Introduction

In 2021, Bank of America committed to achieving Net Zero greenhouse gas (GHG) emissions before 2050 in our financing activities, operations and supply chain (Net Zero goal), and in 2022, we released our Approach to Zero™, a framework for how we will achieve our Net Zero goal. As part of this Net Zero goal, we are focused on reducing emissions from key carbon intensive sectors in our financing activity and publish progress on our targets annually. In 2022, we announced science-aligned weighted average physical unit intensity targets for the auto manufacturing, energy and power generation sectors, and in 2023, for the aviation and cement sectors. We are releasing this addendum to the 2023 TCFD report as we now have established targets for the iron and steel sector and maritime shipping sector. We plan to publish our annual comprehensive climate-related reporting per usual in the fall of this year, which will include more details on our Net Zero strategy.

These targets cover our commercial credit lending portfolio. Our intention is to incorporate additional financing activities, including tax equity and capital markets, starting in 2025. Improving data quality across our portfolio is another important, ongoing area of focus.

We currently do not plan to set targets for other sectors for a variety of reasons. These include: immaterial exposure, lack of climate scenarios and methodologies for these sectors, and data quality challenges. Best practices for financial institution target setting continue to evolve and be refined. We may consider setting targets for additional carbon intensive sectors over time. With the addition of our new iron and steel sector and maritime shipping sector targets, a majority of our financing activity emissions within our commercial credit lending portfolio are covered by our targets.

As highlighted in our 2023 TCFD Report (p. 32), working with our clients to assist them in achieving their own carbon-reduction objectives is core to our ability to achieve our 2030 financing activity targets. This requires client engagement, analytics to measure performance, and a deeper understanding of our clients' transition plans. Thousands of relationship bankers in each of our lines of businesses are working with our tens of thousands of clients to provide advice and deliver our full suite of financial solutions, providing capital as they transition toward a low-carbon economy. Recognizing the large amount of capital that our clients will require to transition to a secure low-carbon economy, in 2021 Bank of America announced a goal to mobilize and deploy $1.5 trillion in sustainable finance by 2030 that is aligned with the United Nations Sustainable Development Goals, with $1 trillion of this capital focused on the environmental transition. Since the announcement of our goal in 2021, we have mobilized and deployed $560 billion in sustainable finance as of the year-end 2023, with more than $316 billion focused on the transition to a low-carbon, sustainable economy.

This commitment is designed to advance the environmental transition spanning sectors and geographies, including solutions in energy efficiency, renewable energy, sustainable transportation (electric vehicles and charging infrastructure, sustainable aviation fuel, biofuels, etc.), resource efficiency, sustainable water (water treatment and water desalination), and agriculture as well as improved forestry and pollution control measures. We continue to expand our sustainable financing activities and capabilities, including increased asset-based lending, tax equity and tax incentive-related financing and investments, and capital raising activities across technologies and activities that support clean energy and power, transportation and other industry sectors as well as nature and biodiversity.

A note on our updated Environmental and Social Risk Policy Framework (ESRPF) and thermal coal mining

As stated in our Environmental and Social Risk Policy Framework (ESRPF), which has been updated since the publication of our 2023 TCFD Report, there are certain business activities which carry significantly heightened risks across the seven key risk types outlined in the Bank of America Risk Framework (i.e., Compliance, Credit, Liquidity, Market, Operational, Reputational, Strategic) and have increased investor, client, employee and regulator scrutiny. As such, any client relationship or transaction related to these certain areas listed in the ESRPF must go through enhanced due diligence and be escalated to the senior-most risk review body of the applicable line of business for decisioning. This process is client-specific, deal-specific and subject to governance review that considers a range of risks that are evaluated through our Risk Framework, as are all transaction and client decisions, in the ordinary course of business. These areas include:

- Direct financing of the construction of new coal-fired power plants or expansion of existing coal-fired power plants — unless those facilities employ technology that is focused on complete or near elimination of atmospheric carbon emissions; and
- Direct financing of new thermal coal mines or the expansion of existing mines.

Companies focused on coal extraction, particularly coal used in power generation ("thermal coal"), face significant challenges. The focus of power utility clients, investors, regulators and other stakeholders on the challenges with coal for power generation — combined with the recent proliferation of natural gas, solar, wind and other lower carbon energy sources — is intensifying and accelerating these challenges. Any client or transaction involving companies deriving ≥ 25% of their revenue from thermal coal mining must be escalated to the Senior-level Risk Committee for decisioning. As part of the enhanced due diligence process, we give consideration to whether a company has a public commitment to align its business (across Scopes 1, 2 and 3 emissions) with the goals of the Paris Climate Agreement and the transaction would be facilitating the diversification of the company's business away from thermal coal.

Through the application of the Bank of America Risk Framework and given the range of risks associated with this area, we have significantly reduced financing (including facilitating capital markets transactions and advising on mergers and acquisitions) of companies deriving ≥ 25% of their revenue from thermal coal mining and are on a trajectory to phase out such financing by 2025. We have reduced exposure to the thermal coal mining sector by 94% since 2019 to $9.1 million as of 12/31/2023, or less than 0.0008% of our total committed commercial credit exposure across all industries.

Iron and Steel

Sector				Target				Absolute Emissions	Economic Intensity	2021 Commercial Credit Exposure			
Sector	Sub-sector boundaries included	Emission Scopes included	Reference scenario	Baseline year	Baseline physical unit intensity	2030 Target (as % of baseline reduction)	2030 Target (calculated emissions)	2021 (thousands tCO_2e)	2021 (tCO_2e/millions)	Committed loan exposure (millions $)	Percent of total committed exposure[1]	Utilized loan exposure (millions $)	Percent of total utilized exposure[2]
Iron and Steel	Crude steel production	Scopes 1 and 2 CO_2e	IEA NZE2050	2021	1.75 tCO_2e/t crude steel	(27)%	1.28 tCO_2e/t crude steel	3,682	2,128	$3,911	0.35%	$1,731	0.26%

Target	
Activity focus	Crude steel production
Financing inclusion	Committed commercial credit loans and leases
Data sources	MSCI, S&P Global Trucost and client reporting

The iron and steel target includes primary and secondary steel producing clients and iron ore mining clients that have steel production within their value chain. Our target is derived from the International Energy Agency Net Zero Emissions by 2050 (IEA NZE2050) decarbonization pathway for iron and steel production. The target includes clients' Scopes 1 and 2 GHG emissions, covering the emissions associated with the production of crude steel — the most emissions intensive stage of the production process. Crude steel is the midstream activity of steel production and represents the first solid steel product upon solidification of liquid steel prior to casting. Since the IEA NZE2050 trajectory for iron and steel emissions intensity includes only Scope 1 emissions, Scope 2 emissions were estimated using data from the World Energy Outlook and NZE2050 scenario for the sector's energy demand, the expected proportion of energy demand from electricity, and the applicable emissions factors.

An increasing number of clients are reporting GHG emissions and production information, largely due to industry-led initiatives. However, several are not. This resulted in us estimating emissions for a portion of the portfolio where information is not available. For our purposes, we retrieved emissions and production information from either MSCI or S&P Global Trucost, or directly from client reports. When reported information is not available, we use S&P Global Trucost revenue-based factors to estimate GHG emissions.

1 The percent of our committed commercial credit loan exposure per sector in relation to our total committed commercial credit loan exposure, as reported in the Bank of America Corporation Annual Report on Form 10-K for the fiscal year ended December 31, 2021 (Bank of America 2021 Form 10-K).

2 The percent of our utilized commercial credit loan exposure per sector in relation to our total utilized commercial credit exposure, as reported in the Bank of America 2021 Form 10-K.

The metric being used for our target is metric tons of GHG emissions per metric ton of crude steel (tCO_2e/t crude steel). To arrive at our target metric, we take the client's physical unit intensity and weight it based on their portion of committed loan financing in our iron and steel producing portfolio. For clients that do not have reported production data from which emissions intensity could be calculated, we include their emissions in our absolute metric but not in our physical intensity metric, and these clients are not included in our target. The absolute calculation follows the Partnership for Carbon Accounting Financials (PCAF) methodology and represents additional components of the iron and steel sector: iron ore mining, forging, casting and processing, as well as crude steel production. As a result, our absolute metric includes more clients than our physical intensity metric.

Absolute financed emissions

Private companies

$$\sum_{C} \frac{\text{Outstanding amount}_c}{\text{Total equity + debt}_c} \times \text{Client emissions}_c$$

With c = borrower

Listed companies

$$\sum_{C} \frac{\text{Outstanding amount}_c}{\text{Enterprise value including cash (EVIC)}_c} \times \text{Client emissions}_c$$

With c = borrower

Economic intensity

$$\text{Economic intensity} = \frac{\text{Absolute financed emissions (sector)}}{\text{Total utilized financing (sector)}}$$

Weighted average physical unit intensity (target metric)

$$\text{Weighted average physical unit intensity} = \sum \left(\frac{\text{Client emissions}}{\text{Client production}} \times \frac{\text{Client financing}}{\text{Total sector financing}} \right)$$

Maritime Shipping

Sector				Portfolio Alignment Score	2021 Commercial Credit Exposure	
Sector	Sub-sector boundaries included	Emission Scopes included	Reference scenario	2021	Committed loan exposure (millions $)	Percent of total committed exposure[3]
Maritime Shipping	Vessel-level commercial shipping	Scope 1 CO_2	Poseidon Principles via 2018 Initial IMO GHG Strategy	-3.31	$3,548	0.31%

Target	
Activity focus	Commercial shipping
Financing inclusion	Vessel-specific committed commercial credit loans and leases
Metric	Annual Efficiency Ratio (AER)
Data sources	Maritime Strategies International

The maritime shipping sector target includes vessel-level commercial shipping activities that fall under the purview of the International Maritime Organization (IMO) (e.g., vessels with a gross tonnage of 5,000 or more). Each vessel secures a loan or finance lease on our balance sheet. The methodology covers our clients' Scope 1 GHG emissions, or "tank-to-wake" emissions, from the operation of the vessels. Our maritime shipping target methodology is derived from the Poseidon Principles, which were initially published in 2019 and are the prevailing methodology used by financial institutions to set decarbonization targets for their asset-specific shipping portfolios. The Poseidon Principles leverage the 2018 Initial IMO GHG Strategy (IMO Strategy) due to its provision of asset-level trajectories. The Rocky Mountain Institute's Center for Climate Aligned Finance led the development of the Poseidon Principles utilizing the expertise of sector stakeholders and financial institutions, which included reviews by sector participants, stakeholders and nongovernmental organizations prior to publishing.

The Poseidon Principles methodology tracks performance using the vessel's annual efficiency ratio (AER), a capacity-based physical unit intensity metric that is common within the sector. AER is calculated as grams of carbon dioxide divided by deadweight tonnage times nautical miles traveled during the year (gCO_2/dwt*nm). Each vessel's AER is compared to a vessel-specific decarbonization trajectory derived using the IMO Strategy, the Third IMO GHG Study 2014,[4] and the Fourth IMO GHG Study 2020 to arrive at a vessel-level climate alignment score. The portfolio weighted average alignment score (in a percentage) is calculated based on the committed exposure for each vessel. A zero percent score means a company is aligned with the decarbonization pathway. A positive score indicates a portfolio is above the decarbonization trajectory and a negative score indicates a favorable outcome: accelerated decarbonization relative to the pathway.

We have engaged Maritime Strategies International (MSI) to provide vessel-level emissions, distance traveled and vessel characteristics. MSI's database of vessel characteristics, such as type and capacity, is compiled and verified using a wide range of industry sources. MSI has provided leading independent market insight and business advisory services to the international shipping sector for over 35 years.

The IMO and Poseidon Principles have committed to changes to both the decarbonization trajectories and methodologies. The IMO adopted an updated decarbonization strategy in 2023 which includes more aggressive decarbonization goals and increased emissions coverage. The Poseidon Principles have committed to adopting this approach and are expected to release an updated methodology with vessel-level decarbonization trajectories aligned to the 2023 IMO decarbonization goals later this year.

Bank of America will continue to monitor updates to maritime shipping decarbonization guidance and may consider adjustments to our approach in the future.

Portfolio alignment score (target metric)

Vessel climate alignment score

$$\text{Vessel climate alignment score} = \frac{\text{Vessel AER} - \text{Vessel decarbonization trajectory AER}}{\text{Vessel decarbonization trajectory AER}}$$

Portfolio climate alignment score

$$\text{Portfolio climate alignment score} = \sum \text{Vessel climate alignment score} \times \left(\frac{\text{Vessel financing}}{\text{Total sector vessel financing}} \right)$$

3 The percent of our committed commercial credit loan exposure per sector in relation to our total committed commercial credit loan exposure, as reported in the Bank of America 2021 Form 10-K.

4 Since 2000, IMO has commissioned studies that provide a global reference in estimating GHG emissions from international shipping. These studies are prepared by research organizations across the world under the oversight of a panel of Member Governments and the IMO Secretariat.

Data Quality

Per the PCAF standard, our absolute financing activities emissions calculations and corresponding data quality scores are based on utilized commercial credit exposure. PCAF provides a scoring mechanism for emissions calculations to evaluate data quality. Under this system, the use of verified client-reported emissions achieves a data quality score of 1, unverified emissions achieve a score of 2,[5] and estimated emissions range from a score of 3 to 5 based on the information used for the estimations. The corresponding table shows the data quality score of our financing activity emissions for each sector across relevant Scopes and reporting years.

Sector	Scope(s)	2021 Score Based on Utilized Exposure
Iron and Steel	1 and 2	2.7
Maritime Shipping	1	2

5 Per PCAF, a data quality score of 2 is also given if emissions are calculated using the client's energy consumption details and emission factors.

2024

VERIFICATION OPINION DECLARATION
GREENHOUSE GAS EMISSIONS

To: The Stakeholders of Bank of America

Apex Companies, LLC (Apex) was engaged to conduct an independent verification of the greenhouse gas (GHG) emissions reported by Bank of America for the period stated below. This verification opinion declaration applies to the related information included within the scope of work described below.

The determination of the GHG emissions is the sole responsibility of Bank of America. Bank of America is responsible for the preparation and fair presentation of the GHG emissions statement in accordance with the criteria. Apex's sole responsibility was to provide independent verification on the accuracy of the GHG emissions reported, and on the underlying systems and processes used to collect, analyze and review the information. Apex is responsible for expressing an opinion on the GHG emissions statement based on the verification.

Boundaries of the reporting company GHG emissions covered by the verification:

- Operational control
- Financed emissions (Maritime Shipping and Iron & Steel)

Type of GHGs: CO_2, N_2O (Iron & Steel only), CH_4 (Iron & Steel only)

GHG Emissions Statement:

- **Scope 3 — Investments:**

	Units	Emissions	Data Quality
Absolute Total Financed Emissions (Iron & Steel includes Scope 1 and Scope 2)	Thousand Metric tons CO_2e	3,682	2.7
Portfolio Alignment Score (Maritime Shipping Asset Specific includes Scope 1)	Percent	-3.31	2.0

Category	Units	Intensity
Economic Intensity (Iron & Steel includes Scope 1 and Scope 2)	Thousand Metric tons CO_2e/Million USD exposure	2,128

Category	Units	Intensity
Physical Intensity (Iron & Steel includes Scope 1 and Scope 2)	Metric tons CO_2e/Metric tons CS	1.75

Data and information supporting the Scope 3 GHG emissions statement were in some cases estimated rather than historical in nature.

Period covered by GHG emissions verification:

- January 1, 2021, to December 31, 2021

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Criteria against which verification was conducted:

- WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain Accounting and Reporting Standard (Scope 3)
- Partnership for Carbon Accounting Financials (PCAF) Global GHG Accounting & Reporting Standard for the Financial Industry
- Bank of America's Internal Protocol for calculating Financed Emissions

Reference Standard:

- ISO 14064-3 Second edition 2019-04: Greenhouse gases -- Part 3: Specification with guidance for the verification and validation of greenhouse gas statements

Level of Assurance and Qualifications:

- Limited
- This verification used a materiality threshold of ±5% for aggregate errors in sampled data for each of the above indicators

GHG Verification Methodology:

Evidence-gathering procedures included but were not limited to:

- Interviews with relevant personnel of Bank of America and their consultant;
- Review of documentary evidence produced by Bank of America;
- Review of Bank of America data and information systems and methodology for collection, aggregation, analysis and review of information used to determine GHG emissions; and
- Audit of a sample of data used by Bank of America to determine GHG emissions.

Verification Opinion:

Based on the process and procedures conducted, there is no evidence that the Scope 3 GHG emissions statement shown above:

- is not a fair representation of the GHG emissions data and information; and
- has not been prepared in accordance with the WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain Accounting and Reporting Standard (Scope 3).

It is our opinion that Bank of America has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of these GHG emissions for the stated period and boundaries.

Statement of independence, impartiality and competence

Apex is an independent professional services company that specializes in Health, Safety, Social and Environmental management services including assurance with over 30 years history in providing these services.

No member of the verification team has a business relationship with Bank of America, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

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Apex has implemented a Code of Ethics across the business to maintain high ethical standards among staff in its day-to-day business activities.

The verification team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over 20 years of combined experience in this field and an excellent understanding of Apex's standard methodology for the verification of greenhouse gas emissions data.

Attestation:

John A. Rohde, Lead Verifier
Principal Consultant
Apex Companies, LLC

Trevor Donaghu, Technical Reviewer
ESG Director
Apex Companies, LLC

March 31, 2024

This verification opinion declaration, including the opinion expressed herein, is provided to Bank of America and is solely for the benefit of Bank of America in accordance with the terms of our agreement. We consent to the release of this declaration to the public or other organizations for reporting and/or disclosure purposes, without accepting or assuming any responsibility or liability on our part to any other party who may have access to this declaration.

Cautionary Information and Forward-Looking Statements

This addendum contains statements regarding environmental, social and governance information and opinions, including metrics, aspirations, targets, goals, commitments, cumulative values and sustainability objectives (all of the foregoing and any other contents of this addendum being, collectively, the Sustainability Information), in connection with Bank of America Corporation's application of the Task Force on Climate-related Financial Disclosures recommendations. The Sustainability Information included in this addendum may consider disclosure recommendations and broader definitions of materiality used by certain voluntary external frameworks and reporting guidelines that differ from mandatory regulatory reporting, including the U.S. Securities and Exchange Commission (SEC). Accordingly, any such Sustainability Information may be presented from a different perspective and in more detail than in Bank of America Corporation's regulatory reporting, and materiality and any use of the term "material" in the context of the Sustainability Information may be distinct from such term as defined for SEC reporting purposes. Any inclusion of Sustainability Information in this addendum is not an indication that the subject or information is material to Bank of America Corporation for SEC reporting purposes. Additionally, Sustainability Information may be based on current or historic aspirations, goals, targets, commitments, estimates, assumptions, standards, metrics, methodologies and internal control frameworks, and currently available data, which continue to evolve and develop, and any statements made in connection with Bank of America Corporation's aspirations, goals, targets or commitments are not guarantees or promises that they will be met. The Sustainability Information is as of the date referenced, subject to change without notice and may be regarded as indicative and for illustrative purposes only. The Sustainability Information may vary based on applicable laws, rules and regulations and in different geographic areas. Such Sustainability Information may also include the use of financial and nonfinancial metrics and/or other information that vary in source, quality, timeliness and completeness and are subject to significant measurement uncertainties, which may include the methodology, collection and verification of data, various estimates and assumptions, and/or underlying data that is obtained from third parties, often which we cannot independently verify.

Additionally, certain statements contained in this addendum may constitute "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995, including sustainability-related statements regarding our aspirations, targets, goals and commitments, such as our commitment to achieve Net Zero GHG emissions before 2050 in our financing activities, operations and supply chain, interim 2030 Net Zero GHG emissions targets, including financed emissions targets and sustainable finance commitments, which may evolve over time. We use words such as "anticipates," "targets," "expects," "hopes," "estimates," "intends," "plans," "goals," "believes," "continue" and other similar expressions or future or conditional verbs such as "will," "may," "might," "should," "would" and "could" to identify forward-looking statements. Forward-looking statements are not based on historical facts, but reflect management's current expectations, plans or forecasts, are not guarantees of future results or performance, involve certain known and unknown risks, uncertainties and assumptions that are difficult to predict and often beyond Bank of America Corporation's control and are inherently uncertain. You should not place undue reliance on any forward-looking statement. Actual outcomes and results may differ materially from those expressed in, or implied by, any of these forward-looking statements due to a variety of factors, including global socio-demographic and economic trends, energy prices, technological innovations and advances, climate-related conditions and weather events, legislative and regulatory changes, public policies, engagement with clients, suppliers, investors, government officials and other stakeholders, the quality and availability of third-party data, including data measured, tracked and provided by data providers, our clients and other stakeholders, our ability to gather and verify data, our ability to successfully implement sustainability-related initiatives under expected time frames, third-party compliance with our expectations, policies and procedures and other unforeseen events or conditions. Discussion of additional factors, including uncertainties and risks, can be found in Bank of America Corporation's 2023 Annual Report on Form 10-K and subsequent SEC filings. Forward-looking statements speak only as of the date they are made, and Bank of America Corporation undertakes no obligation to update or revise any forward-looking statement to reflect the impact of circumstances or events that arise after the date the forward-looking statement was made. Additionally, this addendum may contain statements based on hypothetical or severely adverse scenarios and assumptions, which may not occur or differ significantly from actual events. These statements should not necessarily be viewed as being representative of current or actual risk or forecasts of expected risk.

Any website references and/or links throughout this addendum are provided for convenience only, and the content on any referenced websites is not incorporated by reference into this addendum. Any such website references and/or links do not imply an affiliation, sponsorship, endorsement, etc.

This addendum was published on April 15, 2024, and is provided by Bank of America Corporation on behalf of itself and of its direct and indirect legal and operating subsidiaries and their branch operations worldwide, as applicable.

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