

Absolute Greenhouse Gas Reduction Targets

RESOLVED: Shareholders request Bank of America (“Company”) issue a report within a year, at reasonable expense and excluding confidential information, that discloses 2030 absolute greenhouse gas emissions reduction targets for the Company’s energy sector lending and underwriting, aligned with the Paris Agreement’s goal to limit warming to 1.5 degrees Celsius. These targets should be in addition to any emission intensity targets for the energy sector that the company has or will set, and be aligned with a science-based net zero pathway.

SUPPORTING STATEMENT: The Intergovernmental Panel on Climate Change (IPCC) has advised that greenhouse gas (GHG) emissions must be halved by 2030 and reach net zero by 2050 to limit global warming to 1.5°C.¹ Every incremental increase in temperature above 1.5°C will entail increasingly severe physical, transition, and systemic risks to companies, investors, the markets, and the economy as a whole. Climate change mitigation is therefore critical to address investment risks in order to avert the large economic losses projected to occur if insufficient action is taken.

Emissions from the oil and gas industry are responsible for over 40% of global GHG emissions and are therefore significant to Bank of America’s climate-risk mitigation strategy. The company should adopt absolute emission targets in this sector to protect the Company and its long-term investors. Though the Company has a commitment to reach net zero emissions by 2050 and a target to reduce its GHG emissions *intensity* for the energy sector, defined as upstream producers, refiners, and integrated companies within the oil and gas industry, by 2030, it does not yet have a science-based 2030 target to reduce GHG emissions on an absolute basis. Intensity targets will measure the reduction in emissions per unit or per dollar, however, by definition, they will not capture whether the Company’s total financed GHG emissions have decreased in the real world.

Rather, we believe the Company should consider target-setting approaches used by advisory groups such as the Science Based Targets initiative. Such an absolute reduction target aligned with a science-based net zero emissions pathway is critical for the Company to achieve its net-zero commitment and more fully address its climate risks.

The Company trails its peers in setting absolute GHG emissions reduction targets. Citigroup has committed to reducing its absolute emissions for the energy sector by 29% by 2030. Wells Fargo has set a target to reduce absolute emissions for the oil and gas sector by 26% by 2030. HSBC has also committed to reducing absolute emissions for the oil and gas sector by 34% by 2030.

By setting absolute targets in addition to its intensity targets in the energy sector, the Company can ensure it is moving toward its stated commitments and real-economy emissions reductions.

We urge you to vote FOR this proposal.

¹ <https://www.ipcc.ch/assessment-report/ar6/>