WHEREAS: Banks play a critical role in meeting the Paris Agreement's goal of limiting global temperature rise to well below 2 degrees Celsius. The Bank of England notes that the global financial system is currently supporting carbon-producing projects that will cause global temperature rise of over 4 degrees Celsius – more than double the limit necessary to avoid catastrophic warming.[1]

The 2018 Intergovernmental Panel report on climate warns that global warming above 1.5 degrees Celsius will create devastating impacts including loss of life, ecosystem destruction, infrastructure damage, supply chain dislocations, lost production, and water and energy disruptions, among others. If warming is kept to 1.5 degrees Celsius versus 2 degrees, studies point to a potential savings of $20 trillion to the global economy by 2100.[2] Recently, just 215 of the biggest global companies reported almost $1 trillion at risk from climate impacts, some within five years.[3]

Bank of America's funding contributes to global climate risk. It is the fourth largest source of financing to fossil fuel companies globally,[4] averaging $35 billion annually since the Paris Agreement was signed.[5] This funding creates systemic portfolio risks to investors and the company's own enterprise.

Peer banks are beginning to responsibly manage climate risk by developing carbon measurement tools including the Paris Agreement Capital Transition Assessment and the Partnership for Carbon Accounting Financials.[6] HSBC has committed to set a Science-Based Target.[7] ING, BNP Paribas, Standard Chartered, and other banks have committed

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1 https://www.theguardian.com/business/2019/oct/15/bank-of-england-boss-warns-global-finance-it-is-funding-climate-crisis?CMP=Share_iOSApp_Other

2 https://www.nature.com/articles/s41586-018-0071-9.epdf?referrer_access_token=eELbUpZu30ES9BZ5nW-IO9RgN0jAjWel9jnR3ZoTv0OskypFEzLGji1pAcPpJpRUaGWQE4lx7PFk7egARc69rHFdME6PJOQVMoys1HbEajGubYyh-cFm3MRhg2s_I4sq46QiSTTapLjDvV_ZfQ9KGWA8erEPxeWaOCy4qkvcpBhNc54Z8P42aBjGNCzAlbvv5yke0J5kD-SmaMHFGX5BldaEIsLdP99o9n2q_t7mKL6bo-HzTh6kQ7MsxZ2fBRfoJOUWNOr9sPf0BIa_bvKByEeRaGlJGmvTt7OhAlFSl4IPK9yTGpptmAc2gdnMSzTNYhlU5LjqY5JMkXschCdYMQ%3D%3D&tracking_referrer=www.theguardian.com

3 https://www.cdp.net/en/articles/media/worlds-biggest-companies-face-1-trillion-in-climate-change-risks

4 https://www.ran.org/wp-content/uploads/2019/03/Banking_on_Climate_Change_2019_vFINAL1.pdf

5 https://www.wri.org/finance/banks-sustainable-finance-commitments/

6 http://news.bostoncommonasset.com/wp-content/uploads/2019/11/Banking-on-a-Low-Carbon-Future-2019-11.pdf

7 https://sciencebasedtargets.org/companies-taking-action/

to measure the climate alignment of their lending portfolios against Paris goals.[8] Some have abandoned high risk sectors including Arctic drilling and tar sands.[9] Citibank joined the Principles of Responsible Banking, committing to align its business strategy with the Paris Agreement's global climate goals.

While Bank of America has increased 'sustainable' financing,[10] recognises climate change, and is sourcing renewable energy for its own operations,[11] its lending activities are supporting fossil fuel investments at levels that are substantially beyond Paris goals.[12] Bank of America does not yet measure or disclose to investors its full carbon emissions, nor has it adopted targets to reduce its lending related greenhouse gas emissions. Banks that finance carbon intensive fossil fuel activities through their lending are putting themselves and society at risk of catastrophic climate impacts.

BE IT RESOLVED: Shareholders request that Bank of America issue a report, at reasonable cost and omitting proprietary information, discussing the range of risks associated with maintaining its current levels of carbon-intensive lending.

SUPPORTING STATEMENT: Shareholders recommend the report include, among other issues at board and management discretion:

- Reputational risks associated with being one of largest financiers of fossil fuels;
- Risks to the bank associated with an unanticipated policy response from governments to address dramatic increases in harmful climate events;
- Risks to the bank associated with negative economic impacts of a 2, 3, or 4 degree Celsius rise in global temperatures.

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[8] https://www.ingwb.com/insights/news/2018/banks-join-ing-in-aligning-loan-portfolios-to-fight-climate-change

[9] https://www.environmental-finance.com/content/analysis/banking-on-a-changing-climate.html

[10] https://newsroom.bankofamerica.com/press-releases/environment/bank-america-commits-300-billion-2030-low-carbon-sustainable-business

[11] https://about.bankofamerica.com/en-us/what-guides-us/environmental-sustainability-operations-and-employees.html#fbid=4rbQtVeF8GT

[12] https://www.carbontracker.org/reports/balancing-the-budget/