WHEREAS: Bank of America ("BofA") has established 2030 net zero emission reduction targets for financing activity in the auto, energy, and power sectors and has signed a Net Zero Banking Alliance Commitment Statement.[1] Despite investor demand for clearer disclosure of its transition planning,[2] shareholders lack sufficient information as to whether BofA is on a path to meet those targets.

Critically, BofA's annual disclosures lack clear information on the impact that non- or slow-transitioning companies in these high-emitting sectors will have on the Company's ability to meet its 2030 targets. These omissions leave investors unable to assess the potential for misalignment between BofA's 2030 targets and its clients' transition progress, and what actions, if any, BofA is proactively taking to address such misalignment.

Independent assessments show that most companies in these three sectors are failing to align with a 2030 net zero pathway. For example, the Transition Pathway Initiative finds that no public companies in the oil and gas sector have 2030 targets aligned with a 1.5ºC scenario.[3] This is significant because BofA is the fourth largest global lender and underwriter of fossil fuels.[4] Similarly, no public auto manufacturers, besides dedicated electric vehicle manufacturers, are on a net zero by 2030 path.[5]

The potential for misalignment carries with it significant risk. The European Banking Authority, which oversees $72 billion of BofA's assets, maintains strict greenwashing standards.[6] If BofA fails to meet its targets, it faces the possibility of litigation, reputational harms, and financial costs. Failure to meet targets will also contribute to systemic climate risk to harm investor portfolios.

BofA must have a fully informed, realistic transition plan in place to meet its goals. A first step is assessing its clients' likelihood of meeting net zero by 2030 goals. As the Institutional Investors Group on Climate Change explains, "[t]o deliver on their targets and commitments, banks should independently establish and disclose their own individual protocols and strategies specific to each business activity," which will involve "planning for phasing out financing of inconsistent activities which present particular risks . . . while pivoting financing towards climate solutions."[7] This should include criteria governing financing of misaligned clients and setting firm-wide targets to increase the share of financing, facilitation, and revenue derived from 1.5°C aligned companies and activities.

RESOLVED: Shareholders request that BofA prepare and issue an assessment of the proportion of the bank's auto manufacturing, energy, and power sectors' emissions that are attributed to clients that the

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[1] https://about.bankofamerica.com/content/dam/about/pdfs/approach-to-zero-2022.pdf
[2] https://www.asyousow.org/press-releases/2023/4/25/shareholders-bank-of-america-disclose-climate-transition-plan
[3] https://www.transitionpathwayinitiative.org/sectors/oil-gas
[4] https://www.bankingonclimatechaos.org/wp-content/uploads/2023/08/BOCC_2023_vF.pdf
[5] https://www.transitionpathwayinitiative.org/sectors/autos
[6] https://d1io3yog0oux5.cloudfront.net/_feac4ff196b6ca5c7bbde354bbf2898d/bankofamerica/db/914/9857/pdf/BANK+OF+AMERICA+EUROPE+DACANNUAL+REPORT+AND+FINANCIAL+STATEMENTS+FOR+THE+YEAR+ENDED+31+DECEMBER+2022.pdf
[7] https://139838633.fs1.hubspotusercontent-eu1.net/hubfs/139838633/Past%20resource%20uploads/IIGCC-Net-Zero-Standard-for-Banks-June-2023.pdf, p.9

bank assesses are not aligned with a credible 1.5°C pathway by 2030, whether this proportion of unaligned clients will prevent BofA from meeting its 2030 net zero targets, and actions it proposes to address any such emissions reduction shortfalls.

SUPPORTING STATEMENT: The assessment should take into account all material financing mechanisms and asset classes that contribute to BofA's emissions, including direct lending, underwriting, and investments.