


Sustainability Report

2007/2008

Global Reporting Initiative Framework

GB+ GRI REPORT 3rd PARTY CHECKED

Bank of America

GRI G3
Sections/
Indicator

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I. Message from Kenneth Lewis

GRI G3 Sections/ Indicator 1.1

At Bank of America, we recognize that our decisions have effects far beyond the financial transactions that define our business. We know our leadership influences economic vitality, the well-being of our communities and even the way people live.

This understanding guides our commitment to environmental sustainability and mitigating human contributions to climate change. We see this commitment as an opportunity to do the right thing for our business and all our stakeholders. We also see it as a compelling business opportunity for our customers, clients and shareholders, and a point of pride for our associates.

That's why in 2007 Bank of America announced a 10-year, $20 billion initiative to address climate change by championing sustainable business practices through innovative lending and investing strategies, new financial products and services, and operations.

- **Lending**—We provide lending, advice and market creation to help commercial clients finance the use and production of new products, services and technologies.
- **Investments**—We invest in businesses and technologies that help mitigate climate change.
- **Products and Services**—We develop new financial products and services for customers who consider the environmental impact of their purchasing decisions and want to offset or minimize their carbon emissions.
- **Operations**—We research and implement innovative ways to increase energy efficiency and reduce emissions, consumption and waste within our own operations and among our associates.

I believe companies have a responsibility to share information with the public about the environmental impact of their business and steps they are taking to mitigate that impact. In accordance with modern standards of governance, these reports should be regular, metrics-based, transparent and forthright. This report continues and expands on our reporting commitments to date. Future reports will include even more data and information regarding our work with clients to create new business opportunities to address climate change.

Creating environmentally sustainable economic growth is an important part of the way we do business. This report is a demonstration of some of the work we're doing to sustain a healthy, clean environment for ourselves and future generations.

Kenneth D. Lewis
Chairman, Chief Executive Officer and President

II. Statement of External Consultant

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Science Applications International Corporation (SAIC) served as the external consultant for Bank of America in preparing this report. An SAIC research manager collected data from associates across the bank's activities. The consultant analyzed the data submitted by bank associates and then confirmed that all sections and indicators used in this report conform to Global Reporting Initiative (GRI) G3 Guidelines. The consultant also guided the bank through the grading process so that the indicators and sections included were compatible with a grade of B+ according to GRI G3 Guidelines.

SAIC provided additional assistance and review of the bank's 10-year, $20 billion environmental initiative and measurements associated with its power utility portfolio emissions reduction goals and targets. SAIC helped the bank select which concluded transactions could be attributed to the $20 billion initiative. SAIC provided assistance on measurement of absolute and intensity-based emissions and the related challenges described on page 35.

III. At a Glance Summary

Internal and External Sustainability Initiatives

The following table summarizes progress on various internal and external sustainability initiatives:

Metric	Units of Measure	2007 Total	2008 Total
Progress Toward 10-year, $20 Billion Environmental Initiative			
Overall total from program inception (March 2007) through 2008	US Dollars	4,062,166,210	
Overall yearly total	US Dollars	2,221,272,316	1,840,893,894
Investment banking (such as renewable energy leasing)	US Dollars	1,021,968,667	713,551,466
Commercial real estate (such as green building construction finance)	US Dollars	1,106,874,000	995,206,000
Strategic environmental investments	US Dollars	75,000,000	110,000,000
Capital allocated toward energy and climate-related projects at bank-owned facilities	US Dollars	14,929,539	19,846,428
Progress toward 10-year, $50 million philanthropic goal	US Dollars	2,500,000	2,290,000
Carbon Footprint – Direct and Indirect Emissions			
Utility-lending-portfolio carbon footprint	Tons CO_2/MWh	0.634	0.581
Bank of America carbon footprint (bank facilities)	MT CO_2 E	1,428,623	Not yet available
Reduction in carbon footprint	Percent reduction – year over year	7.4%	Not yet available
Energy			
Electricity usage	MWh	2,453,623	Not yet available
Natural gas usage	mmBTU	1,289,598	Not yet available
Hybrid vehicle associate reimbursements ($3,000)	No. of Associates	1,369	796
Furniture			
Carpet recycled	Lbs of carpeting	879,632	1,203,245
Sustainable fabrics purchased	Yards	72,536	13,450
Third-party-certified workstations purchased	No. of workstations	2,518	10,281
Third-party-certified chairs purchased	No. of chairs	39,822	33,747
Third-party-certified private offices	No. of offices	784	3,062
Third-party-certified file cabinets	No. of file cabinets	7,546	7,556
Redeployed or Remanufactured Furniture			
Workstations	No. of workstations	1,531	401
Desks	No. of desks	175	153
File cabinets	No. of file cabinets	1,343	451
Chairs	No. of chairs	5,033	2,903

Internal and External Sustainability Initiatives, cont.

Metric	Units of Measure	2007 Total	2008 Total
Leadership in Energy and Environmental Design (LEED)			
LEED Certifications	No. of certified facilities	3	7
Printed Account Statements			
Percent of statements suppressed and not printed on paper	Percent	12.9%	15.6%
Percent of bills paid electronically	Percent of bills	82.0%	81.4%
Corporate Dining Services			
Recycled bottles and cans	Lbs	6,650	20,126
Sustainable catering packaging and cutlery	Percent of total purchase	NA	74.5%
Café disposables (transition from polystyrene to paper)	Percent paper vs total purchase	NA	27.2%
Vendmiser units (vending machine energy optimization devices)	Kilowatts saved	90,969	392,776
Fair-trade coffee (cafeteria coffee)	Lbs	10,656	28,614
Sustainable seafood	Percent of total purchase	81.0%	54.9%
Local, farm-to-fork programs	Percent of total purchase	NA	18.1%
Paper			**Through Q3 2008**
Paper purchased	Tons	88,257	62,979
Paper recycled	Tons	25,079	24,490
Paper with recycled content	Percent	32.5%	38.7%

IV. About the Global Reporting Initiative

The Global Reporting Initiative (GRI) is a common framework for sustainability reporting. The GRI vision is that reporting on economic, environmental and social performance by all organizations becomes as routine and comparable as financial reporting. GRI accomplishes this vision by developing, continually improving and building capacity around the use of its Sustainability Reporting Framework. An international network of thousands from business, civil society, labor and professional institutions create the content of the Reporting Framework in a consensus-seeking process.

The following table shows the location of the sections and indicators of the GRI G3 Guidelines used in the report. The GRI finalized the financial sector report in late 2008. Bank of America will begin using the newest version of the financial sector supplement in its next report.

Section or Indicator from Global Reporting Initiative G3 Guidelines	Page Number in Report
1.1 Statement from the most senior decision maker	3
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2.4 Location of organization's headquarters	12
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2.7 Markets served	12
2.8 Scale of the reporting organization	12
2.9 Significant changes during the reporting period	16
2.10 Awards received in the reporting period	16, 18
3.1 Reporting period for information provided	11
3.2 Date of most recent previous report	11
3.3 Reporting cycle	11
3.4 Contact point for questions regarding the report or its contents	11, 12
3.5 Process for defining report content, including: · Determining materiality · Prioritizing topics within the report · Identifying stakeholders the organization expects to use the report	10
3.6 Boundary of the report	10
3.7 State any specific limitations on the scope or boundary of the report	10
3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations	10
3.9 Data measurement techniques and the bases of calculations	10
3.10 Explanation of the effect of any restatements of information provided in earlier reports, and the reasons for such restatement	10

Section or Indicator from Global Reporting Initiative G3 Guidelines	Page Number in Report
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4.13 Memberships in associations	43
4.14 List of stakeholder groups engaged by the organization	43
4.15 Basis for identification and selection of stakeholders with whom to engage	43
4.16 Approaches to stakeholder engagement	42
4.17 Key topics and concerns that have been raised through stakeholder engagement	43
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EN1 Materials used by weight or volume	28, 29, 37

Section or Indicator from Global Reporting Initiative G3 Guidelines	Page Number in Report
EN2 Percentage of materials used that are recycled input materials	28, 29, 37
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EN4 Indirect energy consumption by primary source	25
EN5 Energy saved due to conservation and efficiency improvements	25, 26, 36
EN6 Initiatives to provide energy-efficient or renewable-energy-based products and services, and reductions in energy requirements as a result of these initiatives	25, 30, 33, 36
EN7 Initiatives to reduce indirect-energy consumption and reductions achieved	25
EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	30
EN13 Habitats protected or restored	49
EN16 Total direct and indirect GHG emissions by weight	25
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EN21 Total water discharge by quality and destination	30
HR6 Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor	39
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HR8 Percentage of security personnel trained in the organization’s policies or procedures concerning aspects of human rights that are relevant to operations	39
HR9 Total number of incidents of violations involving rights of indigenous people and actions taken	39, 49
LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	41
SO5 Public policy positions and participation in public policy development and lobbying	42
SO6 Total value of financial and in-kind contributions to political parties, politicians and related institutions by country	42
SO8 Monetary value of significant fines and total number of nonmonetary sanctions for noncompliance with laws and regulations.	30

V. Overview of Our Sustainability Reporting

V.a. Evolution of Our Reporting

2.5 3.5 3.6 3.7 3.8 3.9 3.10 3.11 3.13

Bank of America recognizes that successful implementation of its environmental policies relies upon transparency to all stakeholders, including regular public corporate reporting according to the Global Reporting Initiative (GRI) framework. This report covers bank operations in the United States unless otherwise noted. This report follows the GRI G3 Guidelines.

In this report, and in accordance with the GRI G3 Guidelines' *Reporting Guidance for Defining Content*, the bank reports on internal and external initiatives relevant to sustainability, including its new flagship 10-year, $20 billion environmental initiative. In preparing this report, Bank of America builds upon the previous year's report, and stakeholder reaction to it, including a stakeholder dialogue with Coalition for Environmentally Responsible Economics (Ceres) members whom the bank consulted. New sections and indicators relevant to the bank's operations are included, as part its goal to expand sustainability reporting as its internal reporting processes continue to improve and experience with the GRI format increases. The report covers internal and external actions taken by the bank. While some data related to environmental philanthropic activity is included, additional information about the Bank of America Charitable Foundation is reported upon separately here.

Bank of America has produced an environmental report nearly annually since 1992. In 2004, the bank committed to the GRI format to begin the inclusion and expansion of non-environmental indicators

in its sustainability reporting. This report covers the period since the 2006 report through the end of 2008, unless otherwise noted. Bank of America's goal is to produce a report annually to facilitate comparison of year-to-year data related to direct impacts and to track progress toward goals and objectives. There are several elements of its business, such as governance and policies, which may not change each year, but will be included in each GRI report. Within the last two years, Bank of America has acquired several financial institutions. This report does not include information related to operations of Countrywide or Merrill Lynch.

Reporting on joint ventures, subsidiaries, leased facilities, and outsourced operations is completed consistently from year to year, with no significant changes that would impede comparability between reports.

With exception of the reporting period, there are neither significant restatements of information from previous year reports, nor changes in scope, boundary or measurement methods. Wherever indicators involve quantitative methods, these are explained in context or as footnotes.

V.b. New for the 2007/2008 Report

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This report differs from the previous one in three main ways: (1) the report is organized with the priority being to present a coherent narrative of the bank's sustainability efforts and policies, with a secondary emphasis on following the sequence of GRI sections; (2) there is a new section that presents, in tabular form, a scorecard of several sustainability indicators; and (3) response to several additional GRI indicators.

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This report was released in spring of 2009, and reflects issues and initiatives through the end of 2008, unless otherwise noted. Bank of America reports periodically, usually once a year, with the previous report covering calendar year 2006.

Questions or comments on this report may be submitted to: environment@bankofamerica.com or via mail at: Environmental Initiatives
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V.c. Looking Ahead

The acquisitions of both Countrywide Financial Corporation and Merrill Lynch represent significant opportunities for Bank of America's social and environmental initiatives. In particular, Merrill Lynch offers award-winning environmental business capabilities in investment banking, carbon market business, global research and wealth management. These businesses and related products represent a potential to significantly expand both the breadth and reach of the bank's environmental business. The Countrywide acquisition provides an opportunity for expanded reach into consumer banking for products, such as the Home Energy Credit Mortgage and other climate-focused consumer products.

GRI G3 Sections/ Indicator

VI. Our Company

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VI.a. Who We Are

Bank of America Corporation (NYSE: BAC) is a publicly-traded company headquartered in Charlotte, North Carolina, that operates throughout the United States and 44 foreign countries. The principal executive offices are located in the Bank of America Corporate Center in Charlotte, North Carolina. Bank of America Corporation is a Delaware corporation, a bank holding company and a financial holding company under the Gramm-Leach-Bliley Act. It was incorporated in 1998 as part of the merger of BankAmerica Corporation with Nations Bank Corporation.

VI.b. Our Core Business

Bank of America is one of the world's largest financial institutions, serving individual consumers, small and middle market businesses and large corporations with a full range of banking, investing, asset management and other financial and risk-management products and services. The company provides unmatched convenience in the United States, serving more than 59 million consumer and small business relationships with more than 6,100 retail banking offices, over 18,000 ATMs and award-winning online banking with nearly 29 million active users. Following the acquisition of Merrill Lynch on January 1, 2009, Bank of America is now among the world's leading wealth management companies and is a global leader in corporate and investment banking and trading across a broad range of asset classes serving corporations, governments, institutions and individuals around the world. Bank of America offers industry-leading support to more than 4 million small business owners through a suite of innovative, easy-to-use online products and services.

Bank of America is the No. 1 overall Small Business Administration (SBA) lender in the United States and the No. 1 SBA lender to minority-owned small businesses. 2.6
The company serves clients in 175 countries and has relationships with 98% of the U.S. Fortune 500 companies and 80% of the Global Fortune 500. Bank of America Corporation stock (NYSE: BAC) is listed on the New York Stock Exchange. Bank of America provides a diversified range of banking and non-banking financial services and products domestically and internationally through three business segments: Global Consumer & Small Business Banking, Global Corporate & Investment Banking and Global Wealth & Investment Management.

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Bank of America services the retail needs of customers throughout much of the United States and in selected international markets. A complete list of Bank of America offices throughout the world by region and the respective services provided can be found here.

The operational structure of Bank of America is composed of three principal business lines briefly described below: Global Consumer & Small Business Banking serves approximately 53 million consumer households through checking, savings, credit and debit cards, home equity lending and mortgages, as well as mass-market small businesses with capital, credit, deposit and payment services. Global Corporate & Investment Banking provides comprehensive financial solutions to clients ranging from companies with 2.5 million in revenues to large multinational corporations, governments, institutional investors and hedge funds. Global Wealth & Investment Management provides a wide offering of customized banking and investment services for individual and institutional clients.

GRI G3 Sections/ Indicator

VI.c. Corporate Governance

VI.c.i. Overview

Bank of America is governed by a board of directors. The bank's bylaws stipulate the board have not less than five nor more than 30 directors. There are currently 17 directors. The corporate governance committee is tasked with periodically reviewing the appropriate size of the board, with the objective of maintaining the necessary experience, expertise and independence without becoming too large to function efficiently. The positions of the chairman of the board and the chief executive officer (CEO) may be filled by the same individual or by different individuals; the current chairman of the board is also the CEO. The bank, as is the norm for U.S. corporations, uses a unitary board structure.

The board is composed at all times of at least a majority of directors who are independent. As per the 2008 proxy statement, the board has determined that 14 of its 16 director nominees, or approximately 88%, are independent directors. The board has adopted categorical standards to assist it in making the annual affirmative determination of each director's independence status. These Director Independence Categorical Standards (Categorical Standards) are available here. A director will be considered "independent" if he or she meets the requirements of the Categorical Standards and the criteria for independence set forth from time to time in the listing standards of the New York Stock Exchange (NYSE). The categorical standards as well as the discussion on director independence in the annual proxy statement address conflicts of interest, and helps keep the board aligned with the interests of shareholders.

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To discharge their duties in identifying and evaluating individual nominees for directors, the Corporate Governance Committee and the board of directors shall consider the overall experience and expertise represented by the board as well as the qualifications of each candidate. In the evaluation process, the Corporate Governance Committee and the board shall take the following into account:

- At least a majority of the board must be comprised of independent directors.
- Candidates should be capable of working in a collegial manner with persons of different educational, business and cultural backgrounds.
- Candidates shall be individuals of the highest character and integrity who possess significant experience or skills that will benefit the company.
- Candidates shall be free of conflicts of interest that would interfere with their ability to discharge their duties or would violate any applicable law or regulation.
- Candidates shall be capable of devoting the necessary time to discharge their duties, taking into account memberships on other boards and other responsibilities, and shall have the desire to represent the interests of all stockholders.

Further details on the process for nominating and evaluating new directors are here. Each year, the board and each of its committees evaluate their effectiveness. The board views self-evaluation as an ongoing process designed to achieve high levels of board and committee performance. All new directors participate in the company's orientation program in their first year as a director. This orientation includes presentations by senior management to familiarize new directors with the organization's strategic plans, significant financial accounting and risk management issues, compliance programs, conflict policies, code of ethics and other policies. The board also encourages directors to participate in continuing education programs and reimburses directors for the expenses of such participation.

With regard to compensation, Kenneth Lewis is the sole employee director, and does not receive any compensation for his services as director. Other directors are compensated as follows:

- $80,000 cash award
- $160,000 restricted stock award
- $30,000 retainer for the lead director
- $30,000 retainer for the chairman of the audit committee
- $20,000 retainer for the chairman of each of the asset quality, compensation and benefits, and corporate governance committees

Director compensation and the categorical standards are addressed at length in the bank's annual proxy statements. The 2008 proxy statement is available here.

VI.c.ii. Responsibilities

The basic responsibility of the board of directors is to oversee the company's businesses and affairs, exercising reasonable business judgment on behalf of the company. In discharging that obligation, the board relies on the honesty, integrity, business acumen and experience of the company's management, as well as its outside advisors and the company's independent, registered public accounting firm. More details on corporate governance and responsibilities of the board of directors can be found here.

As a corporation with global reach, Bank of America has policies in place designed to promote environmental sustainability, foster diversity, and promote and protect human rights. The bank's management continually monitors the impact of its operations on these social and environmental issues and adjusts its policies as warranted. There is no one particular committee of the board of directors tasked with considering these responsibilities given the importance of not confining these issues and efforts to one committee. However, the board of directors does review these issues with management within the company as necessary and as a normal course of activity by the board.

On the environment, each major line of business has responsibility and ownership for environmental matters related to that line of business. The bank also has established an enterprise focus on the environment that requires support from across various lines of business and units within the bank. The bank's Environmental Council was created to assist with the organization's enterprise commitment. Supported by the bank's Public Policy group, the Environmental Council helps align the development of products, practices and policies with the company's environmental commitment. The chair of the Environmental Council reports to the chief executive officer on environmental matters.

VI.c.iii. Voice of Employee and Shareholder

VI.c.iii.a Voice of Employee

The bank surveys its associates to measure their level of contentment annually. The overall associate satisfaction and engagement increased to 81% on the 2008 Associate Survey, continuing the positive trend of previous surveys. This rating is based on the percentage of associates who responded favorably to three key survey items. These results, which are up 1% since the last company-wide survey in 2006, put the bank within five points of the top 10% of comparable companies based on external research.

A record 96% – more than 200,000 associates worldwide – participated in the survey. "In this time of unprecedented challenge for our business, these positive results are particularly encouraging, and the record response demonstrates a strong, shared commitment to our company's success," said Chairman and Chief Executive Officer Kenneth Lewis. "The positive trend shows that our hard work has made a difference, but there still is much more we can do. This year's feedback gives us critical new information as we strive to make Bank of America the best place in the world to work." The overall satisfaction and engagement score reflects the percentage of favorable responses to the following survey items:

- Overall, how would you rate Bank of America as a company to work for, compared with other companies you know about?
- I feel proud to work for Bank of America.
- Considering everything, how would you rate your overall satisfaction with this company at the present time?

At 81%, more than four out of five associates responded favorably to these combined items, and each of the items showed an increase again this time. Leaders across the company receive their team results and will meet with their teams to discuss findings and begin identifying opportunities for continued improvement. 4.4

VI.c.iii.b Shareholders

The following social and environmental issues were raised at the annual shareholders' meeting as either proxy proposals or related discussion (all 2008 unless otherwise noted):

- 7% commitment on GHG reductions – Rainforest Action Network (2007)
- Countrywide acquisition – International Laborer's Union, Community Reinvestment Association of North Carolina, individual shareholders/proxy holders
- Equator Principles – Free Enterprise Action Fund
- Human rights policy – Unitarian Universalist Church of Charlotte
- Acceptance of *Matricula Consular* identification cards – individual shareholder
- Mountaintop mining in Appalachia – individual shareholders/proxy holders
- Coal financing – Rainforest Action Network; several individual shareholders/proxy holders

Bank of America response to the proxy proposals is included in the annual financial report that can be seen here. The company's coal policy that relates to mountaintop mining is discussed in section IX.a.iii of this report, the 7% utilities portfolio commitment in section IX.a.i, and the Equator Principles in section IX.a.v.3.a.

VI.d. Business Developments and Changes

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In 2008, Bank of America announced an agreement to acquire Merrill Lynch. Merrill Lynch operations and businesses are not included in the scope of this report.

In 2007, the company made a $2 billion investment in Countrywide and in January 2008, it announced a definitive agreement to purchase all outstanding shares of Countrywide for approximately $4 billion in common stock, making Bank of America the nation's leading mortgage lender and loan servicer. Since the transition and acquisition of Countrywide operations and businesses are currently ongoing, these operations are not included in the scope of this report.

Also in 2007, Bank of America acquired all the outstanding shares of ABN AMRO North America Holding Company, parent of LaSalle Bank Corporation, for $21 billion in cash. With this acquisition, the organization significantly expanded its presence in metropolitan Chicago, Illinois and Michigan, by adding LaSalle's commercial banking clients, retail customers and banking centers. Unless otherwise noted, LaSalle operations are included in the scope of this report.

Bank of America also acquired all the outstanding shares of U.S. Trust Corporation for $3.3 billion in cash. U.S. Trust Corporation focuses exclusively on managing wealth for high-net-worth and ultra-high-net-worth individuals and families. The acquisition, completed in 2007, significantly increases the size and capabilities of the bank's wealth management business and positions it as one of the largest financial-services companies managing private wealth in the United States. Unless otherwise noted, U.S. Trust operations are included in the scope of this report.

VI.e Risk Management

VI.e.i. Overview

Risk management is inherent to the business of running a diversified financial institution. The company's management governance structure enables it to manage all major aspects of its business through an integrated planning and review process that includes strategic, financial, associate, customer and risk planning. Bank of America derives much of its revenue from managing risk from customer transactions for profit.

By allocating economic capital to a line of business, the bank effectively manages that business's ability to take on risk. Review and approval of business plans incorporate approval of economic capital allocation, and economic capital usage is monitored through financial and risk reporting. Industry, country, trading, asset allocation and other limits supplement the allocation of economic capital. These limits are based on an analysis of risk and reward in each line of business, and management is responsible for tracking and reporting performance measurements, as well as any exceptions to guidelines or limits.

The company's business exposes it to the following major risks: strategic, liquidity, credit, market and operational risk. Strategic risk is the risk that adverse business decisions, ineffective or inappropriate business plans or failure to respond to changes in the competitive environment, business cycles, customer preferences, product obsolescence, execution and/or other intrinsic risks of business will impact the organization's ability to meet its objectives. Liquidity risk is the inability to accommodate liability maturities and deposit withdrawals, fund asset growth and meet contractual obligations through unconstrained access to funding at reasonable market rates. Credit risk is the risk of loss arising from a borrower's or counterparty's inability to meet its obligations. Market risk is the risk that values of assets and liabilities or revenues will be adversely affected by changes in market conditions, such as interest rate movements. Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or external events.

VI.e.ii. Risk Management Processes and Methods

Bank of America has established and continually enhances control processes, as well as uses various methods to align risk-taking and risk management throughout the organization. These control processes and methods are designed around "three lines of defense:" lines of business, enterprise functions and corporate audit. The lines of business are the first line of defense and are responsible for identifying, quantifying, mitigating and monitoring all risks within their lines of business, while certain enterprise-wide risks are managed centrally. The bank's lines of business prepare periodic self-assessment reports to identify the status of risk issues, including mitigation plans, if appropriate. These reports roll up to executive management to monitor appropriate risk management and oversight, and to identify enterprise-wide issues. The organization's management processes, structures and policies aid it in complying with laws and regulations and provide clear lines for decision-making and accountability. Wherever practical, the company attempts to house decision-making authority as close to the transaction as possible while retaining supervisory control functions from both in and outside of the lines of business.

GRI G3 Sections/ Indicator

The key elements of the second line of defense are risk management, compliance, finance, global technology and operations, human resources, and legal functions. These groups are independent of the lines of businesses and are organized on both a line of business and enterprise-wide basis. Enterprise-level-risk executives have responsibility to develop and implement polices and practices to assess and manage enterprise-wide credit, market and operational risks.

Corporate audit, the third line of defense, provides an independent assessment of the organization's management and internal control systems. Corporate audit activities are designed to provide reasonable assurance that resources are adequately protected; significant financial, managerial and operating information is materially complete, accurate and reliable; and employees' actions are in compliance with corporate policies, standards, procedures, and applicable laws and regulations.

The formal processes used to manage risk represent only one portion of the bank's overall risk management process. Corporate culture and the actions of the bank's associates are also critical to effective risk management. Through the company's Code of Ethics, Bank of America sets a high standard for its associates. The Code of Ethics provides a framework for all of the bank's associates to conduct themselves with the highest integrity in the delivery of its products or services to its customers. Bank of America instills a risk-conscious culture through communications, training, policies, procedures, and organizational roles and responsibilities. Additionally, it continues to strengthen the linkage between the associate-performance-management process and individual compensation to encourage associates to work toward corporate-wide risk goals.

VII.f. Awards and Recognition

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Bank of America is often the recipient of awards and other recognition from organizations and stakeholders that address environmental and social issues in which the company takes an active interest. The bank develops and implements strategies to improve its operations and meet the commitment to improving the health of the communities it serves. These programs and strategies are often judged exemplary within the industry and among the business community in general, and are recognized for their innovation, success and effectiveness.

Some of the awards received in 2007 and 2008 are presented below:

Year	Category	Entity	Award
2007	Economic	Fortune magazine	“50 Most Powerful Women in Business”– Global Risk Executive Amy Brinkley
2007	Economic	Information Technology Senior Management Forum (ITSMF)	Organization of the Year
2007	Economic	U.S. Banker	“25 Most Powerful Women in Banking” – Global Risk Executive Amy Brinkley and Global Technology & Operations Executive Barbara Desoer
2007	Economic	The Wall Street Journal	“50 Women to Watch” – Global Risk Executive Amy Brinkley and Frances Aldrich Sevilla-Sacasa, president, U.S. Trust, Bank of America Wealth Management
2007	Social	Black Enterprise magazine	"40 Best Companies for Diversity" – 3rd year in a row
2007	Social	Black Professionals magazine	"Top 100 Companies for Blacks in Corporate America"
2007	Social	Careers & the disABLED magazine	"Top 50 Companies"
2007	Social	Diversity/Careers magazine	One of the top companies for diversity
2007	Social	DiversityBusiness.com®	"America's Top Diversity Advocates" — Executive Vice President of Strategic Sourcing, Joe Hill
2007	Social	DiversityInc magazine	“Top Web Site for Diversity”
2007	Social	DiversityInc magazine	#1 Company for Diversity, #1 in the Top 10 Companies for Executive Women
2007	Social	G.I. Jobs magazine	"Top 50 Military Friendly Employers" – 3rd year in a row
2007	Social	The Greenlining Institute	#1 Small Business Administration lender to minorities
2007	Social	Hispanic Business® magazine	Top Five Companies for Hispanics
2007	Social	Latin Business magazine	Diversity Honor Roll
2007	Social	Latina Style® magazine	One of the top companies for recruiting, retention and advancement opportunities for Latinas
2007	Social	The Advocate magazine	Jim Eckerle, Corporate Enterprise Initiative Development Executive, was featured regarding the bank’s Gay Lesbian Bisexual Transgender (GLBT) efforts
2007	Social	Women 3.0 magazine	"Top 100 Companies for Women in Corporate America"

2007 and 2008 Awards, cont.

Year	Category	Entity	Award
2007	Social	Working Mother magazine	"100 Best Companies" – 19th year
2008	Economic	Corporate Responsibility Officer magazine	#8 on list of Best Corporate Citizens
2008	Environmental	Fortune magazine	#1 Most Admired Mega Bank in the World, #1 in Community/Environment
2008	Environmental	Mayor Jerry Sanders and the City of San Diego	Climate Protection Champion Award for strides to reduce GHG emissions
2008	Environmental	Natural Resource Defense Council	Recognized efforts in addressing climate change by presenting an award to Chairman of the Board and Chief Executive Officer Kenneth Lewis
2008	Environmental	State of California	California Governor's Environmental and Economic Leadership Award for the Environmental Opportunity Initiative
2008	Environmental	The Creative Coalition	Honored the bank's environmental initiative and its commitment to help stop the negative effects of climate change
2008	Social	National Association for the Advancement of Colored People (NAACP) Economic Reciprocity Initiative Report	Top honors, with score of 3.54 out of 4, an all-time high
2008	Social	Conceive magazine	"Top 50 Best Companies"
2008	Social	Diversity MBA magazine	"Top 100 Under 50 Diverse Executive Leaders" – SCU Supplier Development Manager, Martha Rangel Schirripa
2008	Social	Hispanic Engineer & Information Technology magazine	"Most Admired Employers" for minority professionals
2008	Social	Human Rights Campaign	Corporate Equality Index score of 100% for support of gay, lesbian, bisexual and transgender associates – 3rd year in a row
2008	Social	U.S. Black Engineer & Information Technology magazine	"Most Admired Employers" for minority professionals
2008	Social	Women of Color magazine	"Most Admired Employers" for minority professionals
2008	Social	Hispanic Business® magazine	Among "Top 60 Diversity Elite"

GRI G3 Sections/ Indicator

VII. Our Environmental Commitment

VII.a. Business Opportunities of Climate Change

1.2
4.11

Our Commitment to Sustainable Business

As the transition to an environmentally sustainable economy begins, everyone will be impacted – directly or indirectly. Business success will depend upon a company's ability to adapt to the challenge of global climate change and its related issues of energy, forests, water and biodiversity. Bank of America believes it can be both sustainable and profitable, and it wants to play a role in helping to lead the way into this new, sustainable and profitable era.

For more than 20 years, the company has been weaving environmental consciousness into the fabric of its organization. As environmental awareness has grown, Bank of America has identified a number of environmental business opportunities growing as well.

Because of the converging needs to nurture business while addressing global climate change, Bank of America has today developed a larger environmental commitment. It is increasingly deploying the power of its human and financial capital to connect its customers, clients and associates to opportunities in the environmentally sustainable economy.

In March 2007, the company committed $20 billion over 10 years to address climate change through its lending, investments, products and services, and operations. With assistance from the bank's Environmental Council, comprised of senior bank leaders across business lines, support from the CEO and with expanded policies and procedures, this systemic effort will help the bank's customers take actions to address global climate change. And while this work focuses on developing opportunities in the environmentally sustainable economy, it is part of a much larger organizational commitment to supporting the health and vitality of communities across the country, creating access to greater economic opportunities for the people and businesses that live there. Bank of America recognizes that the health of the company is dependent on the health of its communities and society.

The bank applies precautionary principles in its approach to considering the risks associated with climate change, and consequently has initiated risk control measures, such as the Carbon Principles, and measurement of carbon intensity of certain business portfolios. However, the primary driver of the bank's environmental commitment is the potential for profit and economic growth that it sees as a great opportunity for the company and its clients. Business and technology solutions are developing to address climate change. Bank of America is anticipating the potential for business growth throughout the organization:

- Bank of America pursues opportunities to lend to and invest in pioneering companies that are developing renewable sources of energy, creating new jobs and generating a profitable return on investment.
- As a company with a strong presence in communities across the U.S., the bank forges innovative partnerships with governmental and nongovernmental organizations to conserve its natural resources while making its communities more energy efficient and more environmentally responsible.
- As a consumer bank, it offers its retail customers an array of environmentally beneficial products and services, such as the Home Energy Credit Mortgage, as well as incentives to encourage paper-saving through online banking.
- As a major employer with a widespread network of banking centers and other facilities, Bank of America has, for more than two decades, taken steps to make its

own operations more energy efficient, and the company has saved millions of dollars by reducing its emissions, consumption and waste. The bank has allocated $1.4 billion toward new construction of its own green office facilities and banking centers, and it intends to achieve Leadership in Energy and Environmental Design (LEED) certification at these facilities from the U.S. Green Building Council (USGBC). The company is also investing $100 million in energy conservation measures for use in all company facilities.

While the company's environmental business initiatives are far-reaching, Bank of America recognizes that the road to sustainability is not without obstacles. The most formidable challenge it faces is global climate change. Today, scientists widely agree that global warming is occurring, accelerated by the continued burning of fossil fuels that release heat-trapping gases into the air. The necessary transformation from existing fossil-fuel-burning technology for power plants and machinery to clean, renewable forms of energy and efficient, nonpolluting technologies, such as carbon capture and storage, will be a multifaceted, national effort that will, in one way or another, involve everyone.

The bank's commitment to making these transformations is realized through its business strategy. The company is bringing a profit-driven business model to life that can help individuals seize existing financial opportunities and create new ones for an environmentally and economically sound future.

VII.b. 10-year, $20 Billion Environmental Initiative

VII.b.i. Overview

In 2007, Bank of America announced a 10-year, $20 billion business initiative to address climate change by championing sustainable business practices through innovative lending and investment strategies, the creation of new financial products and services, and optimizing its own operations. Examples of transactions that are a part of this initiative are provided here. As of the end of 2008, the bank has completed over $4 billion toward the $20 billion target. Additional details on the target are included in the scorecard at the beginning of this report.

VII.b.ii. Lending

Bank of America provides lending, advice and market creation to help commercial clients finance the use and production of new products, services and technologies.

Example:
Bank of America worked with the Redwood Forest Foundation to facilitate the nation's first forest acquisition by a nonprofit using 100% private capital.

VII.b.iii. Investments

The company invests in businesses and technologies that address climate change.

Example:
Bank of America partnered with Chevron Energy Solutions to establish what are believed to be two of the largest solar-powered and energy-efficient facilities program in K-12 education in the United States.

VII.b.iv. Products and Services

The bank develops new financial products and services for customers who consider the environmental impact of their purchasing decisions and want to offset or minimize their carbon emissions.

Example: 4.8
With the Brighter Planet™ EarthSmart® Points Visa® credit card, Bank of America customers can redeem points to help build community-based renewable energy projects across the United States.

VII.b.v. Operations

The company does research and implements innovative ways to increase energy efficiency and reduce emissions, consumption and waste within its own operations and among its associates.

Example:

Bank of America committed $1.4 billion to achieve LEED certification for all new construction office facilities and banking centers, including the recently opened Adelanto banking center.

VII.b.vi Philanthropic Partnerships and Associate Engagement

Bank of America maintains and creates partnerships with leading academic institutions and nonprofit organizations to address critical environmental issues impacting its communities. The bank also develops robust opportunities to engage its associates.

Example:

The Bank of America Charitable Foundation is partnering with the United Nations Foundation and Ceres to establish a National Task Force on Energy Efficiency. The task force seeks to double the rate of U.S. energy efficiency improvement by 2012, by engaging leaders from a variety of sectors to promote incentives that would encourage investments in energy efficiency.

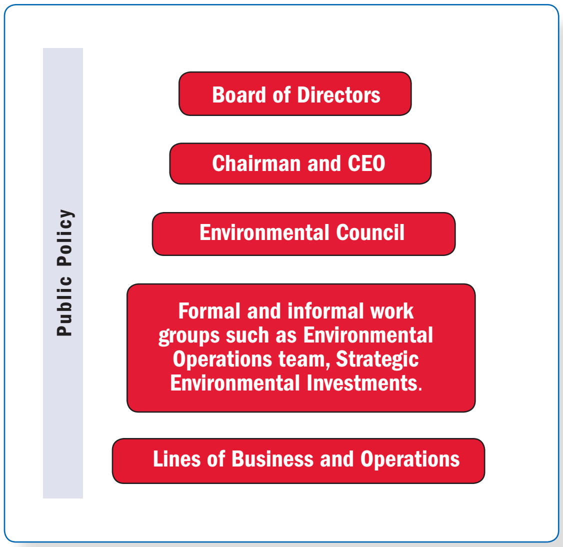
Example:

Thousands of Bank of America volunteers participated in 2008 International Coastal Cleanup events, conducted in communities around the world this past fall. Associate volunteers worked to address climate change and restore the health and strength of oceans and waterways by cleaning up trash along beaches and riverfronts.

VII.c. Internal Organization Around Sustainability

Consistent with its business model, implementation of the bank's strategy on environmental and social initiatives largely rests with its associates in lines of business and support units in the bank.

Bank of America's $20 billion environmental initiative is focused on business objectives and targets that will continue to expand its focus on addressing global climate change. Individual business units and support divisions in the bank have set their own targets and goals and therefore have dedicated staff to achieve these targets. Associates are the innovators on expanding and offering new environmentally focused endeavors. Despite this ground-up approach, additional structure in the organization helps support implementation, and accountability, for the bank's overall initiative. These groups range from the company's Environmental Council, which helps weigh in on new challenges and opportunities, to specific work teams that focus on issues that may cut across various divisions, from internal support units to line of business delivery.



VII.c.i. Environmental Council

The company's Environmental Council was created to assist with the bank's enterprise commitment. The Environmental Council helps monitor the development of products, practices and policies aligned with the bank's environmental commitment. The Environmental Council is comprised of associates that include executives and subject-area experts who meet throughout the year to collaborate on new issues and help keep the bank on-track for existing commitments. The chair of the Environmental Council reports to the CEO on environmental matters.

There are additional work teams organized around specific environmental issues. These work teams are typically cross-functional and work on components of the bank's environmental commitment that may extend beyond one division or line of business. Examples of these teams include the Environmental Operations Team, Energy Team, Strategic Environmental Investments and Team Bank of America's Environmental Network.

VII.c.ii. Environmental Operations Team

This group includes cross-functional representation from Supply Chain Management (strategic sourcing and corporate services), the Electronification of Paper Group, Corporate Workplace (corporate real estate) Public Policy, Communications and Associate Programs. The Environmental Operations team achieved its 2006 goals by participating in an in-depth analysis aimed at identifying the bank's footprint relative to total consumption and disposal of goods and services.

VII.c.iii. Energy Team

This team is led by Corporate Workplace and was established to reduce energy consumption, promote energy efficiency, implement the bank's GHG emissions reduction (for its own operations) and to explore alternative energy potential. Its vision is to establish Bank of America as the most energy efficient financial institution in the world, while purchasing energy commodities at the most competitive rates. The bank reduced 2007 emissions by 7.4% relative to a 2004 baseline across all facilities.

VII.c.iv. Strategic Environmental Investments

This team is exclusively focused on identifying and financing the best new ideas in the green economy. The team integrates the bank's growing environmental capabilities across the enterprise – bringing together the right resources to transact business that makes good economic sense for the bank and offers direct benefit to the environment. The team has two primary areas of responsibility:

- Equity Investments—The team identifies, evaluates, structures, executes and monitors the bank's equity investments in environment.
- Other Strategic Environmental Investments—The team offers guidance and expertise in developing and facilitating other strategic environmental investments that span multiple lines of business.

Since 2007, the Strategic Environmental Investments team has made more than $185 million in direct environmental investment focused on climate change related activity.

VII.c.v. Team Bank of America's Environmental Network

This is a volunteer network of associates. The environmental projects that are completed through this group are centered around community involvement, volunteering and promoting environmental sustainability at home and at work.

VIII. Reducing Our Carbon Footprint

GRI G3 Sections/ Indicator

VIII.a. Greenhouse Gas (GHG) Emissions

EN3-7
EN16-20

VIII.a.i GHG Commitment and Performance

Bank of America has voluntarily declared that it will reduce its U.S. GHG emissions by 9% from 2004 to 2009, via participation in the U.S. Environmental Protection Agency (EPA) Climate Leaders program. This goal is based on absolute emissions. In 2007, the bank emitted a total (direct and indirect) of 1,428,623 metric tons of carbon dioxide equivalent ($MTCO_2E$), 7.4% or 114,074 $MTCO_2E$ less than in 2004, when adjusted for changes in the baseline, due to acquisitions, such as MBNA Corporation and FleetBoston Financial. The vast majority of these emissions (92%) are indirect emissions from electricity consumption, which is to be expected for a large services provider, while 8% are from direct emissions.

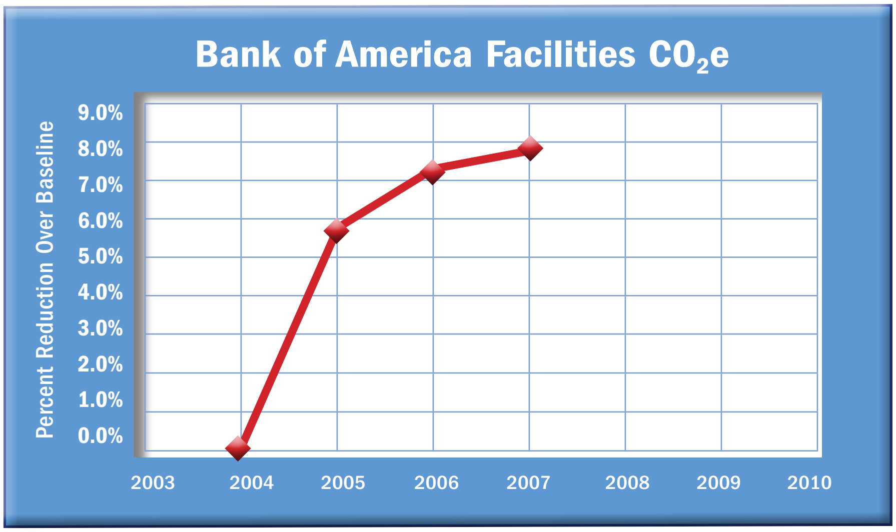
The breakdown for the largest categories of GHG emissions, in native units by primary energy source, is provided in the following table. This data represents year 2007 totals.

Direct	
Source	Quantity
Fuel oil and diesel	977,669 gallons
Natural gas	1,289,598 MMBtu
Propane	140,165 gallons

Indirect	
Source	Quantity
Electricity	2,453,623 MWh
Steam	85,216,000 lbs.

The chart below shows the company's progress toward its EPA Climate Leaders commitment of 9% by the end of 2009. Progress is slowing as the initial, large impact projects are completed, but Bank of America still expects to meet its goal.

More details on the bank's GHG calculation methodologies and commitments can be seen in the company's response to the Carbon Disclosure Project. Data for 2008 reductions will be provided later in 2009.



VIII.a.ii GHG Reduction Through Energy Conservation

Improvements in energy conservation and efficiency offset organic growth and continued to reduce GHG emissions in 2007. Organic growth, especially in the technology infrastructure, has required significant energy reductions elsewhere in the portfolio to continue the reduction in absolute GHG emissions. In 2007, Bank of America avoided more than $8.2 million in energy costs, translating into a 62,000 MWh decreases in energy use.

VIII.a.iii Energy Program Overview

As a company, Bank of America believes there is a need for significant improvement in energy efficiency and conservation and that these two areas represent the starting point for evaluating an energy and emissions footprint. For this reason, the bank has committed its resources to diminishing its emissions footprint by first investing in efficiency.

The Corporate Workplace Energy Team at Bank of America was created to provide the core leadership and expertise needed for a successful energy management program. The Energy Team is responsible for managing energy costs and consumption, driving energy efficiency within the portfolio.

The Energy Team takes a life cycle approach to managing energy, from budgeting and planning, to purchase, to use, to environmental impact. The team focuses its efforts in major activity areas called the "Five Energy Pillars." With the support of others, the team identifies, creates and implements tactics to manage and reduce energy costs. In some cases, the Energy Team directly leads and drives energy management activities. In other cases, the team provides domain expertise to influence the energy management actions of other groups. Energy management efforts typically take the shape of awareness programs, training, process improvements and facility upgrades. Each member of the team has an active list of initiative projects and business-as-usual actions for which they are responsible. The team as a whole owns the "Energy Idea Pipeline" that is used to capture and prioritize potential initiatives projects and actions.

The Energy Team and Energy Program are measured on energy usage reductions and budget management. The team is naturally inclined to maximize the energy savings for the least cost, however, it strongly considers the impact of actions on business productivity and risk. Along with internal considerations, it also looks to invest and promote new technologies.

The following sections are some of the activities the Energy Team engages in to drive energy efficiency and ultimately GHG emissions reduction:

1. Capital Investments in Energy Efficient Technology

The Energy Team develops opportunities to use capital to improve existing infrastructure and influences major base building projects, including retail banking centers.

- Funded $7.5 million in pure energy reduction projects in 2007, greater than any previous year.
- Reviewed over 20 new construction and major renovations projects to improve energy efficiency.
- Developed a $15 million pipeline of high — potential energy projects.
- Set a target to fund at least $10 million of pure energy projects in 2008.
- Supported the development of the Command Center, and an enterprise-wide energy management system that will control up to 700 locations by early 2009.

2. "Your Energy" and the Energy Efficient Operations of Facilities

The Energy Team implemented a program in both the retail and administrative portfolios called "Your Energy 2007." Designed to raise the energy use awareness level of engineers and property managers, this program has resulted in both a hard savings and preventative avoided cost measure. Studies show that if a focus on energy awareness is not reasserted frequently, energy waste will go up 5-10%, a phenomenon known as "Energy Creep." The program required local teams to take a thorough look at the operating parameters of their respective facilities and implement activities for improved energy efficiencies.

- Total savings is estimated to be well over $1 million, plus the value of keeping the lid on "Energy Creep."
- At the bank's 50 largest facilities, there was full participation in the program in 2008. The company will expand participation to more than 100 locations by early 2009.
- Over 50% of the large facilities reduced their runtimes by at least 15 minutes, with savings of more than $200,000 per year.
- Smaller facilities were benchmarked and those that performed below expectations were issued "energy work orders." Over 50% of the work orders identified energy waste. Savings at retail locations, where energy work orders were issued, was 4.9%.
- Energy Team leaders supported other organizations and companies outside of Bank of America to become more energy efficient. By speaking at several events, and meeting one-on-one, the bank provided technical expertise, encouragement, and industry experience to others developing energy efficiency programs and technologies.

3. Efficient Business Operations

The Energy Team has worked closely with the company's retail banking and data centers to improve energy efficiencies and provide energy expertise, including:

- Strengthening relationships with the Internet technology group and drawing the Energy Team into specific, technology group energy conservation initiatives. There are currently more than five Internet technology initiated projects that will drive energy savings.
- Supporting the LEED banking center effort by driving the redesign efforts from an energy perspective. During 2008, Bank of America received approval from the USGBC for its Volume Build Program described on page 29.

4. Energy Purchasing – Supply and Risk Management

The Energy Team is working within deregulated and regulated markets to manage risk and minimize supply side energy cost. The team also makes competitive green energy purchases (through Renewable Energy Certificates) to support the bank's green power needs. The team also is committed to identifying and participating in demand curtailment opportunities where applicable. Green power purchases for all of the bank's LEED-certified facilities in 2007 are expected to double in volume by early 2009.

- Purchased 6,484 MWh of Renewable Energy Certificates (RECs) to meet LEED certification requirements in 2007.
- Joined two load curtailment programs to reduce load at critical times when the electrical grid is stressed to a point of potential failure.

GRI G3 Sections/ Indicator

5. Energy Information Management
The Energy Team builds and maintains sources of energy consumption and cost data for all facilities in the portfolio. This information is used by the Energy Team in a variety of ways, such as budgeting, forecasting, savings calculations, benchmarking, GHG emissions reporting and LEED for Existing Buildings (EB). Achievements on data management during the reporting period included:

- Developed new reporting standard that allows for regional energy performance reporting, provided monthly to portfolio team.
- Built EPA ENERGY STAR portfolio benchmarking tool for up to 50 locations.

6. "More than a Million" Program
In 2007, the bank became the first institution to achieve the Pacific Gas & Electric "More than a Million" (MTM) program goal of reducing electric demand by more than one million watts. The goal of MTM is to help multi-facility customers, such as Bank of America, achieve associated electricity and natural gas usage savings. Through MTM, the bank far surpassed the 1 megawatt (MW) goal, achieving 1.76 MW of demand response and reduction between March of 2007 and the end of 2008.

Energy efficiency projects implemented through MTM span several energy efficiency and demand response programs. A key accomplishment is completing a comprehensive lighting retrofit program at banking centers in the western United States.

VIII.b. Paper Consumption

EN1
EN2

The bank is focused on reducing paper consumption, increasing use of recycled paper, and recycling paper that is consumed. Beyond the company's direct operations, its commitment includes encouraging clients to pay bills online (received in paper form and paid online), and completing internal and external transactions electronically, without any paper whatsoever. The bank suppressed 12.9% of paper statements in 2007 out of over 200 million statements annually. The percent of bills paid electronically in 2007 was 82%.

The bank purchased 88,257 tons of paper in 2007, and recycled 25,079 tons. Of the paper purchased in 2007, 32.5% had recycled content.

VIII.c. Office Supplies

EN1
EN2

Bank of America contractually requires its vendors and suppliers to implement and adhere to environmentally beneficial policies and practices. Countrywide and Merrill Lynch business units will be required to adhere to and follow the bank's environmental purchasing policies by the end of 2009.

VIII.d. Printers

EN1
EN2

The Bank of America Desktop Print strategy integrates desktop output hardware and consumables. It also manages associate behavior with regard to copy, fax, scan and print use. This strategy continues to drive more than $5 million in annual cost savings from all related program activities since its inception in 2002. Additionally, significant environmental benefits have been achieved through reduction in toner and recycling strategies (savings in paper and energy use are captured in their respective sections).

In 2008, the bank enabled more than 5,000 newly installed Multifunctional Printers (MFPs) with scan-to-email capabilities. This feature, now widely deployed, allows bank associates to diminish the use of paper-based copying and analog faxing, and adopt a digital workflow process.

Suppliers of print devices have been chosen for their ability to provide products designed to meet the requirements of business units, while contributing to reduced energy consumption and gains in mechanical efficiencies with environmental friendly components (i.e. toner, toner cartridges and fusers). Printing itself has been reduced through the transformation of paper-based business processes and information into digital formats, electronic faxing and reducing paper intensive processes.

VIII.e. Carpet and Green Cleaning

In 2007, the bank purchased a total of 577,344 square yards of carpet products with an overall recycled content of 30-50%. Bank of America also recycled 108,742 square yards or 879,632 lbs of carpet that had reached the end of its useful life, avoiding 773 cubic yards of landfill. In 2007, the bank phased in more sustainable cleaning methods in 1,331,314 square feet of its office space. At the end of 2008, the bank had phased in the sustainable cleaning practices in more than 50,000,000 square feet of real estate. Suppliers guarantee the bank a minimum of 60% of product spend meets usage type Green Seal standards and threshold recycled content for paper and plastics.

VIII.f. Furniture

Bank of America is focused on working with vendors to refurbish and redeploy used furniture. The specific number of redeployed items is included in the scorecard on page 4. When it is necessary to purchase new furniture the bank works with its vendors to purchase environmentally certified furniture. Each of the vendors provide products that are certified under nationally recognized product air quality standards, such as Scientific Certification Systems Indoor Advantage and GreenGuard, to minimize the release of chemicals into the indoor office environment.

VIII.g. Leadership in Energy and Environmental Design (LEED)

Bank of America enjoyed significant achievements in the sustainable design, construction, and operation of buildings throughout its workspace portfolio in 2008. At the end of the year, nearly 2.1 million square feet of bank space had achieved LEED certification from the U.S. Green Building Council (USGBC).

Bank of America Tower at One Bryant Park, which will seek LEED Platinum certification as one of the world's most environmentally responsible high-rise office buildings, opened its doors to its first occupants in 2008. The building, which symbolizes the bank's leadership in sustainable design and construction, serves as the headquarters for New York operations. EN1 EN2

A banking center in Adelanto, California, became the first retail banking center in the United States to achieve LEED Platinum certification, the highest level of certification possible. The center features a solar roof that will generate 60% of the site's energy needs, as well as plumbing and irrigation features that will reduce water usage by 40% compared with traditional banking centers. More than 20% of the center's construction materials were made from recycled material, from blue jeans in the insulation to counters made of wheat by-products.

Through its Volume Build Program, Bank of America also became one of a handful of companies to achieve pre-certification for a prototype building from the USGBC, such that each new ground-up banking center built to type after June 2008 is guaranteed to achieve LEED Silver certification. The several floors completed as part of an interior renovation of the bank's corporate headquarters in Charlotte, North Carolina received LEED Gold certification.

GRI G3 Sections/ Indicator

VIII.h. Hybrid Vehicle Reimbursement Program

EN6

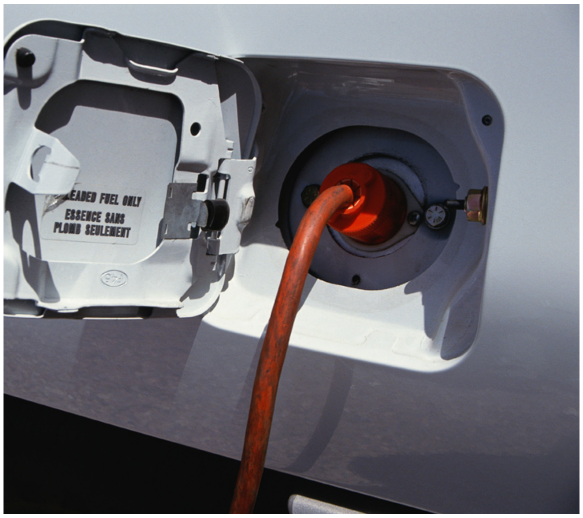
Bank of America's Hybrid Vehicle Reimbursement Program, which reimburses associates $3,000 for purchase of a qualified hybrid vehicle to encourage them to minimize emissions from vehicle use. Following its three-city pilot in 2006, Bank of America offered the program to qualified domestic associates in 2007. In 2007, 1,369 associates took advantage of the program, resulting in a reduction of approximately 1,801 tons of carbon dioxide emissions (CO2).

In 2008, 796 associates took advantage of this program. The participating 2008 associates represent 7.5 million commuting miles per year, and the use of the hybrid vehicles avoided an estimated 1,100 tons of CO_2 per year. Ninety-four percent of the participants reported that the program influenced them to purchase a hybrid vehicle.

VIII.i. Impacts not Measured

The bank uses water in its office buildings for personal use, irrigation of surrounding landscape at certain locations, and for heating, ventilation and air conditioning (HVAC) systems. However, the bank does not currently track water consumption across all facilities, leased and owned.

While bank activities could potentially affect biodiversity via third-party projects financed by the bank, the bank does not currently track biodiversity effects of its lending in a systematic manner. However, the bank's Environmental Credit Policies, Forests Practices and Developing Countries Lending Criteria all contain environmental screens designed to minimize negative environmental consequences of bank activities, and minimize financial risk to the bank itself. These policies are included in the Appendix.



VIII.j. Compliance

S08

Bank of America is responsible for managing over 16,000 properties. These properties range from small bank branches to large data centers and operation facilities. The bank has implemented a comprehensive data management system to track various records, including registrations for underground fuel storage tanks and operating permits for emergency power generators, among other items. Overall, the company's compliance with related regulations is excellent, due in large part to its ability to manage data across a large number of facilities. The table below includes a summary of environmental fines and penalties associated with the bank's property management:

EN12
EN21

Year	Number of Fines	Fines/Penalties Paid
2007	2	$51,000
2008	1	$16,000

GRI G3 Sections/ Indicator

IX. Policies and Practices

IX.a. Environmental and Social

EN18
EC2

IX.a.i. Climate Change Policy

Global climate change represents one of the greatest challenges faced by society. How this challenge is addressed today will have important impacts on current and future generations.

Bank of America's 10-year, $20 billion initiative in lending, investments, products and services, and operations is focused on addressing climate change. As the first bank to make a long-term commitment to address climate change through its financial products and services, the company set and continually pursues meaningful targets and actions that are compatible with its business goals.

Toward a Low-Carbon Future

What needs to be done is very clear: GHG emissions must be reduced along with a move toward a low-carbon economy. Actions must be taken now to slow, stop and reverse the growth of GHG emissions into the atmosphere. This will be achieved through a fundamental, historic and dramatic shift in how energy is produced and used.

The changes necessary to achieve this goal require capital and resources, areas where Bank of America can play a productive and profitable role. That's why the company is aligning its capabilities as a financial services provider to this challenge while also considering its ability to shape public policy.

Bank of America believes addressing climate change is its responsibility. And, as a corporation, it is taking full advantage of the business opportunities created by "green" economic growth. By providing critical financing to encourage the development of environmentally sustainable products and technology, by accelerating the deployment of existing technology, and by increasing energy efficiency, Bank of America will help to achieve the GHG reductions that are necessary.

GRI G3 Sections/ Indicator

Managing Risk

One of the biggest challenges that the bank faces is to understand the cost that GHG emissions represent to business. The competitive and regulatory environments for the energy sector are changing, and so are the risk formulas banks use to finance the industry. The Carbon Principles and the company's Utility Portfolio Emissions are two examples of how risk management can be eminently compatible with environmental goals.

The Carbon Principles

In 2008, Bank of America, along with other financial institutions, committed to assess the cost of carbon in risk and underwriting processes. The financial industry worked with utility clients and environmental groups to develop the Carbon Principles, a due diligence standard now considered to be a best practice for evaluating financing for companies that are considering new power plant construction and taking into account the long-term costs of carbon, even in the absence of regulation. Implementation of the Carbon Principles into transaction due diligence occurred late in 2008. Bank of America will provide updates on the Carbon Principles and related due diligence in future reporting.

Utility Portfolio Emissions

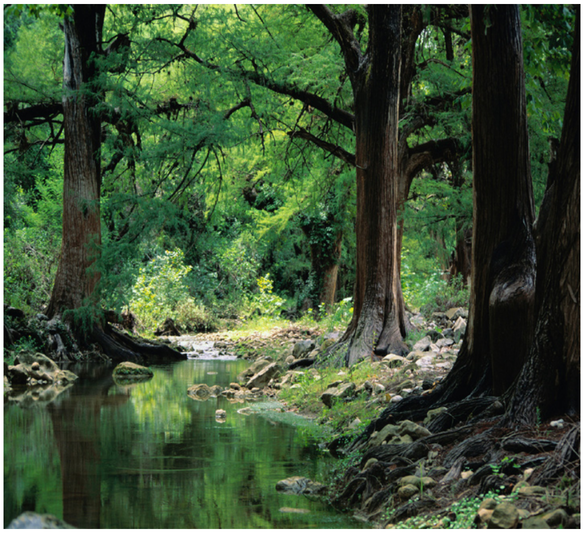
Bank of America recognized that many utility customers were addressing the emissions of their energy fleet and taking actions to reduce their emissions intensity. In a commitment to support these best practices, the bank instituted a similar evaluation of its overall utility portfolio. In 2004, the company began to consider the emissions profile of the power utilities to which it extended credit. Bank of America committed to reducing the overall emissions rate of the portfolio, 7% by the end of 2008, which it has achieved. This metrics-based approach described on pages 33–35, helped the bank understand ways it could manage the carbon intensity of a client portfolio, while remaining in alignment with utility clients that are focused on reducing their own impacts.

Helping to Shape Public Policy

EC2

Bank of America supports a stable and predictable regulatory environment with a bias toward clean energy and a low-carbon economy. That's why the bank encouraged Congress to legislate a cap-and-trade framework for carbon emissions that would create a market-based infrastructure for setting a value on carbon allowances. The company also supports a clear, federal standard for GHG reductions that would give investors the certainty they need to plan for the future.

And finally, Bank of America is committed to do itself what it asks of others. The bank has set an aggressive, voluntary goal to reduce 9% of its GHG emissions across the company by the end of 2009, through the reduction of energy consumption. It has made this commitment through the EPA Climate Leaders Program and through a legally binding commitment to the Chicago Climate Exchange.



GRI G3 Sections/ Indicator

EN6

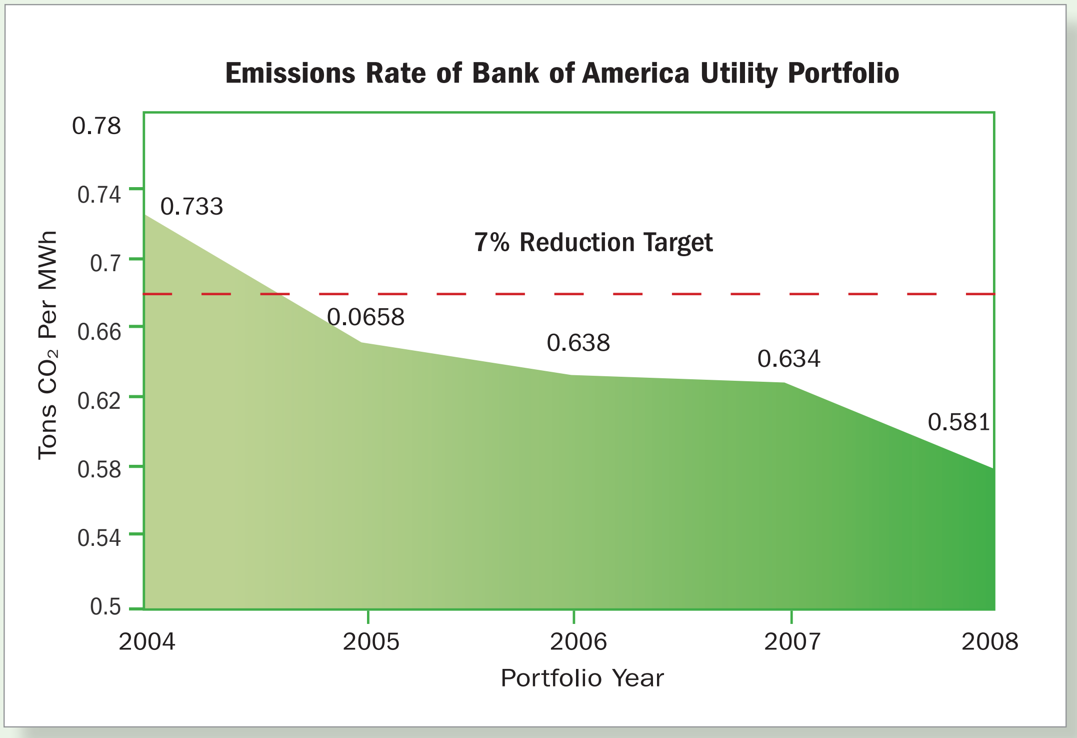
Utility Portfolio Emissions

Overview

Carbon dioxide (CO_2) emissions from the U.S. electric power sector represent approximately one-third of all U.S. greenhouse gas (GHG) emissions and 40% of all U.S. energy-related CO_2 emissions. Since 1990, these emissions have grown by more than 30%. Increases in the efficiency of electric power plants and shifts in fuel used from coal to natural gas or zero-emitting fuels, such as nuclear and wind power, have the potential to reverse this trend and lower emissions from the utility sector.

In 2004, Bank of America began considering the emissions profile of the utilities to which it extends credit. The bank committed to reducing the emissions rate of the companies in its utility portfolio 7% by the end of 2008. We are proud to report that the bank has achieved this goal. This progress is attributable to two primary factors: 1) A shift in lending away from some of the highest emitting companies in the portfolio and the addition of lower emitting companies; and 2) A reduction in the emission rate of the other companies remaining in the portfolio.

Measuring the carbon intensity of the utility portfolio helps Bank of America manage risk related to climate change, especially in the absence of national GHG emissions regulation in the United States. Bank of America will continue to measure the carbon intensity of the portfolio and report annually on these metrics. The bank will re-evaluate its reporting when national regulation of GHG emissions is established.



Methodology

The following describes the methodology used by Bank of America to calculate its emissions reduction commitment in the utilities portfolio:

- Bank of America defines the utility portfolio as all electric generators with whom the bank has significant lending/ credit relationships.
- Obtain electric generation data (expressed as Megawatt hours (MWh) for firms representing at least 75% of total generation in the portfolio.
- Obtain CO_2 emissions data for the same firms that represent 75% of total electric generation.
- Add the generation from each of the firms together to estimate total MWh for the portfolio.
- Add the emissions from each of the firms together to estimate total CO_2 for the portfolio.
- Divide total CO_2 for the portfolio by total MWh to estimate CO_2 emitted per MWh generated.
  - The most recent sources of data are used for the calculations. Data are derived from various sources, including U.S. Environmental Protection Agency (USEPA), Emissions and Resource Generation Integrated Database (eGRID); U.S. Energy Information Administration, Form 906 database; Company annual and environmental reports; Coalition for Environmentally Responsible Economics (Ceres) utility industry emissions reporting.

About the Data Set

The bank's methodology for estimating emission rates focuses on the largest electricity generators in its portfolio. These firms are the most likely to report electric generation and CO_2 emissions publicly. Use of these data maintain transparency and minimize tracking costs, maintaining consistency in application of methods.

Together, these largest generators represent 75% of the total estimated generation from the bank's utility portfolio. Because the largest generators will be providing base-load (24-hour provision of electricity), they are often coal-fired (a lower-cost form of generation). Smaller generators often use higher-cost natural gas and renewables such as wind, photovoltaics and biomass. Thus, it is likely that the largest generators have emission rates above those of the smaller generators.

The bank tests this hypothesis by performing spot checks on companies outside the large generator data set and has found their emission rates equal to or lower than the collective emission rates of the largest generators.

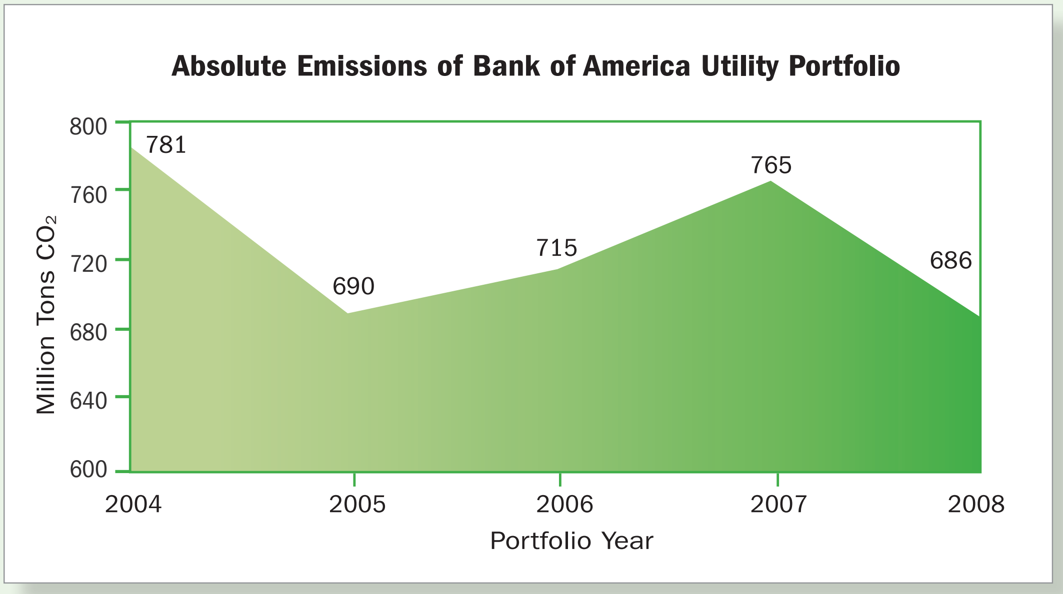
Why Target a Decline in Emission Rates?

Greenhouse gas emissions (GHG) performance is typically measured on an absolute basis, focusing on the change in aggregate emission levels or on an intensity basis, represented by a rate of emissions per unit of output such as Megawatt hours (MWh).

Emission rates (an intensity measurement) are the most accurate representation of the emissions performance of a utility portfolio. These rates minimize the impact of circumstances unrelated to a utility's environmental decisions such as:

- **Weather Variation**—Warmer than normal summers or cooler than normal winters can increase demand for electricity and overall emissions.
- **Demand Growth**—Increases in population and economic activity increase electric demand that must be met by the local utility through generation or power purchases.
- **Mergers and Divestitures**—When a company acquires additional generating capacity, the apparent absolute emissions of the company grow, while the decrease in emissions from the company selling the generating units remains unaccounted for.
- **Outages for Maintenance**—When a company reduces electric generation to perform maintenance, it still needs to meet electric demand, so it purchases electricity from another generator. This lowers the company's apparent emissions which have been shifted to the other company now providing the electricity.

In contrast to absolute emission estimates, emission rates will mute the impacts of these external factors on environmental performance.



GRI G3 Sections/ Indicator

IX.a.ii. Energy

One of the most significant challenges the country faces is to develop clean and affordable sources of energy to power society, grow the economy and protect the environment. In pursuit of this goal, Bank of America has developed policies that promote the efficient production, conversion, delivery and consumption of energy to help make the necessary transition to a sustainable energy future.

The bank's 10-year, $20 billion environmental initiative is providing focused products, services, lending and investments, targeted at the needs of customers who are developing and implementing new, efficient technologies, as well as zero- and low-carbon energy to build and grow society.

The policies and practices that the company has instituted cover a wide range of activities, including lowering carbon emissions while maintaining a reliable and diverse fuel mix. They include the increased development of renewable energy sources and transportation technologies that enhance energy security. The bank's policies and practices also encourage the growth of zero-carbon-emitting energy sources, such as nuclear power and wind.

Bank of America funds advanced technologies that reduce the carbon emissions produced by the burning of fossil fuels, with a particular emphasis on technologies that capture carbon from fossil fuel plants and then sequester that carbon in geologic reservoirs. To further promote these actions, Bank of America partners with coal producers, utility companies, leading universities and the environmental community to develop the necessary elements aimed at implementing Carbon Capture and Storage (CCS) on a global scale. The bank recognizes that CCS technologies will be necessary for addressing global climate change while enabling economies to flourish.

The company is also funding the development of advanced technologies that work to improve energy efficiency in power generation and transmission, as well as technologies that improve consumers' efficient use of power. EN5 EN6

Bank of America strongly believes that, through its policies, it can help to create a future where everyone enjoys a robust economy, as well as a clean, healthy environment.

IX.a.iii. Coal

Coal Policy

As Bank of America expands its support and commitment to energy efficiency, renewable energy, and other low-carbon energy sources through its lending, investments, products and services, and operations, it recognizes that at the present time, fossil fuels, and coal in particular, will continue to supply a significant amount of the energy needed to power society.

There are environmental and other impacts associated with any energy source. For coal, these impacts result from extraction, processing and combustion. Bank of America continues to engage key stakeholders, including coal producers, utility companies, leading universities, and the environmental community on energy, coal, the environment, and the necessary technologies to promote low-carbon energy. From these discussions, Bank of America has developed a policy that will help it play a significant role as a leading financial services company in promoting the responsible use of coal. The bank's policy is focused on the following elements:

Technology

Advanced technologies, such as CCS that capture carbon from fossil fuel plants and sequester that carbon in geologic reservoirs, will be necessary for addressing global climate change while enabling economies to flourish. Through the bank's partnerships, it will promote the necessary conditions for implementing CCS on a global scale. The company will employ its resources as a financial institution to promote the development and deployment of these advanced technologies to reduce the carbon emissions produced by the burning of fossil fuels.

Financial Services Policies
The company will support, adopt and adhere to leading practices for managing the environmental impacts associated with coal. Bank of America has taken a leadership position by committing to the Carbon Principles and reducing emissions associated with its utility portfolio as best practices for managing risks associated with coal.

Extraction
Bank of America is particularly concerned about surface mining conducted through mountaintop removal in locations such as central Appalachia. The bank will phase out financing of companies whose predominant method of extracting coal is through mountaintop removal. While Bank of America acknowledges that surface mining is economically efficient and creates jobs, it can be conducted in a way that minimizes environmental impacts in certain geographies.

IX.a.iv. Forests
Bank of America recognizes that forests are vital for their role in the global carbon cycle through its ability to store GHGs and help mitigate global climate change.

But the fact remains: Deforestation and land use change is a significant risk to global forest ecosystems and the biodiversity that these forests support. Deforestation contributes approximately one-fifth of the carbon emissions that lead to climate change.

Bank of America is a strong advocate of sustainable forestry investments and is active in promoting these investments through its strategic investments division, trust management and other endeavors. The bank has developed the highest standards in the financial services sector for promoting sustainable forest practices through both its lending activity and its own operations.

When working forests are managed sustainability, they can provide additional economic benefit from the use of modern financial instruments, such as conservation easements and the future potential of forest carbon accounting to derive additional revenue. And, preserving and properly managing forests enhances biodiversity and the ability of the land to play its critically important role in absorbing atmospheric carbon.

Proper forest management helps forests to continue providing a wide range of vital environmental benefits, including wildlife habitat, clean water and air, as well as a sustainable supply of forest products. Proper management also helps the economic and cultural survival of forest-dependent communities.

In 2004, Bank of America made significant enhancements to its lending practices in the forest and paper products industry and was among the first to set a sustainable forestry standard. The company developed a forest lending policy in consultation with its customers who have expertise in the sector, as well as with environmental partners, who work on developing best practices, including forestry certification. The forest lending policy places additional value on forestry certification by incorporating it as a due-diligence tool.

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Paper Procurement Policies
For many years, the financial services industry has depended on the use of paper for a wide variety of business purposes. But today, recognizing that the paper trail leads back to our stressed and threatened forests, Bank of America recognizes that maintaining the ecological health of forests is necessary for the future of its business and for communities.

Understanding the impacts associated with our own operations, Bank of America is committed

GRI G3 Sections/ Indicator

to applying the same lending requirements for its customers to its own purchases of forest products, especially paper. The bank's paper procurement policies therefore mandate minimal use of paper containing virgin wood fiber. Instead, it sources paper from forests that use environmentally preferable practices and protect environmentally sensitive areas.

The bank's Paper Procurement Policy includes:

- **Source Reduction and Recycling**—In order to reduce demand on forests, Bank of America continuously builds on its long-standing commitment to minimize consumption of paper products containing virgin wood fiber.
- **Sustainable Forest Practices**—When procuring paper products containing virgin wood fiber, the company requires suppliers to use environmentally preferable practices so that the source forests from which fiber is procured are managed properly.
- **Protection of Endangered Forests**—Bank of America requires suppliers of paper products to identify and appropriately manage forests threatened by human or commercial activity.

Additional detail on the bank's Paper Procurement policy is included in the Appendix.

Forest Certification
Forest certification is the most effective tool available to leverage the company's lending and procurement to promote sustainable forests and to document that its policies are being met. Bank of America requires that its forest product suppliers document the sustainability of their fiber sources and that they be third-party certified to an acceptable forest certification standard. Additional detail on how Bank of America considers forestry certification is included in the Appendix.

IX.a.v. Other Credit Policies and Guidelines 4.8

IX.a.v.1. Environmental Risk Management
The bank's lending is impacted by environmental issues. Its Environmental Credit Policies for each of its divisions aim to manage the environmental risk associated with bank loans. These policies are summarized below and a longer explanation can be found in the Appendix.

IX.a.v.2. Commercial and Small Business Banking 4.8

- Appropriate levels of Environmental Due Diligence (EDD) mitigate risks from borrowers becoming subject to liabilities arising from regulatory actions, litigation and property contamination.
- The level of EDD required in a transaction is based on the use of the property (past or present), the loan amount and the presence of existing due diligence.

IX.a.v.3. Corporate and Investment Banking 4.8
The bank considers environmental sensitivity an important component of its credit, investment, underwriting and payments decision-making.

IX.a.v.3.a. Equator Principles
Bank of America has endorsed the Equator Principles on project finance and continues to support these principles as an industry best standard for project finance. At the present time, the bank's business model does not generally reflect the types of transactions subject to the Equator Principles. In 2007 and 2008, there were no transactions subject to the Equator Principles.

GRI G3 Sections/ Indicator

HR6
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HR9

IX.a.v.3.b. Developing Country and Highly Indebted Poor Country (HIPC) Lending

The bank considers not only a client's capacity and willingness to repay as agreed, but also the following factors (the full policy is included in the Appendix):

- The bank favors the stability and prosperity that arise from political and economic democracy and political and economic systems in which participation is widespread, rather than limited to a privileged few.
- Associates are directed to lend to enterprises for producing and improving products and offering services that enable communities to prosper.
- Associates are to be alert to and carefully analyze the risks posed in some countries by inefficiency or corruption, or both.
- The bank also considers the impact on the local population — the environment, the structure of culture and society, political systems, public health, economics and standards of living, and the government's human rights record and policies.
- In the special case of HIPC, the bank considers total external debt, political and economic reforms, impact on the local population (as above), the sovereignty of the government and sensitivity to outside interference.
- When forming an opinion on local economies or social conditions, associates routinely gather information from observers on the ground, including local businesspeople, bankers and economists, the U.S. Embassy, the host country's central bank and credible, reliable nongovernmental organizations.

The HIPC Lending policy provides an additional level of guidance on the bank's lending activity in areas of the world with a less developed legal and regulatory framework. Policy guidance is especially focused on issues such as child labor, forced or compulsory labor, indigenous rights and human rights in general. Further issues that are often of concern during project development include adequate training and sensitivity of security personnel to human rights. This specific issue falls within the provisions of the Equator Principles given it's relevance to project finance.

IX.b. Corporate Governance and Ethics

IX.b.i. Ethics

The actions of all associates are guided by a strong commitment to a Code of Ethics that defines how the organization works. This commitment is outlined by Chief Executive Officer Kenneth Lewis in the message below.

Bank of America Corporation Code of Ethics

A Message from the CEO

The Bank of America Code of Ethics for all of our associates and directors puts into writing the highest standards of ethical conduct to which we hold ourselves, and one another, accountable.

Trust, one of the core values on which our company is built, is also the foundation on which we build strong relationships with our customers, shareholders, communities and one another. Our code provides direction on how we can achieve our business goals while preserving and building on the trust upon which our company is built. The responsibility for creating and sustaining trust in Bank of America rests squarely on each of us, and the personal integrity we bring to our work.

The code, in effect, explains what we mean when we say one of our core values is "doing the right thing." Each of us is required to acknowledge our responsibility for reading, understanding and complying with the guidelines in this document. If you have any questions, talk with your manager.

We all recognize that results are important. Our Code of Ethics underscores our individual and collective recognition that how we achieve those results is just as important. To preserve the trust others place in us, and our trust in each other, I am counting on you to uphold the highest professional and ethical standards in all that you do. In living up to this commitment, I look forward to all we will accomplish together.

Kenneth D. Lewis

Chairman, Chief Executive Officer and President

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IX.b.ii. Hiring Policies

The following table presents the breakdown of female (includes minority females) and minority associates in various job categories. This table is also available here.

2007 and 2008 Bank of America Workforce Breakdown

Year	2007		2008	
Job Category	**Female**	**Minority***	**Female**	**Minority***
Officials and Managers	49.24%	24.52%	48.82%	25.27%
Professionals	47.07%	27.06%	46.27%	25.89%
Technicians	41.66%	41.85%	39.71%	41.93%
Sales Workers	36.90%	24.86%	32.10%	23.35%
Office and Clerical	76.97%	54.45%	76.44%	54.95%
Operatives	40.48%	52.06%	36.64%	69.28%
Service Workers	54.69%	42.19%	51.16%	34.88%
Total	**66.01%**	**44.41%**	**65.72%**	**44.96%**

* Includes minority females

IX.b.iii. Supplier Diversity

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Bank of America established its Supplier Diversity Program in 1990, to include diverse suppliers into its overall corporate purchasing strategy. Supplier diversity spending goals were established at 10% and sponsored activities targeted the expansion of opportunities for diverse suppliers. Formal, corporate-purchasing policies were implemented mandating that all contracts with domestic Bank of America suppliers above $500,000 must include supplier diversity and development language and expectations. Contracts less than or equal to $500,000 must include documentation to show diverse supplier participation in the Requisition for Procurement and/or bid process.

This commitment is also realized through the dedication of the bank's team of Supplier Development Managers (SDMs) who work with diverse suppliers, supporting their development, and positioning them as Bank of America suppliers and leaders in their industry. SDMs also work with diverse and non-diverse suppliers to create and enhance their supplier diversity programs and help them uncover opportunities to work with diverse companies in 2nd tier relationships.

The Bank of America Supplier Development Program incorporates Six Sigma training for diverse suppliers, sponsorship of conferences, networking events and access to capital. Offering continued education through the Dorothy B. Brothers Executive Scholarship and maintaining the company's relationships with organizations, such as the National Minority Supplier Development Council and the Women's Business Enterprise National Council, has helped the bank keep supplier diversity at the forefront of its procurement activities.

After surpassing its initial 1990 goal of spending 10% of overall sourceable spend with diverse suppliers, Bank of America increased the commitment to 15% by 2007. This goal was met when Bank of America spent over $1.6 billion dollars, or 16% of overall sourceable spend, with diverse companies in 2007. In the past five years, including 2008, the company estimates its spending with diverse suppliers has totaled more than $6 billion.

IX.b.iv. Public Policy

Bank of America maintains a Political Action Committee (PAC) Program to allow the company and its associates to be fully engaged in the political and legislative process. Although, under federal law, Bank of America is allowed to pay the costs of administering the PAC Program, it is prohibited from directly contributing to PAC. Associates support those efforts through their voluntary personal contributions.

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S06

The nonpartisan Bank of America PAC allows eligible associates to combine their contributions for maximum impact in supporting candidates who share the company's views on key issues. Government Relations professionals and other appropriate Bank of America associates designate to whom political contributions are made.

The 2007 Bank of America PAC supported candidates who were focused on patent reform, mortgages, foreclosures, taxes and credit card practices. A copy of the annual PAC report is included in the Appendix.

IX.b.v. Anti-Money Laundering and Anti-Terrorism Financing

The bank holds itself to a stringent Anti-Money Laundering and Anti-Terrorism Financing Policy Statement, intended to guard against the company's unintentional involvement in criminal activity, and to reinforce its policy of cooperation with law enforcement and regulatory agencies.

GRI G3 Sections/ Indicator

X. Partnerships and Stakeholder Engagement

X.a. Our Partners

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Bank of America creates and maintains many channels of dialog with its stakeholders, which help to foster communication that allows the bank to learn more about its markets, clients' social and economic needs, and ways to have a positive impact in the communities it serves. Many of these same channels allow the bank to become a thought leader in addressing community needs and in applying its resources (financial and human) to help solve the priority problems faced by these communities.

A primary example of direct stakeholder involvement and the bank acting as a convener on issues in the community is the Bank of America National Community Advisory Council. This external group is comprised of 25 nationally prominent leaders in various facets of community development. The key mission of the council is to promote an open forum on critical issues affecting community development efforts on a national and local level. Members of the National Community Advisory Council advise Bank of America on programs and services that advance the bank's strategies for revitalizing neighborhoods and enhancing financial stability for community residents.

The bank's relationships with its stakeholders help identify ways it can help commercial clients create and use new products, services and technologies that are environmentally friendly and sustainable. Areas of focus include financing for real estate projects with LEED certification, energy efficiency and promotion of smart growth. Among other new projects, the bank has launched the capability to trade carbon emissions credits to help clients achieve carbon emission neutrality through existing and emerging market mechanisms.

Partnerships Overview

Bank of America can do much to address climate change and other sustainability issues, but it recognizes that it can be more effective when it partners with other organizations and draws upon a wider set of experiences to achieve shared environmental goals.

Therefore, the company has been building relationships with individuals and organizations distinguished by their vision, experience, demonstrated commitment to lead and ability to get things done. The bank's environmental partners include government entities, nongovernmental organizations (NGOs), universities and other businesses.

The following table summarizes many of the company's key partnerships:

Formal Alliances/Partnerships	Date of Adoption	Countries/ Operations Where Applied	Binding/ Non Binding
United Nations Environment Program Finance Initiative (UNEP FI) – UNEP FI works closely with over 160 financial institutions that are signatories to the UNEP FI Statements, and a range of partner organizations to develop and promote linkages between the environment, sustainability and financial performance. Through regional activities, a comprehensive work program, training programs and research, UNEP FI carries out its mission to identify, promote, and realize the adoption of best environmental and sustainability practices at all levels of financial institution operations. http://www.unepfi.org/about/index.html	July 2001	International	Binding statement of principles

Formal Alliances/Partnerships	Date of Adoption	Countries/ Operations Where Applied	Binding/ Non Binding
Coalition for Environmentally Responsible Economies (Ceres) – Ceres is a national network of investors, environmental organizations and other public interest groups working with companies and investors to address sustainability challenges such as global climate change. http://www.ceres.org/	1996	International	Binding statement of principles
Carbon Principles – The Carbon Principles provide a consistent approach for banks and their U.S. power clients to evaluate and address carbon risks in the financing of electric power projects. The Principles and the accompanying Enhanced Environmental Diligence Process strive to create industry best practice for evaluating options to meet the electric power needs of the United States in an environmentally responsible and cost-effective manner in an uncertain policy environment. http://www.carbonprinciples.com/	April 2008	U.S.	Binding set of principles and enhanced environmental due diligence process
Equator Principles – The Equator Principles Financial Institutions (EPFIs) have adopted a set of Principles to make certain that the projects financed are developed in a manner that is socially responsible and reflect sound, environmental management practices. The EPFIs believe that by doing so, negative impacts on project-affected ecosystems and communities should be avoided where possible, and if these impacts are unavoidable, they should be reduced, mitigated and/or compensated for appropriately. The EPFIs believe that adoption of and adherence to these Principles offers significant benefits to financial institutions, its borrowers and local stakeholders through its borrowers' engagement with locally affected communities. The EPFIs therefore recognize that FIs role as financiers affords it opportunities to promote responsible environmental stewardship and socially responsible development. http://www.equator-principles.com/principles.shtml	April 2004	International	Binding principles
U.S. Environmental Protection Agency (EPA) Climate Leaders – EPA's Climate Leaders is an industry-government partnership that works with companies to develop long-term comprehensive climate change strategies. Partners set a corporate-wide greenhouse gas (GHG) reduction goal and inventory their emissions to measure progress. By reporting inventory data to EPA, partners create a lasting record of their accomplishments. Partners also identify themselves as corporate environmental leaders and strategically position themselves as climate change policy continues to unfold. http://www.epa.gov/stateply/	May 2003	U.S.	Voluntary, non binding commitment
Chicago Climate Exchange (CCX) – CCX is North America's only cap and trade system for all six GHGs, with global affiliates and projects worldwide. Bank of America is both a liquidity provider on the exchange and has committed to a GHG emissions reduction target for its operations. http://www.chicagoclimatex.com	July 2007	North America	Binding commitment
United States EPA ENERGY STAR – ENERGY STAR is a joint program of the U.S. EPA and the U.S. Department of Energy, helping everyone save money and protect the environment through energy efficient products and practices. http://www.energystar.gov/index.cfm?c=about.ab_index	N/A	U.S.	Non binding

Formal Alliances/Partnerships	Date of Adoption	Countries/ Operations Where Applied	Binding/ Non binding
United States Green Building Council (USGBC) – Founded in 1993, the USGBC is a nonprofit organization dedicated to advancing sustainable buildings and building management practices. To that end, it administers the Leadership in Energy and Environmental Design (LEED) green building certification system, an internationally-recognized standard of achievement in the design, construction and operation of sustainable buildings. Bank of America has been a member and a partner of the USGBC since 1997, and has represented the Finance, Surety and Corporate Real Estate sectors on USGBC's board of directors since 2006. http://www.usgbc.org /	1997	North America	Non binding
Metafore Paper Working Group (PWG) – The PWG is a collaboration between 11 leading companies and Metafore to make environmentally preferable paper products more widely available and affordable. http://www.metafore.org/index.php?p=Paper_Working_Group&s=263	July 2004	U.S.	Non binding
The Nature Conservancy International Leadership Council (ILC) – The Nature Conservancy ILC is one of the world's leading corporate forums focusing on the challenges confronting biodiversity preservation, habitat conservation and natural resource management. These issues lie at the heart of a growing number of corporate responsibility programs. The ILC brings together companies from many industries (finance, manufacturing, forestry, consumer products, information technology, etc.) to seek solutions to conservation challenges through cooperative partnerships between the business community and The Nature Conservancy. http://www.nature.org/joinanddonate/corporatepartnerships/leadership/	1998	International	Non binding
Environmental Bankers Association (EBA) – EBA is a non profit trade association that represents the financial services industry, including bank and non-bank financial institutions, insurers, asset management firms and those who provide services to them. Its members include lending institutions, property and casualty insurers, life insurers, the environmental consulting and appraisal community, and attorneys. The EBA was established in 1994 in response to heightened sensitivity to environmental risk issues, and the need for environmental risk management and due diligence policies and procedures in financial institutions. http://www.envirobank.org/about.php	1994	U.S.	Non binding
Pew Center on Global Climate Change Business Environmental Leadership Council (BELC) – The Pew Center's BELC was created at the Center's inception under the belief that business engagement is critical for developing efficient, effective solutions to the climate problem. BELC also believes that companies taking early action on climate strategies and policy will gain sustained competitive advantage over their peers. The BELC is now the largest U.S.-based association of corporations focused on addressing the challenges of climate change, with 44 members representing $2.8 trillion in market capitalization and over 3.8 million employees. Many different sectors are represented, from high technology to diversified manufacturing; from oil and gas to transportation; from utilities to chemicals. http://www.pewclimate.org/companies_leading_the_way_belc	October 2006	U.S.	Non binding
Conservation International–Center for Environmental Leadership in Business (CELB) – CELB was created by Conservation International and its partners to engage the private sector worldwide in creating solutions to critical global environmental problems in which industry plays a defining role. CELB convenes global dialogues to create best practices within key industries worldwide and promote effective policy solutions on issues such as global climate change. http://www.celb.org	2008	International	Non binding

X.b. Success Stories

X.b.i. Coalition for Environmentally Responsible Economies (Ceres)

Ceres is a national network of investors, environmental organizations and other public interest groups working with companies and investors to address sustainability challenges such as global climate change.

Bank of America began its relationship with Ceres in 1996, when it adopted the Ceres Principles, a ten-point code of corporate environmental conduct that commits to an ongoing process of continuous improvement, dialogue and comprehensive and systematic public reporting.

The bank has worked with Ceres on a number of initiatives, including forestry and energy, energy efficiency and climate change. Bank associates have also participated as guest speakers at the annual Ceres conference and the Ceres-convened Investor Network on Climate Risk.

In 2004, Ceres provided a supporting role in the formulation of the bank's revised Forests Policy and its commitment to reduce the GHG emissions intensity of its energy utility portfolio. Bank of America is currently working with Ceres on the promotion of energy efficiency, and in the fall of 2007, the company provided a $1 million grant to Ceres and the United Nations Foundation to establish a National Task Force on Energy Efficiency. The task force seeks to double the rate of energy efficiency improvement in the United States by 2012.

X.b.ii. Academic Partnerships

X.b.ii.a Harvard University

The Harvard University Center for the Environment recognizes that the most pressing problems facing the natural environment are complex, often requiring collaborative investigation by scholars versed in different disciplines. The Center for the Environment seeks to raise the quality of environmental research at Harvard and beyond by connecting scholars and practitioners from different disciplines.

Since 2006, Bank of America has partnered with the Harvard University Center for the Environment. The company's support enables the center to organize speaker series and conferences that bring together the Harvard University community and the public to discuss choices and strategies for addressing, in concrete ways, today's energy and environmental challenges.

As a direct result of the bank's support, the center has developed a campus-wide energy and environment research community that is centered on four programs: The "Future of Energy" speaker series; "Biodiversity, Ecology, and Global Change" speaker series; "Green Conversations;" and "Climate Solutions: Carbon Capture and Storage." Bank of America is proud to sponsor these events, which promote serious discussion and action on the energy and environmental challenges facing the world.

Future of Energy
Since 2006, the "Future of Energy" series has brought leaders from government, industry and academia from around the world to Harvard to help the university define research challenges from a variety of perspectives in the energy realm.

The Center for the Environment is planning six major events focused on the "Future of Energy" during the 2008-2009 academic year. Among the speakers will be John Rowe, CEO of Exelon; Steven Leer, CEO of Arch Coal; Mukesh Ambani, CEO of Reliance Industries; and Senator Jeff Bingaman, Chairman of the U.S. Senate Committee on Energy and Natural Resources.

Biodiversity, Ecology and Global Change; Green Conversations
In 2007-2008, Bank of America supported the "Biodiversity, Ecology, and Global Change" lecture series and the center's newest series, "Green Conversations," showcasing dialogue between Harvard faculty and prominent experts in academia, business, government and nongovernmental organizations, which focused on topics that included innovative technology designed to increase the efficiency of the electric grid.

Climate Solutions: Carbon Capture and Storage
A critical component of the larger "Climate Solutions" program is a focused research project on the challenges and opportunities associated with carbon capture and storage (CCS). This series address the numerous obstacles and unanswered questions standing in the way of any strategy for broad implementation for CCS.

Through coordinated, cross-disciplinary research projects, workshops and published policy papers, the "Climate Solutions" program will enable Harvard to make a critical contribution to policymakers at a time when thoughtful analysis of policy alternatives are urgently needed.

X.b.ii.b. Duke University
In spring 2008, Bank of America began partnering with Duke's Corporate Sustainability Initiative (CSI) to complete a project focusing on the identification, valuation and management of business opportunities and risks around climate change.

X.b.ii.c. University of California, Los Angeles/ University of California, Berkeley
Bank of America is partnering with the California Center for Environmental Law & Policy at the University of California, Berkeley and at the Environmental Law Center at the University of California, Los Angeles to organize and convene a series of workshops in collaboration with the California Attorney General's Office.

The workshops are designed to bring together leaders of California's business community, along with key academics, scientists and policymakers. The workshops will identify the particular challenges, uncertainties and business opportunities that climate change presents for identified, targeted sectors of California industry, as well as the potential means by which those sectors can most effectively reduce their GHG emission levels and persuade consumers of their products and services to ultimately do the same.

Appendix

GRI G3 Sections/ Indicator

XI. Appendix

XI.a. Forest Practices

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Bank of America promotes sustainable practices for both the bank and its clients by managing the environmental, social and reputation impact of its financing activities. Forests are important resources for communities and globally. Forests provide a wide range of goods and benefits, such as timber, wildlife habitat, food, medicine, water and air quality, and spiritual and aesthetic solace. Forest-dependent communities, including indigenous forest dwellers, rely on the continued vitality of the forests for their livelihood and, in some cases, their cultural survival. Forests are also an important element of the global carbon cycle. The importance of sustaining the ecological health of forests is a key factor in sustaining the cultures, local communities and economies relying on this resource. Bank of America will apply the following policies to all extensions of credit. In addition, this policy will apply to bond underwriting where proceeds are project specific. The following policy applies to new business as of May 15, 2004 and for existing contracts at the time of renewal:

A. Bank of America will use due-diligence measures to assure that lending proceeds are not used to finance commercial projects or operations that result in resource extraction from, or the clearing of : I. Primary tropical moist forests; II. Additionally, lending proceeds will not go to logging operations in intact forests as defined by World Resource Institute (WRI) mapping as it is developed. Bank of America will assist in funding the development of WRI mapping; III. Primary forests in temperate or boreal forest regions that are not managed using sustainable forestry practices as verified by an independent, third-party audit; and IV. High conservation value forests, unless under approved conservation plans verified by an independent, third-party audit with necessary permits granted by applicable governmental/regulatory authorities. In all cases, the borrower must remain in compliance with applicable laws and regulations governing timber harvesting.

B. In 2005, the bank partnered through existing environmental alliances to evaluate the value of various forestry certification programs as a means to both reduce risk and further encourage recognized best practices in sustainable forestry.

C. Given the benefits associated with reforestation of cleared and degraded land, Bank of America will finance tree plantations on previously cleared forest land if the clearing and/or degradation of the land was conducted in accordance with applicable laws and regulations. Exceptions are allowed only after five years have passed and only if no direct link to the original deforestation can be demonstrated.

D. Bank of America will not finance companies or projects that collude with, or knowingly purchase timber from, illegal logging operations. Due diligence will include company representation as to its practices and monitoring for illegal logging.

E. Bank of America respects the rights of indigenous communities whose livelihoods or cultural integrity could be adversely impacted. Due-diligence procedures for projects in primary temperate/boreal or high conservation value forests will weigh the impact of credit decisions on the indigenous peoples that could be affected. The bank will not finance the operations unless it is determined that indigenous peoples impacted by projects in these sensitive areas, whether directly or by induced impact, have the opportunity and, if needed, culturally appropriate representation, and have access to the information to engage in informed participation. Additionally, Bank of America will not finance operations in areas where indigenous land claims are not settled.

F. Bank of America will not finance companies that do not have an explicit policy against the uncontrolled and/or illegal use of fire in their forestry or plantation operations. Due diligence will include company representation as to its policy and monitoring.

G. Bank of America will not finance companies or projects that contravene any relevant binding international environmental agreement to which the member country concerned is a party to or that violate local, state or national environmental, labor or social laws. Due diligence will include company representation as to its policy and monitoring.

H. False declarations of compliance or failure to adhere to conditions are considered events of default and appropriate actions will be taken.

I. All other environmental issues pertaining to forestry practices will be guided through other Bank of America environmental guidelines and policies. Bank of America will follow corporate-approved due-diligence procedures when financing companies involved in the forestry industry. However, the bank recognizes that in some circumstances, decisions will be made based on the best information available at the time and based on the good faith that information presented to Bank of America is accurate. As such, the company will not be held liable if information after the fact demonstrates that a breach of policy occurred.

Paper Procurement Policy

This can also be accessed here.

Bank of America Environment

Paper Procurement Policy

Bank of America has developed a paper procurement policy because we recognize that paper is a key material used in providing financial services, that the majority of the paper we purchase is derived from forests, and that maintaining the ecological health of forests aligns with our commitment to environmental stewardship.

Our policy addresses and encourages the following:

- Source Reduction and Recycling
- Sustainable Forest Practices
- Protection of Endangered Forests

Bank of America Paper Procurement Policy

Bank of America believes responsible environmental stewardship is an integral component of doing business. The health of the environment not only directly affects the quality of our lives; it's also a part of the foundation for a sustainable economy. As a result, environmental considerations are increasingly intertwined with economic decisions. Bank of America is committed to integrating environmental stewardship into our business operations, placing emphasis on minimizing waste and consumption, addressing climate change, and preserving biodiversity.

Bank of America has developed the following paper procurement policy because we recognize that paper is a key material used in providing financial services, that the majority of the paper we purchase is derived from forests, and that maintaining the ecological health of forests aligns with our commitment to environmental stewardship. Forests help regulate climate, support biodiversity, and provide other vital services that help sustain the cultures, local communities[1] and economies relying on this resource.

The bank's paper procurement policy seeks to maintain the ecological health of forests through:

- **Source Reduction and Recycling.** The bank will build on its long-standing commitment to minimize consumption of paper products containing virgin wood fiber, in order to reduce demand on forests;
- **Sustainable Forest Practices.** When procuring paper products containing virgin wood fiber, the bank will require its suppliers to ensure that the source forests from which fiber is procured are managed using environmentally preferable practices;
- **Protection of Endangered Forests.** The bank will require its suppliers of paper products to identify and appropriately manage forests threatened by human or commercial activity.

Bank of America *Environment*

Bank of America will apply the following policies to all new agreements to purchase paper products as of April 1, 2005 and for existing agreements at the time of renewal. This policy includes, but is not limited to direct agreements between the bank and its suppliers to purchase paper products. The bank also encourages its third party suppliers of goods and services to employ sound environmental business practices. (see section I.C, below).

I. Source Reduction and Recycling

A. The bank will minimize the volume, by weight, of paper products it purchases, where cost, quality, and general business needs allow. This will be achieved via procurement best practices, such as light weighting; internal operations initiatives, such as business process digitization; and customer product offerings, such as providing online banking customers with the option of receiving electronic statements in place of paper statements.
B. Bank of America will maximize its purchase of paper products containing post-consumer recycled content where cost, quality, and feature requirements allow. The bank has set a goal that 90 percent of total paper purchases are to contain a minimum of 20 percent post-consumer recycled content by 2006. Metrics around recycled paper purchases will be available in the bank's annual Sustainability Report.
C. As a component of its secure document disposal program, the bank will recycle paper it uses in internal operations and receives from external sources.
D. Bank of America will encourage any supplier with which it enters into a contractual agreement for the provision of goods or services to use, consistent with the efficient performance of such agreements, recycled paper products, and to implement and adhere to other applicable environmentally beneficial policies and practices.

II. Forest Practices

A. The bank will not knowingly do business with companies that collude with, or purchase wood products from illegal logging operations[2]. Suppliers of paper products to the bank must remain in compliance with applicable laws and regulations governing timber harvesting and ensure their third party suppliers also comply with applicable laws and regulations.

B. The bank will manage its suppliers to ensure it is not aligning itself with suppliers engaged in the conversion of high conservation value forests[3] or natural forest ecosystems[4] to tree farms or plantations, on any scale, on lands that they own or manage.

Additionally, the Bank will require its suppliers[5] to work with their third party suppliers of wood fiber to encourage and monitor compliance with the conversion requirements above, to promote retention of high conservation value forests and natural forest ecosystems.

C. Suppliers of paper products will be required to possess independent third party certification of sustainable forestry practices for all forests they own or manage.

D. The bank will require all paper product suppliers to have procurement procedures in place that reliably identify the origin of all wood fiber used in the manufacture of their products and enable monitoring of compliance with legal and policy requirements. At Bank of America's request, suppliers will be required to produce documentation of their procurement procedures and/or fiber origin data produced by these procedures. The bank will require suppliers to warrant that:

   i. All wood fiber sourced from third party suppliers was harvested using sustainable harvest practices[6]. Suppliers will audit third party supplier harvest operations to verify that sustainable harvest practices are being implemented. At the bank's request, suppliers will be required to provide audit system documentation and results. Additionally, suppliers will actively promote logger training in sustainable harvest practices throughout their supply chains. Suppliers will work with their third party suppliers to ensure that a minimum 90% of their wood fiber is sourced from harvest operations in which at least one person per harvest crew is trained in sustainable harvest practices[7]. Suppliers will be required to monitor and report on compliance with this requirement, and the bank will encourage continuous improvement in this performance metric over time.

   ii. Neither their products nor product inputs, whether sourced from internal operations or third party suppliers, were derived from genetically modified organisms[8];

III. Protection of Endangered Forests

A. Bank of America will require suppliers of paper products to warrant that neither their products nor product inputs, whether sourced from internal operations or third party suppliers, were derived from the harvesting of:
   i. Primary tropical moist forests[9,10]
   ii. Primary forests in temperate or boreal forest regions that are not managed using sustainable forestry practices as verified by an independent third party audit.

B. The bank will require suppliers of paper products to assess all land they own or operate for high conservation value and to refrain from harvesting wood fiber from such areas unless management activities maintain or enhance the attributes that define such forests, as verified by an independent third party with relevant expertise.

C. Suppliers of paper products to the bank will be required to work with their third party suppliers to avoid sourcing any form of wood fiber harvested from high conservation value forests, unless management activities maintain or enhance the attributes that define such forests. Suppliers must submit to the bank a management plan to achieve this objective. The plan must contain measurable time bound goals, and the supplier will be required to report on a regular basis as to the progress against such goals.

False declarations of compliance or failure to adhere to conditions will be considered breaches of purchasing terms and conditions and appropriate actions will be taken. Bank of America will require supplier company representations and warranties with respect to compliance with the above conditions.

Additional Bank of America Actions

In addition to engaging with its paper products suppliers to insure compliance with the above policies, the Bank will encourage its suppliers to continually strive to exceed environmental performance expectations. The Bank will extend purchasing preference to products and suppliers that exhibit superior environmental performance, where cost, quality, and feature requirements allow.

To help increase the supply and affordability of environmentally preferable paper, Bank of America joined the Paper Working Group, a project of Metafore, in 2004. The group is developing sourcing tools that define environmentally preferable paper and enable businesses to evaluate the full range of environmental attributes of paper products.

To help identify sensitive forest areas that require special management attention, Bank of America has committed to continue its financial support for the development of the World Resources Institute's Global Forest Watch initiative to map intact forest landscapes[11].

Bank of America recognizes that successful implementation of these policies relies upon transparency to all stakeholders, appropriate training of all relevant associates and regular public corporate sustainability reporting. The bank will report on environmental data as per the Global Reporting Initiative (GRI) framework.

[1]**Local Communities** describes the broad group of people living in or near a forest or plantation, with some significant level of dependence on it. The term includes forest dwellers, indigenous forest - adjacent populations, and recent immigrants.

[2]**Illegal logging** takes place where timber is harvested in violation of local and national laws intended to stop illegal logging. Illegal logging includes: a) using corrupt means to gain access to forests, b) extraction without permission or from a legally unauthorized area, c) the cutting of protected species or the extraction of timber in excess of legal limits or in violation of legally approved forest management plans. Illegal logging has not yet been written into international law although issues relating to illegal logging have been addressed in some fashion by international treaties such as the Convention on Biological Diversity.

[3]**High Conservation Value Forests** are considered by this policy to be those that possess at least one of the following attributes: significant biodiversity or wilderness value; rare, or endangered species or ecosystems; ecosystem services, such as watershed protection and clean drinking water, that are critical to meeting basic needs of local communities (e.g. subsistence, health). Bank of America will direct its suppliers to partner with nationally and internationally recognized conservation organizations, such as NatureServe, The Nature Conservancy, Conservation International, and the World Wildlife Fund to assist in identifying and evaluating high conservation value forest areas.

[4]**Natural forest ecosystems** include forest lands that have been historically forested and that have remained continuously forested for an extended period of time (i.e., forests that have not been in agricultural or other non-forest use any time over the last two centuries) and where the current forest type is the naturally occurring forest type that would be expected under natural disturbance conditions.

[5]**Includes landowner outreach programs** that the supplier operates, or with which the supplier is affiliated.

[6]**Sustainable harvest practices** are to include at a minimum surface water protection practices, and for harvest operations within the United States, compliance with applicable state forestry best management practices. Sustainable harvest practices should also include ecology and wildlife management and forest aesthetics considerations.

[7]**Outside the United States and Canada,** in countries where third party certified training in sustainable harvest practices is not available, the harvest operation and/or landowner of the source forest will be required to partner with an environmental Non-Governmental Organization (NGO) to insure sustainable harvest practices are being implemented.

[8]**Genetically modified organisms (GMOs)** are defined here as organisms in which one or more specific genes have been intentionally added or removed. Organisms produced by conventional methods such as traditional domestication, selection and controlled breeding are not considered by this policy to be genetically modified organisms. Additionally, this policy does not apply to non-wood ingredients common to paper products, such as corn starches, that have been genetically modified.

[9]**A primary forest** is a relatively intact natural forest that has been essentially unmodified by commercial scale human activity for the preceding 80 or more years.

[10]**Tropical moist forest** is in areas that receive not less than 100mm of rain in any month for two out of three years and have an annual mean temperature of 24° C or higher.

[11]**Intact forest landscapes** are defined by Global Forest Watch in its 2003 report, *Canada's Large Intact Forest Landscapes*, as landscapes that possess "a contiguous mosaic of natural ecosystems in a forest ecozone, essentially undisturbed by human influence, including both treed and naturally treeless areas. An intact forest landscape must be large enough to contain and support natural biodiversity and ecological processes, and to provide a buffer against human disturbance from surrounding areas."

Forest Certification

This can also be accessed here.

Bank of America | *Environment*

Forest Certification
Forest certification is the most effective tool available to leverage our lending and procurement to promote sustainable forests and to document that our policies are being met. We require that our forest products suppliers document the sustainability of their fiber sources and obtain third-party certification in accordance with an acceptable forest certification standard.

We believe certification standards must have certain fundamental components. They must:

- Be credible, independent and widely accepted
- Set rigorous forest and land management standards
- Protect biodiversity, endangered species and other conservation values
- Require third-party auditing
- Provide a mechanism for chain-of-custody documentation
- Be transparent

We recognize that there is sometimes disagreement within the forestry and environmental communities about which standard is most appropriate for forest management, particularly for forests in North America. But in our view, the Forest Stewardship Council (FSC), the Sustainable Forest Initiative (SFI), the Canadian Standards Association (CSA) and other credible forest certification standards meet the majority of these criteria.

We have observed the application of each of these standards on the ground in the forests, and we have carefully reviewed comparisons of these standards by Yale University, the Pinchot Institute, the Meridian Institute and others. It appears that some standards are better suited to certain forest regions and landscapes than others, and some are more practical than others. The FSC Standard, for example, is widely accepted by the environmental community and is especially recognized for protecting social values and community rights (although these are less critical issues in developed countries), while the majority of forestland is certified to other standards in the United States.

Our approach is to try to adopt the best components of each standard. To be the leader in sustainable paper, our goal is to document the general sustainability of our suppliers.

But our society has a long way to go, because no single forest certification system yet comes close to certifying enough U.S. forest acreage to supply the variety of paper grades that we and our customers need. The reason is inescapable and is unlikely to change soon: the overwhelming percentage of forestland in the United States (70 percent) is owned by private non-industrial landowners, most of whom are currently indifferent to certifying their forestlands to one or any of the standards.

Bank of America *Environment*

At Bank of America, we strive to leverage our procurement program through the supply chain to create a market for certified forest fiber by providing the independent forestland owner an incentive to certify their forests. Bank of America's goal is to accelerate this process by procuring forest products whose fiber is third-party certified according to a credible, independent and widely accepted standard like the FSC, SFI and CSA standards.

XI.b. Environmental Credit Policies

XI.b.i. Commercial and Small Business Environmental Policy

Risk can be increased by environmental conditions because borrowers can become subject to liabilities arising from regulatory actions, litigation and property contamination. Thus, the bank is concerned with the possibility of a customer experiencing unforeseen financial distress and also with the possibility of being unable to foreclose on collateral that is contaminated. Appropriate levels of Environmental Due Diligence (EDD) mitigate these risks. Appropriate due diligence for an extension of credit must include a review of a client's environmental policies, procedures and/or practices, an inquiry into the environmental status of a client's properties and an assessment of a client's environmental liabilities. The level of EDD required in a transaction is based on the use of the property (past or present), the loan amount and the presence of existing due diligence. The due diligence conducted ranges from a simple environmental questionnaire on the lower risk and lower loan amounts to an ASTM Phase I and/or Phase II asbestos survey or lead-based paint survey, depending on the usage and dollar amount of the loan.

XI.b.ii. Global Corporate Investment Banking (GCIB) Environmental Policies

Bank of America is committed to playing a leadership role in helping to make economic development and environmental protection compatible, and considers environmental sensitivity an important component of its credit, investment, underwriting and payments decision-making. Because GCIB's business is broader in scope, the environmental credit policies are written to reflect that scope. General guidance and credit considerations are written into policy. In addition, when lending in developing countries, the bank has more specific guidance that includes social considerations as well as environmental considerations.

General Guidance

The bank will make special efforts to find ways to finance projects and companies that benefit the environment, and refrain from financing projects and companies if their environmental practices fall short of acceptable standards. The bank considers environmental practices acceptable if they:

- Meet industry standards, conform to World Bank guidelines and comply with applicable law.

This consideration is in addition to measures the bank should take so that:

- A client's creditworthiness is not impaired by liability for costly environmental cleanups, the bank does not incur liability for environmental matters, and doing business with a particular project or client does not negatively impact the bank's image and global brand.

General Credit Considerations

Prudent due diligence, underwriting, documentation and servicing of credit extensions include an inquiry into, an understanding of, and an appropriate response to environmental issues, which may affect the properties and business operations of a particular client, or that otherwise arise in a particular transaction.

Appropriate due diligence for an extension of credit includes a review of a client's environmental policies and procedures, an inquiry into the environmental status of a client's properties and an assessment of a client's environmental liabilities. The appropriate level of environmental due diligence may be determined in consultation with the bank's Environmental Services Department and, when appropriate, legal counsel.

XI.b.iii. Developing Countries Lending Criteria

When extending new loans and other credit commitments to and in developing countries, the bank considers not only a client's capacity and willingness to repay, as agreed, but also:

- Social policy
- The purpose of the transaction
- The impact on the local population

Taking Social Policy into Account

The bank takes social policy into account when making lending decisions. To do so is responsible behavior, and responsible behavior on the bank's part, as well as that of its clients, promotes stability and prosperity. Thus, over time, social responsibility and credit considerations tend to converge. The bank favors the stability and prosperity that arise from political and economic democracy, and political and economic systems, in which participation is widespread, rather than limited to a privileged few. Nonetheless, in a world of diverse circumstances and cultures, many countries follow political and economic models that differ from those to which the United States adheres.

Lending for Productive Purposes

When lending to clients in developing countries, associates are directed to adhere to the bank's principle (as set out below) regarding the purpose of the underlying transaction, and be alert to and carefully analyze the risks posed in some countries by inefficiency or corruption, or both.

Principle Regarding Purpose of the Transaction

One of the most important activities the bank undertakes is lending to enterprises for producing and improving products and offering services that enable communities to prosper. To that end, the bank encourages providing credit facilities to creditworthy clients for these productive purposes. Credits are generally discouraged if

they do not help the bank's clients create value but, instead, merely facilitate transferring assets from one entity to another or allow a client to engage in speculation. The bank recognizes that this is a broad principle rather than a specific rule with clear boundaries. Moreover, the bank's willingness to enter into individual transactions varies from time to time depending on the availability of resources and its global strategy. That being said, this broad principle always applies.

Considering the Impact on the Local Population

When deciding whether to make loans or extend credit to clients in developing countries, associates are directed to carefully weigh the impact of the credit decision on the residents of the country. Factors considered include the transaction's effect on:

- Environment, structure of culture and society, political systems (with special regard for the development of democracy or other systems which foster civil liberties and widespread participation in the political process)
- Public health
- Economics and standards of living (including the development of economic democracy)
- Government's human rights record and policies

These considerations are not just social policy concerns, but also credit concerns. If a transaction would adversely impact any of the items listed above, that negative impact would be considered a serious negative consideration against approval. Other normal factors are also taken into account, including both credit and policy considerations.

Negotiating with Heavily-Indebted Poor Countries

The bank recognizes that economic development necessarily entails social as well as monetary costs, and acknowledges that the governments involved are properly the prime decision makers in such processes. By its actions, the bank has already joined and intends to continue to join with other lenders, both public and private, to negotiate with heavily-indebted poor countries (HIPCs) in an effort to achieve the best possible outcome of economic, political and social stability.

In those negotiations, the following criteria are given significant weight:

- **Total External Debt**—In cases where total external debt is at such a level that debt service cannot be sustained without placing an undue burden on the country's residents, additional considerations apply. Generally, economic concessions should be agreed to as part of an overall economic program involving all creditors, including multilateral agencies (e.g. the IMF, World Bank and regional development banks), individual governments, and private creditors (such as banks), aimed at making a substantial and positive economic impact. Such concessions are typically arrived at by negotiation, rather than repudiation or imposition of terms by the debtor or unilateral forgiveness by the creditor.
- **Political and Economic Reforms**—The HIPC should have implemented and evidenced an intention to continue a program of sound political and economic reforms so that the benefits of any concessions its creditors make will not be lost to local inefficiency or corruption. Such reforms should not unduly burden the country's poorest segment.

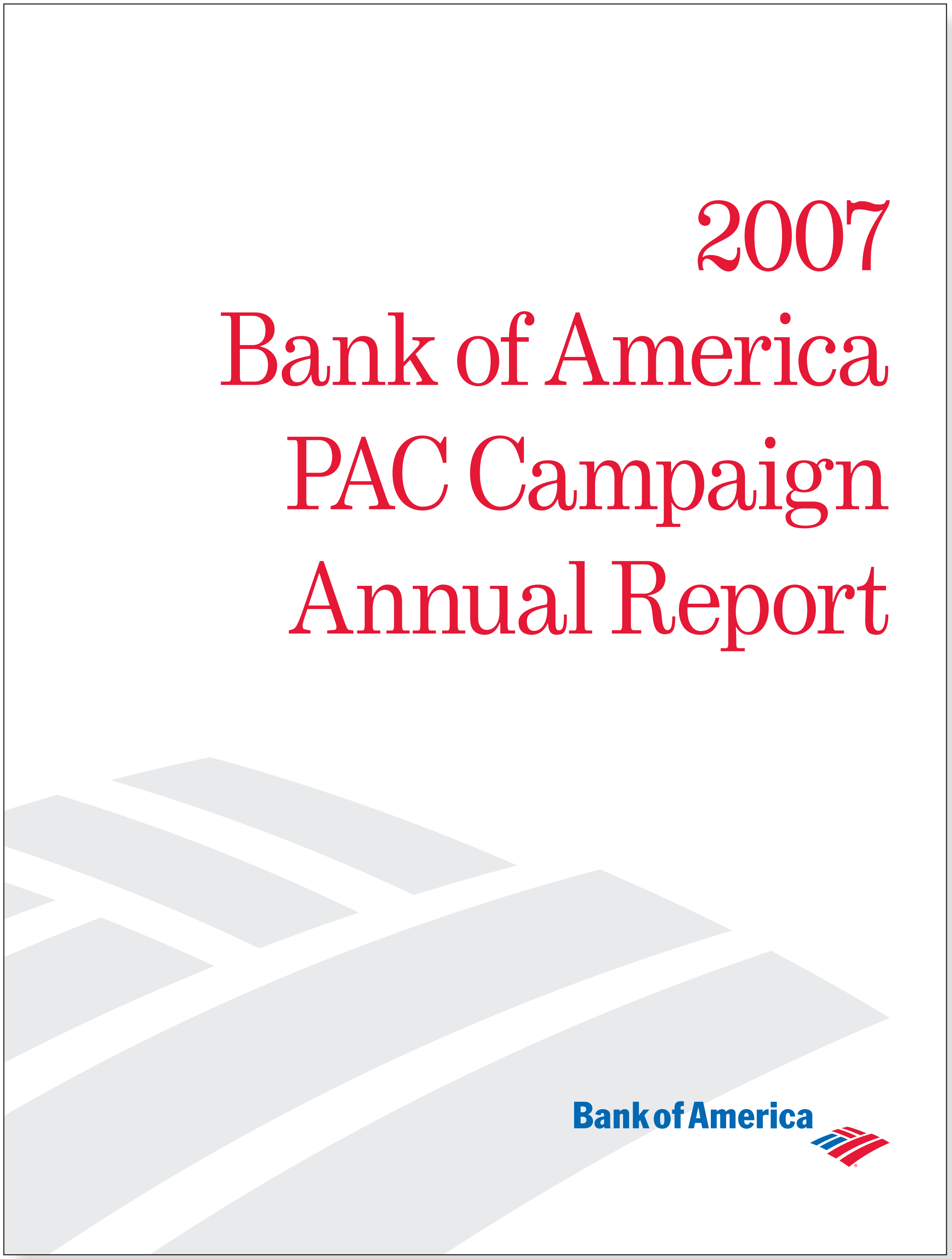
- **Impact on the Local Population**—Action by an HIPC to make strides in the six areas listed above, under Considering the Impact on the Local Population, weighs as a significant positive factor. Conversely, shortfalls in those areas weigh as a significant negative factor.
- **Role of the Government**—In making these decisions, associates are directed to also be conscious of the primary role to be played by the recognized governments of the countries concerned, and the legitimate sensitivity of the governments and people of those countries, with interference in their domestic affairs by other countries' governments and financial institutions. Each case is evaluated individually.

The criteria outlined above are not absolute and inflexible rules; instead, they are an indication of the spirit in which the bank's management intends these decisions to be made. These decisions must balance a variety of factors to advance the interests of all our constituencies' shareholders, associates, customers and the communities the bank serves.

Information on which to Base Judgments
When forming an opinion on local economies or social conditions, associates routinely gather information from observers on the ground, including local businesspeople, bankers and economists as well as the U.S. Embassy and the host country's central bank.

Nongovernmental Organizations
When gathering data to assess the risk inherent in doing business in a particular location, or with a particular client or project, associates are directed to also take into account information developed by NGOs. There are literally thousands of NGOs, many of which are dedicated to observing and reporting on a wide range of issues, such as environmental standards, democratic practices, principles of sustainable development, decent working conditions and the like. The views of credible, reliable NGOs can provide another perspective on the local economy and may be useful when assessing the likelihood of local opposition to a particular undertaking. Whether an NGO's opinion should influence individual credit decisions is a matter of judgment.

XI.c. Political Action Committee Report



2007
Bank of America
PAC Campaign
Annual Report

Bank of America

A Year of Challenges

BANK OF AMERICA POLITICAL ACTION COMMITTEE MISSION STATEMENT

The mission of the Bank of America Political Action Committee, or PAC, is to promote good government, and a strong and favorable business environment by supporting candidates at all levels of government who advocate positions favorable to our business models and to our philanthropic endeavors.

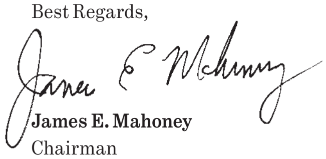
As chairman of the Bank of America State and Federal Political Action Committee, I would like to thank you for your continued support and contributions to the PAC in 2007. Thanks to you, the Bank of America PAC is highly recognized and admired in the financial industry and beyond.

2007 was a challenging legislative and regulatory year for us. The U.S. Congress and numerous state legislators tackled a variety of issues having direct and indirect impact on Bank of America, its associates and shareholders. Most state legislators and members of Congress are not experts on many financial service issues, but their decisions can affect our bottom line results and the products we offer to our customers. Through the PAC, we supported candidates who are inclined to agree with our positions on critical issues like patent reform, mortgages, foreclosures, taxes, and credit card practices.

This report is a detailed look at the contributions made by the Bank of America PAC in 2007. The PAC contributed to a wide range of political candidates who generally support positions favorable to the company's interests.

We are actively seeking to increase associate participation in the political process through the PAC. Involvement in the political arena is a key factor in creating positive and productive business outcomes. The Bank of America PAC was a prominent participant in the 2007 political process, and with your continued support, we look forward to an even stronger presence during this presidential election year.

Best Regards,

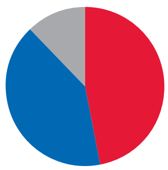


James E. Mahoney
Chairman
Bank of America State and Federal PAC

2007 in Review

The PAC supports the efforts of the Government Relations team and key business leaders on issues that impact Bank of America's bottom line. In turn, this provides a true return to the company and our associates. In 2007, there were over 2,000 legislative bills that could have impacted the company. Key legislation introduced at the federal and state level included:

- Affordable Housing
- Americans with Disabilities
- Anti-Money Laundering
- Attorney-Client Privilege
- Bank Overdraft Fees
- Bankruptcy Relief
- CRA Modernization
- CRA Expansion
- Credit Card Practices
- Currency Transaction Reports (CTRs)
- Do Not Call List
- Employment Non-Discrimination
- Farm Credit System Expansions
- FHA Reforms for Loan Limits
- Flood Relief
- Foreclosure Relief
- Healthcare
- Health Savings Accounts
- Hedge Funds
- ID Theft
- Mandatory Arbitration
- Mortgage Foreclosure
- Mortgage Lending
- Patent Reform
- Predatory Lending
- Retirement
- Security Freezes
- Security Breach Notification
- Small Business Fees
- Spyware
- State Tax Nexus
- Student Lending
- Student Marketing
- Tax Reform/Corporate Tax Rate
- Tax Relief for Debt Forgiveness



CATEGORY	AMOUNT	PERCENTAGE
Democrat	$ 719,262.00	41%
Republican	823,045.00	47%
Non-Partisan	220,256.00	12%
	$1,762,563.00	**100%**

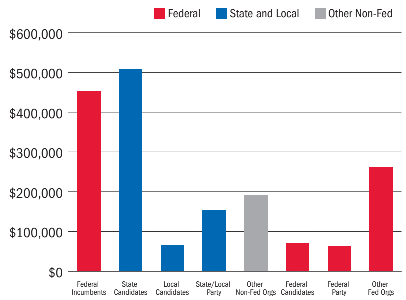
In 2007, the PAC included over 12,000 associates contributing $1.9 million in support of our PAC program. The PAC disbursed $1,762,563 to various federal, state and local candidates:

FEDERAL-ONLY PAC

$453,122 to federal incumbents

STATE AND FEDERAL PAC

39% to candidates at state level ($506,985)
5% to candidates at local level ($65,016)
12% to state and local party committees ($152,300)
15% to other state and local party organizations ($190,890)
5% to federal candidates ($70,500)
5% to federal party committees ($61,750)
20% to other federal political organizations ($262,000)



Bank of America 3

BANK OF AMERICA PAC EXPENDITURES AND DISBURSEMENTS

FEDERAL-ONLY (G-37) PAC	
Beginning Balance (01/01/2007)	$ 846,064.61
Total Associate Contributions	290,349.28
Refunded/Cancelled Checks/Admin.	1,123.00
Total Disbursements to Candidates	453,121.76
Ending Balance (12/31/07)	**$ 682,169.13**

GENERAL PAC (STATE AND FEDERAL PACS)	
Beginning Balance (01/01/2007)	$ 1,051,251.80
Total Associate Contributions	1,620,656.00
Refunds/Cancelled Checks/Admin.	63,909.42
Total Disbursements to Candidates	1,309,441.00
Ending Balance (12/31/07)	**$ 1,298,557.38**

FOR MORE INFORMATION

Want more detailed information regarding contributions to individual candidates? Visit pac.bankofamerica.com/pacmaterial.asp.

2007–2008 PAC LEADERSHIP

State and Federal PAC Chairman
James Mahoney,
Global Public Policy and
Corporate Communications Executive

Federal-only Chairman
John Collingwood,
SVP Federal Government Relations

State and Federal PAC Vice Chairman
David Burgess,
SVP Business Research and Analysis

Treasurer
Wendy Jamison, VP Public Policy

PAC Members
Brian Grip, SVP
Ed Hill, SVP
Mike Fields, SVP
Patricia Holden, SVP
William Couper, EVP
Deborah Vahlkamp, SVP
Darrell Minott, SVP
Betty Turner, VP
Paul Stranz, SVP
Randal Hernandez, SVP
Mike Kimball, VP
Dave Swartley, VP

Committee Meetings
The PAC Boards meet on a weekly and monthly basis to discuss the latest business climate, contributions, issues and participation levels.

BRO-02-09-0166