital raising, advisory services, and developing financing solutions for clients around the world

OUR PROGRESS

Since we launched this goal in 2013, we've provided more than **\$31.8 billion** in financing for low-carbon and other sustainable business.

In 2015 alone, we delivered **\$14.5 billion** toward this goal.

STATUS

●
ON TRACK

15%

reduction in net Scope 1 and 2 greenhouse gas (GHG) emissions within our global operations between 2010 and 2015

From 2010 to 2015, we reduced **GHG emissions by 37%.**

In 2015, we reduced our GHG emissions by **16%.**

●
EXCEEDED

20%

LEED certified square footage in our workspace by 2015

We exceeded our goal by achieving **23% LEED certified space** as of the end of 2015.

●
EXCEEDED

20%

reduction in water consumption within our global operations between 2010 and 2015

As of 2015, we reduced our **water consumption by 34%.**

●
EXCEEDED

Our Approach

As one of the largest financial institutions in the world, we are in a unique position to help society transition to a low-carbon economy.

We believe we can do this by: providing financial and intellectual capital to develop solutions to climate change and other environmental challenges; reducing our operational impact through aggressive targets for greenhouse gas emissions, water, and paper, among others; and working with our people and partners to inspire environmentally responsible actions each day.

Transformational Finance

COP21

In December 2015 we saw the signing of a landmark agreement at the UN Conference on Climate Change in Paris (COP21), which brought together leaders from 195 countries, corporations, environmental groups, and public and private sector organizations to discuss the challenges and opportunities in the transition to a low-carbon economy. It was an honor to be part of those important discussions, and we applaud government, business, and non-governmental organization leaders for achieving this agreement. The agreement helps spur the conversation with investors to increase and reallocate capital from high-carbon to low-carbon investments.

Financial Capital

In 2015, we pledged to increase the company's environmental business initiative from \$50 billion (announced in 2013) to \$125 billion in low-carbon and other sustainable business by 2025 through lending, investing, capital raising, advisory services, and developing financing solutions for clients around the world. We're proud to have been one of the first companies to make a pledge on behalf of the American Business Act on Climate Change. Since we launched our new goal in 2013, we've provided \$31.8 billion in financing

for low-carbon and other sustainable business. In 2015 alone, we delivered \$14.5 billion toward this goal. Since 2007, we have provided more than \$53 billion in low-carbon activities.

“Climate change is a challenge far bigger than one company or one country. Steering the world onto a path of 2°C emissions reduction will require upwards of US\$75 trillion in cumulative investment through 2040. Without the global business community's active participation, it can't happen.”

Anne Finucane
Vice Chairman, Bank of America

The commitments we've made represent both an understanding of the challenges we face and a willingness to help society address the issue of climate change. As a global financial institution, we can and will continue looking for ways to overcome obstacles in catalyzing capital investments toward a low-carbon economy and providing the necessary financing to realize the promise of global climate commitments. Here are some of the ways in which we have already delivered on our commitment.

Green Bonds

Bonds for low-carbon and other sustainable business account for a small fraction of the global bond market, currently valued at \$100 trillion. We see enormous potential to grow the green bond market to help drive even more capital to renewable energy, sustainable transportation, infrastructure, and other low-carbon sectors. In 2015, green bond issuances grew to \$41 billion, compared to \$40 billion in 2014. Corporate and municipal issuers of green bonds continue to be a key driver of growth in this market, and we will continue to educate our clients on this important capital-raising

G4-EN7 | Reductions in energy requirements of products and services

G4-FS8 | Monetary value of products and services designed to deliver a specific environmental benefit

opportunity. According to Bloomberg New Energy Finance, we again led the market in 2015, remaining the No. 1 underwriter of green bond issuances in 2015. We were also named the No. 1 green bond underwriter in the Asia Pacific by Dealogic. We served as a lead bookrunner for the following:

- **Southern Power (\$1 billion)** for clean energy projects — the first-ever U.S. Investment Grade Utility to issue a green bond and one of the largest USD green bond issuances of last year
- **Transport for London (TfL)** (£400 million equivalent to \$596 million) to fund sustainable transport including capacity improvements and station upgrades on Rail and Underground, bus fleet upgrades, and cycling infrastructure
- **District of Columbia Water & Sewer Authority** (\$100 million) to finance a portion of the DC Clean Rivers Project
- **State of Washington** (\$51 million) to finance a mixed portfolio of environmental projects

Catalytic Finance Initiative

In order to address investors' key requirements such as scale, risk sharing, and liquidity, in September 2014, we launched our Catalytic Finance Initiative (CFI) to accelerate investments into specific high-impact clean energy opportunities. We committed \$1 billion and in 2016 added partners to grow the initiative to \$8 billion in capital commitments from several other leading financial organizations. Our partners include AllianceBernstein (AB); Babson Capital Management LLC, a subsidiary of Massachusetts Mutual Life Insurance Company (MassMutual); Crédit Agricole CIB; European Investment Bank; HSBC Group; International Finance Corporation (IFC), a member of the World Bank Group; and Mirova, a subsidiary of Natixis Group, all of which have pledged capital and expertise to develop and advance innovative financing structures to advance investments in clean energy and other sustainability-focused projects. In addition, the Aligned Intermediary, representing a group of long-term institutional investors, will collaborate on specific investment opportunities with members of the partnership.

UNDERWROTE \$100 MILLION OF GREEN BONDS FOR THE DC CLEAN RIVERS PROJECT

By working together, we can combine efforts to increase funding and significantly accelerate the transition to clean energy solutions.

CFI partners bring expertise in a broad range of financial specialty areas, such as clean energy infrastructure finance, green bonds, project finance, green asset-backed securities, emerging markets investment, and approaches to blending public and private finance.

In 2015, as part of CFI, we served as structuring lead for SolarCity's first solar asset-backed securities transaction backed by traditional tax equity flip partnerships, a structural complexity absent in prior securitizations involving tax equity. This groundbreaking securitization solved a final, long-outstanding component of the residential solar development cycle, helping to lower the cost of solar financing while attracting additional capital.

Renewable Energy

In 2015, Bank of America led the industry in delivering innovative and holistic solutions to a broad spectrum of renewable energy clients. Here are some of the financing and risk management solutions we offered:

- We delivered a holistic advisory, financing, and risk management package to **Lincoln Clean Energy (LCE)**, a private renewable energy development firm, and the **Starwood Energy Group (SEG)**, a private investment firm. Bank of America Merrill Lynch advised LCE on its sale of a combined 460-MW wind farm to SEG. Further, our team led a \$240 million tax equity commitment and acted as lead arranger and joint bookrunner in a \$236 million credit facility to finance the construction of a 230-MW wind farm in Knox and Haskell Counties in Texas. We also structured and wrote a 13-year fixed-price/fixed-volume power hedge for the project.
- Bank of America Merrill Lynch worked with **SolarCity** in structuring innovative financing solutions in the residential and commercial solar sectors, culminating in a \$650 million revolving credit facility, believed to be the largest aggregation facility to date for distributed generation solar projects. Providing this early

G4-EN7 | Reductions in energy requirements of products and services

G4-FS8 | Monetary value of products and services designed to deliver a specific environmental benefit

stage financing enables SolarCity to support the rapid growth of its forecasted installations. When the financing is fully drawn, SolarCity will have been able to finance installations for thousands of homes and businesses throughout the U.S.

- Bank of America Merrill Lynch acted as lead managing bookrunner for the \$163 million IPO for **Inox Wind**, one of India's leading wind power solutions providers engaged in manufacturing and supplying wind turbine generators and executing wind farm projects on a turnkey basis.
- Bank of America Merrill Lynch acted as co-arranger of €978 million project bonds to re-finance **Meerwind**, a fully operational 288-MW German offshore wind farm located in the North Sea. Meerwind is owned by WindMW, a subsidiary of The Blackstone Group and Windland. The re-financing represents the largest-ever renewable energy project bond and attracted a wide set of investors in both the U.S. and EMEA.

Financing energy efficiency is another key component of our low-carbon business strategy, helping local communities upgrade existing

buildings to make them more sustainable. Over the years, we have financed hundreds of projects designed to reduce energy usage and costs. For example, in 2015, we provided:

- \$15.2 million in tax-exempt financing for the Newport News School Board in Virginia to finance energy conservation measures (ECMs) installed by Ameresco, Inc. The district serves 29,700 students in grades K through 12. The ECMs will be installed in 58 district-owned school facilities. The financing will primarily fund lighting upgrades, energy management systems, boiler controllers, water conservation, and building envelope improvements. The total guaranteed savings associated with this energy project during the financing term will be enough to cover 100 percent of the project costs.
- \$12.7 million tax-exempt financing for the **State of New Hampshire** to finance energy conservation measures installed by Consolidated Edison Solutions, Inc. (CES) under an Energy Performance Contract. The energy project consists primarily of lighting upgrades, HVAC equipment, and control and building system upgrades throughout four state-owned facilities. In addition, there will be one biomass

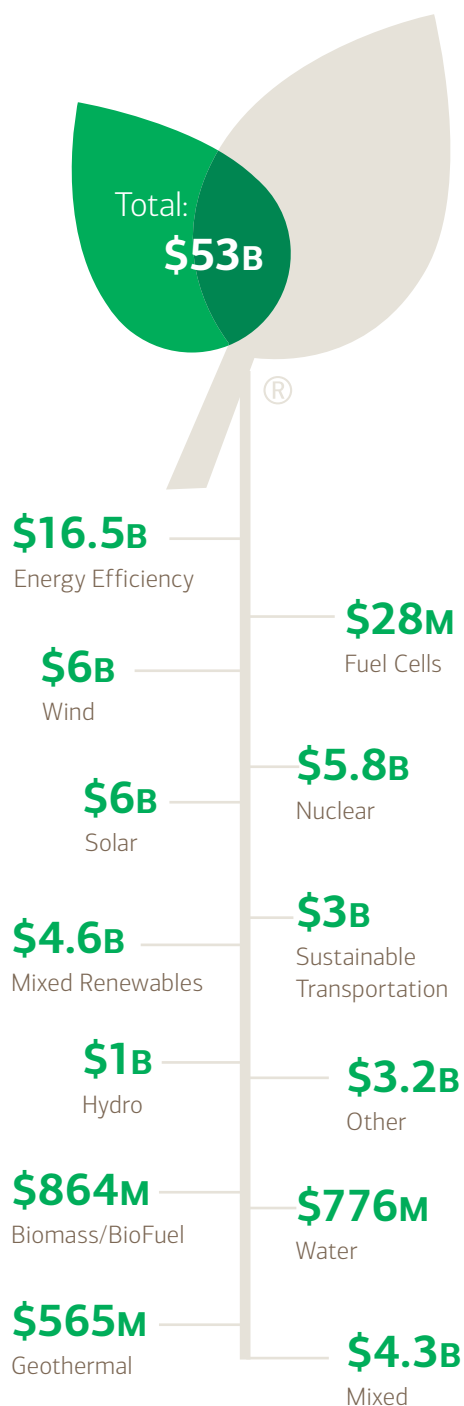
G4-EN7 | Reductions in energy requirements of products and services

G4-FS8 | Monetary value of products and services designed to deliver a specific environmental benefit

BREAKDOWN OF \$14.5 BILLION IN FINANCING BY LINES OF BUSINESS:

Line of Business	Environmental Engagement	2015 Activity
Global Investment Banking	Raises equity and debt capital and provides advisory services to support our clients' low-carbon business	\$7.2B
Leasing	Provides equipment and tax equity financing for energy efficiency projects and renewable energy projects	\$3.1B
Public Finance	Delivers debt for municipal sustainability projects	\$1.9B
Commercial Real Estate & Community Development Banking	Finances projects with LEED, ENERGY STAR and other environmental certifications, as well as brownfield redevelopment	\$1.9B
Global Commercial Banking	Extends lending and credit to lower-carbon companies	\$51M
Consumer Vehicle Lending	Provides loans for hybrid/electric vehicle purchases	\$266M
Global Wealth and Investment Management	Provides ESG investment solutions for GWIM clients	\$21.3M
Philanthropy & CDFI Lending	Supports environmental nonprofits and CDFIs	\$25.8M

Since 2007, Bank of America has provided more than \$53 billion in financing for the following sectors:



boiler installed (40 percent of the total project) in one of the facilities. Total energy savings are projected to exceed total project costs by \$1.6 million.

Calculating the Environmental Impact of Our Investments

We estimated the annual environmental benefits of our investments by employing the Sustainability Impact Assessment methodology co-developed with the global consulting firm EY. To learn more about this methodology, see our [white paper](#) titled, "Financing for a sustainable future: Estimating the environmental benefits of Bank of America's Environmental Business Initiative." We allocated the estimated benefits based on our proportional share of each total transaction. These metrics were calculated on the portion of the bank's current 10-year, \$125 billion environmental business initiative that has a direct impact on emissions. For 2015, that includes 23 percent, or \$3.4 billion, of our financing last year.

Estimated Annual Metrics	Total
\$ Value of financial products	\$3,398,906,427
\$ Value of energy saved/ produced and net \$ value of fuel saved for hybrid vehicles	\$272,331,000
MWh saved from energy conservation projects	473,300
MWh produced from alternative energy projects	2,081,000
Total square feet of LEED certified buildings funded	3,361,430
Total square feet of ENERGY STAR certified buildings funded	2,432,848
Greenhouse gas emissions avoided (metric tons CO ₂ e)	2,014,200
Water use avoided (thousands of gallons)	53,641,700
Non-hazardous waste avoided (metric tons)	47,755
Hazardous Waste avoided (metric tons)	25

G4-EN7 | Reductions in energy requirements of products and services

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Partnerships: Providing Intellectual Capital

In addition to providing financial capital and creating markets to drive significant capital flows towards low-carbon investment, we are also providing intellectual capital to promote financial innovation. We engage in public-private partnerships to share our knowledge and expertise. For example:

Bank of America co-chairs the Finance Working Group of the **United Nations Secretary General's Initiative, Sustainable Energy for All (SE4All)**. A unique multi-stakeholder partnership backed by the United Nations and World Bank to catalyze action for universal access to sustainable energy, SE4All aims to double the rate of improvement in energy efficiency by 2030—a target under the UN's Sustainable Development Goal 7 on energy. The group also aims to ensure universal access to

modern energy services and double the share of renewable energy in the global energy mix.

Following the UN Framework Convention on Climate Change, the **Green Climate Fund (GCF)** was formed in 2010 as a new channel for the disbursement of climate finance. The GCF will help developing countries reduce emissions and adapt to the impacts of climate change. Developing countries are those that are likely to be hurt the worst by a changing climate, and will need the most help making a technological shift to a clean energy economy. In 2015, Managing Director of Climate Finance at Bank of America Merrill Lynch Abyd Karmali served as one of the two inaugural Private Sector Representatives to the Board of the GCF and provided guidance on the fund's strategy, investment framework, and choice of instruments to mobilize capital from the private sector.

The **Global Innovation Lab for Climate Finance (The Lab)** seeks expertise in climate finance from governments, pension funds, investment banks, project developers, and development finance institutions in developing and developed countries. Their experience informs the identification and development of innovative financial instruments. Lab Advisers contribute institutional expertise in order to design, stress test, and advise on the identification of instruments. Purna Saggurti (Chairman, Global Corporate & Investment Banking at Bank of America Merrill Lynch) serves as a Principal in The Lab.

In the lead-up to COP21, we joined other financial institutions to partner with **Ceres**—a coalition of investors, companies, and public interest groups that advocates for sustainability leadership—to issue a [joint statement](#) calling for cooperation among governments to reach a global climate agreement and for the right policy frameworks to be implemented to unlock the private and public capital needed to finance climate solutions.

In 2015, we partnered with the **Center for Climate and Energy Solutions (C2ES)** to announce the launch of “Weathering the Next Storm: A Closer Look at Business Resilience.” The [report](#) examines how companies consider and prepare for climate risk. Bank of America

G4-EN7 | Reductions in energy requirements of products and services

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Impact Investing

Carbon Reserve-Free Strategy

U.S. Trust launched a new component of its proprietary and customizable Socially Innovative Investing (S2I) strategy, the Carbon Reserve-Free Strategy (CRF). The CRF offers the opportunity to invest in a portfolio that excludes companies that own, extract, distribute, and/or process carbon reserves, as well as those firms that convert petroleum directly into energy with CO₂ as the byproduct. The CRF was developed in response to rising demand from investors seeking companies with superior environmental business initiatives. The objective is to provide clients a U.S. equity allocation that delivers risk-adjusted returns comparable to the S&P 1500 benchmark with companies that are environmentally-focused. The CRF is composed of securities identified as environmental stewards according to a multi-factor screen. It is derived from U.S. Trust's Environmental Stewardship and Sustainability (E2S) portfolio.

provided funding for the multi-year C2ES research initiative.

In 2015, the [National Community Advisory Council \(NCAC\)](#), a diverse group of nonprofit leaders convened by Bank of America, added five new members representing environmental and sustainability expertise. Joining Ceres President Mindy Lubber, our new sustainability experts on NCAC are:

- Armond Cohen, Executive Director, Clean Air Task Force
- Rick Fedrizzi, Founding Chairman and CEO, U.S. Green Building Council
- Bob Perciasepe, President, Center for Climate and Energy Solutions
- Andrew Steer, President and CEO, World Resources Institute
- Mark Tercek, President and CEO, The Nature Conservancy

Our Operations

At Bank of America, we recognize the importance of ensuring our operations are environmentally sustainable, and we work continuously to deliver superior environmental performance at our locations. We are committed to tracking and managing our progress toward our aggressive goals to reduce greenhouse gas (GHG) emissions, paper and water consumption, as well as increasing our diversion of waste from landfill and the percentage of our occupied space that is LEED certified.

We are proud to report we've met or exceeded many of our 2015 goals to reduce our environmental impact. We know that the journey towards environmental sustainability is long and challenging. Therefore, achieving measurable environmental results requires a multifaceted approach, from education and changing behaviors to switching light bulbs and rethinking how we operate our buildings.

Since we first introduced public environmental goals in 2004, we have learned a great deal about our company, partners, and vendors, and about the importance of collaboration and sharing best practices. In order to solve the problems faced by our world today, we must join forces with other companies and organizations to identify and implement innovative solutions. By working together with a variety of nonprofit and government organizations, we can support the development of creative solutions for the complex problems faced by businesses and communities around the globe.

As we discuss the outcomes of our 2015 operational goals below, we'll share stories of the partnerships that we have developed along the way, which allow us to continually improve our environmental performance. It is our intention to provide a transparent and honest account of our sustainability journey to date, in the hopes that it can provide helpful insights to companies and organizations in their current and future environmental efforts.

We acknowledge the successes as well as the challenges in meeting these operational goals. We will take both into account as we move forward with new operational goals, which we will

G4-EN27 | Extent of impact mitigation of environmental impacts of products and services



announce in the coming months and will reflect what we have learned thus far. As we tackle the next set of goals, we realize we will succeed in some areas but not others. We will continue to work toward improving our sustainability programs and reducing our environmental impact.

Global Environmental Operations Group (EnOps Group)

Established at the end of 2013, the Global Environmental Operations Group (EnOps) is comprised of senior executives from across our company. It is tasked with establishing goals, setting strategy, and implementing initiatives that impact our environmental operational goals. Throughout 2015, the group met to review progress towards the 2015 operational goals, to develop line of business operational plans to facilitate the achievement of the goals, and to work to ensure that resources were allocated to under-performing initiatives. As part of the broader Global ESG Committee, EnOps adds its expertise and knowledge of operations to support environmental sustainability initiatives across the business.

One member of EnOps, a leader in our Global Wealth & Investment Management line of business, leveraged our environmental efforts to create a newsletter to communicate the value of sustainability to his team. This communication increased internal support for sustainability

Efficient Lighting Standards

In 2014, we launched a new lighting standard, which specifies the lighting technology to be used throughout our occupied portfolio. LED technology dominates the new standard due to its many benefits, such as 40–60 percent energy savings per bulb, outstanding life, and maintenance cost avoidance. Throughout 2015, we implemented this standard at more than 1,300 facilities and expect that the retrofits will reduce lighting electrical loads by 40 percent.

programs and illustrated our global commitment to improving our environmental performance.

Greenhouse Gas Emissions

Buildings are a significant contributor to our GHG emissions and to our use of energy, water, and building materials. Therefore, reductions in our global real estate portfolio result in decreased environmental impacts. In 2015, we reduced our occupied space by 7 percent globally, and we now more efficiently use our real estate portfolio. Thus, space utilization increased from 68 percent to 72 percent, and square feet per employee decreased slightly from 290 to 274. Bank of America continues to pursue space reductions, and we anticipate our space utilization percentage will increase over time.

**FROM 2010
TO 2015,
REDUCED
OUR GHG
EMISSIONS
BY 37%**

G4-EN6 | Reduction of energy consumption

G4-EN19 | Reduction of greenhouse gas (GHG) emissions

G4-EN27 | Extent of impact mitigation of environmental impacts of products and services

2015 Operational Goals	Goal	2011	2012	2013	2014	2015	Results	Notes
Greenhouse gases: reduce net Scope 1 and 2 emissions	15%	6%	14%	19%	26%	37%	●	Exceeded
Paper: reduce consumption	20%	0%	15%	25%	29%	28%	●	Exceeded
Paper: increase average recycled content	20%	9%	9%	9%	8%	9%	●	Did not achieve; see p. 71 for explanation
Paper: sourced from certified forests	100%	93%	95%	97%	98%	99%	●	Did not achieve; see p. 71 for explanation
LEED certified workspace	20%	15%	16%	18%	19%	23%	●	Exceeded
Water: reduce consumption	20%	1%	9%	18%	27%	34%	●	Exceeded
Waste: diversion from landfill	70%	54%	59%	59%	62%	64%	●	Did not achieve; see p. 73 for explanation
E-waste: disposal using certified, responsible vendors	100%	84%	87%	89%	91%	98%	●	Did not achieve; See p. 73 for explanation

Scope 1 and 2 Emissions

In 2011, we set a goal to reduce our absolute GHG emissions by 15 percent from 2010 to 2015. During that time period, we reduced global GHG emissions by 37 percent, more than double our goal. The goal spans our global operations in more than 35 countries and builds on our previous GHG reduction of 18 percent from 2004 to 2009 in our U.S. portfolio.

In setting the 15 percent GHG emissions goal, we considered the recommendation by the Intergovernmental Panel on Climate Change (IPCC). While a 10 percent reduction over five years would be consistent with IPCC's science-based recommendation, we set a more aggressive goal by committing to a 15 percent absolute reduction over five years. The graph below shows the current IPCC recommendation and our actual reductions through 2015.

Transparency is another important element of our GHG emissions management program. Since 2003, we have annually disclosed our greenhouse gas emissions and reduction strategies through the CDP Climate Change survey. In 2014 and 2015, we received a disclosure score of 100 for our reporting transparency and a performance score of A for our leadership in the field. 2015 was the sixth consecutive year CDP named Bank of America to the Climate Disclosure Leadership Index and the Climate A List.

REDUCED ENERGY USAGE IN OUR DATA CENTERS 11% FROM 2013 TO 2015

We have reduced emissions across our portfolio primarily by consolidating space and implementing energy-efficiency projects. Like others, we have also benefited from a less carbon-intensive utility grid.

Energy efficiency projects directed by our Real Estate Services Energy and Sustainability team in 2015 will save more than 46,000 megawatt-hours of electricity annually, which is equivalent to avoiding nearly 21,000 metric tons of GHG emissions. Since 2004, energy efficiency projects have resulted in more than \$300 million of cumulative reductions in energy costs.

Data centers are essential to our business to facilitate point-of-sale and online services to customers, and to ensure effective internal data management and processes. As our data centers account for 20 to 25 percent of our GHG emissions, we continue to deliver on a multi-pronged approach to reduce our data center energy needs.

Since 2010, we've exited 33 data centers, consolidating our computing operations into significantly fewer buildings across our enterprise. In addition, we have focused our energy expertise on reducing the energy required to support our data centers, which led to an 11 percent reduction in energy use from 2013 to 2015. These efforts, combined with our demand response programs, resulted in more than \$4.4 million in savings realized since

G4-EN6 | Reduction of energy consumption

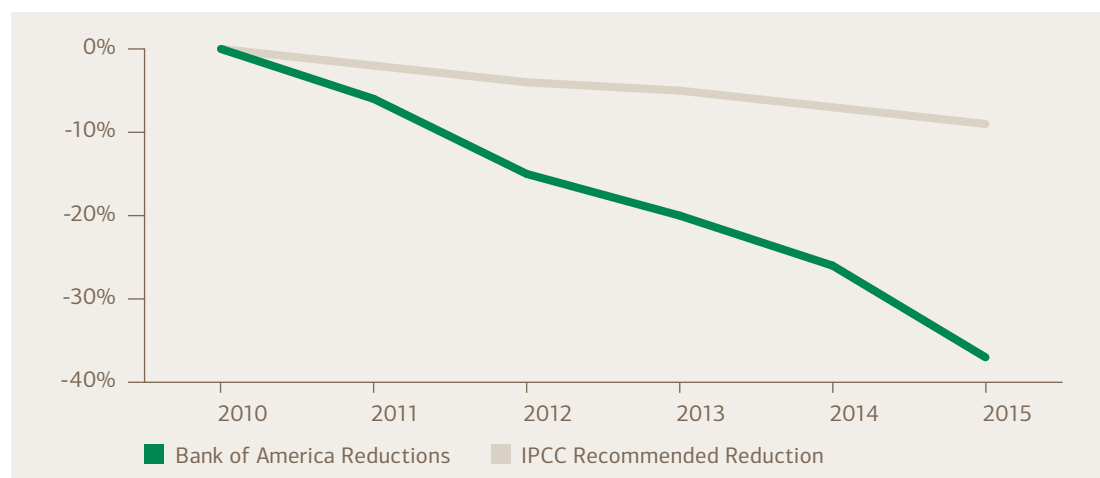
G4-EN15 | Direct greenhouse gas (GHG) emissions (scope 1)

G4-EN16 | Energy indirect greenhouse gas (GHG) emissions (scope 2)

G4-EN19 | Reduction of greenhouse gas (GHG) emissions

G4-EN27 | Extent of impact mitigation of environmental impacts of products and services

GHG EMISSIONS REDUCTIONS



2013. We will continue to emphasize efficiency in our data centers over the coming years to help simplify our operations, lower costs, and reduce emissions.

We have also implemented a grid reliability and demand response program across our portfolio, where we work directly with utilities in the U.S. and UK to take our load off the grid when requested by the utilities. We are avoiding peak power use, helping utilities avert rolling brownouts and blackouts that result from grid disruptions, and assisting utilities in avoiding the construction of new power plants and the operation of inefficient power plants used during peak demand times.

Scope 3 Emissions

Beyond the impact of our Scope 1 and 2 GHG emissions, we recognize and measure significant emissions generated throughout our value chain. In 2015, we saw significant reductions across several of these categories, including upstream transportation and distribution. From 2010 to 2015, GHG emissions from upstream transportation and distribution went down from 56,735 metric tons to 14,818 metric tons. This 74 percent reduction in upstream transportation and distribution emissions was the result of decreased shipments of checks, including the elimination of the air transport of checks.

Our evaluation of Scope 3 emissions includes emissions that result from a variety of forms of transportation, including commuting, business travel (rental cars, rail travel, air travel), upstream transportation (couriers and armored cars, contractor vehicles, contracted shuttle buses, black cars), and downstream transportation (customer travel to financial centers and ATMs).

In 2015, Bank of America continued to support the World Resources Institute (WRI) and United Nations Environment Programme Finance Initiative (UNEP FI) on a project called the Portfolio Carbon Initiative to develop a set of standard methodologies for the accounting of greenhouse gas emissions attributed to financial products and services. Bank of America has served on the initiative's Advisory Committee and technical working group, and is also providing financial support to the initiative. We anticipate

a final report from the Portfolio Carbon Initiative in 2016.

Our commitment to this project builds on the lessons we've learned from historical tracking and reporting of GHG emissions attributed to our U.S. power utility corporate loan portfolio, which we are committed to continuing.

Utility Emissions

Our consideration of value chain emissions includes tracking and reporting on the greenhouse gas emissions intensity of our U.S. power utility corporate loan portfolio, and we remain the only financial institution to do so. This portfolio includes electric generators with whom the bank has significant credit relationships. Our reporting this year shows continued improvement in greenhouse gas emissions intensity attributed to the portfolio. The decline reflects ongoing efforts by our clients to increase the efficiency of their generating facilities and decrease the carbon intensity of the fuel mix they use to generate electricity.

G4-EN15 | Direct greenhouse gas (GHG) emissions (scope 1)

G4-EN16 | Energy indirect greenhouse gas (GHG) emissions (scope 2)

G4-EN17 | Other indirect greenhouse gas (GHG) emissions (scope 3)

G4-EN19 | Reduction of greenhouse gas (GHG) emissions

G4-EN27 | Extent of impact mitigation of environmental impacts of products and services

UTILITY PORTFOLIO EMISSIONS INTENSITY

Year	Short tons CO ₂ per MWh— previously reported from available data	Short tons CO ₂ per MWh— restated/reported from newly available data
2004	0.733	NA
2005	0.658	NA
2006	0.638	NA
2007	0.634	NA
2008	0.581	NA
2009	(1)	NA
2010	0.580	NA
2011 ⁽²⁾	0.568	0.6093
2012	NA	0.621
2013	NA	0.5645
2014	NA	0.5700
2015	NA	0.5678

(1) Bank of America was unable to compile data for 2009.

(2) Using newly expanded emissions data, we have recalculated our utility portfolio emissions intensity for 2011.

Paper

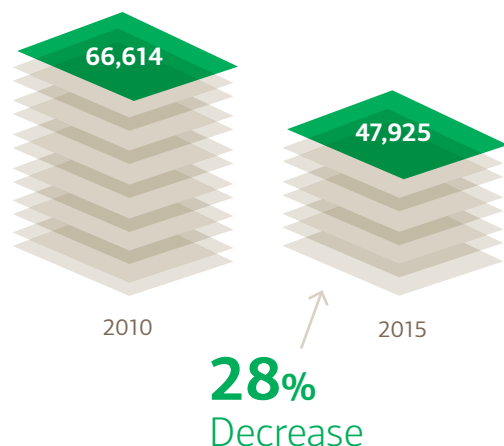
Paper use is a significant contributor to our environmental footprint. We have three paper use goals we've worked to achieve by 2015:

- Decrease our overall paper use by 20 percent.
- Use an average of 20 percent post-consumer recycled content by weight.
- Only use paper sourced from certified forests.

In 2015, we continued to focus on transitioning customers to online banking, reducing employee printing, and increasing the digital delivery of key documents. Since 2010, we've reduced our paper use by 28 percent, significantly exceeding our goal. We increased the percent sourced from certified forests from 93 percent in 2011 to 99 percent in 2015, falling just short of our 100 percent goal. The primary reason for not achieving this goal was the difficulty of tracing the chain of custody for some paper-based office supplies such as notebooks and post-it notes. We're pleased, however, that nearly all of the other paper products we purchase, such as office paper and paper for marketing materials, are sourced from certified forests.

While we've significantly increased the percent of post-consumer waste content in our internal copy paper — moving to 30 percent post-

TOTAL PAPER USAGE (Metric tons and percent decrease from base year)



Recycled Content Paper

Bank of America is actively working to increase the use of sustainable paper solutions within our operations, including the paper that is used to print convenience checks. In addition to paperless check options, we make convenience checks available to our customers who still prefer paper. Checks use a special magnetic ink that allows automated readers to align the checks with customer account and routing numbers, and there was concern that recycled content would interfere with readers and cause errors.

In partnership with our vendors, cross-functional teams that included the Global Environmental Group, Consumer Marketing, Enterprise Services, and Document Fulfillment Services, we developed a robust testing plan supporting the addition of 10 percent recycled content into convenience check paper. These checks were evaluated by four independent experts in the industry. In addition, we decided to select a small segment of "preferred paper" customers to test the new recycled content approach. The result was a huge success with no usage impacts. This single change will reduce our annual use of virgin paper by 550,000 pounds, which translates to avoiding the use of roughly 6,600 trees and preventing the addition of 258 metric tons of greenhouse gas emissions to the atmosphere annually.

consumer waste paper in most of our employee locations — it has not significantly improved our overall percentage of recycled content, currently at 9 percent. This is because a majority of our paper consumption comes from printed materials for customers. Integrating recycled content paper into these production streams is complex and requires the development and testing of new processes and equipment. We've learned a lot through the process and are committed to continuing to increase the recycled content of our paper.

G4-EN1 | Materials used by weight or volume

G4-EN2 | Percentage of materials used that are recycled input materials

G4-EN27 | Extent of impact mitigation of environmental impacts of products and services

LEED Certification

We are pleased to have exceeded our goal to reach 20 percent LEED certified square footage in our workspace, by achieving 23 percent at the end of 2015. LEED is a globally recognized standard identifying achievement in green building design, construction, and operations encompassing multiple environmental efforts such as water and energy efficiency, sustainable purchasing, and effective waste management.

We have effectively integrated LEED certification into our project and property management processes, and our success is reflected in the nearly 19 million square feet of LEED certified workspace across all building types in our portfolio. We've completed more than 5.5 million square feet of certified projects in 2015 and at year's end, 129 of our financial centers had achieved LEED certification, comprising more than 550,000 square feet. With nearly 670,000 certified square feet outside the U.S., we've made progress globally as well, including 13 LEED certified offices across the Asia Pacific region. In 2015, we were recognized by U.S. Green Building Council for being among the top 10 financial service companies in total LEED square footage.

Water

Water is essential to our operations, and we take very seriously our responsibility to carefully manage our water resources. As of 2015, we've reduced our annual global water usage by 34 percent, or by nearly 1.2 billion gallons from our 2010 baseline, exceeding our goal to reduce water use 20 percent from 2010 to 2015. In addition, we recycled and/or reused more than 21 million gallons of water throughout our facilities in 2015.

In 2014, we piloted drought-tolerant landscaping at six California financial centers. In 2015, this program saved more than \$20,000 and 4.8 million gallons of water, and we expect these savings to continue going forward. These efforts helped us comply with California Executive Order B-29-15, which calls for a 25 percent reduction in potable urban water usage by 2016.

Expanding on this program, we implemented a water-efficient landscaping pilot project at

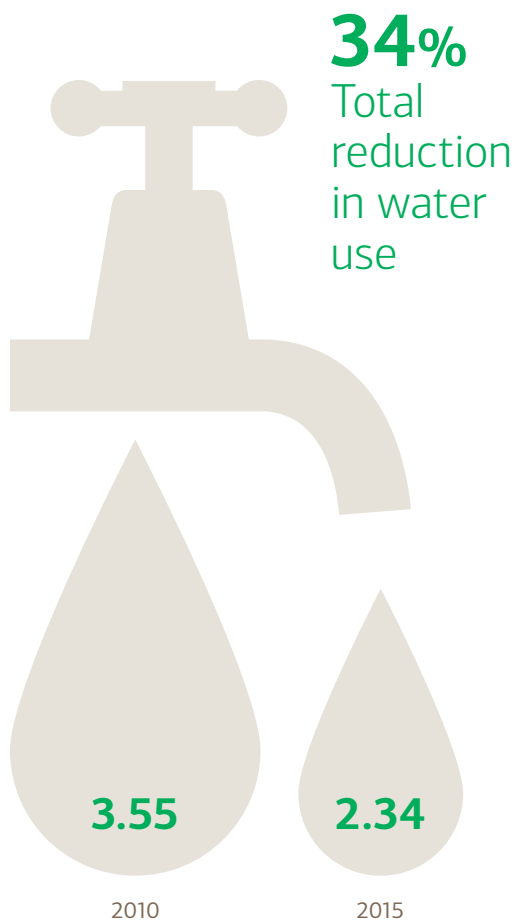
one of our facilities in Texas, which is projected to save 100,000 gallons of water annually. The facility team installed smart irrigation controllers and a drip irrigation system, and planted drought-tolerant, native vegetation across the campus. We will employ both lessons learned and elements of this pilot at other locations, especially in drought-prone areas.

In addition to our efficiency programs, our approach to water sustainability now includes expanded reporting routines. In 2013, 2014, and 2015, we voluntarily responded to the annual CDP water survey, through which we discuss details of our water usage as well as the risks and opportunities presented by water quality and scarcity.

G4-EN8 | Total water withdrawal by source

G4-EN10 | Percentage and total volume of water recycled and reused

TOTAL WATER USAGE (U.S. gallons in billions)



California Drought Response

In response to the severe drought in California, Bank of America implemented a California Drought Management Program to identify solutions to save water at approximately 700 properties in 2015. We exceeded a state water reduction mandate by reducing our own water use by 31 percent in those 700 properties, compared to 2013.

To achieve these results, we analyzed our water use to identify facilities with significant usage, worked with our teams to spot and mitigate reasons for increased usage, and implemented correction plans accordingly. We worked with landscaping contractors to inspect irrigation lines to find and repair damage, overspray, and malfunctioning time-clocks, and prioritize irrigation systems to support large plants over turf. Within our buildings, we proactively detected and repaired leaks and retrofitted bathrooms with low-flow fixtures. Exterior surfaces, such as sidewalks and entryways, are now cleaned with a non-water, environmentally responsible cleaning solution in lieu of pressure washing.

Waste Management and Recycling

Our goal was to achieve a 70 percent diversion rate by 2015. While our 64 percent diversion rate fell short of our goal, this rate is a significant improvement from 2011, and we will continue to work diligently to increase waste diversion. We are focused on three major areas: increasing availability of recycling services, employee education, and expanded rollout of composting. Through these initiatives, we fully anticipate improving our diversion rate over the next few years.

One of the greatest challenges in managing our waste is simply identifying all of our waste streams and measuring waste generation throughout our organization. In order to improve our waste tracking, we work with our vendors

and landlords to identify waste streams and develop sound methodologies to estimate where actual data is not available. We have made significant improvements in data collection and management since we first began to report waste data, but we still have more work to do.

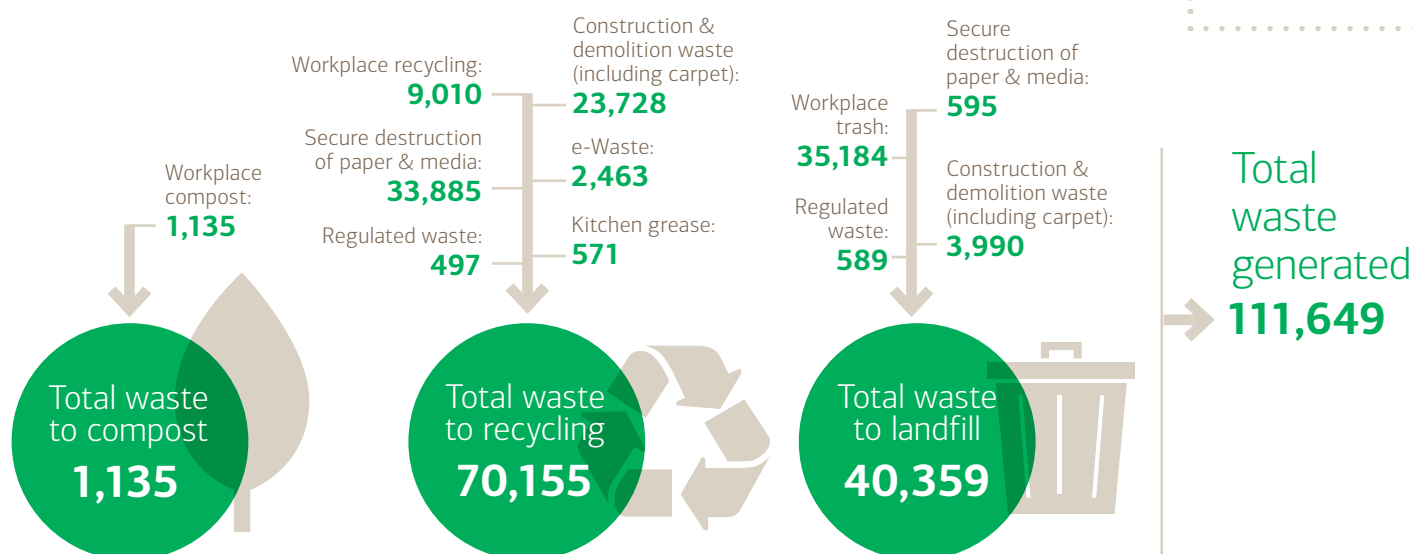
In addition, in order to improve our tracking of construction and demolition waste, we now require general contractors to report on all waste generated during construction projects. We've also developed a method to identify gaps in reporting to better enforce this requirement.

Recycling of plastic, aluminum, and cardboard is now available in 54 percent of our global workspace. In 2015, we continued to expand our own recycling programs, while partnering with landlords to increase recycling at leased properties. Our waste and recycling programs continue to save money each year, resulting in cumulative savings of more than \$1.25 million since 2010. In 2015, Bank of America launched our first global recycling campaign, *Recycle Now*—a six-week, six-market competition aimed at encouraging employees to recycle 100 percent of all items in the workplace that can be recycled. Read more about *Recycle Now* in the My Environment section on p. 82 of this chapter.

We report regulated waste, such as hazardous waste, used oil, asbestos, kitchen grease, and universal waste, including batteries and mercury-containing lamps, on a one-year time lag. Complete regulated waste information isn't available until mid-year, so this approach allows more comprehensive and accurate reporting of these waste streams.

We're also working to reduce the impact of our electronic waste streams. In 2010, we became an e-Stewards® enterprise and in 2012, we committed to disposing of all of our electronic waste through certified, responsible disposal vendors by 2015. In 2015, we disposed of 98 percent of our e-waste using certified, responsible vendors, falling just short of our goal of 100 percent.

G4-EN23 | Total weight of waste by type and disposal method

2015 GLOBAL WASTE (Metric tons)

Note: Numbers may not sum exactly due to rounding.

Our 2015 Data

We continue to track and manage the environmental impacts of the bank's operations and refine our methodology in order to most accurately collect and report on this data.

Our 2015 environmental activities are reported here using the Global Reporting Initiative G4 Sustainability Reporting Guidelines, as well as its Financial Services Sector Disclosure.

In 2015, new Scope 2 GHG emissions guidance was issued by the Greenhouse Gas Protocol, the international standard for the reporting of greenhouse gas (GHG) emissions, by corporations, governments, and organizations.

The most significant change introduced by the guidance is the requirement that companies must quantify and report two electricity emissions totals, using a location-based method and a market-based method. The market-based method considers contractual arrangements under which the reporting organization procures

power from specific suppliers or sources, such as renewable energy. The location-based method considers average emission factors for the electricity grids that provide electricity to a reporting organization and reflects operational performance. This change is reflected in the data tables that follow, which report emissions using both methods.

Our market-based emissions include the impact of renewable energy certificates (RECs) purchased in the U.S. All U.S. RECs purchased by Bank of America are Green-e certified. Emissions reflect supplier-specific emission rates where available, all of which comply with

Scope 2 Guidance criteria. Emissions reflect residual mix factors for European facilities. Residual mix factors are not currently available for facilities outside of Europe. Location-based emission factors are used to quantify electricity-related Scope 3 emissions.

**WASTE &
RECYCLING
PROGRAMS
SAVINGS:
\$1.2M SINCE
2010**

Greenhouse Gas Emissions (metric tons CO ₂ e)	2010	2011	2012	2013	2014	2015
Scope 1 and Location-Based Scope 2 Emissions						
Scope 1 Direct Emissions	141,929	133,854	120,935	116,760	111,233	98,911
Location-Based Scope 2 Indirect Emissions	1,670,103	1,563,502	1,420,164	1,335,600	1,224,004	1,028,359
Total Scope 1 and Location-Based Scope 2 Emissions	1,812,031	1,697,356	1,541,099	1,452,359	1,335,237	1,127,270
Reduction in Total Scope 1 and Location-Based Scope 2 Emissions	N/A	6%	15%	20%	26%	38%
Scope 1 and Market-Based Scope 2 Emissions						
Scope 1 Direct Emissions	141,929	133,854	120,935	116,760	111,233	98,911
Market-Based Scope 2 Indirect Emissions	1,670,509	1,576,515	1,435,957	1,351,026	1,236,660	1,036,822
Total Scope 1 and Market-Based Scope 2 Emissions	1,812,438	1,710,369	1,556,892	1,467,786	1,347,893	1,135,732
Reduction in Total Scope 1 and Market-Based Scope 2 Emissions	N/A	6%	14%	19%	26%	37%
Scope 3 Indirect Emissions (metric tons CO₂e)						
Category 1: Purchased Goods and Services	N/A	2,692,749	2,368,832	2,102,616	2,026,561	1,674,213
Category 2: Capital Goods	N/A	110,711	94,215	80,307	104,018	85,933
Category 3: Fuel- and Energy-Related Activities	322,267	304,418	285,267	270,999	251,073	215,561
Category 4: Upstream Transportation and Distribution	56,735	56,512	37,734	26,186	20,231	14,818
Category 5: Waste (Traditional Disposal)	N/A	22,964	21,985	19,842	17,150	16,525
Category 6: Business Travel	190,350	193,313	179,171	216,218	173,455	184,613
Category 7: Employee Commuting	707,216	528,895	494,216	446,186	417,262	388,595
Category 9: Downstream Transportation and Distribution	N/A	N/A	1,300,000	1,200,000	1,100,000	900,000
Category 11: Use of Sold Products	N/A	N/A	10,000	10,000	10,000	9,000
Category 12: End-of-Life of Sold Products	N/A	N/A	30,000	25,000	23,000	24,000
Supplemental Information						
Avoided Emissions from Recycling and Composting	N/A	-155,645	-160,350	-151,747	-149,745	-145,582

G4-EN15 | Direct greenhouse gas (GHG) emissions (scope 1)

G4-EN16 | Energy indirect greenhouse gas (GHG) emissions (scope 2)

G4-EN17 | Other indirect greenhouse gas (GHG) emissions (scope 3)

G4-EN19 | Reduction of greenhouse gas (GHG) emissions

We follow the WRI and WBCSD GHG Protocol Corporate Accounting and Reporting Standard to calculate Scope 1, 2 and 3 emissions. We use an operational control approach to define our boundary. The base year for emissions reductions is 2010. Emissions are recalculated back to the base year when a change to a prior inventory would result in a change in emissions of 0.5% or greater. Scope 1 and 2 calculations are based on site-specific data for fuel consumed and utilities purchased, applying published emissions factors and global warming potentials (GWPs). Scope 3 calculations are based on data for the relevant activity, applying published emissions factors and GWPs. Where actual data is not available, estimates are made based on actual data collected in prior years. The gases included in the calculation of Scope 1, 2 and 3 emissions are CO₂, CH₄, N₂O, HFCs and PFCs.

Greenhouse Gas Emissions by Region	Units	2015 Location-Based Emissions			2015 Market-Based Emissions		
		Scope 1 Direct Emissions	Scope 2 Indirect Emissions	Total Scope 1 and Scope 2 Emissions	Scope 1 Direct Emissions	Scope 2 Indirect Emissions	Total Scope 1 and Scope 2 Emissions
U.S. & Canada	Metric tons CO ₂ e	87,850	884,845	972,694	87,850	882,707	970,557
Asia Pacific	Metric tons CO ₂ e	2,874	80,778	83,653	2,874	80,778	83,653
EMEA	Metric tons CO ₂ e	7,648	60,547	68,196	7,648	71,147	78,795
Latin America	Metric tons CO ₂ e	538	2,189	2,728	538	2,189	2,728

G4-EN15 | Direct greenhouse gas (GHG) emissions (scope 1)

G4-EN16 | Energy indirect greenhouse gas (GHG) emissions (scope 2)

G4-EN19 | Reduction of greenhouse gas (GHG) emissions

Greenhouse Gas Emissions by Country	Units	2015 Location-Based Emissions			2015 Market-Based Emissions		
		Scope 1 Direct Emissions	Scope 2 Indirect Emissions	Total Scope 1 and Scope 2 Emissions	Scope 1 Direct Emissions	Scope 2 Indirect Emissions	Total Scope 1 and Scope 2 Emissions
United States	Metric tons CO ₂ e	87,718	884,534	972,251	87,718	882,396	970,114
United Kingdom	Metric tons CO ₂ e	5,959	55,078	61,037	5,959	64,596	70,555
India	Metric tons CO ₂ e	2,384	46,140	48,524	2,384	46,140	48,524
China	Metric tons CO ₂ e	186	16,214	16,399	186	16,214	16,399
Japan	Metric tons CO ₂ e	89	5,896	5,985	89	5,896	5,985
Australia	Metric tons CO ₂ e	9	3,251	3,260	9	3,251	3,260
Ireland	Metric tons CO ₂ e	662	1,129	1,791	662	1,884	2,546
South Africa	Metric tons CO ₂ e	12	1,632	1,643	12	1,632	1,643
Canada	Metric tons CO ₂ e	132	311	443	132	311	443
Southeast Asia—Singapore, Malaysia, Philippines, Thailand, and Indonesia	Metric tons CO ₂ e	107	6,849	6,957	107	6,849	6,957
Mexico	Metric tons CO ₂ e	81	584	664	81	584	664
Russia	Metric tons CO ₂ e	122	810	932	122	810	932
Germany	Metric tons CO ₂ e	9	168	176	9	266	275
Italy	Metric tons CO ₂ e	52	237	289	52	250	302
Brazil	Metric tons CO ₂ e	63	408	471	63	408	471
France	Metric tons CO ₂ e	11	46	57	11	24	35
Saudi Arabia	Metric tons CO ₂ e	5	84	90	5	84	90
Rest of World	Metric tons CO ₂ e	1,310	4,990	6,300	1,310	5,227	6,537

**NO_x, SO_x, and Other
Significant Air Emissions
from Direct Combustion**

Significant Air Emissions from Direct Combustion	Units	2010	2011	2012	2013	2014	2015
SO _x	Metric tons	17	17	15	10	1.2	0.9
NO _x	Metric tons	45	42	37	35	30	25
CO	Metric tons	56	53	47	48	46	38
VOC	Metric tons	3.9	3.7	3.3	3.3	3.0	3.7
PM	Metric tons	7.3	6.9	6.1	5.6	4.5	2.5
Ozone Depleting Substances	Metric tons CFC - 11e	14	13	13	22	23	17

Data is sourced from the Scope 1 and 2 inventory and records kept through our compliance program. We use the same boundary in calculating energy consumption as in our GHG emissions calculations.

G4-EN3 | Energy consumption within the organization

G4-EN6 | Reduction of energy consumption

G4-EN19 | Reduction of greenhouse gas (GHG) emissions

G4-EN20 | Emissions of ozone-depleting substances (ODS)

G4-EN21 | NO_x, SO_x, and other significant air emissions

**Direct and Indirect Energy
Consumption (Gigajoules)**

	2010	2011	2012	2013	2014	2015
Electricity	11,796,489	11,021,687	10,583,245	9,793,244	8,950,905	8,041,148
Other indirect (purchased steam and cooling)	200,907	201,335	200,361	158,006	169,045	152,199
Natural gas	1,489,657	1,401,520	1,240,870	1,290,967	1,230,066	1,024,295
Other direct (fuel oil, jet fuel, gasoline, diesel fuel, propane)	348,755	323,555	273,260	236,229	199,212	194,410

Data is sourced from utility bills where possible. Where utility bills are not available (such as in a leased property), we estimate based on internal estimation intensities by building type. These estimation intensities are calculated annually based on actual data. We use the same boundary in calculating energy consumption as in our GHG emissions calculations.

**Reductions in
Greenhouse Gas
Emissions and Energy
Consumption**

Emissions and Energy Consumption	Units	2010	2011	2012	2013	2014	2015
Projected annual emissions savings from reduction initiatives	Metric tons CO ₂ e	N/A	21,000	28,418	23,419	24,810	20,752
Projected annual savings from energy efficiency measures	Gigajoules	N/A	149,353	215,787	186,824	182,735	165,881

Data is sourced from records kept by Real Estate Services, which records each project undertaken and relevant details, including project annual electricity or fuel savings and projected annual monetary savings.

G4-EN1 | Materials used by weight or volume

G4-EN3 | Energy consumption within the organization

Indirect Energy Consumption by Fuel Mix	2010	2011	2012	2013	2014	2015
Coal	36%	35%	33%	34%	34%	38%
Natural gas	3%	5%	2%	2%	2%	1%
Nuclear	30%	32%	31%	32%	32%	30%
Renewable	23%	22%	24%	23%	22%	19%
Petroleum	9%	8%	10%	10%	10%	11%

Indirect Energy Consumption by Primary Fuel Source (Gigajoules)	2010	2011	2012	2013	2014	2015
Coal	13,057,661	11,764,344	10,746,803	10,255,225	9,555,961	9,619,829
Petroleum	780,226	1,196,110	454,949	363,929	338,155	179,420
Natural Gas	8,239,761	8,220,850	7,759,924	7,441,705	6,660,655	5,753,330

This data represents total source energy consumed to produce the intermediate energy (electricity, steam, chilled water) used.

Non-Renewable Material Usage—IT Equipment (Number of Units Procured)	2012	2013	2014	2015
Desktops and Workstations	78,786	81,148	42,167	36,483
Laptops and Tablets	35,070	59,054	27,757	54,474
Printers and Multifunction Printing Devices	2,267	8,322	11,318	6,008
Servers	1,076	1,541	1,132	894
Monitors	96,213	131,481	82,663	74,846
Thin Clients	Not Applicable	Not Applicable	Not Applicable	3,180

IT equipment is purchased from external suppliers. Data is sourced from direct measurements based on invoices from our paper vendors.

Renewable Material Usage—Paper	Units	2010	2011	2012	2013	2014	2015
Paper	Total usage (metric tons)	66,614	66,693	56,529	50,166	47,570	47,925
	Percent decrease from base year	N/A	0%	15%	25%	29%	28%
	Recycled input materials by weight	8%	9%	9%	9%	8%	9%
	Certified input materials by weight	N/A	93%	95%	97%	98%	99%

Paper is purchased from external suppliers. Data is sourced from direct measurements based on invoices from our paper vendors.

G4-EN1 | Materials used by weight or volume

G4-EN2 | Percentage of materials used that are recycled input materials

G4-EN8 | Total water withdrawal by source

G4-EN10 | Percentage and total volume of water recycled and reused

Electronification of Paper	Units	2010	2011	2012	2013	2014	2015
Suppression	Metric tons of paper avoided	5,280	8,430	8,608	9,870	10,999	10,999
	Metric tons of CO ₂ e avoided	14,296	24,312	23,196	26,596	29,885	29,885
Electronic Payment	Metric tons of paper avoided	1,032	1,052	1,091	1,241	1,231	1,231
	Metric tons of CO ₂ e avoided	2,794	3,032	2,940	3,344	3,344	3,344
Print Monitoring and Control	Metric tons of paper avoided	0	1,526	1,409	869	922	922
	Metric tons of CO ₂ e avoided	0	4,398	3,797	2,343	2,480	2,480
Image ATM Envelope Elimination	Metric tons of paper avoided	1,361	1,485	1,547	1,496	1,425	1,425
	Metric tons of CO ₂ e avoided	3,922	4,280	4,169	4,031	3,871	3,871

Note: Values held constant from 2014, as 2015 data was not available.

Water	Units	2010	2011	2012	2013	2014	2015
Water Consumption	Billion U.S. gallons	3.55	3.53	3.25	2.90	2.59	2.34
	Million cubic meters	13.5	13.4	12.3	11.0	9.81	8.87
Reduction in Total Water Consumption	Percent decrease from base year	N/A	1%	9%	18%	27%	34%
Water Reused or Recycled	Thousand U.S. gallons	N/A	N/A	N/A	26,350	19,420	21,740
Estimated Annual Savings from Water Reduction Projects	Thousand U.S. gallons	N/A	43,229	244,412	42,263	19,965	60,963

Data for water withdrawals is sourced from utility bills where possible. Where utility bills are not available (such as in a leased property), we estimate based on internal estimation intensities by building type. These estimation intensities are calculated annually based on actual data. We use the same boundary in calculating energy consumption as in our GHG emissions calculations. Water is withdrawn from municipal sources and discharged to municipal sewer systems. Data for water reused or recycled is sourced from meter readings of the water reuse systems in place.

G4-EN23 | Total weight of waste by type and disposal method

Waste	Units	Disposal method	2011	2012	2013	2014	2015
Non-Hazardous Waste (office, confidential)	Metric tons	Landfill and incineration	48,317	45,731	43,288	37,542	35,779
	Metric tons	Recycling and compost	46,509	49,221	45,854	45,288	44,030
	Diversion rate		49%	52%	51%	55%	55%
Non-Hazardous Waste (construction and demolition, carpet)	Metric tons	Landfill and incineration	1,826	3,376	3,661	6,115	3,990
	Metric tons	Recycling and compost	8,288	20,482	15,893	19,305	23,728
	Diversion rate		82%	86%	81%	76%	86%
Non-Hazardous Waste (kitchen grease)	Metric tons	Landfill and incineration	0	0	0	0	0
	Metric tons	Recycling and compost	40	43	307	701	571
	Diversion rate		100%	100%	100%	100%	100%
e-Waste	Metric tons	Landfill and incineration	0	0	0	0	0
	Metric tons	Recycling and remarketing	3,931	3,761	4,932	4,898	2,463
	Diversion rate		100%	100%	100%	100%	100%
	Certified disposal rate		84%	87%	89%	91%	98%
Hazardous, Universal, Used Oil, and Asbestos Waste	Metric tons	Landfill and incineration	470	2,320	695	345	589
	Metric tons	Recycling, reuse, and salvage	462	267	421	192	497
	Diversion rate		50%	10%	38%	36%	46%
Total Waste	Metric tons	Landfill and incineration	50,612	51,428	47,644	44,001	40,359
	Metric tons	Recycling and other diversion	59,230	73,774	67,408	70,385	71,290
	Diversion rate		54%	59%	59%	62%	64%

Data is sourced from vendors that provide waste removal services. A detailed description of the methodologies employed is available in the Waste Management and Recycling section.

Note: Numbers may not sum exactly due to rounding.

Facilities	Units	2010	2011	2012	2013	2014	2015
LEED Certifications	Net square feet	12,537,553	17,102,514	17,076,583	17,548,097	17,542,460	18,990,678
	Percent of total workplace	10%	15%	16%	18%	19%	23%
Carpet	Metric tons purchased	530	2,136	1,376	1,425	1,504	1,358
	Recycled input materials by weight	Not Available	Not Available	Not Available	27%	40%	40%
Environmentally Sustainable Cleaning	Square feet cleaned using qualifying products	77,000,000	78,000,000	72,300,000	62,243,807	57,250,002	50,169,159
	Percent of total workplace	64%	67%	66%	63%	63%	59%

G4-EN24 | Total number and volume of significant spills

G4-EN29 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations

Transportation	Units	2010	2011	2012	2013	2014	2015
Employee Commuting	Annual miles traveled	1,962,652,062	1,516,150,982	1,375,785,444	1,274,259,233	1,200,239,636	1,127,432,624
Low-Carbon Vehicle Reimbursement Program	New participants	669	842	1,168	1,093	824	603
	Metric tons of CO ₂ e avoided by new participants	771	1,254	1,726	2,154	1,777	1,390
Telepresence	Number of calls	13,201	56,991	64,469	81,204	97,811	123,759

Compliance	Units	2010	2011	2012	2013	2014	2015
Non-Compliance with Environmental Regulations	Fines paid in \$USD	\$23,854	\$16,240	\$16,350	\$28,200	\$0	\$1,000
	Non-monetary violations	9	19	7	1	4	3
Reportable Spills	Number	2	2	1	3	7	0
	Volume—U.S. gallons	3	1,340	400	23	330	0

Data is sourced from our compliance management system, in which we record all instances of non-compliance with environmental regulations and spills.

G4-EN30 | Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce

G4-EN31 | Total environmental protection expenditures and investments by type

Environmental Spend	Units	2012	2013	2014	2015
Compliance Management	\$USD	Data not available by category	\$16,600,000	\$14,100,000	\$10,700,000
Environmental Assessment and Remediation	\$USD	Data not available by category	\$4,300,000	\$5,500,000	\$5,300,000
Waste Management	\$USD	Data not available by category	\$200,000	\$200,000	\$100,000
Total Environmental Protection Spend	\$USD	\$21,100,000	\$21,100,000	\$19,800,000	\$16,100,000

Data is sourced from our compliance management system, in which we record all instances of non-compliance with environmental regulations and spills.

My Environment

In 2015, we celebrated the fifth anniversary of the My Environment® program. We created the My Environment program as a way to engage and empower employees to act as better environmental stewards in all areas of their life—at work, at home, and in the community. Today the program has grown to include more than 19,000 employee members in 32 countries, totaling almost 10 percent of our workforce. Employees have contributed more than 227,000 environmental volunteer hours since 2010.

To commemorate the five-year anniversary of the My Environment program, Bank of America teamed up with The Nature Conservancy to plant one tree for each My Environment member as of September 2015—totaling more than 17,122 trees.

**MORE THAN
2,000
VOLUNTEERS
PARTICIPATED
IN 40
INTERNATIONAL
COASTAL
CLEANUP EVENTS**

My Environment members also participated in global International Coastal Cleanup events. Each year, thousands of employees assist in collecting millions of pounds of debris from oceans, lakes, and rivers around the world. Over 2,000 volunteers participated in more than 40 cleanup events.

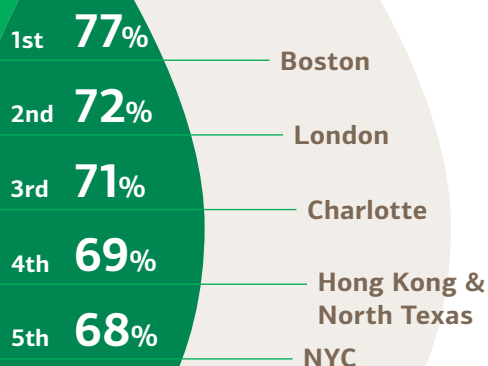
In 2015, we launched Recycle Now, our first global campaign to educate and inspire our employees to do more recycling. As part of the [campaign](#), we engaged our employees in several ways including an interactive online recycling game, short videos and an at-home recycling guide. In addition, there was a six-week, six-market competition. Employees in these markets tried to recycle 100 percent

of workplace items that could be recycled in their markets. The winning market, Boston, earned a \$25,000 grant for a local environmental nonprofit, and the most improved market, Hong Kong, received a \$10,000 grant. A highlight of the competition was sculptures made from recyclable materials by local non-profit partners and put on display in several office buildings during the challenge. As a result of this campaign, our recycling rate in these markets increased by an average of 14 percent. We continue to focus on recycling and reducing waste across the enterprise.

As part of My Environment, we also provide our employees incentives to incorporate environmentally friendly technologies in their home lives. For 10 years we have offered employees in the U.S. a subsidy on the purchase of lower carbon vehicles and recently expanded to include the UK. The program has been very successful and our employees are 2.5 times as likely as the average American to drive a hybrid or other clean energy vehicle. In keeping with our goal to increase adoption of emerging low-carbon technologies, we updated our employee program in 2015. The program now provides incentives for the next generation of lower carbon vehicles—highway-capable electric or hydrogen fuel cell vehicles. Eligible U.S. and UK employees can receive a \$4,000/£3,000 reimbursement for the purchase of a new, eligible electric vehicle or \$2,000/£1,000 for a new lease.

RECYCLE NOW COMPETITION — RECYCLING RATES

14%
Overall
increase in
recycling



Philanthropy

Philanthropic partnerships play an important role in our broader strategy to help finance the transition to a lower-carbon, sustainable economy. That's why we continue to partner with leading organizations that are helping to drive a low-carbon energy future, expanding access to clean and safe water, and researching next-generation solutions to these challenges. Examples of two of these partners are Water.org and the GivePower Foundation, which are, respectively, providing access to clean water and bringing clean energy to the developing world.

Water.org

Access to clean water is one of the most pressing issues of our time. In 2015, we announced a \$1 million grant to Water.org, a global organization that provides innovative, community-led and market-based solutions that change lives. Our grant will empower 100,000 people in southern India to obtain safe water and sanitation solutions through WaterCredit, a program that enables people in need to access small loans for water connections and toilets. Through our connection with Water.org, we are improving environmental and global health, while creating educational and economic opportunities for women and girls. Our grant will benefit three local WaterCredit partners in the region. As the loans are repaid, the funds will provide a sustainable source of affordable water and sanitation financing in the region.

GivePower Foundation

We also 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. Our grant helped GivePower provide much-needed solar-powered light to 1,000 additional schools in 2015. GivePower Foundation donates solar panels, batteries, and lighting to schools to extend classroom hours

in the early morning and evening, and create a night time gathering place in communities that lack basic access to electricity. In addition to supporting hundreds of school lighting projects, the funds will also support solar job training, research, and development in off-grid communities. The GivePower Foundation expects to bring light to remote villages in Kenya, Nepal, Nicaragua, Haiti, Tanzania, Ghana, DR Congo, Senegal, and Ethiopia.

G4-15 | Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses

Environmental Governance and Policies

Bank of America maintains environmental and social risk policies related to climate change, forests, energy, and certain high risk sectors. We make our policies publicly available to provide transparency and clarity about our

position on these issues. In 2015, we launched a significant review of our existing policies with the goal of creating a new, comprehensive Environmental and Social Risk Management Framework (ESRM Framework) for the company. As part of this process, we made significant changes to our coal policy and continued to evolve our rigor around certain higher risk sectors including Palm Oil. The new ESRM Framework, which sets forth the parameters for how we identify, measure, monitor, and

control risks related to environmental and social issues, will be available on our website later this year.

Coal Policy

In 2015, Bank of America became one of the first banks to update its coal policy to focus on risk issues in the sector beyond mountain top removal mining (MTR) of coal.

**OUR \$500,000
GRANT TO
GIVEPOWER
FOUNDATION
PROVIDED
SOLAR-POWERED
LIGHT TO 1,000
ADDITIONAL
SCHOOLS IN 2015**

In our latest policy, Bank of America committed to reduce our credit exposure to companies that mine coal. This policy applies globally to both companies focused on coal mining, and to divisions of diversified mining companies that are focused on coal. While we have reduced our credit exposure to companies focused on coal, including those companies engaged in MTR, we have significantly increased our exposure to renewable energy projects. At the end of 2015, our exposure to renewable energy projects was nearly 9.5 times our exposure to coal extraction.

You can read the full content of [Bank of America's Coal Policy](#) on our website.

Palm Oil Policy Initiatives

Last year, we strengthened environmental due diligence processes for clients who operate in the Palm Oil sector, including requiring clients whose business is focused on ownership and management of palm oil plantations and operations (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 an equivalent certification standard as a minimum requirement. Building upon this process, in 2016 we will engage with stakeholders including clients, our own bankers, and non-governmental organizations to discuss this complex issue and continue to advance policy to help mitigate the social and environmental risks attributed to palm oil production.

Environmental Risk Management/ Due Diligence

As outlined in the Business Standards Report, we follow a risk-based framework that provides for clear ownership and accountability for managing risk.

In 2015, we were not engaged in any project-related corporate loans, advisory services, or project finance (as defined by the Equator Principles) that reached financial close during the reporting period. Our reporting and tracking are in accordance with the third edition of the Equator Principles (EP III).

The table below is a summary of transactions that required enhanced environmental and social risk review beyond standard due diligence processes.

Sector	Enhanced review by environmental and social risk specialists	Enhanced review by global reputation risk committee
Oil & Gas	4	0
Mining	31	0
Forestry & Agriculture	7	0
Energy Infrastructure	24	1
Transportation	4	0
Chemicals	2	0
Other	6	0

Compliance Procedures — Environmental Management System (EMS)

We employ an Environmental Management System (EMS) that relies on a comprehensive compliance database to help Real Estate Services Environment Risk 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

G4-15 | Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses

G4-45 | Highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities

BELOW ARE THREE EXAMPLES OF TRANSACTIONS THAT REQUIRED ENHANCED REVIEW:

Sector	Transaction type	Issue	Outcome summary
Mining	Capital Markets—Equity	Assurance around child labor, protection of sensitive ecosystems and endangered species	We decided not to renew a relationship with a client that had made poor progress on public commitments to increase transparency or forward movement on an action plan to address environmental and social issues raised by stakeholders.
Oil & Gas	Acquisition Finance	Exploration and production in a sensitive arctic ecosystem	While the client and acquisition target's activity passed through significant environmental impact assessments in a highly regulated environment, we felt that the company did not have adequate capital and size to manage through potential risks inherent in the region. As a result, we declined involvement in the transaction.
Electric Power	Tax Equity Finance	Impacts to Avian wildlife from expansion of a utility scale wind farm in rural western United States	Transaction risk included disagreements between permitted activity for expansion of a wind farm, and unsettled issues with one regulator. The disagreement focused on the scope of wildlife impact assessments on a project expansion. We moved forward with supporting the transaction subject to the client working through the regulator issues and their commitment on transparency to all investors regarding both their actions to address wildlife impacts, and notifying investors of outstanding issues being worked out with the regulator.

G4-15 | Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses

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 allows our employees and partners to understand and manage environmental compliance across our global real estate footprint. Our strong record of compliance across our real estate portfolio is the direct result of our rigorous EMS.

Environmental Fines

The bank paid \$1,000 in environmental fines in 2015, which is de minimis for an institution of our size.

Looking Ahead

Achieving the goals that we have set as a company, as well as supporting the public and private sector in reaching the goals set at COP21, will require a new model of partnership. Enabling this kind of progress requires financial services firms—including Bank of America—to bring scale, influence, and the ability to innovate. There is no better example of responsible, sustainable growth than when we can help to address significant global issues while also seeing a business return. This is the definition of shared success.



SOCIAL

In this section

Our Approach

Delivering Through Our People

- Embracing the Diversity of Our People
- Helping Employees Grow and Thrive
- Supporting Our Employees' Wellness
- Employee Satisfaction and Engagement

Social Impact

- Simplifying Banking and Investing
- Building Thriving Economies
- Advancing Better Money Habits

Connecting small businesses to CDFI loans and mentoring

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

Social Goals and Progress

We invite you to read details of our progress toward meeting selected social targets and goals in 2015.



OUR TARGETS

\$2 billion

in philanthropic investments, globally, by 2019



OUR PROGRESS

The Bank of America Charitable Foundation provided **more than \$183 million⁽¹⁾ in global philanthropic investments**, including cash giving and in-kind donations to address issues fundamental to economic mobility in 2015.

STATUS

●
ON TRACK

Achieve

2 million

hours of volunteer service and engage our employees to be more active citizens

Our employee volunteers contributed approximately **2 million hours in 2015** addressing a range of community needs, including mentoring youth, packing food donations, teaching better money habits, and building affordable housing.

●
ON TRACK

\$1.5 trillion

for community development lending and investments in the U.S. by 2019

Since 2009, **we've extended \$799 billion** in community development lending and investments in the U.S., including approximately \$62.34 billion in 2015.⁽²⁾

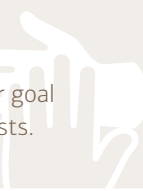
●
Progress reflects slight performance improvements; see pp. 103 to 105

Hire 10,000

veterans, guard and reservists over the next several years

Since 2014, **we have hired 4,000+ service members** toward hitting our goal of 10,000 veterans, guard, and reservists.

●
ON TRACK



(1) More than \$14.67 million of our total philanthropic giving was from in-kind property donations. The remaining \$168.46 million was from cash giving.

(2) Three years from our 10-year, \$1.5 trillion community development goal, total loan and investment volumes in some categories declined due in part to changes in our business strategy and a more stabilized housing market.

Our Approach

As a financial institution, the impact we can make in local communities, to solve issues big and small, is significant. We are uniquely positioned to help individuals advance better money habits, support the growth of small businesses, and help homeowners. We also bring to bear the breadth of our operations and relationships with suppliers and important partners to solve global issues that matter to our communities around the world.

This starts with our commitment to our own employees. Our people are the foundation for improving the financial lives of our customers, clients, and the communities we serve. That's why we invest in our employees, listen to their feedback, and support them both personally and professionally. It's one of many reasons why Bank of America is a great place to work.

By nurturing a diverse workplace where our employees feel appreciated and engaged, we help them become better in their jobs and at building their careers with us. We strive to give all employees the support they need to be their best at work and at home, so that they can make a genuine impact and contribute to the sustainable growth of our business and the communities we serve.

Delivering Through Our People

We are a diverse and inclusive company where employees are encouraged to share their perspectives on how we run our business and support one another. We help our employees learn and develop at every stage of their career so they can reach their full potential and contribute to the growth of our company. We also support our employees' physical, financial, and emotional wellness by offering a wide range of benefits and resources to help them be their best.

OUR MOST RECENT EMPLOYEE ENGAGEMENT SCORE: **76%**

The programs we have in place are a direct result of our employees' feedback. Our continued effort to respond to their feedback has increased employee satisfaction with our company. Our most recent engagement survey results showed 76 percent of our workforce would recommend Bank of America as a great place to work. Our survey results indicate that our employees are

aligned to our core values, are optimistic about the company's future, and are proud to work for us.

We work hard to find ways to evolve our employee benefits and programs so we can simplify and improve their experience, meet their diverse needs, and help them succeed in our goal of making financial lives better. By listening carefully to employee feedback, we were able

to make significant strides in several key areas throughout 2015.

Embracing the Diversity of Our People

Our workforce reflects the communities where we live and work, and we know that these diverse backgrounds and experiences make us stronger.

Disciplined Approach to Diversity and Inclusion

Diversity and inclusion are part of our values and define who we are as a company. We hold our leaders accountable for ensuring they build diverse teams and foster an inclusive environment where employees feel free to speak their minds and feel valued for who they are.

This accountability starts with our Global Diversity and Inclusion Council (GDIC), which is chaired by our CEO Brian Moynihan and comprised of senior leaders from around the world who are responsible for setting and upholding diversity and inclusion goals and practices.

G4-LA12 |
Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity

G4-EC6 |
Proportion of senior management hired from the local community at significant locations of operation

GLOBAL AND REGIONAL WORKFORCE



GLOBAL WORKFORCE BY GENDER 216,018



Total global workforce

103,878 (48%) | 112,140 (52%)

Global management team

62% | 38%

Board of directors

69% | 31%

U.S. WORKFORCE BY GENDER



Total U.S. workforce

45% | 55%

Officers & managers⁽¹⁾

53% | 47%

Workforce (excluding officers & managers⁽¹⁾)

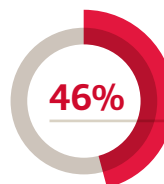
43% | 57%

DIVERSE RACES AND ETHNIC BACKGROUNDS⁽²⁾



U.S. WORKFORCE

U.S. OFFICERS AND MANAGERS⁽¹⁾



U.S. WORKFORCE (EXCLUDING
U.S. OFFICERS AND MANAGERS⁽¹⁾)

BOARD OF DIRECTORS



G4-10 | Total number of employees by employment contract and gender

G4-LA1 | Total number and rates of new employee hires and employee turnover by age group, gender and region

G4-LA12 | Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity

(1) "Officers and managers" refers to executives, as well as senior, mid- and first-level managers, who together constitute approximately 16.9 percent of our U.S. workforce. Other employees not included in this group include professional staff, technicians, sales workers and administrative support workers.

(2) As defined by the Equal Employment Opportunity Commission: "Diverse and ethnic background" refers to individuals in all racial and ethnicity groups, except White. Specifically, it consists of persons of Hispanic or Latino background and those in the Black/ African American; Asian; Native Hawaiian/ Other Pacific Islander; American Indian/Alaska Native; and two or more races categories.

Global Diversity & Inclusion Organization (GDIO)

Led by our Chief Diversity & Inclusion Officer, the GDIO partners with our businesses and regions to develop diversity and inclusion strategies, recruit diverse talent, and manage our diversity sponsorships and partnerships. The GDIO also actively supports employee engagement through management of global employee networks. In early 2016, our Chief Diversity & Inclusion Officer, Geri Thomas, retired from the bank after 45 years, and Cynthia Bowman assumed the role.

Diversity & Inclusion Business Councils (DIBC)

All of our lines of business and regions have DIBCs, charged with planning and implementing diversity strategies for their business or region. Council members are leaders and senior executives who focus on advising and influencing executive management on achieving business goals through diversity and inclusion. They also recommend strategies to promote diversity through inclusive employee recruiting, retention, and development practices.

G4-10 | Total number of employees by employment contract and gender

G4-LA12 | Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity

U.S. EMPLOYEE DIVERSITY IN 2015

Job Category	Gender	White	Black/ African American	Hispanic/ Latino	Asian	American Indian/ Alaska Native	Native Hawaiian/ Other Pacific Islander	Two or more races	Total by gender	Total
Executive/ Senior level officials and managers	Male	2,507	89	94	229	6	4	13	2,942	4,352
	Female	1,187	81	57	74	7		4	1,410	
First/mid-level officials and managers	Male	9,101	919	1,363	1,920	33	30	109	13,475	26,358
	Female	8,491	1,493	1,563	1,134	39	28	135	12,883	
Professionals ⁽¹⁾	Male	25,446	1,648	2,137	4,953	111	83	418	34,796	54,416
	Female	12,838	1,963	1,490	3,009	64	50	206	19,620	
All Other	Male	13,684	4,580	7,348	3,169	96	138	770	29,785	96,349
	Female	29,137	13,289	16,588	5,620	267	301	1,362	66,564	
Totals	Male	50,738	7,236	10,942	10,271	246	255	1,310	80,998	181,475
	Female	51,653	16,826	19,698	9,837	377	379	1,707	100,477	

(1) As defined by the Equal Employment Opportunity Commission: "Professionals" refers to job categories that require bachelor and graduate degrees, and/or professional certification. In some instances, comparable experience may establish a person's qualifications.

Each DIBC has a diversity and inclusion client executive who works with the GDIO on the following shared goals:

- Promote education and awareness on matters of diversity and inclusion
- Create an inclusive and diverse work environment where all employees flourish
- Promote inclusive and diverse employee recruiting, retention, and development practices
- Advise and influence executive management on achieving business goals through diversity and inclusion

Continuing to Grow and Develop Our Diverse Workforce

We continue to attract strong, diverse talent while also developing and promoting our employees so we can help them thrive in their careers.

Hiring a Diverse Workforce

Through our far-reaching recruitment programs and partnerships, we're bringing the best and brightest from around the world to Bank of America. In order to build the next generation of leaders, we have campus staff dedicated to recruiting and retaining young talent. The team is also aligned with top diverse external organizations and conferences in order to build a more diverse workforce. Our most recent campus recruiting class was more than 50 percent diverse.

Starting with early identification programs, we connect college freshmen and sophomores to opportunities in finance and technology, and we help shape their education with the right skills and training to help them realize their full potential. Through our analyst programs, we pair thousands of interns with the best minds in the industry, to make an impact from the start of their work experience.

Read more about the programs we have in place to develop high-performing, diverse employees on pp. 40 to 41.

Connecting Employees

We provide our employees with opportunities to build relationships with others who share common interests and backgrounds. One way we do this is

through our 12 Employee Networks, which have more than 200 chapters made up of nearly 70,000 members worldwide. In 2015, our first three employee networks — Leadership, Education, Advocacy, and Development for Women; Hispanic/Latino Organization for Leadership and Advancement; and the Black Professional Group — celebrated their 10-year anniversaries.

Helping Employees Grow and Thrive

Our employees bring diverse experience and learning styles and they benefit from a personalized approach to their development. To help employees excel, we provide professional development strategies, tools, and processes dedicated to specific lines of businesses, roles, and diversity groups across the company.

Our 12 Employee Networks:

- Asian Leadership Network (ALN)
- Black Professional Group (BPG)
- Disability Advocacy Network (DAN)
- Hispanic/Latino Organization for Leadership & Advancement (HOLA)
- Inter-Generational Employee Network (IGEN)
- Leadership, Education, Advocacy & Development (LEAD) for Women
- Lesbian, Gay, Bisexual & Transgender Pride (LGBT Pride)
- Military Support & Assistance Group (MSAG)
- Multicultural Leadership Network (MLN) (Europe only)
- Native American Professional Network (NAPN)
- Young Professional Network (Asia Pacific only)
- Parents and Caregivers Network (PCN)

Read more on p. 41.

G4-EC6 | Proportion of senior management hired from the local community at significant locations of operation

G4-LA10 | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings

G4-LA12 | Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity

Employee Snapshots



KEITH HENRY, a Merrill Lynch Wealth Management market executive in Bridgewater, N.J., has been with Merrill Lynch for more than 30 years and has led the Bridgewater market since 2005. During

his career, Keith has focused on bringing in and developing diverse talent, and in 2014 he took that commitment further when he accepted the role of chairman of the Black/African American Leadership Council. The council was established to empower its members to address the unique issues and opportunities facing black and African American colleagues at the firm. The council's key priorities include deepening the diverse talent pipeline of African American leaders and forming strategic alliances with leaders across the company to help talent grow and develop.



KAREN FANG, managing director and head of the Americas FICC Sales for Bank of America Merrill Lynch, has been with the company for six years and is recognized among her peers as an outstanding

industry leader. Karen was most recently chosen for *Fortune's* "40 under 40" list for 2015, the magazine's ranking of the most influential young people in business. Also in 2015, she was named a Young Global Leader by the World Economic Forum, which represents the next generation of global leaders and recognizes young people

for changing their industries, politics, or society. Karen also serves as a Global Ambassador for the Vital Voices–Bank of America partnership. The program brings together influential women leaders from the public and private sectors to mentor women engaged in small businesses and social enterprises.



ROBERT MARTINEZ, Platform Product manager, Global Marketing & Corporate Affairs, was recognized as a Hispanic Association on Corporate Responsibility (HACR) 2015 Young Hispanic

Corporate Achiever at the 23rd Annual HACR Symposium in Atlanta. The Corporate Achiever program recognizes young Hispanic executives who have made significant leadership contributions in the workplace while upholding a commitment to the Hispanic community. Robert has more than 14 years of IT experience, which includes software development, infrastructure planning, and platform management. He joined the Bank of America's HOLA Employee Network in 2007, and shortly after, became involved with the HOLA Enterprise Leadership Team where he has held various roles such as Enterprise Communications lead, Regional Chair, and today Robert serves as the HOLA Enterprise Business Strategy Co-Chair where he seeks to enhance collaboration between HOLA and our LOBs for the planning and execution of products and services pertaining to the Hispanic/Latino market.

G4-LA2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation

G4-LA10 | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings

Career Development

We provide our employees with tools and programs to support their success and help them advance their careers. Our goal is to help them grow in their roles, better serve our customers and clients, and continue to be rewarded for their achievements.

Onboarding New Employees

Onboarding is an important part of helping newly hired or newly transitioned teammates join the

team and connect them to the tools and people they need to succeed. In 2015, we improved our onboarding process to ensure employees have a smooth integration into their new role. We enhanced the experience by creating new employee and manager onboarding guides and new hire welcome kits to help educate new hires about our company and culture, our operating principles and values, and the benefits and programs available to them. As a result of these new enhancements, there was

an 8 percent increase in overall satisfaction with the onboarding experience among new hires and a 6 percent increase in satisfaction among managers.

Read more about the learning resources available to our people on pp. 41 to 42.

Development Programs

We invest in our employees' development to keep our talent engaged and provide them every opportunity to contribute and succeed. For managers, we launched an innovative development program called Manager Excellence in 2014. We also offer targeted programs for diverse employees through which they can gain access to company leaders and, as key talent, advance their careers.

Read about both of these efforts on pp. 41 to 42.

In 2015, our employees logged 9.5 million training hours, taking advantage of thousands of courses offered through our employee learning curriculum. Courses cover a wide range of topics, including banking and finance, sales, marketing, technology, leadership development, and more.

DIVERSITY, INCLUSION AND ASPECTS OF HUMAN RIGHTS

68,000
Total Hours of
Training in 2015



Rewarding Performance that Balances Risk and Reward

We have aligned performance plans and compensation with risk management tools. In turn, this has enhanced our promotion and reward practices and reinforced the importance of meeting the needs of our customers and clients in a way that delivers long-term results to our shareholders. For more information on our control function feedback, pay for performance approach, compensation, compensation plan reviews, hourly wage strategy, and compensation at senior levels, read pp. 42 to 45.

Meeting Expectations for Safety, Risk Management and Conduct

We're a recognized leader among financial institutions in the implementation of best practices in safety and ergonomics, a critical component of the priority we place on the safety and health of our employees. Since 2005, we've trained almost 11,000 employees to prevent injury and manage related expenses while providing extensive training in safety and injury prevention across the company. We've also established ergonomic design standards for all of our financial centers, offices, and facilities. In addition, we have safety committees across businesses working to provide key information and training onsite to keep our employees safe.

Supporting our Employees' Wellness

We know that supporting the physical, financial, and emotional wellness of our employees can help them be their best at work and at home. We provide them with the resources they need to become more knowledgeable about their health and more informed as active consumers. It's one of the most important things we do as a company and part of what makes Bank of America a great place to work.

G4-HR2 | Total hours of employee training on human rights policies or procedures

G4-HR7 | Percentage of security personnel trained in the organization's human rights policies or procedures

G4-LA2 | Benefits provided to full-time employees

G4-LA5 | Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs

G4-LA7 | Workers with high incidence or high risk of diseases related to their occupation

G4-LA9 | Average hours of training per year per employee by gender, and by employee category

G4-LA10 | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings

G4-LA11 | Percentage of employees receiving regular performance and career development reviews

Helping Employees Take Charge of Their Health

We offer employees comprehensive medical, prescription drug, dental, and vision coverage for themselves and their eligible family members. We also encourage employees to take charge of their health by participating in voluntary wellness activities.

Finding a Healthy Routine

To complement our wellness activities and respond directly to employee feedback about getting engaged in more physical activity, we introduced Get Active! in October 2013. This voluntary program uses team-based activity challenges to help employees improve their overall health.

In 2015, we expanded Get Active! to include all worldwide employees to foster teamwork, encourage better health habits, and persuade a bit of spirited competition. A remarkable 80,000 employees enrolled in this challenge, forming more than 12,000 teams, surpassing initial expectations.

Benefits for Work and Life

We provide a number of industry-leading benefits and programs that give our employees the resources they need to help manage the many responsibilities of work and life.

We support employees who are new parents by offering a number of programs that encourage and facilitate their return to work with us.

- **Parental leave:** In 2015, we offered 12 weeks of parental leave in the U.S. at 100 percent of base pay for our employees to welcome a new baby or adopted child into their families. An employee can take up to 26 weeks total of paid and unpaid leave. We also offer a variety of pre-natal and parent support resources and programs through our health plan providers. In April 2016, we expanded our parental leave benefits for U.S. employees to include up to 16 weeks of paid time off for adoption, maternity, and paternity leave. An employee can take up to 26 weeks total of paid and unpaid leave.

- **Adoption support:** If an employee is planning to adopt, we provide him or her with the option to receive up to \$8,000 in one year for adoption expenses per child.
- **Flexible work arrangements:** Eligible employees in the U.S. can take advantage of opportunities that encourage flexibility. These options include flextime and compressed work weeks, reduced hours, and alternative work locations.
- **Child care reimbursement:** Eligible employees can be reimbursed up to \$240 per month, per child, for child care expenses.

We also support employees and their families with a wide range of other programs including:

- **Time away:** We allow our employees to take time off from work for a variety of reasons, whether it is to rest and recharge as part of their annual vacation allowance, to fulfill military service, to heal and recuperate from illness or injury, or to care for loved ones.
- **Benefits for commuters:** Employees who commute can use pre-tax dollars to pay for work-related commuting expenses.

- **Family care services:** We offer resources and referral services to help with everything from child care services, professional case management assessments, and elder care law services.
- **Employee discount program:** We offer employees a variety of discounts and preferred pricing at top retailers and online stores.
- **Low-carbon vehicle reimbursement program:** Employees can receive a \$4,000 reimbursement for the purchase of a new, eligible, highway-capable electric vehicle.

Read more about healthcare options, costs, and employee wellness benefits on pp. 45 to 47.

G4-LA2 | Benefits provided to full-time employees

G4-LA7 | Workers with high incidence or high risk of diseases related to their occupation

G4-LA10 | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings

**80,000 EMPLOYEES
STEPPED UP TO
THE FIRST GLOBAL
GET ACTIVE!
GET CONNECTED
CHALLENGE,
TAKING STEPS
EQUAL TO
568 TRIPS AROUND
THE WORLD**

Improving Our Employees' Financial Lives

We want to help our people be financially well and realize their financial goals. To educate our employees about their money, we offer a variety of financial education resources to encourage saving for a healthier future and to meet a variety of financial objectives.

Whenever possible, we leverage the resources and expertise available through the company, including Merrill Lynch, Employee Banking & Investments, and Better Money Habits®. Whether it is improving credit scores, paying down debt, budgeting to buy a car, planning for college expenses, or investing for retirement, we want to let employees know we are here to help.

89 PERCENT OF EMPLOYEES PARTICIPATED IN A 401(k) PLAN

Our mid-year 2015 Bank of America Merrill Lynch Workplace Insights™ Plan Wellness Scorecard looked at benefit plan participants' behavior and found that interest in Health Savings Accounts (HSAs) is particularly strong among millennials.

- Through June 30, 2015, enrollment in health savings accounts grew by 42 percent, year over year, across all ages.
- Baby Boomers have both the highest Health Savings Account (HSA) balances and the fastest balance growth—68 percent since 2012. Members of this demographic are in “savings mode” and see the HSA as another way to save for retirement.
- Millennials now account for one-third of HSA enrollments, likely because they are choosing high-deductible health care plans.
- Millennials' use of HSAs suggests that they understand the importance of additional savings.

Saving Through Our 401(k) Plan

Our competitive 401(k) benefits help employees increase their savings for retirement through company matching contributions of up to 5 percent of eligible pay and an additional 2 to 3 percent in automatic company contributions, starting after one year of service.

Read more about our 401(k) benefits and other financial benefits for employees on pp. 47 to 48.

G4-EC3 | Coverage of the organization's defined benefit plan obligations

G4-LA2 | Benefits provided to full-time employees

Supporting the Emotional Wellness of Our Employees

Emotional wellness is the ability to understand ourselves and cope with the challenges life brings.

That is why one of the most important things we do is provide support to our employees during major life events that affect their personal and professional lives. Our employees and the people who have retired from our company after years of dedicated service deserve our care and attention during the moments in their lives that matter most. To learn more about the specific services we offer to support the emotional wellbeing of our employees, read p. 47.

Employee Satisfaction and Engagement

We recognize the importance of receiving employee feedback through formal surveys and informal means—and in taking action on the feedback we receive from our teams. We have employee satisfaction action teams to gain a deeper understanding of what is impacting survey results, prioritize issues and concerns, and develop solutions. Results from our most recent employee engagement survey indicate that 80 percent of our employees are proud to work for the company.

Read more about employee feedback on p. 41.

As a recent example, our employees told us it was difficult to interact with the bank when significant life events occur. We now have a Life Event Services team of dedicated Bank of America human resource specialists who serve as a single point of contact and can help employees and beneficiaries navigate these life events. Below is an example of how this service came to life.

Life Event Services Helps Family Member Through a Difficult Time



KECIA

Last summer we lost a valued teammate of 11 years, Sherry Horton, who brought energy and compassion to work every day. Sherry's surviving husband George was devastated by the loss of his wife and alone for the first time in 10 years. He

received a call from one of our Survivor Support Specialists, Kecia, to help him through the overwhelming amount of logistics and paperwork he had to deal with while grieving. George told us, "Sherry took care of all the business in our marriage ... she always handled the details. I lost the love of my life and didn't know how I was going to get through it. But Kecia was there to help me through it—the funeral, the paperwork, all of it. She let me know that everything was going to be okay."

In the weeks that followed, Kecia supported George through each step of the process. Many months have passed, but Kecia and George continue to talk. "Sherry never met anyone who stayed a stranger," George said. "She was the momma to us all, taking care of everything. And in a lot of ways, Kecia reminds me of Sherry. I honestly don't know what I would have done without her." Kecia and the Survivor Support Team in Life Event Services show every day that the Bank of America family extends beyond our walls and includes all of the family and friends of our employees. In a letter to his Bank Survivor Specialist George wrote, "With tears in my eyes I put pen in hand just to say that through all my sorrow your kind words helped me through my trial. Thank you so much for your strength."

— as told by George Horton

Social Impact

Simplifying Banking and Investing

Our purpose is to make financial lives better for our customers, clients, and the communities we serve.

In 2015, we continued to simplify our operations and our products—from establishing Financial Center specialists to making goals-based wealth management more accessible and less complex.

Convenient Ways to Bank

Bank of America is focused on providing customers ease and convenience in mobile and online banking. We have more than 31 million digital customers, and mobile banking continues to grow with more than 19 million users. Active mobile customers are growing at a rate of 5,500 users a day in 2015.

All Bank of America Mobile Banking customers, whether they choose to interact through their Mobile Web Browser or the BofA Mobile App, can check balances on their Bank of America accounts; view detailed transactions for checking, savings, and credit card accounts; view and pay bills; locate nearby ATMs and financial centers; transfer funds between their accounts; send money to anyone using only their email address and phone number; order replacement credit or debit cards; view or order check copies; and set alerts including overall security alerts as well as specific account alerts. In addition, customers using one of our mobile apps can easily deposit checks by taking a picture of the check using mobile check deposit functionality.

G4-FS14 | Initiatives to improve access to financial services for disadvantaged people

**MOBILE BANKING
CUSTOMERS
LOGGED INTO
THEIR ACCOUNTS
NEARLY 800
MILLION TIMES
IN Q4 2015**

During the fourth quarter of 2015, mobile banking customers logged into their accounts almost 800 million times, or 43 times per user over that period. Customers performed the following functions, among others, during those sessions:

- Deposited 250,000 checks a day through their mobile devices, reflecting 15 percent of consumer deposit transactions
- Made 23 million Mobile Bill Payments, up 30 percent year over year
- Made more than 70 million transfers, including 6 million transfers to email and phone numbers. This latter method has experienced incredible growth of 53 percent year over year.
- Received more than 160 million push alerts

Bank of America continues to update its Mobile Banking capabilities. Recently added functionality includes:

- Sign-in using fingerprint authentication
- Set same-day financial center appointments with specialists
- View balances and recent transactions on Apple Watch
- Connect directly with a phone specialist at the click of a button

New Products to Simplify Checking

Our customers asked for a simple set of products that are clear, consistent, and easy to use. In 2015, we completed a multi-year project designed to simplify the checking products we

offer our customers. Today we now provide three checking accounts to new customers that meet their needs — Core Checking, Interest Checking, and SafeBalance Banking.

Simplified Investing

In 2015, Merrill Lynch completed the rollout of Merrill Lynch One®. This integrated investment platform offers a disciplined investment process, with pricing transparency. Merrill Lynch One's flexibility enables advisors to offer a portfolio that allows clients to pursue their desired outcomes. The platform reached \$500 billion in assets at 2015 year-end, representing more than 1.3 million client accounts.

Access to Mortgages

Today, as the economy and housing market strengthen, our experts are working with clients to identify the right home finance solution at the right time for each individual or family. By offering responsible financing options, we are committed to helping reset and solidify the industry's approach to sustainable home ownership.

Home Finance Education and Outreach

We use our resources to help strengthen the U.S. housing market through education, information, and access to credit. We offer a variety of tools designed to inform and prepare homebuyers and homeowners, including our new Down Payment Resource Center, Better Money Habits, community education events, and partnerships with more than 500 national and regional housing nonprofit organizations. These resources

G4-EC8 | Significant indirect economic impacts, including the extent of impacts

G4-FS7 | Monetary value of products and services designed to deliver a specific social benefit

G4-FS14 | Initiatives to improve access to financial services for disadvantaged people

G4-SO1 | Percentage of operations with implemented local community engagement, impact assessments, and development programs

G4-SO2 | Operations with significant actual and potential negative impacts on local communities

HOME FINANCE METRICS

Dollars in billions	2014	2015
Value of first mortgages extended to U.S. homeowners	\$42.3	\$54.7
Value of first mortgages to low- and moderate-income customers	\$7.6	\$8.3
Total first mortgage customers	160,585	169,175
Low- and moderate-income first mortgage customers	53,059	49,294
Percentage of total first mortgage customers who are low- and moderate-income	33.0%	29.1%
Value of home improvement loans extended to low- and moderate-income customers	\$1.68	\$2.01

support our commitment to delivering all of our capabilities, product and services, and expertise to make our clients' financial lives better.

In 2015, we extended \$54.7 billion in first-mortgage credit. Through our direct-to-consumer channel, we connect our clients with home finance solutions and deepen relationships with creditworthy individuals while extending credit responsibly.

In 2015, the mortgage market increased by 16 percent (\$1.5 trillion versus \$1.3 trillion in 2014) as refinances and home purchases rose. Our total number of first mortgage customers and total dollars loaned increased. Consistent with expectations of the overall market, the number of first mortgages to low- and moderate-income (LMI) customers declined because of fewer originations through the government-sponsored Making Home Affordable Refinance (HARP) program, which had been frequently used by LMI customers in previous years.

Driven by our partnerships with nonprofit organizations, our online tools, and outreach events, we offer assistance and educational support to provide greater transparency, education, and clarity about the home buying process to meet the diverse needs of LMI and multicultural communities. In 2015, we continued our work with a number of U.S. Department of Housing and Urban Development (HUD)-approved housing counseling agencies through Connect to Own®, our alliance with nonprofit partners to provide homebuyer education.

Simplifying Home Buying for a Recent College Grad

Following the simple advice she had heard so often from her parents, Catherine Nguyen earned her college degree from the University of Texas and then purchased her first home instead of paying rent to a landlord.

To start this journey, eight months into her career as a paralegal in Houston, Catherine attended a home buyer education class hosted by the Houston Area Urban League. From there, she connected with Bank of America Mortgage Loan Officer Liza Jones who provided the support she needed to make it all happen. "As a first time homebuyer, I was very nervous about the process," said Nguyen. "But Liza explained everything with patience, knowledge, and confidence."

To purchase her home, Catherine needed to leverage a variety of available assistance programs. Through the City of Houston's Homebuyer Assistance Program, she received a loan that will be forgiven after she's owned the home five years. She also received \$2,500 from America's Home Grant™, a Bank of America program that assists eligible buyers with non-recurring closing costs. Her personal contribution came from funds she'd saved and a little help from her parents, too.

Catherine purchased a two-bedroom, one-bath home directly from the City of Houston.

G4-FS7 | Monetary value of products and services designed to deliver a specific social benefit

G4-FS14 | Initiatives to improve access to financial services for disadvantaged people

G4-S01 | Percentage of operations with implemented local community engagement, impact assessments, and development programs

G4-S02 | Operations with significant actual and potential negative impacts on local communities

ARMING HOMEBUYERS WITH TOOLS AND RESOURCES

	2014	2015
Number of consumers who visited the Down Payment Resource Center (since March launch)		16,649
Number of consumers who viewed Bank of America Home Loan's online educational materials	1,390,129	1,822,425
Number of consumers who participated in face-to-face counseling with our Connect to Own® partners	1,329	1,674

We also continued to encourage customers to access our online tools, including our Down Payment Resource Center, and our online financial education resource BetterMoneyHabits.com, which offers free, objective, and easy-to-understand tools to help individuals better understand the home buying process.

We sponsor and participate in numerous homebuyer education events. These events give consumers the chance to attend workshops taught by housing counseling partners and our mortgage experts. Examples of topics include understanding down payments, finding the right real estate agent, and sustaining successful homeownership. In addition, our home finance lending to multicultural borrowers is highest among our peers, with 30 percent of the loans we originate going to multicultural consumers.

Customer Satisfaction

Every year, we interact with more than 3 million customers and prospects through our market research activities. These survey programs are an important way to measure and assess our customers' and clients' satisfaction across all of our lines of business, customer, and client segments.

Our surveys and research generate significant insights into customer appreciation and assessment of the quality of our products, services, and customer and client experience, the resonance of our messages, and perceptions of our company. We share these results with executives across the enterprise as a critical tool for improving our efforts to anticipate and meet customer and client needs. In combination with operational metrics, these results help us improve programs designed to enhance the customer experience. Customer satisfaction goals are also part of our executives' personal performance scorecards.

As we gain deeper insights into client and customer satisfaction, the evidence overwhelmingly indicates that levels of satisfaction with our company are substantially

influenced by public and popular perceptions of the financial services industry as a whole. In 2008, trust in banks and other financial institutions decreased during the financial crisis; however, by year-end 2015, our internal satisfaction scores reached our pre-crisis level and are currently at the highest levels since January 2005. In addition, satisfaction improved across the retail, preferred and small business segments. With this in mind, we're confident that the continuous signs of improvement our research reveals are broadly in line with industry trends.

In addition to internal customer satisfaction surveys, we take into account several syndicated external studies that track customer satisfaction and customer experience. A few highlights of these external studies include:

- **2015 J.D. Power Retail Banking Satisfaction Study:** Our overall customer satisfaction score reached its highest level since 2007.
- **2015 J.D. Power Primary Mortgage Origination Satisfaction Study:** We were ranked third among 13 mortgage originators in overall customer satisfaction.
- **2015 Forrester Customer Advocacy Index Study:** Our score rose 10 percent over the prior year as it reached its highest level since 2008.
- **2015 American Customer Satisfaction Index:** Our score declined one point (statistically insignificant) and we remained 4th among big banks.

Among our Merrill Lynch advisory clients, satisfaction with Merrill Lynch has consistently trended in a narrow range at levels near their all-time highs.

G4-PR5 | Results of surveys measuring customer satisfaction

G4-EC1 | Direct economic value generated and distributed

G4-S01 | Percentage of operations with implemented local community engagement, impact assessments, and development programs

G4-S02 | Operations with significant actual and potential negative impacts on local communities

Building Thriving Economies

As a global financial institution, we are able to have a significant impact on the world through our day-to-day business activities. We build thriving economies by investing in small business; providing the necessary financial and intellectual capital to help accelerate the transition to a low-carbon economy; supporting women entrepreneurs and business leaders around the world by providing capital, mentorship, and training; assisting low- and moderate-income customers with home buying and other financial needs; and promoting impact investing as a viable investment option.

Our Business

Helping Homeowners and Communities Move Forward

Responsible homeownership is critical to building and sustaining strong families and communities. That's why, throughout the economic recovery, we've remained focused on helping homeowners stay in their homes or avoid foreclosure.

As our modification and foreclosure avoidance programs to assist homeowners have gained traction and the economy has improved, delinquencies in our first mortgage portfolio have declined 93 percent from the peak in January 2011. While 103,000 loans remained in our delinquent first mortgage portfolio at the end of

2015, this represents a significant reduction from the 1.4 million loan peak of a portfolio comprised heavily of loans obtained through acquisition.

We've helped more than 2.1 million mortgage customers through more than 1.5 million loan modifications and extinguishments and more than 510,000 short sales and deeds-in-lieu.

A key component of our work has involved face-to-face assistance for customers in need. Since 2009, we have provided more than 223,000 homeowners with in-person counseling and support. In that time, we've also assisted more than 181,000 homeowners at more than 1,500 borrower outreach events held across the U.S.

In addition, we've worked to build communities and neighborhoods through property donations, including more than 5,700 properties to nonprofit partners since 2012, of which more than 1,900 homes were for military service members and their families.

Growing Small Businesses

Small business owners are looking for personalized expertise to help start or expand their businesses. Bank of America Small Business is devoted to making the financial lives of more than 3 million small business clients better, as well as strengthen the local communities we both serve. Our Small Business Bankers, Client Managers, and phone, video, and chat specialists provide deposit, credit, and cash management solutions to meet the unique, long-term needs of small business owners throughout the country. They take the time to learn about a small business owner personally, in order to meet his or her needs today, tomorrow, and beyond.

G4-EC1 | Direct economic value generated and distributed

G4-FS14 | Initiatives to improve access to financial services for disadvantaged people

G4-S01 | Percentage of operations with implemented local community engagement, impact assessments, and development programs

G4-S02 | Operations with significant actual and potential negative impacts on local communities

FOCUS ON HOMEOWNER ASSISTANCE DRIVES REDUCTION IN DELINQUENT MORTGAGE PORTFOLIO

	2010	2011	2012	2013	2014	2015
60+ day delinquent first mortgage loans	1,393,000	1,156,000	773,000	325,000	189,000	103,000
Reduction from peak	0%	17%	45%	77%	86%	93%
Homeowners assisted (cumulative)	940,692	1,281,906	1,711,078	1,945,459	2,039,520	2,101,546

In 2015, we extended nearly \$10.7 billion in new credit to small business owners, resulting in total small business lending of nearly \$25.2 billion. Of the total amount, \$14.4 billion, or nearly 57 percent, was extended to smaller businesses with less than \$1 million in revenue or less than \$5 million in revenue in low- and moderate-income (LMI) communities. As one of the top lenders in the U.S. Small Business Association (SBA) 504 program, we originated \$373 million in new first- and second-trust deed loans with long-term, fixed-rate financing in 2015. In addition, we offer SBA 7(a) and Express loans for clients, originating \$62 million in SBA 7(a) loan volume in 2015.

We continue to look for innovative ways to serve small business owners. Since 2010, we've hired more than 1,200 small business bankers in communities across the country. Beginning in 2012, we have produced a semiannual small business owner survey called the Bank of America Small Business Owner Report to provide research and insights for the small business community. In 2015, we debuted an unsecured line of credit product to focus on the smaller end of the credit spectrum for small business owners. In addition, we now have more than 2.3 million active online and mobile banking users among small businesses who bank with us. Additionally, our Practice Solutions channel delivers best-in-class banking, credit and cash capabilities to dentists, veterinarians, physicians and other practice groups.

As part of our commitment to small business, Bank of America works with local communities to promote business diversity and access to capital in a variety of ways. We support the growth of diverse businesses through our supplier relationships with minorities, individuals with disabilities, and businesses owned by veterans, women, and the LGBT community through our supplier diversity program. In addition, we are active participants and national sponsors of the National Association of Women Business Owners (NAWBO) Women's Business Conference, as well as the U.S. Hispanic Chamber of Commerce national convention.

**IN 2015, WE
DEBUTED AN
UNSECURED LINE OF
CREDIT PRODUCT
TO FOCUS ON
THE SMALLER
END OF THE CREDIT
SPECTRUM FOR
SMALL BUSINESS
OWNERS**

We also partner with more than 240 community development financial institutions (CDFIs) across the U.S., which provide affordable loans, technical assistance, and other resources that may not be available through more traditional channels. For many of these reasons, in December 2015, Greenwich Associates, the leading global provider of market intelligence to the financial services industry, named Bank of America the Best Small Business Brand.

**Supporting Affordable Housing and
Community Revitalization**

Community Development Banking (CDB)

We partner with developers to finance affordable rental housing projects across the country that address pressing community development issues vital to each community's long-term economic health. We support affordable housing, neighborhood preservation, and community revitalization initiatives that serve individuals, families, veterans, seniors, and the formerly homeless. In addition to safe and affordable housing, our projects provide health care, jobs, education, and community services to local residents, in our continuing effort to create healthy and thriving communities. Examples of our community development banking work includes:

- **Landing Road Shelter and Apartments:** Bowery Resident's Committee in New York City developed this first-of-its-kind project consisting of a 200-bed employment shelter and 136-unit apartment complex in a single new construction building. With separate entrances, the shelter provides transitional care to single adults who have been employed or are employable, while the apartments house formerly homeless, low-income adults, and families. The bank provided an \$8.2 million construction loan and \$11.2 million letter of credit.
- **65th Infantry Regiment Veterans Housing:** Located four miles west of downtown Chicago, this 49-unit new

G4-EC1 | Direct economic value generated and distributed

G4-FS14 | Initiatives to improve access to financial services for disadvantaged people

G4-S01 | Percentage of operations with implemented local community engagement, impact assessments, and development programs

G4-S02 | Operations with significant actual and potential negative impacts on local communities

construction supportive housing development sponsored by Hispanic Housing Development Corp will offer mental health counseling, wellness screenings, transportation, nutritional/financial education, and meals on wheels in partnership with Norwegian American Hospital and Jesse Brown VA Medical Center. The bank provided a \$7.5 million construction loan, \$11.3 million direct tax credit investment and a \$1 million subordinate loan.

Lending and Investments in Low- and Moderate-Income Communities

By assisting a diverse set of partners ranging from corporate, institutional investors and, in the U.S., retail investors, we help finance a more sustainable economy. We have also responded to changing demands from institutional investors and individuals interested in creating positive change with their investments. Read more about our community development financial institutions (CDFI) investment on p. 52.

In 2009, we established a 10-year, \$1.5 trillion community development lending and investment goal, supporting communities across the U.S., including Phoenix, San Francisco, Chicago, Columbia, and many others. The goal promotes local economic growth in four key categories: 1) affordable housing, 2) small business, 3) consumer lending, and 4) economic development. We're pleased with the \$799 billion lent and invested from 2009 to 2015, including \$62 billion in 2015. However, we recognize that

the economic shift of the past few years — including a more normalized housing market, lower credit demand, and stricter requirements for lending and credit — has put constraints on our overall results.

Driven by our partnerships with nonprofit organizations, our online tools, and outreach events, we provide greater transparency, education, and clarity about the home-buying process to meet the diverse needs of low- and moderate-income (LMI) customers and multicultural communities. With our focus on helping consumers at all points of the income spectrum, one out of every three mortgages originated by Bank of America in 2015 was to an LMI borrower.

We also remain the largest investor in community development financial institutions (CDFIs), with more than \$1 billion invested in more than 240 CDFIs across the U.S., providing affordable loans, technical assistance, and other resources that may not be available through more traditional channels.

By extending credit to individuals, local businesses, and community organizations, we help drive local economic growth and sustainability, while focusing on a fair return for our shareholders. In the U.S., we use the Community Reinvestment Act (CRA) to guide our efforts to extend credit and make investments to maximize our impact in LMI communities (the U.S. government defines LMI as individuals and households with income less than 80 percent of area median income). During the previous review period (2Q'09 to 2011), we performed at an "outstanding" level, but were downgraded to a "satisfactory." We expect to receive our next rating for review period (from 2012 to 2016) performance in 2018.

Impact Investing

Impact investing is investing to make a financial return as well as generate a measurable, beneficial social or environmental impact. Today, more and more people from all walks of life want to learn about how their money can be used to create social impact.

We've also found that these types of investments give viable returns, contrary to long-held beliefs that impact investing was purely altruistic and not a sound financial investment. Not so. Investing according to your values can produce positive returns, like other investments.

G4-EC1 | Direct economic value generated and distributed

G4-FS14 | Initiatives to improve access to financial services for disadvantaged people

G4-SO1 | Percentage of operations with implemented local community engagement, impact assessments, and development programs

G4-SO2 | Operations with significant actual and potential negative impacts on local communities

Community Development Banking Has Record-Setting Year

Our Community Development Banking (CDB) group partners with developers across the country to finance affordable rental housing projects that address pressing community development issues vital to long-term economic health. In 2015, CDB completed its single largest transaction — the San Francisco Rental Assistance Demonstration (SF-RAD). The bank provided \$770 million as investor and lender on the deal, which will transform more than 1,400 public housing units at 15 properties into safe and sustainable low-income housing for San Franciscans.

Banking for Impact

Through our banking services for business, we offer loans, credit card processing, and other financial services to enable businesses to make an impact on their community. Here are three examples:

Gulf and Ohio Railways, Inc. In 2015, we provided a \$12 million line of credit and a \$6 million aircraft loan to Gulf and Ohio Railways, Inc., a short line railroad and tourist train holding company, to develop patented technology and build a manufacturing facility that re-powers and transforms old locomotives into highly fuel-efficient “green” locomotives that meet or exceed the EPA highest emission standards. The concept is one of the few commercially available solutions for railroads to meet the current EPA standard for locomotive emissions and is especially important in areas of the country that are not currently meeting the existing EPA air pollution standards.

Achievement Prep Wahler Place Campus

A combination of an \$8.3 million new markets tax credit investment and \$21.3 million in debt to finance renovation and construction of an expansion to this charter school. Serving 960 pre-kindergarten to eighth grade students primarily from low-income families, the school is one of the highest performing public charter schools in Washington, DC. The project is being built to LEED Gold standards.

Butterfly Effects In 2015, we awarded a \$3.5 million loan to Butterfly Effects, a leading national provider of applied behavior analysis (“ABA”) therapy for individuals affected by autism. The loan supported the continued growth of Butterfly Effects and the acquisition of an ABA provider serving the Northern California market, significantly expanding their presence on the west coast.

In 2015, Bank of America offered a wide range of investment products that make it easy to invest in keeping with one’s social or environmental values. U.S. Trust added a Carbon Reserve Free option to its Socially Innovative Investing program, which also includes strategies that consider corporate practices related to Women and Girls Equality, Human Rights and Recognition, and Environmental Stewardship and Sustainability.

Merrill Lynch is also tailoring programs for investors who want to build portfolios that align with their values. In 2015, Merrill Lynch added sustainable impact multi-asset class portfolios to its expanding platform of impact portfolios to serve clients interested in using their investment capital for positive social and environmental purposes. In addition, the firm will provide its 14,000 financial advisors new resources to help clients understand the impact of their investments in these portfolios.

Bank of America’s wealth and investment management businesses launched their impact investing platform in 2013 with a range of investment offerings across asset classes and themes.

As of September 2015, Bank of America’s investment businesses had more than \$9.7 billion in assets with a clearly defined impact investing approach. Of these assets, approximately \$8.1 billion are assets under management and \$1.6 billion are advised assets. These businesses include Merrill Lynch Wealth Management, U.S. Trust, Merrill Edge, and the institutional investment business.

In a whitepaper published in 2015, [“Impact Investing: The Performance Realities.”](#) Merrill Lynch’s Wealth Management Institute analyzed positive structural changes by the U.S. Department of Labor and 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. The paper tracks key developments in the impact investing arena, pointing to rapid growth and innovation that are due largely to growing client demand over the past decade, as well as the improving quantity and quality of ESG data.

Read more about our impact investing initiatives on p. 53.

G4-EC7 | Development and impact of infrastructure investments and services supported

G4-EC8 | Significant indirect economic impacts, including the extent of impacts

G4-FS7 | Monetary value of products and services designed to deliver a specific social benefit

G4-SO1 | Percentage of operations with implemented local community engagement, impact assessments, and development programs

G4-SO2 | Operations with significant actual and potential negative impacts on local communities

OUR COMMUNITY DEVELOPMENT LENDING AND INVESTMENT GOAL INCLUDES THE FOLLOWING CATEGORIES, PRIMARILY SERVING LMI CUSTOMERS AND COMMUNITIES:

Category	Description	2015 Results (\$ in billions)	2014 Results (\$ in billions)
Affordable Housing	LMI and minority single-family mortgages; loan modifications to existing mortgages; and financing for predevelopment, construction, and term- and equity-financing for single- and multi-family housing that are affordably priced or located in designated LMI communities.	\$37.62	\$37.88
Small Business Lending	Conventional small business loans, term loans and lines of credit for companies located in designated LMI communities; small business loan modifications; funding to small business investment companies (SBICs) and minority and inner-city business venture capital funds.	\$14.41	\$15.38
Consumer Lending	Full range of consumer financial services for LMI individuals and families, such as auto loans and personal loans and lines of credit. Credit card borrowings are not included.	\$3.88	\$3.24
Economic Development	Investments into nonprofits such as CDFIs, Community Development Corporations (CDCs), financial intermediaries and tax-exempt entities for lending and direct investments that promote neighborhood revitalization in communities designated as LMI, urban, rural, and Native American.	\$6.42	\$4.06

G4-EC8 | Significant indirect economic impacts, including the extent of impacts

G4-FS7 | Monetary value of products and services designed to deliver a specific social benefit

G4-12 | Organization's supply chain

G4-EC9 | Proportion of spending on local suppliers at significant locations of operation

G4-FS7 | Monetary value of products and services designed to deliver a specific social benefit

HOW WE DEFINE IMPACT INVESTING



Socially responsible

Screen out entities based on faith-based or other personal preferences



EXAMPLES

Avoid investments associated with:

- Environmental harm
- Tobacco, firearms, alcohol
- Practices that are in conflict with religious beliefs



Sustainable

Proactively choose entities that excel at a range of environmental, social and governance (ESG) factors



EXAMPLES

Seek investments in companies that:

- Promote and achieve sustainability
- Encourage and measure corporate social responsibility
- Are leaders in fair trade and factory worker safety



Thematic

Investment opportunities that focus on environmental or social themes



EXAMPLES

Target areas of growth in:

- Green initiatives, such as climate change or water security
- Gender equality and diversity
- Healthcare and the global trend toward obesity



Impact first

Investments dedicated to addressing specific social or environmental concerns using market-based solutions



EXAMPLES

Pursue investments that aim to:

- Improve early childhood education
- Reduce prisoner recidivism
- Address homelessness

Our Operations

Supply Chain

Community-Based Suppliers

Following the 25th anniversary year of Bank of America's Supplier Diversity Program and a number of successful initiatives to commemorate this milestone, the company is well positioned to create meaningful impact for the next 25 years. Through the continued promotion, support, and advancement of diverse-owned businesses, Bank of America continues to deliver economic growth and development in communities that we serve across the U.S.

Our Supplier Diversity and Development Program managers collaborate both externally and internally to support the inclusion of diverse suppliers across the company, resulting in more than \$2 billion of procurement spending with these businesses during 2015.

In addition, we continue to engage in a number of proprietary and industry diverse supplier development initiatives, which aim to identify high potential diverse supplier firms, increase the capacity of diverse suppliers by means of technical assistance and mentoring programs, and expose diverse suppliers to diversification of revenue and expanded growth opportunities.

Read more about our supplier diversity on p. 52.

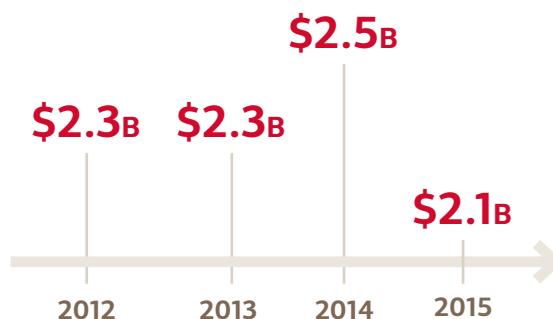
Suppliers and Environmental Impact

Carbon Disclosure Project (CDP) Supply Chain

Since 2009, we've invited suppliers to respond to the CDP Supply Chain questionnaire, which helps us accurately track and measure greenhouse gas emissions and associated risks that impact our global supply chain. In 2015, we requested disclosures from 200 suppliers, an increase of eight suppliers over last year. Despite the expansion in the number of survey respondents, we achieved a best-in-class response rate of 93 percent, up from 88 percent in 2012, 90 percent in 2013, and 91 percent in 2014. In the wake of the survey, we provided individualized feedback regarding each supplier's level of transparency and performance to the participating suppliers and their vendor

BANK OF AMERICA DIVERSE SUPPLIER SPEND TREND

(Total \$ Spent With Diverse Suppliers, in billions)



managers. This has facilitated an ongoing dialogue with our suppliers, which promotes collaboration and provides a meaningful opportunity to recognize leadership among our highest-performing suppliers.

The CDP Supply Chain questionnaire also allows our suppliers to communicate proposals to reduce our environmental impact. In 2015, more than 35 percent of supplier respondents proposed ideas to mitigate our environmental impact and the impacts of the products and services that we offer. These proposals include innovative ideas such as closed loop recycling, advanced credit card production methods that reduce energy use, route optimization to reduce transportation emissions, and lean manufacturing practices that reduce waste. These proposals indicate a willingness to reduce emissions and a long-term desire to engage with us on environmental sustainability.

Twelve suppliers that we invited to respond to the CDP Supply Chain survey are on the Supplier Climate A List, a ranking based on their survey responses and demonstration of strong and transparent climate strategies and emissions reduction programs. We were also named to the Supplier Climate A List for the quality of our own response to the survey, placing us and our suppliers named to the Supplier Climate A List among the top 2 percent of suppliers focused on the management of climate change and related issues.

G4-12 | Organization's supply chain

G4-EC9 | Proportion of spending on local suppliers at significant locations of operation

G4-FS7 | Monetary value of products and services designed to deliver a specific social benefit

Sourcing

Apart from engaging our own supply base in CDP, we've continued to integrate environmental sustainability criteria into our supplier sourcing processes by providing our sourcing managers specific questions regarding supplier sustainability practices and scoring criteria. The result has been an increased incorporation of sustainability criteria into requests for proposals and requests for information from our suppliers. In 2014, these questions were updated and revised to better reflect desired environmental criteria of goods and services purchased by Bank of America. In addition, our contract templates contain representations and warranties to ensure that our suppliers use environmentally beneficial practices relevant to and meeting the minimum standards of their particular industry.

We're also happy to announce that in 2014, we developed and published a Vendor Code of Conduct, which outlines the expectations we set for our suppliers to demonstrate their commitment to basic working conditions and ethical business practices. To learn more about this new code, please visit p. 6.

Our Partnerships

Building Thriving Communities through Philanthropic Investments and Volunteerism

As part of our company's commitment to the communities we serve, we develop strong partnerships with nonprofit organizations serving community needs, bringing our collective networks and expertise to help communities grow and thrive. We've taken an approach of responsive philanthropy through local, U.S., and global partnerships that address societal challenges and broader economic concerns. As a financial institution, we integrate better money habits across our funding to help move individuals and families out of poverty and toward long-term stability.

Our goal is to build pathways to economic progress, including addressing social justice issues that are fundamentally connected to

Inspiring the Future

In the UK, youth unemployment is one of the biggest social and economic concerns for government and local communities. There exists a significant skills mismatch between what young people are learning and what skills are needed in the future. That is why we partner with The Education and Employers charity to ensure that every school and college across the country has effective partnerships with an employer. Bank of America Merrill Lynch is the lead corporate supporter of the charity's Inspiring the Future and its Inspiring Women campaigns, which provide first-hand insight into the variety of careers available to young people. Through the company's involvement, our employees help young students improve their employability awareness through visits to schools, careers fairs, networking events, and mock interviews. Since the program's 2012 launch, volunteers have inspired the next generation on more than 1 million occasions. In the last academic year alone, volunteers from a range of businesses inspired 365,000 young people across the UK.

economic mobility. Through the Bank of America Charitable Foundation, we direct funding to meet the needs of low-income communities, with a particular focus on issues impacting economic health and sustainability, including [revitalizing neighborhoods](#), [educating the workforce for 21st century jobs](#), and addressing [basic needs](#), such as [hunger](#) and homelessness.

Our partnerships address broader issues, including environmental sustainability, global health, arts and culture, and diversity and inclusion. In addition to focusing on the needs of underserved, low-income communities, we work to address the specific needs of veterans, the unemployed, individuals with disabilities, and women.

One great example of how we do this is Neighborhood Builders®. More than a decade ago, we designed Neighborhood Builders to help nonprofits develop stronger strategic plans,

G4-EC7 |

Development and impact of infrastructure investments and services supported

G4-EC8 |

Significant indirect economic impacts, including the extent of impacts

G4-S01 |

Percentage of operations with implemented local community engagement, impact assessments, and development programs

G4-S02 |

Operations with significant actual and potential negative impacts on local communities

Arts Matter

Bank of America's program of arts support reflects our belief that the Arts Matter: they help economies thrive, help individuals connect with each other and across cultures, and educate and enrich societies. We support nonprofit arts institutions that deliver both the visual and performing arts, provide inspirational and educational sustenance, anchor communities, create jobs, complement school curricula, and generate substantial revenue for local businesses. On a global scale, the arts speak to us in a universal language that provides pathways to greater cultural understanding.

We believe the neighborhood playhouse can be as important as the world class museum or orchestra in its value to the community, in the lives of its citizens, and in the education of its young people. Combined with our charitable foundation employee Matching Gifts program we support more than 2,000 arts organizations worldwide.

Some examples of our support in 2015 follow:

Bank of America Art Conservation Project

Our Art Conservation Project provides grants to nonprofit museums to conserve historically or culturally significant works of art, including works that have been designated as national treasures. Since 2010, Bank of America has provided grants to museums in 28 countries for 85 conservation projects. Works conserved in 2015 include a marble figure of the *Buddha Amitābha* (585 C.E. Sui dynasty) at the British Museum, London; four paintings and one mural at the OCA Museum, São Paulo; Uemura Shōen's *Jo-no-Mai (Noh Dance Prelude)* at The Tokyo University Art Museum and Manet's *Woman in Evening Dress* at the Guggenheim in New York.

Art in Our Communities (AIOC)

The Bank of America Art Collection has been converted into a unique resource from which museums and nonprofit galleries may borrow complete or customized exhibitions at no cost, which generates vital revenue for these institutions. Since the program's launch in 2008, more than 120 museums worldwide have borrowed exhibitions.

In October 2015, Bank of America Merrill Lynch, along with the Antiguo Colegio de San Ildefonso in Mexico City, presented *Conversations: A Photographic Collection by Bank of America*. The exhibition, composed of 108 photographs by prominent photographers and contemporary artists, offers a lens into the development of photography from the mid-19th century to date. The exhibition opened in October during the 2015 *Foto-Mexico* International Photograph Festival and was on view until February 2016.

Partnerships

Each year, we also partner with dozens of nonprofits, 2015 programs include:

Alvin Ailey American Dance Theater

In 2015, we were proud to sponsor the Alvin Ailey American Dance Theater's major traveling appearances which included a four-week engagement at Paris' Théâtre du Châtelet for *Les Étés de la Danse* International Dance Festival and, after 17 years, a historic return to South Africa with performances in Johannesburg and Cape Town.

National Portrait Gallery

As part of Bank of America Merrill Lynch's sponsorship of *Giacometti: Pure Presence* at London's National Portrait Gallery from October 2015 to January 2016, we supported a transformative art-based education program for students with special needs. A series of Giacometti-inspired, artist-led workshops was organized for the students, culminating in a display of their works along with a private view and photo call. The program encouraged the young visitors to make, present, and discuss their own artwork; increased their confidence; helped them to see the Gallery as a resource for inspiration and learning.

Detroit Institute of Arts

Bank of America helped support the Detroit Institute of Arts' (DIA) blockbuster exhibition, *Diego Rivera and Frida Kahlo* in Detroit that explored the life and works of Diego Rivera and Frida Kahlo during their stay in Detroit. The exhibition, exclusively on view in Detroit during the spring and early summer of 2015, brought together 65 works of art that depicted an important period in the evolution of these two careers. To accommodate a surge in attendance, the DIA extended its open and closing hours — leading to highest attended exhibition since 2000.

enhance funding opportunities, and create greater impact in the community. The program operates as a capstone to our work to address needs related to community development, workforce development and education, and basic needs by delivering flexible funding through a \$200,000 grant and leadership development resources to help nonprofit leaders do more. Today, we recognize that the nonprofit sector has undergone a transformation, still in progress, which requires nonprofits to expand beyond philanthropic and government support to position them for measurable growth in an evidenced-based environment. Through Neighborhood Builders, we've invested more than \$180 million in more than 900 nonprofits in 45 communities and engaged nearly 2,000 nonprofit executives in strategic conversations about growth, funding diversification, and board development as they chart a path for organizational success.

Advancing Education in India

In support of the government's efforts to drive private-sector involvement in solving the most critical issues facing this developing economy, we have invested in programs that support education for India's youth, particularly disadvantaged young women. Through partnerships with Akshaya Patra, the Akanksha Foundation, Teach for India, and the Kherwadi Social Welfare Association, we were able to help approximately 30,000⁽¹⁾ schoolchildren, teachers, school leaders, and disadvantaged youth in 2015. Akshaya Patra helps prevent school drop-outs by providing much-needed midday meals for underprivileged children in government schools. Akanksha and Teach for India are focused on improving access to and quality of education for marginalized communities, while Kherwadi offers skills training to young people seeking jobs. Our approach to helping educate India's youth also includes supporting the drive to raise awareness of hygiene and sanitation to improve lives in the country's poorest communities.

(1) Figure compiled from grants monitoring and evaluation reports.

In 2015, we provided more than \$183 million in global philanthropic investments to more than 4,700 nonprofits, including cash-giving and in-kind donations, totaling more than \$1.5 billion toward our 10-year, \$2 billion philanthropic goal established in 2009. In addition, we've developed strong partnerships to raise awareness about pressing challenges and connect our customers and employees to meaningful ways to address these.

We move quickly to assist in the immediate-, mid- and longer-term recovery efforts that communities face when rebuilding from natural disasters, humanitarian issues and in times of tragedy and civil strife. Last year, we helped address community needs in the aftermath of the earthquake in Nepal, flooding in Chennai, India, and civil strife in Charleston, South Carolina and Baltimore, Maryland.

Community Development

Through our philanthropic investments, we support affordable housing, neighborhood preservation, and community revitalization initiatives; as well as the delivery of integrated services connecting individuals and families with financial education tools, resources, and benefits to achieve their financial goals. In 2015, we provided more than \$24 million to more than 800 nonprofit partners addressing these issues.

Partners: Habitat for Humanity

We've partnered with Habitat for Humanity for more than 25 years. Habitat remains one of our most popular volunteer activities, with employees giving about 35,000 hours of volunteer hours through board service, home builds, and financial literacy to homeowners. On World Habitat Day (October 5, 2015), we launched our second Habitat for Humanity Global Build, a week during which approximately 2,000 employees around the world built affordable housing and participated in community revitalization projects in 75 communities in seven different countries. Volunteer activities took place across the U.S. as well as in Jakarta, Sydney, Hong Kong, Manila, Toronto, and London.

G4-EC7 | Development and impact of infrastructure investments and services supported

G4-EC8 | Significant indirect economic impacts, including the extent of impacts

G4-S01 | Percentage of operations with implemented local community engagement, impact assessments, and development programs

G4-S02 | Operations with significant actual and potential negative impacts on local communities

Initiative for a Competitive Inner City

In 2015, Initiative for a Competitive Inner City (ICIC) celebrated the 10-year anniversary of the Inner City Capital Connection program, which was launched through our lead support. We've partnered with ICIC to support the Inner City Capital Connections (ICCC) program, which identifies small businesses in economically distressed communities and helps them build capacity and gain access to the capital they need to thrive in today's competitive economy. The program has successfully raised more than \$1 billion in capital and created nearly 11,000 jobs. With our support, ICCC has identified more than 800 investment-ready companies in 189 inner-city communities and 39 states around the U.S. Our employees make this work possible by volunteering their expertise to coach inner-city business leaders in financial management and leadership, helping them to achieve long-term sustainable growth.

Workforce Development and Education

We're supporting workforce development and education opportunities that will put individuals, including young people, on a path to success. Our investments include philanthropic partnerships with nonprofits, business initiatives to establish employment pathways, and employee volunteerism such as mentoring and teaching better money habits. We've focused our giving to connect individuals and young adults to employment and improve education and training for our workforce. In 2015, we provided more than \$22 million to more than 1,300 nonprofit partners addressing these issues.

National partners

We've formed partnerships that connect young adults to the workforce through education, training, and mentoring, moving beyond a purely philanthropic relationship to engage our lines of business and human resources.

- **NPower's Technology Service Corps (TSC)** program prepares individuals to begin information technology careers through free technical classes, mentoring, paid internships, career development workshops, industry-recognized certifications, job placement services, and a robust alumni network. Our Human Resources team works with NPower to hire interns within Global Technology &



Operations, and our employees have provided pro-bono support through NPower to deliver technology consulting to nonprofits.

- We're connecting young people to summer jobs that offer them workforce experience, leadership skills, and opportunities to gain better money habits. Through Student Leaders® we recognize more than 200 community-minded high school students in 45 communities across the U.S. each year, providing them with a paid summer internship with a nonprofit organization such as Habitat for Humanity and Boys and Girls Clubs of America, and building their skills through a leadership summit. Since 2004, we've connected more than 2,200 young people to summer jobs, enhancing their understanding of the role of nonprofits in communities and developing them as engaged citizens. In 2015 we continued our partnership with U.S. mayors to support more than 1,000 paid summer internships for at-risk teens. Through our Summer Youth Employment Program we offer these young adults valuable work experience and opportunities to learn to manage their first paycheck, paving the way for future career success.

G4-EC7 |

Development and impact of infrastructure investments and services supported

G4-EC8 |

Significant indirect economic impacts, including the extent of impacts

G4-S01 |

Percentage of operations with implemented local community engagement, impact assessments, and development programs

G4-S02 |

Operations with significant actual and potential negative impacts on local communities

Basic Needs

Many low- to moderate-income individuals continue to struggle to provide basic necessities for their families and face complex financial challenges — such as how to increase their income and reduce expenses. We're focused on addressing these basic needs, including hunger, services for the homelessness, and lack of access to benefit resources. We partner with nonprofits that assist individuals and families at their immediate point of need, as well as organizations that deliver longer-term solutions such as access to financial education and coaching. We support integrated services that help them overcome barriers, develop better money habits, and become financially secure.

Addressing hunger

With 805 million people around the world struggling to find their next meal, hunger is a major global challenge with long-term impact on economic growth. We've formed partnerships with community organizations leading the fight against hunger, engaged our customers and clients, and rallied our employee volunteer efforts to help provide hunger relief. Since 2008, we've invested more than \$69 million in charitable grants in hunger relief programs. In 2015, we gave \$13 million and nearly 70,000 employee volunteer hours in 12 countries — Argentina, Mexico, Hong Kong, Singapore, UK, U.S., Belgium, Turkey, Spain, Italy, Israel, and South Africa — to fight hunger. We partner with the Global Foodbanking Network around the world. One example is our work with Feeding Hong Kong. We've partnered with the

G4-EC1 | Direct economic value generated and distributed

G4-EC7 | Development and impact of infrastructure investments and services supported

G4-EC8 | Significant indirect economic impacts, including the extent of impacts

G4-S01 | Percentage of operations with implemented local community engagement, impact assessments, and development programs

G4-S02 | Operations with significant actual and potential negative impacts on local communities

Supporting our employees as engaged citizens

Our employees are passionate about improving the lives of individuals and families, offering their time, expertise and philanthropic giving to create more sustainable communities, and we are proud to support their efforts. Volunteerism is part of our company's DNA and has evolved into a strategic and comprehensive platform, integrated with our business, philanthropic, and marketing initiatives, including partnerships with (RED) and Special Olympics. In addition to enriching local communities, volunteerism provides our employees with opportunities for leadership, team building, and skills development.

We celebrate our volunteers in a variety of ways, including our highly competitive annual Global Volunteer Awards, which last year highlighted the efforts of 22 outstanding employee volunteers across the globe, giving them the opportunity to direct a grant to the nonprofit of their choice. We also offer volunteer grants to nonprofits where employees volunteer regularly, a quarterly honor roll highlighting employees recording at least 25 hours in a calendar year, and the President's Volunteer Service Award recognizing employees recording at least 200 volunteer hours annually.

Through their passion, time, and expertise, our employee volunteers contributed approximately 2 million hours in 2015. In addition, employees gave generously to support causes important to them,

donating nearly \$30 million, which was doubled in impact through our matching gifts program for a total of nearly \$60 million in funding to help address pressing social issues. In addition, through our Employee Giving Campaign, our U.S. employees donated \$17 million to address local community needs including education, basic services, youth programs and more.

Examples of our volunteers in action:

Serina Ramkhelawon, a Global Volunteer Awardee in Global Transaction Services (London, UK), was recognized for her efforts to mobilize bank volunteers to teach interviewing skills, hold resume workshops, and mentor young adults just starting out in their career. These efforts support our partnership with City Year, UK, a youth social action charity that challenges 18 to 25 year-olds to tackle educational inequality through a year of full-time, voluntary service in schools.

Tracy Morton, a Global Volunteer Awardee from Global Human Resources (Charlotte, NC) led a team to design and deliver a skills-based mentoring program to help jobseekers in Charlotte. In partnership with the Urban League of the Central Carolinas, she worked to design a strategy for the program, recruit mentors, and created a process to match Urban League clients with volunteers.

organization to reduce the amount of food sent to Hong Kong's landfills, while also helping to fight hunger through a record-breaking food drive and funding for Feeding Hong Kong's new warehouse. In addition, we've leveraged expertise from our lines of business to help inform clients and investors about financial and economic issues that impact how families are able to access affordable food.

- **Partner:** For the past four years we've partnered with Feeding America®, the largest U.S. hunger relief provider and its network of more than 200 food banks, on Give A Meal. Through this program, we extend the impact of individual donations, including those of employees, customers and clients, through a corporate match. For every dollar donated to Give A Meal, the Bank of America Charitable Foundation gives an additional two dollars. This past holiday season, thanks to these collective donations, we helped provide more than 40 million meals for the hungry in communities across the U.S.

Code for Change Makes a Difference for our Charity Partners

In a pioneering effort that harnessed the expertise of our employees in Asia Pacific, nine teams from our Global Technology & Operations (GT&O) division created applications and provided technology support to our partner charities to help them improve their impact on the communities they serve. About 60 employees in Singapore, Hong Kong, Tokyo, and Mumbai took part in Code for Change. The beneficiaries were Habitat for Humanity, Feeding Hong Kong, and Mission for Migrant Workers in Hong Kong; Friends International in Thailand; Habitat for Humanity and Teach for India in India; Care Community Services Society and New Hope Community Services in Singapore; Yayasan Balita Sehat in Indonesia; and TOMODACHI in Japan. Development of these technology solutions continue.

Employees and GT&O leaders voting on the outstanding apps of the program gave top marks to the Habitat for Humanity team, which created an app to track on-the-ground data on the usage of sanitation facilities that the organization is providing in India.

Addressing global health issues

We've joined others on the world stage to help address global health issues, starting with HIV/AIDS in Africa. Our partnership with (RED) helps raise awareness and support the global fight against HIV/AIDS in sub-Saharan Africa. Since the partnership originated in January 2014, \$10 million has been provided to the Global Fund to fight AIDS, tuberculosis, and malaria.

In January 2016, we announced an expanded partnership with (RED) to include an additional \$10 million over five years to the Global Fund, continuing efforts to raise awareness, end mother-to-child transmission of HIV, and achieve an AIDS-free generation. With the expansion, the overall total will reach \$20 million by 2020. This will provide antiretroviral medication to women in Africa with HIV, enabling them to lead healthy and productive lives, and preventing the virus from passing to their unborn children.

We've also partnered with Global Health Corps, which deploys fellows to work in hospitals and clinics in countries around the world, particularly Africa. And we're working with SEED Global Health, which supports global health fellows in Africa. Each of these organizations has worked with the Global Fund on the shared goal of building sustainable and resilient health systems in Africa.

Advancing Better Money Habits

From saving for a down payment on a major purchase, planning for and living in retirement to funding a college education, people make dozens of financial decisions every day. At Bank of America, we are here to help our clients and the communities we serve make educated and informed decisions about their financial future. We do this by offering a simple set of products that are clear, consistent, and easy to use, and by providing free and objective financial education resources. When individuals feel financially secure and are able to achieve their financial goals, communities are made stronger. Here are a few of our solutions that help people manage everyday finances and establish a sound financial future.

G4-S01 | Percentage of operations with implemented local community engagement, impact assessments, and development programs

G4-S02 | Operations with significant actual and potential negative impacts on local communities

G4-FS13 | Access points in low-populated or economically disadvantaged areas by type

Simplified Money Solutions

• FICO Score for Free

As part of our commitment to provide more clarity and transparency for customers, we now offer FICO Scores for Free to all of our credit card customers, including those with Merrill Lynch and U.S. Trust cards. FICO scores — also known as credit scores — reflect credit history and data and have an impact on many financial transactions. We began offering this service in late 2015 and completed the phased rollout in early 2016.

• SafeBalance Banking

SafeBalance Banking is an alternative that helps customers avoid overdraft fees on their account. They spend only what's in their account and can also take advantage of many of the same features of a traditional checking account — with a predictable monthly maintenance fee.

• BankAmericard® Secured Credit Card

For customers who are looking to build or rebuild credit, BankAmericard® Secured Credit Card helps establish and strengthen credit history by reporting payment behavior to the three major U.S. credit bureaus. The card also features a flexible credit line determined by the user's income and security deposit.

• Keep the Change®

The Keep the Change savings service provides a simple, convenient way to build savings while making everyday purchases. Qualifying checking and savings account purchases made with a debit card will be rounded up to the nearest dollar amount, and the difference will be automatically transferred from the checking to the savings account.

Read about more ways we're helping people manage their finances on p. 19.

“Ideal learning pairs real-world needs with on-demand learning.”

Resources like Better Money Habits and Khan Academy keep this in mind as we collaborate to empower young people for the 21st century.”

Sal Khan

in a conversation about education and the link to financial literacy

G4-FS13 | Access points in low-populated or economically disadvantaged areas by type

2015 BETTER MONEY HABITS METRICS

On-site video views:

3.1 million

Site unique visits:

5 million

On-site content views:

(videos, infographics, worksheets, checklists)

5.7 million

Total content views:

(Better Money Habits website, YouTube, additional distribution)

68.1 million

Total content views since 2013:

91.6 million



Providing Financial Empowerment Resources

Developed in partnership with Khan Academy, a nonprofit with the mission to provide a free world-class education for anyone, anywhere, [Better Money Habits®](#) pairs Khan Academy's expertise in online learning with our financial know-how. The program delivers simple, easy-to-understand information on a wide range of personal finance topics. In 2015, we added more than 90 pieces of content for a total of more than 200 pieces of original content on our website, [BetterMoneyHabits.com](#). Content on the site covers a wide range of personal finance topics, including saving, budgeting, building credit, paying down debt, paying for college, buying a house, and other important topics.

In 2015, we've expanded content on the site to include:

- **Families and Money:** Financial education begins at home, and we provide tools specifically to help parents teach their children about money. The content is divided into topics appropriate for parents of elementary, middle, and high school-aged children, including topics such as establishing allowances, setting up money rules, and introducing children to banking.
- **Paycheck-to-Paycheck:** We worked with several nonprofit partners to better understand the needs of individuals and families who are struggling each month to make ends meet. We developed action-oriented content to help those living paycheck-to-paycheck achieve financial stability. We also developed the [Education Resource Center](#) to help financial

"We haven't completely cracked the code on financial education. We do know it's a lifecycle issue and **if you build good financial habits at a young age, they tend to translate into stability as you get older.**"

Andrew Plepler
ESG Executive

"Real-world experience in making financial decisions empowers kids. It allows them to see how they'll personally benefit from making good choices."

John Rogers

whose Ariel Community Academy was created to provide a world-class K-8 education where financial literacy is taught and practiced.

coaches and counselors easily find the content that is relevant to their lessons and deliver the information to the people who need it the most.

- **Military/Veteran Transition:** Using the expertise of our employee Military Support and Assistance Group, as well as the knowledge gained from our partners, we now have content focused on the financial challenges involved in making the transition from military to civilian life. The resources cover everything from understanding the difference between a military and civilian paycheck to understanding civilian retirement plans.

Preparing The Next Generation For Real-World Challenges

Millennials, ages 18 to 34, are a group who will shape the nation's economic, political, and public policy landscape for decades to come. As they are quickly coming of age, it's important to get them the financial tools they need to be successful. In 2015, we initiated several efforts to provide insights and resources for Millennials on the topic of financial education:

- In October, Better Money Habits hosted an event in Chicago that featured a discussion between Khan Academy founder Sal Khan and John W. Rogers, Jr., Founder, Chairman and Chief Investment Officer, Ariel Investments, moderated by Andrew Plepler, Bank of America's ESG executive. The panelists and audience members — comprised of business and non-profit leaders

G4-FS13 | Access points in low-populated or economically disadvantaged areas by type

and financial education advocates — talked about barriers to income mobility, innovations that address them and ways to provide the next generation with life readiness skills in today's economy.

- Attended by Congressional staffers from the House and Senate, a Capitol Hill Staff Briefing, hosted by Better Money Habits in June, engaged staffers on a topic that is both personally and professionally relevant. Andrew Plepler was joined by a diverse panel of experts to discuss how financial education is evolving to reach a new generation.
- In 2015, we released two Bank of America/ USA TODAY Better Money Habits Millennial Reports, which provided critical insights into the millennial mindset when it comes to money. For example:
 - Millennials look to their parents for advice and guidance on financial matters, and the millennials whose parents talked to them about finances tend to exhibit good financial habits. [Click here](#) to review the Spring 2015 report.
 - A majority of millennials surveyed said they have savings, while decreasing debt, managing spending, and building an emergency fund are priorities. [Click here](#) to review the Fall 2015 report.
- Bank of America partnered with VICE News to create a new online talk show — “The Business of Life” — which held conversations on the financial impacts of topics most top of mind to today's young adults. The show featured a panel of experts who explored topics like higher education, immigration, the middle class, start ups, and much more. Our ongoing partnership with VICE News gives us a new way to engage with Millennials in an authentic way through a channel they trust and is relevant to them.

Delivering Financial Education Through Nonprofit Partnerships

When we combine our financial education tools and expertise with our existing nonprofit partnerships and employee volunteers, we are able to help more people improve their financial lives. Here are some examples of our work in providing financial education and energy and resources through employee volunteers in 2015:

LIFT

LIFT's mission is LIFTing people out of poverty for good. In 2015, LIFT case managers used our Better Money Habits programs to help LIFT clients achieve financial goals and manage their personal finances. LIFT is one of our valued partners to help youth access the experiences that they need to drive community change. We partnered with them to help our Student Leaders gain perspective on the challenges of living in poverty and how to make changes that lead to better financial lives.

In addition in 2015, Shriver Corps — an initiative founded by Maria Shriver in partnership with A Woman's Nation, CNCS, LIFT, and the Bank of America Charitable Foundation, in conjunction with AmeriCorps — marked its first anniversary. The initiative celebrated achievements such as connecting more than 2,500 low-income people to jobs, housing resources, and educational opportunities.

Points of Light

In partnership with Points of Light, the world's largest organization dedicated to volunteer service, we created the Financial Opportunity Corps in 2013 as way to help low- and moderate-income households achieve financial stability. The Financial Opportunity Corps recruit and train volunteers as financial coaches who work with families and individuals to build their financial knowledge and develop strategies to reduce debt, start saving for emergencies, access benefits, and build assets. To date, 87 percent of people who received coaching took steps that improved their financial stability such as developing a budget, planning to build credit and organizing bills. Further, 41 percent of coaching clients ended their coaching tenure with \$1,500 or more in savings, an increase of 21 percent from the beginning of their coaching relationship.

G4-FS13 | Access points in low-populated or economically disadvantaged areas by type

Looking Ahead

As we look ahead, we will continue to invest in supporting our employees, clients, and communities to help create shared success.

Our People

We invest in our employees because they are the key in making financial lives better for our customers and clients around the globe. The conversation with our employees is ongoing. Their feedback, suggestions, and active participation have helped us to improve the employee experience, but we aren't finished yet. Throughout 2016, we will continue our focus on simplifying and improving the employee experience. By celebrating diversity and practicing inclusion, by helping our employees reach their full career potential, and by supporting their wellbeing and listening to their feedback, we will make our company an even better place to work.

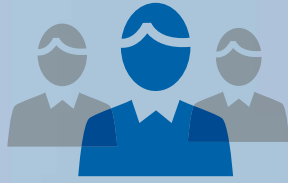
Our Business

Innovation to meet demand in the impact investing arena is a key area of focus for Bank of America Merrill Lynch in 2016. We plan to provide our 14,000 financial advisors with new resources to help clients understand the impact of their investments in these portfolios.

As part of our new offerings, Merrill Lynch financial advisors will receive detailed reports about the ESG characteristics of the sustainable impact multi-asset class portfolios and their constituent funds, the majority of which have ESG mandates. The reports are designed to help advisors better assess whether the investments meet clients' impact investing goals, thus providing added transparency. In addition, we are continuing to look for ways to provide our customers with products that help advance their better money habits, including helping borrowers achieve successful and affordable long-term homeownership.

Our Partnerships

We're focused on advancing nonprofit sustainability in order to create thriving economies, including how to position nonprofits for growth in an evidenced-based environment. As one example, we'll continue to enhance our Neighborhood Builders® program as we approach the milestone of 1,000 nonprofit alumni, connecting these leading nonprofits to expertise in the sector, providing forums for discussion and opportunities to access capital through our network of CDFI partners. And across the globe, we continue to examine how we can bring the full capabilities of our company to address pressing societal issues, such as global health and employability.



GOVERNANCE

In this
section

- Our Approach
- Board of Directors and Governance
- ESG Governance
- Risk Management
- Environmental and Social Risk Management
- Stakeholder Engagement
- Key Governance Topics
- Looking Ahead

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.

Our Approach

At the heart of governance at Bank of America is building and maintaining a foundation of trust with our clients, customers, employees, and shareholders — critical to implementing our responsible growth strategy. This requires a strong board of directors, skilled management, and clear and effective governance practices. This also requires us to educate employees on the behaviors that are expected of them and enable them to feel comfortable to speak up when something is inconsistent with our Code of Conduct and values. Throughout this section, we invite you to learn about the structure, principles, and practices that govern our company.

Board of Directors and Governance

When determining the composition of our board, we constantly assess our board members' capability to guide overall company strategy, including their ability to recognize and anticipate current and potential environmental and social impacts. Our directors possess backgrounds, qualifications, attributes, and skills that, when taken in aggregate, provide our company with a broad range of experience and diverse perspectives that offer independent oversight.

A full list of current board members can be found on our [corporate site](#), and additional information on the board of directors can be found starting on p. 7.



ESG Governance

We know how important it is to prioritize our ESG practices. That is why we formed the Global ESG Committee. The Global ESG Committee is chaired by Anne Finucane, our vice chairman, and is comprised of senior leaders across every business line and support group. The committee meets at least three times a year, is accountable to the chief executive officer, and reports regularly to the Corporate Governance Committee of the company's board of directors.

The Global ESG Committee provides oversight of the company's ESG activities including:

- Helping to ensure responsible business practices
- Identifying and addressing various environmental and social risks
- Identifying and adopting ESG best practices
- Determining key metrics for success for ESG initiatives
- Helping to align enterprise resources and third-party relationships to accomplish environmental, social, and other goals
- Championing and driving awareness of our ESG targets, goals, and commitments among business and support functions
- Approving the company's Community Reinvestment Act (CRA) goal and policy on an annual basis

G4-34 | Governance structure of the organization, including committees of the highest governance body

G4-35 | Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees

G4-36 | Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body

G4-42 | Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts

G4-43 | Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics

G4-51 | Remuneration policies for the highest governance body and senior executives

G4-52 | Process for determining remuneration

G4-53 | How stakeholders' views are sought and taken into account regarding remuneration

The Global ESG Committee has two formal subcommittees:

- **Governance Subcommittee:** This newly established group is responsible for oversight of efforts to promote effective corporate governance and will serve as an information clearinghouse for the relevant activities of the Office of the Corporate Secretary, the Investor Relations team, the ESG team and the Corporate Benefits Committee.

- **Environmental Operations Subcommittee:** This subcommittee oversees the company's environmental operational goals and is responsible for developing strategy and implementing initiatives for the achievement of these goals.

A number of other groups and councils also meet regularly during the year to oversee, manage, and communicate internally about ESG opportunities and issues. These include the Bank of America Charitable Foundation board of directors; the Low-Carbon Banking Group; and the Global Diversity and Inclusion Council. These groups are accountable through executive representation on the committee.

Risk Management

Managing risk well is foundational to our business and our ability to deliver responsible growth. It contributes to the strength and sustainability of our company for the future, and it supports the work we do today to serve our customers, clients, community, shareholders, and employees. This relies on the sound judgment of every employee across the entire company.

Risk Is Everyone's Responsibility

Risk is everyone's responsibility at the company and every employee has an important role to play in managing risk. We've worked to create an environment where employees feel valued, are empowered to share their perspectives, and discuss risk issues and concerns openly.

We believe this leads to the best outcomes.

Key components of our risk management approach include our Code of Conduct, Risk Framework, Culture, Risk Appetite, Risk Management Processes, and Three Lines of Defense. Together, these components clearly delineate the level of risk that we are willing to take, lay out our approach to managing

G4-35 | Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees

G4-36 | Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body

G4-42 | Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts

G4-43 | Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics

G4-47 | Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities

G4-49 | Process for communicating critical concerns to the highest governance body

GLOBAL ESG COMMITTEE: Led by Vice Chairman, accountable to CEO and Corporate Governance Committee of the Board of Directors

Chairman of Global Corporate and Investment Banking (*New*)

President of Preferred & Small Business

President of Retail Banking

CIO, Technology & Operations (*New*)

Corporate General Auditor

Deputy General Counsel and Legal executive, GBAM

Global Compliance executive

Global Diversity and Inclusion executive

Global General Counsel (*New*)

Global Human Resources executive (*New*)

Global Risk Chief Operating Officer (*New*)

Global Corporate Services executive (*New*)

Deputy Corporate General Auditor

Co-Head of Global Fixed Income, Currencies and Commodities Sales (*New*)

Enterprise Credit Risk executive

Head of Global Corporate Banking and Global Leasing (*New*)

Head of Global Research

Head of Global Wealth and Retirement Solutions

Pacific Southwest Region executive, Market President, Greater Los Angeles (*New*)

President, Asia-Pacific

President, Europe, Middle East and Africa

President, Latin America

Global Corporate Communications and Public Policy executive

Vice Chairman, Global Wealth and Investment Management

ESG executive

risk, define each employee's risk management responsibilities, and provide the basic guidelines for business practices and professional and personal conduct. For more than a decade, we've provided employees with an Ethics and Compliance (E&C) Hotline to report unethical activities confidentially. To learn more about the E&C Hotline, please visit p. 43.

From an organizational viewpoint, our eight lines of business own and manage all types of risk, our global risk management group challenges and provides independent oversight of our business, and our internal audit independently assesses and validates our risk processes and controls. We continually work to improve our risk management practices and capabilities. Read more about our Code of Conduct, Risk Framework, Culture, Risk Management Process, and Three Lines of Defense, starting on p. 25.

MANAGING RISK WELL IS FOUNDATIONAL TO OUR BUSINESS

these concerns are integrated into our business decisions and are understood and managed at the highest levels of the company.

We also take a proactive role in identifying and mitigating environmental and social risks by engaging with our clients, vendors, and other stakeholders on environmental and social issues that could have an adverse impact on the bank, employees, shareholders, and the communities we serve. We consult with internal and external stakeholders to help us determine those issues that

present the greatest probability of impacting our customers and financial communities around the globe. We also receive input from shareholders who voice their social and environmental concerns to our board and management through the annual proxy process. The sum of this external feedback gives us an increased understanding of the level of potential exposure our businesses have to particular environmental and social issues.

Within our company, our teams consider social and environmental risk factors when making business decisions and are guided by a number of applicable internal policies and guidelines, including our Code of Conduct, Credit Policy, [Human Rights Statement](#), [Vendor Code of Conduct](#), environmental policies related to energy, forests and the like, and others. To further our proactive management of these issues, we will be establishing an Environmental and Social Risk Management Framework (ESRM Framework), which sets forth the parameters for how we identify, measure, monitor, and control risks related to environmental and social issues. The ESRM Framework will be available on our website later this year.

Read more about our Risk Framework, oversight, Culture, principles, and Code of Conduct, starting on p. 25. Read more about our policies on our [website](#).

Environmental and Social Risk Management

As part of our efforts to manage all types of risk, we have established processes to manage environmental and social risks in a responsible manner. Our commitment to fair, ethical, and responsible business practices, as we engage with our employees, clients, vendors, and communities around the world, is embodied in our culture and governance structure.

To provide oversight of potential risks and opportunities to our business, including social and environmental issues, our board of directors reviews risks through well-established processes in our board committees, including the Enterprise Risk and Audit Committees. Our Global ESG Committee also regularly considers emerging issues, as well as concerns raised by advocates, regulators, and other stakeholders, to ensure that

G4-14 | Whether and how the precautionary approach or principle is addressed by the organization

G4-37 | Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics

G4-42 | Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts

G4-44 | Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics

G4-45 | Highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities

G4-46 | Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics

G4-47 | Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities

G4-49 | Process for communicating critical concerns to the highest governance body

G4-57 | Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines

G4-58 | Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity

Stakeholder Engagement

Through our work, we seek to reflect what stakeholders—including our stockholders—expect of global companies today. At all times, we're listening to and engaging with a diverse set of stakeholders who are interested in or directly affected by our company's business. As part of our stakeholder engagement process, including our stockholder engagement, we listen to the feedback of our constituents to help inform our decisions. Through continual debate and dialogue with all of these groups, we are positioned to make better informed, more balanced decisions.

To learn more about our stakeholder engagement (including our Market Presidents and more about our National Community Advisory Council), read p. 51.

Global Advisory Council

Our Global Advisory Council (GAC) is a non-fiduciary advisory board chaired by our CEO Brian Moynihan consisting of internationally recognized business, academic, and public policy leaders who assist us with global strategy. The council shares its expertise and insight on the global economy and the bank's global engagement and helps us further strengthen our worldwide relationships. GAC members offer advice on our global strategy and operations, provide insight and perspective on local market opportunities and trends, and assist in expanding our relationships and opportunities around the world.

In 2015, GAC members made grant recommendations for charitable donations to 30 worthy causes around the world. These were implemented by the Bank of America Charitable Foundation.

Key Governance Topics

Executive Compensation

Over the past several years, there has been an increased focus on executive compensation and the importance of aligning compensation with a full range of factors that drive short- and long-term performance of a company, including those related to ESG.

Our compensation philosophy ties our executive officers' pay to company, line of business and individual performance over the short and long terms. Our executive compensation program provides a mix of salary, incentives, and benefits paid over time that we believe aligns executive officer and stockholder interests. Each year, our Compensation and Benefits Committee reviews our executive officers' performance using a balanced and disciplined approach to determine their base salaries and variable compensation awards. In addition to assessing our financial results and the contributions of executives to overall company and line of business performance, directors evaluate our progress in delivering on our five operating principles—including putting our customers at the center of our decision-making, creating a great environment in which to work, and driving a strong culture of managing risk well. We continually evaluate our compensation policies and practices in light of ongoing developments, regulations, and best practices in the area of incentive compensation.

The key features of our executive compensation program can be found in our [2016 Proxy Statement](#), including the specific compensation practices we have implemented to drive sustainable results, encourage executive retention, and align executive and stockholder interests. In addition, we also identify certain pay practices we have not implemented because we believe they do not serve our risk management goals or stockholders' long-term interests.

G4-24 | A list of stakeholder groups engaged by the organization

G4-25 | The basis for identification and selection of stakeholders with whom to engage

G4-26 | Organization's approach to stakeholder engagement

G4-27 | Key topics and concerns that have been raised through stakeholder engagement

G4-45 | Highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities

Information Security and Privacy Policies

We're committed to keeping customer and client personal and financial information protected and secure through responsible information collection, processing, and use practices. As part of that effort, we have comprehensive global information security and privacy programs led by the Bank's Chief Information Security Officer and Chief Privacy Officer.

We demonstrate our commitment and accountability to protecting information by implementing information security and privacy policies and programs. These policies and programs align with external criteria and incorporate senior management and board of director level oversight, including regular status updates to our board of directors on our information security and privacy programs.

The bank is subject to ongoing regulatory oversight and examination related to information security and an independent Corporate Audit function conducts examinations of our lines of business to ensure compliance with standards and applicable legal requirements. The bank also partners closely with industry associations such as the American Bankers Association, the Financial Services Roundtable, the Financial Services Information Sharing and Analysis Center (FS-ISAC), the Center for Information Policy Leadership, and the Future of Privacy Forum to develop global solutions for privacy and the responsible use of data as well as to identify, prevent and protect against industry or bank-targeted cyber events.

In addition, Bank of America has aligned its information security controls to the National Institute of Standards and Technology (NIST) Framework for Improving Critical Infrastructure Cybersecurity (Cybersecurity Framework). The bank incorporated the NIST Cybersecurity Framework into its annual Policy management cycle and has designed and implemented internal risk-based frameworks that align with NIST.

Understanding the constantly evolving nature of data protection, we continuously monitor for emerging risks and dedicate significant resources to help ensure customers' information is protected. During the last two years, to our knowledge, we have not experienced any material

losses or other material consequences relating to technology failure, cyber attacks, or other information or security breaches.

Our Code of Ethics and privacy and security standards and procedures require confidential treatment of customer information consistent with applicable laws and regulations and reinforce our commitment to the responsible processing of personal data. Individuals who access bank computer systems and information are required to complete annual information protection and privacy training, and employees in privacy-sensitive roles receive additional training specific to their position. Annual training is supplemented with additional educational content that reinforces desired employee behaviors, creates a heightened level of accountability, and acknowledges good behavior. Vendors are also regularly assessed to ensure they have appropriate security and privacy controls.

The bank maintains an Enterprise Privacy Office, led by our Chief Privacy Officer, and a Global Information Security organization, led by our Chief Information Security Officer.

The Chief Privacy Officer oversees the effectiveness and implementation of the privacy program in business processes across the company ensuring adequate governance and oversight is in place; changes to applicable laws and regulations and recognized best practices are accounted for; standards and policies are maintained; employee training is developed and administered; and that Bank of America routinely monitors, assesses and measures business operations to ensure that processes and privacy management practices are compliant and in line with our standards.

The Chief Information Security Officer (CISO) develops and executes an enterprise-wide information security strategy that helps protect Bank of America and its customers' information, complying with applicable legal and regulatory standards. As part of this role, the CISO manages the development, implementation, and maintenance of the information security infrastructure; oversees the protection of Bank of America's computer-based assets by providing monitoring, detection, analysis, event handling, and containment of security incidents; monitors information security trends internally and

G4-16 | Memberships of associations (such as industry associations) and national or international advocacy organizations

G4-PR8 | Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data

externally; and informs senior leadership about information security-related issues and activities affecting the organization.

In accordance with applicable laws globally, the bank provides customers with Privacy Notices that clearly explain our information collection, sharing, and use practices. Customers can also access privacy notices and additional information about privacy and information security online through our privacy and security web pages.

For all but credit card and certain affinity products, we do not share sensitive and/or personal information with unaffiliated third parties unless regulations allow it, such as with a vendor that performs a service on our behalf. Credit card and affinity customers can still exercise control over and limit the sharing of their personal information with a third party outside a statutory exception.

While we do share information between our affiliated companies for our everyday business purposes, customers are offered an opportunity to limit other types of affiliate sharing and/or use. The bank also makes it easy for customers to limit certain types of marketing. Customers can opt out of telemarketing, email, and direct mail marketing, and we provide training to employees on these options and how to guide customers through the process.

Finally, we maintain physical, electronic and procedural safeguards to protect against unauthorized access to customer information.

- **Secure technology:** Our fraud prevention and security systems help protect customers and clients with encryption technology and secure email communications. We are a recognized leader in fraud and identity safety, with strong performance in fraud prevention, detection, and resolution, based on industry assessments by Javelin.
- **Debit cards:** Our Total Security Protection® package provides defense against theft, loss or fraudulent use when accessing a checking or savings account with a debit card. In addition, bank customers are able to lock and unlock their Consumer and Small Business ATM/debit cards through self-service options in mobile and online banking.

- **Social Security Number Policy:** Our Social Security Number Policy protects the confidentiality of Social Security numbers, prohibits unlawful disclosure of Social Security numbers and limits access to Social Security numbers.
- **Identity theft assistance:** Our Identity Theft Assistance Center offers resources to help with identity theft recovery, prevention, and education. Our Online and Mobile Banking Security Guarantee covers Bank of America accounts, the security of customer and client information, and the time spent processing payments.
- **Secure access to accounts:** Our Security Center offers customers mobile and online banking tools to securely manage their finances, including options for signing into and monitoring activity on their accounts. Customers can manage their digital banking security settings in one place, and can opt in for an extra security feature at sign-in that helps verify the customer's identity with a one-time authorization code sent via text or email each time they sign in.

Tax Strategy and Reporting

Bank of America advocates for tax reform legislation in the U.S. that simplifies our tax laws, encourages economic growth, and helps American companies compete in today's global economy. Bank of America communicates with policymakers both independently and as part of the Alliance for Competitive Taxation (actontaxreform.com), a group of more than 40 U.S. companies that supports lowering the corporate rate, paid for by broadening the tax base, and establishing a modern competitive tax system that aligns with the rest of the world. We are encouraged that a bipartisan consensus is emerging on Capitol Hill that tax reform is urgently needed.

Bank of America employs rigorous tax governance and risk management routines across the enterprise to ensure that we comply with all applicable tax laws and regulations. The bank files income tax returns in more than 100 state and non-U.S. jurisdictions each year. The IRS and other tax authorities in countries and states in which the company has significant business

G4-PR8 | Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data

operations examine tax returns periodically (continuously in some jurisdictions).

Internationally, we adhere to the UK Code of Practice on Taxation for Banks. Most of our global business is conducted in locally regulated entities, such that intercompany interaction is subject to regulatory driven arms'-length standards, in addition to the U.S. tax authority's overarching arms'-length standard.

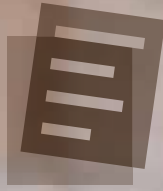
While not an exhaustive list, some of the internal routines in place to ensure we comply with tax laws and regulations are Corporate Tax Department Risk Management Forum; Tax Shelter Reporting, List Maintenance, and Disclosure Policies relevant for principal activities and advisory activities; participation in the UK Code of Practice on Taxation for Banks; policies allowing for escalation of any matter to Reputational Risk Forums; Tax personnel participation in various forums throughout the enterprise, including Finance escalation routines and business New Product Review Forums; oversight that can include inquiry into tax practices and risks by various regulators globally; and various Control frameworks, including Sarbanes-Oxley and oversight by our Compliance, Corporate Audit, and Risk functions.

We provide financial information by region in Note 26 of our 2015 10-K. Included in this disclosure are assets, revenue, income (loss) before taxes, and net income (loss). In addition, many of our subsidiaries in the UK and other countries prepare "statutory accounts," which consist of financial statements and footnotes that are publicly available in the UK and many other countries. Our 10-K disclosures provide a public explanation as to why our global effective tax rate may differ from the U.S. statutory tax rate. Also, some of the above-mentioned statutory reports contain tax footnotes that reconcile the subsidiaries' effective tax rates to the relevant statutory tax rates. In addition, we regularly provide information to help investors forecast the company's tax expense. This includes effective tax rate guidance on earnings calls and information in SEC filings, such as drivers of tax risks and drivers of deferred tax asset carrying values. Please see the [2015 10-K](#) for complete information on the topic.

Looking Ahead

As we look ahead, we will continue our work to simplify the company and manage risk more rigorously than ever before. We remain diligent to ensure the structure, principles, and practices we have in place to govern our company are efficient and effective.

We will continue to focus on our customers and clients with renewed clarity, and to deliver the full range and depth of our resources and global reach to help them achieve their goals. We continue to deliver this through a strategy of responsible, sustainable growth. Through strong ESG management, we're building more financially secure communities — recognizing that we only succeed when our customers, clients, employees, and our communities thrive.



ABOUT THIS REPORT

In this
section

- Advocacy and Memberships
- Awards
- GRI Content Index
- Environmental, Social and Governance Materiality Assessment
- External Assurance
- Assurance Statement
- Contact Us
- Report Parameters



ABOUT THIS REPORT

Advocacy and Memberships

Bank of America often shares interests with groups that advocate and shape public policy positions on relevant issues. To view a complete list of these groups, please visit the [Political Activities page on BankofAmerica.com](#).

In addition, we also engage with the following organizations on issues that are important to us:

U.S. Water Partnership

U.S. Green Building Council

U.S. SIF — Forum for Sustainable and Responsible Investment

World Business Council for Sustainable Development

CSR Europe

HR Policy Association

Equal Employment Advisory Council

G4-16 | Memberships of associations (such as industry associations) and national or international advocacy organizations

“Being named Best Global Bank for Corporate Social Responsibility is confirmation of our commitment to making financial lives better. Ensuring that sustainable practices are integrated into our products, services, and business activities allows us to best serve our clients and communities around the world. Through strategic partnerships and the responsible deployment of our assets and resources, we can effect long-term positive change.”

Andrew Plepler
ESG Executive

Awards

To learn about our recognition in 2015, please visit our [website](#).

GRI Content Index

The 2015 Bank of America Environmental, Social and Governance (ESG) Report aligns with the G4 framework set forth by the Global Reporting Initiative (GRI). In addition, this report also uses the Financial Sector Supplement to address topics specific to our sector. The chart below outlines which indicators are included in the report and where they are located. This

report is “in accordance” with the core option and has gone through the GRI Materiality Disclosure Service to confirm that G4 Materiality Disclosures are correctly located in both the Content Index and in the text of the final report.



G4-32 | ‘In accordance’ option the organization has chosen; GRI Content Index; Reference to the External Assurance Report

General Standard Disclosures

STRATEGY AND ANALYSIS

General Standard Disclosures	Page	External Assurance
G4-1	Business Standards Report, CEO Letter; page ii Anne Finucane’s Letter; ESG site 2015 Annual Report, CEO Letter; pages Cover–13	No
G4-2	Business Standards Report, CEO Letter; page ii Anne Finucane’s Letter; ESG site 2015 Annual Report, CEO Letter; pages Cover–13 About This Report, Environmental, Social and Governance Materiality Assessment; page 140	No

ORGANIZATIONAL PROFILE

General Standard Disclosures	Page	External Assurance
G4-3	2015 ESG Report; page i	No
G4-4	2015 Annual Report, Welcome to Bank of America; pages 14–15	No
G4-5	2015 Annual Report, Financial Highlights; page 14	No
G4-6	2015 Annual Report, Financial Highlights; page 14 About This Report, Report Parameters; page 146	No
G4-7	Certificate of Incorporation available at bankofamerica.com/investor .	No
G4-8	2015 Annual Report, Financial Highlights; page 14	No
G4-9	2015 Annual Report, Financial Highlights; page 20	No
G4-10	Social, Delivering Through Our People, Embracing the Diversity of Our People, Workforce Breakdown charts; pages 90–91	No

General Standard Disclosures *Continued***ORGANIZATIONAL PROFILE *CONTINUED***

General Standard Disclosures	Page	External Assurance
G4-11	Direct answer: No U.S.-based employees are subject to collective bargaining agreements.	No
G4-12	Social, Social Impact, Building Thriving Economies, Supply Chain, pages 106–106	No
G4-13	2015 Annual Report, CEO Letter; pages Cover–13	No
G4-14	Governance, Environmental and Social Risk Management; page 121	No
G4-15	Business Standards Report, Chapter 4, Responsible Growth: Managing Risk, Principles of Managing Risk; page 26 Business Standards Report, Case Study: Reinforcing Responsible Business Practices — Environmental, Social and Governance Committee, The Formulation of a Human Rights Statement and Vendor Code of Conduct; page 6 Environment, Environmental Governance and Policies; pages 83–85	No
G4-16	About This Report, Advocacy and Memberships; page 127 Governance, Information Security and Privacy Policies; page 122 Business Standards Report, Chapter 4, Memberships and Contributions; page 50	No

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

General Standard Disclosures	Page	External Assurance
G4-17	2015 Annual Report, Financial Highlights; page 14	No
G4-18	About This Report, Environmental, Social and Governance Materiality Assessment; page 140 About This Report, Report Parameters; page 146	No
G4-19	About This Report, Environmental, Social and Governance Materiality Assessment; page 140	No
G4-20	About This Report, Environmental, Social and Governance Materiality Assessment; page 140 About This Report, Report Parameters; page 146	No
G4-21	About This Report, Environmental, Social and Governance Materiality Assessment; page 140 About This Report, Report Parameters; page 146	No
G4-22	Direct answer: Re-statements are clearly marked in this report.	No
G4-23	Direct answer: Any significant changes are noted alongside data within the report.	No

G4-32 | 'In accordance' option the organization has chosen; GRI Content Index; Reference to the External Assurance Report

General Standard Disclosures *Continued***STAKEHOLDER ENGAGEMENT**

General Standard Disclosures	Page	External Assurance
G4-24	Governance, Stakeholder Engagement; page 122 Business Standards Report, Chapter 4, Stakeholder Engagement; pages 50–51	No
G4-25	Governance, Stakeholder Engagement; page 122 Business Standards Report, Chapter 4, Stakeholder Engagement; pages 50–51	No
G4-26	About This Report, Environmental, Social and Governance Materiality Assessment; page 140 Governance, Stakeholder Engagement; page 122 Business Standards Report, Chapter 4, Stakeholder Engagement; pages 50–51	No
G4-27	About This Report, Environmental, Social and Governance Materiality Assessment; page 140 Governance, Stakeholder Engagement; page 122 Business Standards Report, Chapter 3, Enhancements in Response to Stockholder Feedback; pages 11–12 Business Standards Report, Chapter 4, Stakeholder Engagement; pages 50–51	No

REPORT PROFILE

General Standard Disclosures	Page	External Assurance
G4-28	About This Report, Report Parameters; page 146	No
G4-29	About This Report, Report Parameters; page 146	No
G4-30	About This Report, Report Parameters; page 146	No
G4-31	About This Report, Contact Us; page 146	No
G4-32	About This Report, GRI Content Index; pages 128–139	No
G4-33	About This Report, Assurance Statement; pages 141–145	No

G4-32 | 'In accordance' option the organization has chosen; GRI Content Index; Reference to the External Assurance Report

General Standard Disclosures *Continued*

G4-32 | 'In accordance' option the organization has chosen; GRI Content Index; Reference to the External Assurance Report

GOVERNANCE		
General Standard Disclosures	Page	External Assurance
G4-34	Governance, Board of Directors and Governance; page 119 Business Standards Report, Chapter 3, Governance and Leadership; pages 7–12	No
G4-35	Governance, ESG Governance; page 119 Governance, Risk Management; page 119	No
G4-36	Governance, ESG Governance; pages 119–120	No
G4-37	Governance, Environmental and Social Risk Management; page 121	No
G4-38	Business Standards Report, Chapter 3, Current Composition of the Board; pages 10–11 2016 Proxy Statement, Director Independence; page 11	No
G4-39	Business Standards Report, Chapter 3, Board Leadership Structure; page 8	No
G4-40	Direct answer: We assess board members' capacity to guide overall company strategy, including their ability to understand environmental and social impacts. Additional information is available in our 2016 Proxy Statement and on investor.bankofamerica.com in the Committee Composition section.	No
G4-41	Direct answer: Bank of America's Code of Conduct guides all staff and management on conflicts of interest.	No
G4-42	Governance, ESG Governance; pages 119–120 Governance, Environmental and Social Risk Management; page 121	No
G4-43	Governance, ESG Governance; pages 119–120	No
G4-44	Governance, Environmental and Social Risk Management; page 121	No
G4-45	Governance, Environmental and Social Risk Management; page 121 Environment, Environmental Governance and Policies, Environmental Risk Management/Due Diligence; page 84 Governance, Stakeholder Engagement; page 122	No
G4-46	Governance, Environmental and Social Risk Management; page 121	No
G4-47	Governance, Risk Management; pages 120–121 Governance, Environmental and Social Risk Management; page 121	No
G4-48	About This Report, Environmental, Social and Governance Materiality Assessment; page 140	No
G4-49	Governance, ESG Governance; page 120 Governance, Risk Management; pages 120–121	No

General Standard Disclosures *Continued***GOVERNANCE CONTINUED**

General Standard Disclosures	Page	External Assurance
G4-51	Governance, Board of Directors and Governance, Executive Compensation, page 120 <u>2016 Proxy Statement, Compensation Governance and Risk Management; pages 19–21</u>	No
G4-52	Governance, Board of Directors and Governance, Executive Compensation, page 120 <u>2016 Proxy Statement, Compensation Governance and Risk Management; pages 19–21</u>	No
G4-53	Governance, Board of Directors and Governance, Executive Compensation, page 120 <u>2016 Proxy Statement, Compensation Governance and Risk Management; pages 19–21</u> Business Standards Report, Chapter 3, Ongoing Stockholder Engagement Program; page 11	No
G4-55	<u>2016 Proxy Statement, 2015 Summary Compensation Table; page 44</u>	No

ETHICS AND INTEGRITY

General Standard Disclosures	Page	External Assurance
G4-56	Business Standards Report, Chapter 2, Our Values and Responsible Growth; pages 2–5 Business Standards Report, Chapter 2, Case Study: Reinforcing Responsible Business Practices — Environmental, Social and Governance Committee; page 6	No
G4-57	Governance, Environmental and Social Risk Management; page 121 Business Standards Report, Chapter 4, A Culture of Risk Management; page 43	No
G4-58	Governance, Environmental and Social Risk Management; page 121 Business Standards Report, Chapter 4, A Culture of Risk Management; page 43	No

G4-32 | 'In accordance' option the organization has chosen; GRI Content Index; Reference to the External Assurance Report

Specific Standard Disclosures

G4-32 | 'In accordance' option the organization has chosen; GRI Content Index; Reference to the External Assurance Report

ECONOMIC

Material Aspects	DMA and Indicators	Omissions	External Assurance
Economic Performance	<p>G4-DMA: About This Report, Environmental, Social and Governance Materiality Assessment; page 140</p> <p>G4-EC1: Social, Building Thriving Economies; pages 101–103</p> <p>Social, Building Thriving Economies, Supporting Our Employees as Engaged Citizens; page 111</p> <p><u>2015 Annual Report, Financial Highlights; pages 21–22</u></p> <p>G4-EC3: Social, Delivering Through Our People, Supporting our Employees' Wellness, Improving our Employees' Financial Lives; page 96</p> <p><u>2015 Annual Report, Note 17, Pension and Postretirement Plans, pages 213–214</u></p> <p>G4-EC4: Direct answer: Bank of America did not benefit from any direct capital or liquidity assistance from the U.S. government in 2015.</p>		<p>G4-DMA: No</p> <p>G4-EC1: No</p> <p>G4-EC3: No</p> <p>G4-EC4: No</p>
Market Presence	<p>G4-DMA: About This Report, Environmental, Social and Governance Materiality Assessment; page 140</p> <p>G4-EC6: Business Standards Report, Chapter 4, Supporting Communities Around the Globe; pages 52–53</p> <p>Social, Delivering Through Our People, Continuing To Grow and Develop Our Diverse Workforce; page 92</p> <p>Social, Delivering Through Our People, Embracing the Diversity of Our People; page 89</p>		<p>G4-DMA: No</p> <p>G4-EC6: No</p>
Indirect Economic Impacts	<p>G4-DMA: About This Report, Environmental, Social and Governance Materiality Assessment; page 140</p> <p>G4-EC7: Social, Social Impact, Building Thriving Economies, Community Development Lending and Investing Chart; page 105</p> <p>Social, Social Impact, Building Thriving Economies, Building Thriving Communities through Philanthropic Investments and Volunteerism; pages 107; 109–111</p> <p>G4-EC8: Social, Social Impact, Building Thriving Economies, Building Thriving Communities through Philanthropic Investments and Volunteerism; pages 107; 109–111</p> <p>Social, Social Impact, Building Thriving Economies, Impact Investing; pages 103–105</p> <p>Social, Social Impact, Building Thriving Economies, Access to Mortgages; page 98</p>		<p>G4-DMA: No</p> <p>G4-EC7: No</p> <p>G4-EC8: No</p>
Procurement Practices	<p>G4-DMA: About This Report, Environmental, Social and Governance Materiality Assessment; page 140</p> <p>G4-EC9: Social, Social Impact, Building Thriving Economies, Supply Chain; pages 105–106</p> <p>Business Standards Report, Chapter 4, Investing in Our Communities, Supplier Diversity; page 52</p>		<p>G4-DMA: No</p> <p>G4-EC9: No</p>

Specific Standard Disclosures *Continued*

ENVIRONMENTAL

Material Aspects	DMA and Indicators	Omissions	External Assurance
Materials	<p>G4-DMA: About This Report, Environmental, Social and Governance Materiality Assessment; page 140</p> <p>G4-EN1: Environmental Sustainability, Our Operations, Paper; page 71</p> <p>Environmental Sustainability, Our Operations, Our 2015 Data, Non-Renewable Material Usage — IT Equipment/Renewable Material Usage — Paper; pages 78–79</p> <p>G4-EN2: Environmental Sustainability, Our Operations, Paper; page 71</p> <p>Environmental Sustainability, Our Operations, Our 2015 Data, Renewable Material Usage — Paper; page 79</p>		<p>G4-DMA: No</p> <p>G4-EN1: Yes; pages 142–145</p> <p>G4-EN2: Yes; pages 142–145</p>
Energy	<p>G4-DMA: About This Report, Environmental, Social and Governance Materiality Assessment; page 140</p> <p>G4-EN3: Environmental Sustainability, Our Operations, Our 2015 Data, Direct and Indirect Energy Consumption Data Tables; pages 77–78</p> <p>G4-EN6: Environmental Sustainability, Our Operations, Greenhouse Gas Emissions; pages 68–69</p> <p>Environmental Sustainability, Our Operations, Our 2015 Data, Reductions in Greenhouse Gas Emissions and Energy Consumption Data Table; page 77</p> <p>G4-EN7: Environmental Sustainability, Transformational Finance; pages 62–66</p>	<p>G4-EN4: The information is currently unavailable. However, Bank of America does report GHG emissions associated with Scope 3 activities.</p> <p>G4-EN5: The Standard Disclosure or part of the Standard Disclosure is not applicable. Bank of America does not use intensity as a metric to track performance.</p>	<p>G4-DMA: No</p> <p>G4-EN3: Yes; pages 142–145</p> <p>G4-EN4: No</p> <p>G4-EN5: No</p> <p>G4-EN6: Yes; pages 142–145</p> <p>G4-EN7: No</p>
Water	<p>G4-DMA: About This Report, Environmental, Social and Governance Materiality Assessment; page 140</p> <p>G4-EN8: Environmental Sustainability, Our Operations, Water; page 72</p> <p>Environmental Sustainability, Our Operations, Our 2015 Data, Water; page 79</p> <p>G4-EN10: Environmental Sustainability, Our Operations, Our 2015 Data, Water; page 79</p> <p>Environmental Sustainability, Our Operations, Water; page 72</p>	<p>G4-EN9: The Standard Disclosure or part of the Standard Disclosure is not applicable. Bank of America withdraws water from municipal sources, which are not significantly affected by these withdrawals.</p>	<p>G4-DMA: No</p> <p>G4-EN8: Yes; pages 142–145</p> <p>G4-EN9: No</p> <p>G4-EN10: Yes; pages 142–145</p>

G4-32 | 'In accordance' option the organization has chosen; GRI Content Index; Reference to the External Assurance Report

Specific Standard Disclosures *Continued*ENVIRONMENTAL *CONTINUED*

Material Aspects	DMA and Indicators	Omissions	External Assurance
Emissions	<p>G4-DMA: About This Report, Environmental, Social and Governance Materiality Assessment; page 140</p> <p>G4-EN15: Environmental Sustainability, Our Operations, Our 2015 Data, Greenhouse Gas Emissions Data Table; pages 75–76</p> <p>Environmental Sustainability, Our Operations, Greenhouse Gas Emissions, Scope 1 and 2 Emissions; pages 69–70</p> <p>G4-EN16: Environmental Sustainability, Our Operations, Our 2015 Data, Greenhouse Gas Emissions Data Table; pages 75–76</p> <p>Environmental Sustainability, Our Operations, Greenhouse Gas Emissions, Scope 1 and 2 Emissions; pages 69–70</p> <p>G4-EN17: Environmental Sustainability, Our Operations, Our 2015 Data, Greenhouse Gas Emissions Data Table; page 75</p> <p>Environmental Sustainability, Our Operations, Greenhouse Gas Emissions, Scope 3 Emissions; page 70</p> <p>G4-EN19: Environmental Sustainability, Our Operations, Our 2015 Data, Greenhouse Gas Emissions Data Table; pages 75–77</p> <p>Environmental Sustainability, Our Operations, Greenhouse Gas Emissions; pages 68–70</p> <p>G4-EN20: Environmental Sustainability, Our Operations, Our 2015 Data, NO_x, So_x and Other Significant Air Emissions from Direct Combustion; page 77</p> <p>G4-EN21: Environmental Sustainability, Our Operations, Our 2015 Data, NO_x, So_x and Other Significant Air Emissions from Direct Combustion; page 77</p>	<p>G4-EN18: The Standard Disclosure or part of the Standard Disclosure is not applicable. Bank of America does not use intensity as a metric to track performance.</p>	<p>G4-DMA: No</p> <p>G4-EN15: Yes; pages 142–145</p> <p>G4-EN16: Yes; pages 142–145</p> <p>G4-EN17: Yes; pages 142–145</p> <p>G4-EN18: No</p> <p>G4-EN19: Yes; pages 142–145</p> <p>G4-EN20: Yes; pages 142–145</p> <p>G4-EN21: Yes; pages 142–145</p>
Effluents and Waste	<p>G4-DMA: About This Report, Environmental, Social and Governance Materiality Assessment; page 140</p> <p>G4-EN23: Environmental Sustainability, Our Operations, Our 2015 Data, Waste; page 80</p> <p>Environmental Sustainability, Our Operations, Waste Management and Recycling; pages 73–74</p> <p>G4-EN24: Environmental Sustainability, Our Operations, Our 2015 Data, Compliance; page 81</p>	<p>G4-EN22: The information is currently unavailable. These data are not available.</p> <p>G4-EN25: The Standard Disclosure or part of the Standard Disclosure is not applicable. Bank of America does not export hazardous waste.</p> <p>G4-EN26: The information is currently unavailable. These data are not available.</p>	<p>G4-DMA: No</p> <p>G4-EN22: No</p> <p>G4-EN23: Yes; pages 142–145</p> <p>G4-EN24: Yes; pages 142–145</p> <p>G4-EN25: No</p> <p>G4-EN26: No</p>

G4-32 | 'In accordance' option the organization has chosen; GRI Content Index; Reference to the External Assurance Report

Specific Standard Disclosures *Continued***ENVIRONMENTAL CONTINUED**

Material Aspects	DMA and Indicators	Omissions	External Assurance
Products and Services	G4-DMA: About This Report, Environmental, Social and Governance Materiality Assessment; page 140 G4-EN27: Environmental Sustainability, Our Operations; pages 67–71	G4-EN28: The Standard Disclosure or part of the Standard Disclosure is not applicable. Bank of America does not manufacture products sold in packaging.	G4-DMA: No G4-EN27: Yes; pages 142–145 G4-EN28: No
Compliance	G4-DMA: About This Report, Environmental, Social and Governance Materiality Assessment; page 140 G4-EN29: Environmental Sustainability, Our Operations, Our 2015 Data, Compliance; page 81		G4-DMA: No G4-EN29: Yes; pages 142–145
Transport	G4-DMA: About This Report, Environmental, Social and Governance Materiality Assessment; page 140 G4-EN30: Environmental Sustainability, Our Operations, Our 2015 Data, Transportation; page 81		G4-DMA: No G4-EN30: Yes; pages 142–145
Overall	G4-DMA: About This Report, Environmental, Social and Governance Materiality Assessment; page 140 G4-EN31: Environmental Sustainability, Our Operations, Our 2015 Data, Environmental Spend; page 81		G4-DMA: No G4-EN31: Yes; pages 142–145
Supplier Environmental Assessment	G4-DMA: About This Report, Environmental, Social and Governance Materiality Assessment; page 140	G4-EN32: The information is currently unavailable. These data are not available. G4-EN33: The information is currently unavailable. These data are not available.	G4-DMA: No G4-EN32: No G4-EN33: No
Environmental Grievance Mechanisms	G4-DMA: About This Report, Environmental, Social and Governance Materiality Assessment; page 140	G4-EN34: The information is currently unavailable. These data are not available.	G4-DMA: No G4-EN34: No

G4-32 | 'In accordance' option the organization has chosen; GRI Content Index; Reference to the External Assurance Report

Specific Standard Disclosures *Continued***SOCIAL: Labor Practices and Decent Work**

Material Aspects	DMA and Indicators	Omissions	External Assurance
Employment	G4-DMA: About This Report, Environmental, Social and Governance Materiality Assessment; page 140 G4-LA1: Social, Delivering Through Our People, Workforce Diversity; page 90 G4-LA2: Social, Delivering Through Our People, Helping Employees Grow and Thrive; pages 92–94 Social, Delivering Through Our People, Supporting our Employees' Wellness; pages 94–96 G4-LA3: Business Standards Report, Chapter 4, Great Place to Work, Work-Life Benefits; page 46		G4-DMA: No G4-LA1: No G4-LA2: No G4-LA3: No
Occupational Health and Safety	G4-DMA: About This Report, Environmental, Social and Governance Materiality Assessment; page 140 G4-LA5: Social, Delivering Through Our People, Helping employees Grow and Thrive, Meeting Expectations for Safety, Risk Management and Conduct; page 94 G4-LA7: Social, Delivering Through Our People, Supporting our Employees' Wellness; pages 94–95		G4-DMA: No G4-LA5: No G4-LA7: No
Training and Education	G4-DMA: About This Report, Environmental, Social and Governance Materiality Assessment; page 140 G4-LA9: Social, Helping Employees Grow and Thrive, Development Programs; page 94 G4-LA10: Social, Helping Employees Grow and Thrive; pages 92–95 Social, Embracing the Diversity of Our People, Continuing To Grow and Develop Our Diverse Workforce; page 92 Business Standards Report, Chapter 4, Great Place to Work; pages 41–43 G4-LA11: Social, Delivering Through Our People, Helping Employees Grow and Thrive, Rewarding Performance That Balances Risk and Reward; page 94 Business Standards Report, Chapter 4, Great Place to Work, Rewarding Performance That Balances Risk and Reward; pages 42–45		G4-DMA: No G4-LA9: No G4-LA10: No G4-LA11: No
Diversity and Equal Opportunity	G4-DMA: About This Report, Environmental, Social and Governance Materiality Assessment; page 140 G4-LA12: Social, Delivering Through Our People, Embracing the Diversity of Our People; pages 89–92		G4-DMA: No G4-LA12: No

G4-32 | 'In accordance' option the organization has chosen; GRI Content Index; Reference to the External Assurance Report

Specific Standard Disclosures *Continued***SOCIAL: Human Rights**

Material Aspects	DMA and Indicators	Omissions	External Assurance
Investment	G4-DMA: About This Report, Environmental, Social and Governance Materiality Assessment; page 140 G4-HR2: Social, Delivering Through Our People, Helping Employees Grow and Thrive, Development Programs; page 94		G4-DMA: No G4-HR2: No
Freedom of Association and Collective Bargaining	G4-DMA: About This Report, Environmental, Social and Governance Materiality Assessment; page 140 G4-HR4: Direct answer: No U.S.-based employees are subject to collective bargaining agreements.		G4-DMA: No G4-HR4: No
Security Practices	G4-DMA: About This Report, Environmental, Social and Governance Materiality Assessment; page 140 G4-HR7: Social, Delivering Through Our People, Helping Employees Grow and Thrive, Meeting Expectations for Safety, Risk Management and Conduct; page 94		G4-DMA: No G4-HR7: No

SOCIAL: Society

Material Aspects	DMA and Indicators	Omissions	External Assurance
Local Communities	G4-DMA: About This Report, Environmental, Social and Governance Materiality Assessment; page 140 G4-S01: Social, Social Impact, Simplifying Banking and Investing, Access to Mortgages; pages 98–100 Social, Social Impact, Building Thriving Economies; pages 101–104, 107, 109–112 G4-S02: Social, Social Impact, Simplifying Banking and Investing, Access to Mortgages; pages 98–100 Social, Social Impact, Building Thriving Economies; pages 101–104, 107, 109–112 G4-FS13: Social, Social Impact, Advancing Better Money Habits; pages 112–115 G4-FS14: Social, Social Impact, Simplifying Banking and Investing; pages 97–99 Social, Social Impact, Building Thriving Economies, Growing Small Businesses/Lending and Investments in Low- and Moderate-Income Communities; pages 101–103		G4-DMA: No G4-S01: No G4-S02: No G4-FS13: No G4-FS14: No
Anti-corruption	G4-DMA: About This Report, Environmental, Social and Governance Materiality Assessment; page 140 G4-S03: Direct answer: 100 percent of business units are analyzed for risks related to corruption. G4-S04: Direct answer: 100 percent of Bank of America employees are trained in anticorruption policies as part of Bank of America's Code of Ethics training.		G4-DMA: No G4-S03: No G4-S04: No

G4-32 | 'In accordance' option the organization has chosen; GRI Content Index; Reference to the External Assurance Report

Specific Standard Disclosures *Continued***SOCIAL: Society Continued**

Material Aspects	DMA and Indicators	Omissions	External Assurance
Public Policy	G4-DMA: About This Report, Environmental, Social and Governance Materiality Assessment; page 140 G4-SO6: Business Standards Report, Chapter 4, Delivering for Shareholders and Other Stakeholders, Lobbying and Political Activities; pages 49–50		G4-DMA: No G4-SO6: No
Anti-competitive Behavior	G4-DMA: About This Report, Environmental, Social and Governance Materiality Assessment; page 140 G4-SO7: <u>2015 Annual Report, Litigation and Regulatory Matters</u> ; pages 198–203		G4-DMA: No G4-SO7: No
Compliance	G4-DMA: About This Report, Environmental, Social and Governance Materiality Assessment; page 140 G4-SO8: <u>2015 Annual Report, Litigation and Regulatory Matters</u> ; pages 198–203		G4-DMA: No G4-SO8: No

SOCIAL: Product Responsibility

Material Aspects	DMA and Indicators	Omissions	External Assurance
Product Portfolio	G4-DMA: About This Report, Environmental, Social and Governance Materiality Assessment; page 140 G4-FS6: <u>2015 Annual Report</u> ; pages 4, 7, 8, 22 and 30 G4-FS7: Social, Social Impact, Building Thriving Economies, Impact Investing; pages 103–106 Social, Social Impact, Simplifying Banking and Investing, Access to Mortgages; pages 98–99 G4-FS8: Environmental Sustainability, Transformational Finance; pages 62–66		G4-DMA (FS): No G4-FS6: No G4-FS7: No G4-FS8: No
Product and Service Labeling	G4-DMA: About This Report, Environmental, Social and Governance Materiality Assessment; page 140 G4-PR5: Social, Social Impact, Simplifying Banking and Investing, Customer Satisfaction; page 100		G4-DMA: No G4-PR5: No
Customer Privacy	G4-DMA: About This Report, Environmental, Social and Governance Materiality Assessment; page 140 G4-PR8: Governance, Information Security and Privacy Policies; pages 123–124		G4-DMA: No G4-PR8: No
Compliance	G4-DMA: About This Report, Environmental, Social and Governance Materiality Assessment; page 140 G4-PR9: <u>2015 Annual Report, Litigation and Regulatory Matters</u> ; pages 198–203		G4-DMA: No G4-PR9: No

G4-32 | 'In accordance' option the organization has chosen; GRI Content Index; Reference to the External Assurance Report

Environmental, Social and Governance Materiality Assessment

In 2015 and 2016, we undertook a process to evaluate the environmental, social and governance (ESG) issues that are most material to our company. As part of this process we asked a third party, Business for Social Responsibility (BSR), to conduct confidential interviews with 30 senior executives from across our lines of business and control functions and 15 leaders from civil rights, consumer, community development and environmental organizations, and socially responsible investment firms.

BSR used the company's Responsible Growth Strategy and Operating Principles as a framework for the interviews and subsequent analysis. The goal of the assessment was to

determine which ESG issues are most relevant to both external stakeholders and the company's core business strategy.

Issues were weighted, prioritized and plotted on the following ESG Materiality Assessment Map according to their relative degree of importance. The Materiality Map was then reviewed and approved by the company's ESG Group and Global ESG Committee. It is important to note that all issues on the Map—regardless of where they fall—are relevant to the company. These issues were drawn from a broader set of potential areas, many of which were deemed not to be pertinent to the bank. For clarity, we grouped issues as Governance, Environmental, Society, or People (i.e., dividing Social issues into external and internal categories).

We used the results of our ESG Materiality Assessment to guide our disclosure in this report and to ensure transparency with regard to ESG issues of greatest importance.

G4-2 | Description of key impacts, risks, and opportunities

G4-18 | Process for defining the report content and the Aspect Boundaries

G4-19 | Material Aspects identified in the process for defining report content

G4-20 | Aspect Boundary within the organization

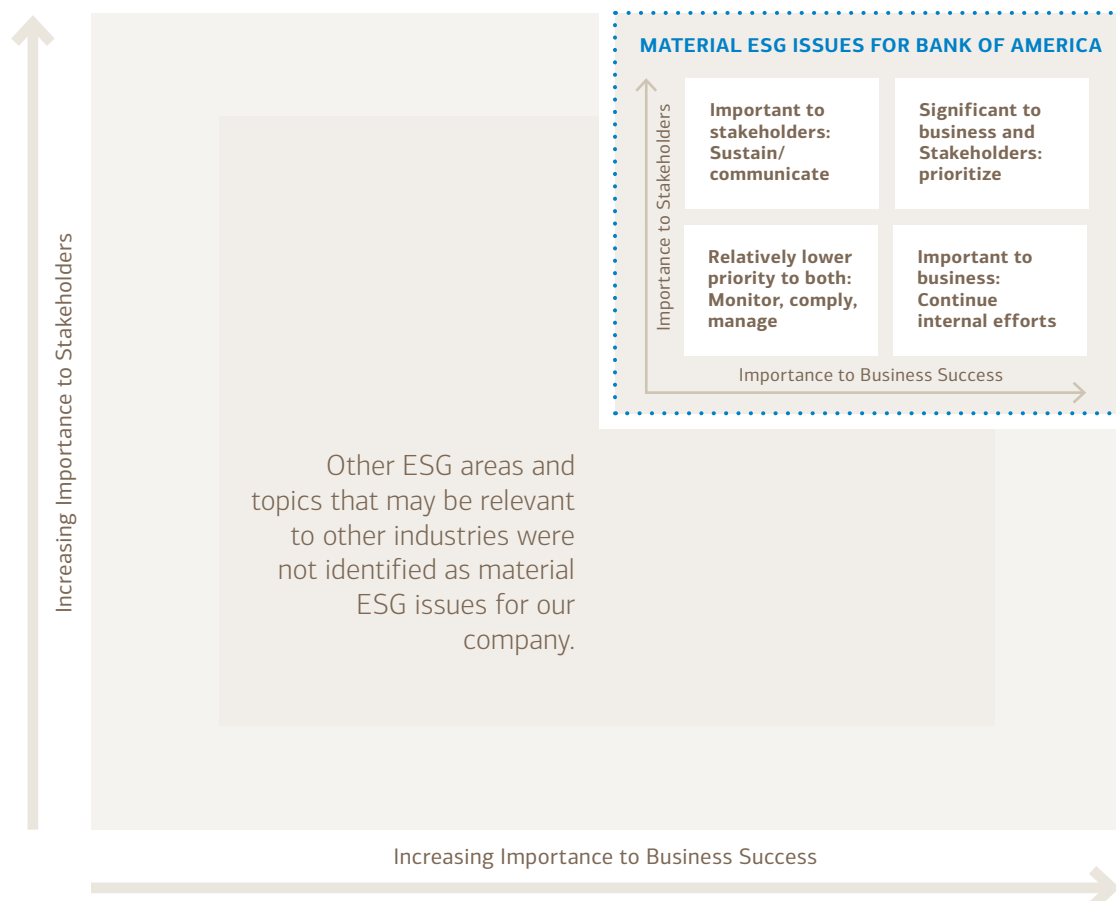
G4-21 | Aspect Boundary outside the organization

G4-26 | Organization's approach to stakeholder engagement

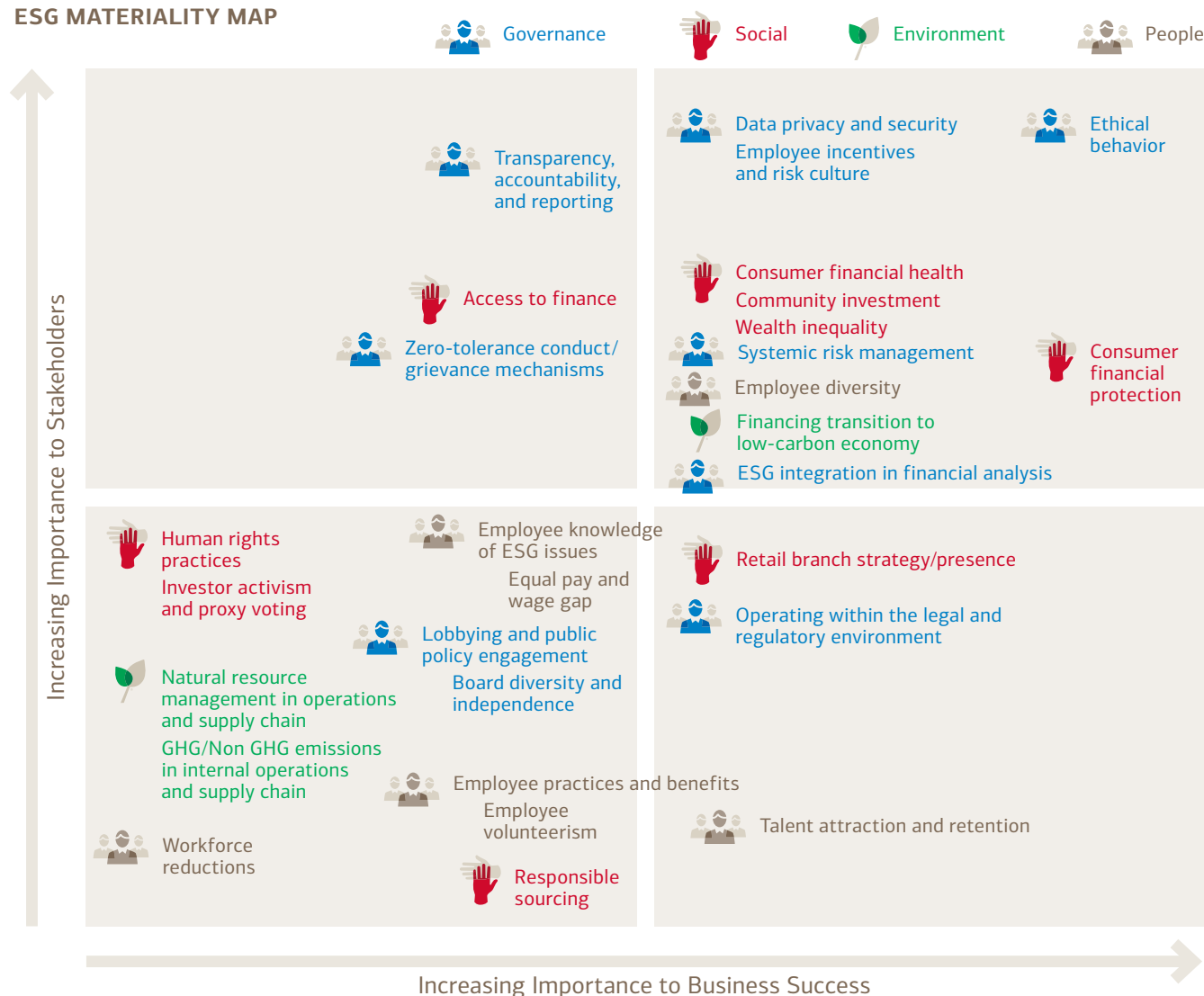
G4-27 | Key topics and concerns that have been raised through stakeholder engagement

G4-48 | Highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered

ESG MATERIALITY MAP



ESG MATERIALITY MAP



External Assurance

A world leader in testing, inspection and certification services, Bureau Veritas North America (BVNA) conducted an independent review to confirm the accuracy and reliability of environmental data and select labor information. In addition, Bureau Veritas evaluated other reported data (e.g., economic, social, human

rights, society, product responsibility) against the principles of the GRI Reporting Framework as defined in the GRI G4 Sustainability Reporting Guidelines (see Bureau Veritas North America's statement). Senior leaders across the company are involved in this assurance and review process.

G4-33 | The organization's policy and current practice with regard to seeking external assurance for the report

Assurance statement



BUREAU VERITAS NORTH AMERICA INDEPENDENT ASSURANCE STATEMENT

G4-33 | The organization's policy and current practice with regard to seeking external assurance for the report

Introduction and objectives of work

Bureau Veritas North America, Inc. (BVNA) was engaged by Bank of America Merrill Lynch to conduct an independent assurance of the selected environmental and social data reported in its 2015 Corporate Social Responsibility Report (the Report). This Assurance Statement applies to the related information included within the scope of work described below. The intended users of the assurance statement are the stakeholders of Bank of America Merrill Lynch. The overall aim of this process is to provide assurance to Bank of America Merrill Lynch's stakeholders on the accuracy, reliability and objectivity of select information included in the Report.

This information and its presentation in the Report are the sole responsibility of the management of Bank of America Merrill Lynch. BVNA was not involved in the collection of the information or of the drafting of the Report.

Scope of work

Bank of America Merrill Lynch requested BVNA to include in its independent review the following:

- Reasonable Assurance of the Environmental data and information included in the Report for the calendar year 2015 reporting period, specifically:
 - Materials (Total, and percentage of recycled input materials)
 - Energy (Direct and Indirect Consumption; Energy saved due to conservation; Initiatives to provide energy-efficient or renewable energy-based products; and Initiatives to reduce indirect energy consumption)
 - Water (Total withdrawal and volume recycled)
 - Emissions (Greenhouse gas emissions: Direct Scope 1 and Indirect Scope 2 emissions by weight; Emissions of ozone-depleting substances by weight; Initiatives to reduce greenhouse gas emissions and reductions achieved; and Nitrous Oxides (NOx), Sulfur Oxides (SOx) and other significant air emissions)
 - Waste Quantities and Disposition
 - Total number and volume of significant spills
 - Products and Services (Initiatives to mitigate environmental impacts of products and services)
 - Compliance (Monetary value of significant fines for non-compliance with environmental laws & regulations)
 - 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 Optional Scope 3 Emissions and select Social data and information included in the Report for the calendar year 2015 reporting period, specifically:
 - Optional Scope 3 emissions by weight;
 - Labor Practices and Decent Work (Total Workforce, Skills Management and Learning, Breakdown of employees by gender, age group, minority group)

Assurance statement continued

G4-33 | The organization's policy and current practice with regard to seeking external assurance for the report

- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyze, and review the environmental information reported;
- Evaluation of the reported data against the principles of the Global Reporting Initiative (GRI) Reporting Framework as defined in the GRI G4 Sustainability Reporting Guidelines.

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

- Text or other written statements associated with Bank of America Merrill Lynch's 2015 CSR Report
- Activities outside the defined assurance period

Methodology

BVNA undertook the following activities:

1. Interviews with relevant personnel of Bank of America Merrill Lynch (45 individuals including employees and external contractors at the corporate level);
2. Review of internal and external documentary evidence produced by Bank of America Merrill Lynch;
3. Audit of environmental performance data presented in the Report, including a detailed review of a sample of data; and
4. Review of Bank of America Merrill Lynch information systems for collection, aggregation, analysis and internal verification and review of environmental data.

Our work was conducted against Bureau Veritas' standard procedures and guidelines for external Verification of Sustainability Reports, based on International Standard on Assurance Engagements (ISAE) 3000 that was used as the reference assurance standard.

Review of the data was planned and carried out to provide reasonable or limited assurance, as noted above. We believe that our assurance provides an appropriate basis for our conclusions.

Our findings

Based on the assurance process and procedures conducted, we conclude that:

- The reviewed environmental data is materially correct and is a fair representation of the data and information; and
- Bank of America Merrill Lynch has established appropriate systems for the collection, aggregation and analysis of relevant environmental information, and has implemented underlying internal assurance practices that provide a reasonable degree of confidence that such information is complete and accurate.
- Nothing has come to our attention to indicate that the reviewed Scope 3 emissions and social data within the scope of our verification are not materially correct or otherwise not a fair representation of the actual Scope 3 emissions and social data for calendar year 2015.
- The performance indicators included within the scope of work conform to the GRI G4 Guidelines.

Assurance statement continued

G4-33 | The organization's policy and current practice with regard to seeking external assurance for the report

Statement of independence, impartiality and competence

BVNA is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 180 years history in providing independent assurance services, and an annual 2015 revenue of \$4.6 billion Euros.

No member of the assurance team has a business relationship with Bank of America Merrill Lynch, its Directors or Managers beyond that of verification and assurance of sustainability data and reporting. We have conducted this verification independently and we believe there to have been no conflict of interest.

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

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 BVNA standard methodology for the Assurance of Sustainability Reports.



Bureau Veritas North America, Inc.

San Ramon, California

April 2016

Assurance statement continued

G4-33 | The organization's policy and current practice with regard to seeking external assurance for the report

VERIFIED DATA

Energy		Emissions	
Direct Consumption	1,218,706 GJ	Scope 1 GHG Emissions	98,911 tCO ₂ e
Indirect Consumption	8,193,347 GJ	Scope 2 GHG Location-Based Emissions	1,028,359 tCO ₂ e
Energy Saved Due to Conservation	165,881 GJ	Scope 2 GHG Market-Based Emissions	1,036,822 tCO ₂ e
		Scope 3 GHG Emissions	
Water		Purchased Goods and Services	1,674,000 tCO ₂ e
Total Withdrawal	2.34 Billion gallons	Capital Goods	86,000 tCO ₂ e
Volume Recycled	21,740 Thousand gallons	Fuel- and Energy-Related Activities	216,000 tCO ₂ e
		Upstream Transportation and Distribution	15,000 tCO ₂ e
Waste Quantities and Disposition		Waste (Traditional Disposal)	16,500 tCO ₂ e
Non-Hazardous Waste (Landfill & Incineration)	40,000 Metric tons	Business Travel	185,000 tCO ₂ e
Non-Hazardous Waste (Recycling & Compost)	68,000 Metric tons	Employee Commuting	389,000 tCO ₂ e
IT Waste (Recycled & Remarketed)	2,500 Metric tons	Downstream Transportation and Distribution	900,000 tCO ₂ e
Hazardous, Universal, Used Oil, and Asbestos Waste (Landfill & Incineration)	589 Metric tons	Use of Sold Products	9,000 tCO ₂ e
Hazardous, Universal, Used Oil, and Asbestos Waste (Recycling, Reuse & Salvage)	497 Metric tons	End of Life Treatment of Sold Products	24,000 tCO ₂ e
		Emissions of Ozone-Depleting Substances	17 Metric tons
Materials		NO _x , SO _x , and Other Significant Air Emissions from Direct Combustion	
IT Equipment		Nitrous Oxides (NO _x)	25 Metric tons
Desktops & Workstations	36,483 Units Procured	Sulfur Oxides (SO _x)	1 Metric tons
Laptops & Tablets	54,474 Units Procured	Volatile Organic Compounds (VOCs)	4 Metric tons
Printers & Multifunction Printing Devices	6,008 Units Procured	Particulate Matter (PM)	3 Metric tons
Servers	894 Units Procured	Carbon Monoxide (CO)	38 Metric tons
Monitors	74,846 Units Procured		
Thin Clients	3,180 Units Procured		
Paper			
Total Paper	47,925 Metric tons		
Recycled Input Materials by weight	9%		
Carpet			
Purchased	1,358 Metric tons		
Recycled Input Materials by weight	40%		
Environmentally Sustainable Cleaning			
Square feet cleaned with qualifying products	50,169,159		
Products and Services			
Electronification of Paper			
Paper Avoided	14,577 Metric tons		
CO ₂ e Avoided	39,580 tCO ₂ e		
Programs for skills management and lifelong learning			
Total Training Hours	9.5 Million Hours		
Training Hours related to Diversity & Inclusion	69 Thousand Hours		
Total Employees by Region			
North America	182,000		
APAC	23,000		
EMEA	10,000		
LATAM	1,000		
Total	216,000		
		Facilities	
		LEED Certifications	18,990,678 Net square feet
		Total Number and Volume of Significant Spills	
		Number of Spills	0 qty
		Volume of Spills	0 Gallons
		Compliance	
		Monetary value of significant fines for non-compliance with environmental laws & regulations	\$ 1,000 USD
		Compliance Management Spend	\$ 10,700,000 USD
		Environmental, Assessment and Remediation Spend	\$ 5,300,000 USD
		Waste Management Spend	\$ 100,000 USD
		Total Environmental Protection Spend	\$ 16,100,000 USD
		Transport	
		Employee Commuting	1,127,400,000 Annual Miles Traveled
		Total Employees by Gender	
		Male	104,000
		Female	112,000
		Total	216,000

Job Category	Gender	White	Black/ African American	Hispanic/ Latino	Asian	American Indian/ Alaska Native	Native Hawaiian/ Other Pacific Islander	Two or more races	Total by gender	Total
Executive/Sr level officials and mgrs	Male	2,507	89	94	229	6	4	13	2,942	4,352
	Female	1,187	81	57	74	7		4	1,410	
First/mid-level officials and mgrs	Male	9,101	919	1,363	1,920	33	30	109	13,475	26,358
	Female	8,491	1,493	1,563	1,134	39	28	135	12,883	
Professionals	Male	25,446	1,648	2,137	4,953	111	83	418	34,796	54,416
	Female	12,838	1,963	1,490	3,009	64	50	206	19,620	
All Other	Male	13,684	4,580	7,348	3,169	96	138	770	29,785	96,349
	Female	29,137	13,289	16,588	5,620	267	301	1,362	66,564	
Totals	Male	50,738	7,236	10,942	10,271	246	255	1,310	80,998	181,475
	Female	51,653	16,826	19,698	9,837	377	379	1,707	100,477	

Contact Us

We appreciate your interest in Bank of America's ESG efforts and welcome your feedback on this report. We'd like to hear from you, so please send us an email.

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G4-6 | Number of countries where the organization operates

G4-18 | Process for defining the report content and the Aspect Boundaries

G4-20 | Aspect Boundary within the organization

G4-21 | Aspect Boundary outside the organization

G4-28 | Reporting period (such as fiscal or calendar year) for information provided

G4-29 | Date of most recent previous report (if any)

G4-30 | Reporting cycle (such as annual, biennial)

G4-31 | Contact point for questions regarding the report or its contents

Report Parameters

In 2015 we're providing information on Bank of America's ESG activities in two main formats:

- **Business Standards Report and ESG Addendum:** Responds directly to the Global Reporting Initiative (GRI) G4 sustainability reporting guidelines as well as to the Financial Services Sector Supplement, MSCI, and DJSI. It provides extensive impact data, examples, and an explanation of our approach to managing our most material ESG issues.
- **Website:** Additional information, news, and case studies related to ESG at Bank of America can be found on our website at about.bankofamerica.com/. Our website also hosts quarterly and annual financial reports, SEC filings, and executive presentations, as well as environmental sustainability reports and other relevant news, reporting, and analysis.

We provide additional ESG information through our annual submissions to the Carbon Disclosure Project, our 2015 Annual Report, our 2015 proxy filing and our online newsroom. Also, as an Equator Principles Financial Institution, we consider the social and environmental impacts of the development projects we finance and report annually on our work. A team from across Bank of America's business lines and corporate

functions was responsible for drafting this report, published in May 2016. It provides an account of Bank of America's ESG work and business impacts between Jan. 1 and Dec. 31, 2015. Our last CSR Report covered 2014 and was published in June 2015.

The goal of this report is to present pertinent information about the global business of Bank of America and its major subsidiaries including Merrill Lynch Global Wealth Management, U.S. Trust, and Bank of America Merrill Lynch, in more than 40 countries and across our six business divisions, as described in our 2015 Form 10-K. It also discusses important environmental, social, and economic impacts in key geographies. Our ESG Report should be reviewed alongside the 2015 Bank of America annual financial report in which we provide additional facts, figures, and analysis. WSP Environment & Energy USA was responsible for the collection of environmental performance indicators including greenhouse gas emissions, energy consumption, waste generation, and water usage. Wherever possible, data was collected in conformance with GRI principles. Non-environmental data was collected by teams embedded across our business lines and functions, including Human Resources, The Bank of America Charitable Foundation and Procurement. The completeness and accuracy of this data was thoroughly checked in accordance with Bank of America's internal line of business, legal, and compliance review process.

Investment products:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
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