

Bank of America: Climate-Related Policy Engagement Overview

An investor briefing on Bank of America's climate-related policy engagement to aid shareholder voting decisions at its 2024 Annual General Meeting (AGM)

Executive Summary

- Context: On April 24, 2024 Bank of America investors will vote on a shareholder resolution (see [here](#)) requesting the company's Board of Directors "analyze and report [...] on whether and how it is aligning its lobbying and policy influence activities and positions, both direct and indirect (through trade associations, coalitions, alliances, and other organizations), with its public commitment to achieve net zero emissions by 2050, including the activities and positions analyzed, the criteria used to assess alignment, and involvement of stakeholders, if any, in the analytical process." This briefing provides a summary of InfluenceMap's assessment of Bank of America's climate-related policy engagement and related disclosures.
- Direct Climate-Related Policy Engagement: InfluenceMap analysis suggests that Bank of America's direct climate-related policy engagement is partially aligned with science-based pathways for achieving the goal of the Paris Agreement to limit warming to 1.5°C. While Bank of America has broadly positive top-line messaging on the [need to combat climate change](#) and the [need for government policy](#) to facilitate this, it has outlined objections to specific climate-related policies including the US Securities and Exchange Commission's (SEC) [climate disclosure rule](#), and the US Inflation Reduction Act's [energy generation incentives](#).
- Indirect Climate-Related Policy Engagement via Industry Associations: InfluenceMap analysis indicates that Bank of America likely holds memberships to 6 industry associations with active climate-related policy engagement misaligned with delivering the 1.5°C goal of the Paris Agreement (ranked as a D or below by InfluenceMap's system), and 9 industry associations with partially aligned active climate-related policy engagement (ranked B- to D+). In particular, Bank of America is a member of several industry associations ([US Chamber of Commerce](#), [Bank Policy Institute](#), [American Bankers Association](#)) that have actively opposed climate disclosure policies in California and at the SEC. Bank of America's banking industry associations have worked to delay and dilute climate-related risk management guidance from federal regulators and global standard setters. Additionally, cross-sector associations like the [US Chamber](#), [California Chamber](#), and [Business Roundtable](#) have opposed US legislative and regulatory action on climate and advocated for permitting reform to facilitate the buildout of fossil fuel infrastructure.
- Accuracy of Climate-Related Policy Engagement Disclosure: InfluenceMap analysis suggests that Bank of America has not published a complete account of its policy engagement on specific climate-

related policies, both directly and via industry associations. Bank of America has published a partial analysis of its direct climate policy engagement but omitted instances of climate-related policy engagement, and, while Bank of America has disclosed a list of some of its trade associations, it does not disclose details of these groups' policy positions or engagement activities.

- **Climate-Related Policy Engagement Review:** Bank of America has not published a review of its climate policy engagement activities in line with standards put forward by institutional investors as part of the 2022 [Global Standard on Responsible Climate Lobbying](#). The Global Standard highlights the need for companies to publish a detailed annual review to ensure that its climate policy engagement (direct and indirect via industry associations) is consistent with the 1.5°C goal of the Paris Agreement.

Explainer: Assessing Bank of America's Engagement on Both 'Climate Policy' and 'Sustainable Finance Policy'

For financial sector companies, InfluenceMap considers relevant policy to include both 'real economy' climate policy (e.g. carbon taxes, emissions trading, renewable energy targets) and climate-related financial regulation, often called sustainable finance policy (e.g. climate risk disclosure, taxonomies, changes to investor duties). InfluenceMap assesses these two key areas separately, leading to two sets of metrics for financial sector companies. For this briefing, "climate-related policy" refers to both climate change and sustainable finance policy.

Context: Shareholder Resolution on Climate-Related Policy Engagement

Engagement with companies over their climate policy engagement is now firmly on the investor agenda on climate change. It is an integral part of the [Climate Action 100+](#) (CA100+) investor-engagement process, which now has over 700 investor signatories with a total of \$68 trillion in assets under management.

As a research partner to CA100+, InfluenceMap maintains a global system for tracking, assessing, and scoring companies on their engagement with climate change policy against Paris-aligned benchmarks. This system currently covers around 500 companies along with 250 of their key industry associations.

InfluenceMap refers to the UN's [Guide for Responsible Corporate Engagement in Climate Policy](#) as a guide for what constitutes engagement. This can include advertising, social media, public relations, sponsoring research, direct contact with regulators and elected officials, funding of campaigns and political parties, and participation in policy advisory committees.

This briefing provides an overview of Bank of America's direct and indirect climate-related policy engagement, along with its related disclosure and review processes, in advance of the shareholder resolution at its Annual General Meeting (AGM) on April 24, 2024 summarized in Table 1 below.

Table 1: Key information for shareholder resolution at Bank of America's 2024 AGM

Resolution: Paris-Aligned Lobbying – Net Zero Assessment			
Lead Filer:	Trillium Asset Management	AGM Date:	April 24, 2024
Proposal Summary: The full resolution text is available here .	<i>“Shareholders request that BAC’s Board of Directors analyze and report annually (at reasonable cost, omitting confidential and proprietary information) on whether and how it is aligning its lobbying and policy influence activities and positions, both direct and indirect (through trade associations, coalitions, alliances, and other organizations), with its public commitment to achieve net zero emissions by 2050, including the activities and positions analyzed, the criteria used to assess alignment, and involvement of stakeholders, if any, in the analytical process.”</i>		

Summary of Bank of America's Climate-Related Policy Engagement

Analysis of corporate climate policy engagement is a strong indicator of corporate governance and management-level thinking on the transition to a net-zero economy. Therefore, if a company's climate policy engagement is inconsistent with the Paris Agreement's 1.5°C goal, this suggests that the company's business model is not prepared for a low-carbon transition.

InfluenceMap's methodology, available on our website, uses seven publicly available data sources to gather evidence of company and industry association engagement on a range of climate-related policy streams ([climate change](#) and [sustainable finance](#)). Each item of evidence is scored against benchmarks based on the advice of [IPCC science](#) or the stated intentions of governments looking to implement the Paris Agreement. This process can result in hundreds of scored evidence items, providing a robust basis to assess the extent to which a company's climate-related policy engagement, and that of its industry associations, is Paris-aligned.

InfluenceMap's online Climate Change profile of Bank of America can be found [here](#) and Sustainable Finance profile can be found [here](#). The analysis of Bank of America's industry association relationships, including detailed profiles for each association, can be explored via the "Details of Relationship Score" tab. An overview of this assessment is provided in Table 2 below.

Table 2: Overview of InfluenceMap's assessment of Bank of America

InfluenceMap Metric	Climate Policy	Sustainable Finance Policy	Explanation
Performance Band	C	D+	Performance Band (A+ to F) is a full measure of a company's climate policy engagement, accounting for both its own engagement and that of its industry associations. A+ indicates full support for Paris-aligned climate policy, with grades from D to F indicating increasingly obstructive climate policy engagement.
Organization Score	65%	55%	Organization Score (0 to 100) expresses how supportive or obstructive the company is towards climate policy aligned with the Paris Agreement is, with scores under 50 indicating misalignment with the Paris Agreement
Relationship Score	54%	49%	Relationship Score (0 to 100) expresses how supportive or obstructive the company's industry associations are towards climate policy aligned with the Paris Agreement, with scores under 50 indicating misalignment with the Paris Agreement.
Engagement Intensity	16%	12%	Engagement Intensity (0 to 100) is a measure of the level of policy engagement by the company, with scores above 12 indicating active engagement, and scores above 25 indicating highly active or strategic engagement.

Summary of Bank of America's Direct Climate-Related Policy Engagement

InfluenceMap's analysis of Bank of America's direct climate-related policy engagement is based on 108 independent datapoints, with 43 logged since 2022. Under InfluenceMap's system, recent evidence is heavily weighted in the calculation of metrics, as explained in the [methodology](#).

Bank of America's top-line messaging on climate policy has been generally positive, supporting action to combat climate change and broadly supporting the need for government policy:

- In Bank of America's December 2023 [Environmental and Social Risk Policy Framework](#) the company stated support for the goals of the Paris Agreement, and in its 2023 [TCFD Report](#) it supported government action to achieve these goals.

Bank of America appears to have advocated to water down the ambition of regulated corporate ESG disclosure rules in the US and EU:

- In June 2022 [comments](#) to the US Securities and Exchange Commission (SEC), Bank of America supported the Commission's proposed climate disclosure rule but objected to proposed financial statement impacts disclosure.
- In [2022](#) and [2023](#) comments on the European Sustainability Reporting Standards (ESRS), Bank of America advocated against the proposed double materiality standard and suggested "excessively prescriptive" disclosure standards could result in "more harm than good." [Lobbying reports](#) from California show that Bank of America engaged on SB 253, a greenhouse gas emissions disclosure bill during Q3 of 2023, but details of Bank of America's engagement are unclear.

Bank of America has engaged with mixed positions on the US Inflation Reduction Act:

- In November 2022 [comments](#) to the US Treasury and IRS on implementation of the Inflation Reduction Act (IRA), Bank of America appeared to support maintenance of a high greenhouse gas emissions energy mix. It requested that energy storage technology need not limit its use of energy from sources other than solar or wind to under 25% in order to qualify for investment tax credits.
- In December 2022 Bank of America also requested clarification on the IRA's credits for [qualified commercial vehicles](#) and [clean hydrogen](#) but did not take a clear position on implementation.

Bank of America has engaged at a state level on "anti-ESG" legislation with unclear positions:

- Florida lobbying reports show that Bank of America has engaged on state level "anti-ESG" legislation. In 2023, Bank of America [engaged](#) on HB 3, legislation to prohibit the use of ESG factors in state and local investment decisions. Details of Bank of America's engagement are unclear.

Summary of Indirect Climate-Related Policy Engagement via Industry Associations

InfluenceMap's [LobbyMap](#) platform tracks and analyzes the climate policy engagement of over 250 industry associations, and InfluenceMap's [Sustainable Finance](#) platform tracks and analyzes the climate-related financial policy engagement of over 30 industry associations.

This section details InfluenceMap's analysis of some of Bank of America's key industry associations. Some industry associations, like the US Chamber and the Business Roundtable, have been scored on both climate change policy engagement and sustainable finance policy engagement. Others have been scored on only one. A full ranking table of Bank of America's industry associations, including links to each association's online profile, is available in Appendix A.

- InfluenceMap analysis indicates that Bank of America likely holds memberships to 6 industry associations with active climate-related policy engagement misaligned with delivering the 1.5°C goal of the Paris Agreement (ranked as a D or below by InfluenceMap's system), and 9 industry associations with active climate-related policy engagement partially aligned with delivering the 1.5°C goal of the Paris Agreement (ranked B- to D+).
- Bank of America is a member of several industry associations that have actively opposed climate disclosure policies in California and at the US Securities and Exchange Commission (SEC). Bank of America's banking industry associations ([Bank Policy Institute](#), [American Bankers Association](#)) have worked to delay and dilute climate-related risk management guidance coming from federal regulators and global standard setters. Additionally, cross-sector associations like the [US Chamber](#) and [Business Roundtable](#) have opposed US legislative and regulatory action on climate, and advocated for permitting reform to facilitate the buildout of fossil fuel infrastructure.

Table 3 gives an overview of 4 key industry associations with examples of recent climate-related policy engagement. Detailed profiles for all of Bank of America's industry associations can be explored via the links in the table, Appendix A, or the "Details of Relationship Score" tab on Bank of America's online profile for climate change [here](#) and sustainable finance [here](#).

Table 3: Evidence of recent climate-related policy engagement by a few of Bank of America's key industry associations

Industry Association	Performance Band (Climate)	Performance Band (Sustainable Finance)	Examples of recent climate-related policy engagement
US Chamber of Commerce	<i>E</i>	<i>F</i>	<ul style="list-style-type: none"> ■ 2022-2024: Actively opposing climate disclosure policies at the <i>SEC</i> and in <i>California</i>, including <i>bringing a lawsuit</i> to challenge California's climate disclosure laws. ■ October 2023: <i>Advocating</i> to reduce the stringency of proposed Corporate Average Fuel Economy (CAFE) standards. ■ February 2024: <i>Supporting</i> HR 7176, a bill that would repeal Biden Administration restrictions on liquified natural gas (LNG) export licenses.
Institute of International Finance (IIF)	N/A	<i>D-</i>	<ul style="list-style-type: none"> ■ May 2023: <i>Supporting</i> continued investment in unabated fossil fuels, including suggesting that gas is a "transition" fuel. ■ May 2023: <i>Suggesting</i> that climate-related risks do not present a "near-term material threat" to global financial stability and <i>cautioning</i> insurance supervisors against pursuing "non-prudential objectives in relation to climate" or imposing transition plans on insurers.
Business Roundtable	<i>D+</i>	<i>E</i>	<ul style="list-style-type: none"> ■ July 2023: <i>Supporting</i> congressional efforts to reverse SEC guidance and rulemaking that expands shareholder rights. ■ August 2023: <i>Opposing</i> the ambition of the EPA's proposed power plant rules. ■ March 2024: <i>Joining</i> the US Chamber and ExxonMobil in pursuing litigation that would limit shareholder rights, <i>asserting</i> that the SEC's stance on shareholder proposals has "encouraged a new surge of ideologically driven proposals."

Bank Policy Institute	N/A	C-	<ul style="list-style-type: none"> ■ 2022-2023: Not supporting climate disclosure policies in California, at the SEC, and at the International Sustainability Standards Board (ISSB). Specifically opposed to Scope 3 emissions disclosures. ■ 2022-2023: Advocating for less ambitious climate-related risk management principles at US federal financial regulators including the Office of the Comptroller of the Currency, Federal Deposit Insurance Corporation, and the Federal Reserve, and at the New York State Department of Financial Services. ■ 2022-2024: Cautioning against climate risk regulation that “gets ahead of the science” and suggesting regulatory efforts to incorporate climate risk into banks’ risk management are unnecessary.
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Disclosure and Review of Climate-Related Policy Engagement

The [Global Standard on Responsible Climate Lobbying](#) - instigated by investors and launched in March 2022 - is the leading best practice framework for climate policy engagement disclosure. The Global Standard sets out 14 indicators covering disclosure, governance and oversight processes to ensure alignment between a company’s climate policy engagement and delivering the 1.5°C goal of the Paris Agreement.

In September 2023, InfluenceMap’s methodology to assess corporate disclosures on climate policy engagement was formally updated in line with the Global Standard and stakeholder input. InfluenceMap has two distinct assessments of disclosures:

Accuracy of Climate-Related Policy Engagement Disclosure: An assessment of the accuracy of a company’s reporting on its direct and indirect (via industry associations) climate policy engagement activities.

- InfluenceMap analysis suggests that Bank of America has published a [partial account](#) of its own climate-related policy engagement on specific policies. Bank of America has disclosed engagement on the Securities and Exchange Commission’s (SEC) [climate disclosure rule](#) and the International Sustainability Standards Board’s (ISSB) [climate disclosure standards](#), but has omitted other instances of climate-

related policy engagement including state level climate disclosure and anti-ESG bills in [California](#) and [Florida](#) respectively, and comments on the [implementation of the Inflation Reduction Act](#).

- InfluenceMap analysis suggests that Bank of America has [not published an account](#) of its industry associations' climate-related policy engagement on specific policies. While Bank of America has disclosed a list of some of its industry associations, the list contains no details of climate-related policy engagement and excludes groups that are engaged on climate-related policy including the [California Chamber of Commerce](#) and the [Managed Funds Association](#).

Corporate Climate-Related Policy Engagement Review: An assessment of the quality and robustness of a company's process to identify, report on, and address specific cases of misalignment between its climate policy engagement activities and delivering the 1.5°C goal of the Paris Agreement.

- Bank of America does not appear to have published a review of its climate policy engagement. The Global Standard on Responsible Climate Lobbying highlights the need for companies to publish a detailed annual review to ensure that its climate policy engagement (direct and indirect via industry associations) is consistent with the 1.5°C goal of the Paris Agreement. To date, at least 50 North American companies have [published](#) such a review.

Appendix A: Ranking of Bank of America's Industry Association Memberships

The table below provides a ranking of Bank of America's actively engaged industry associations currently covered by InfluenceMap's database by Performance Band, i.e. a full measure of a company's climate-related policy engagement, accounting for both its own engagement and that of its industry associations. Detailed profiles for all industry associations can be explored via the links in the table.

Industry associations are categorized by InfluenceMap as having climate-related policy engagement that is aligned, partially misaligned or misaligned with delivering the 1.5°C goal of the Paris Agreement by Performance Band:

- Aligned = Performance Band A+ to B
- Partially Misaligned = Performance Band B- to D+
- Misaligned = Performance Band D to F

Industry Association	Performance Band (Climate)	Performance Band (Sustainable Finance)	IM Assessment
Solar Energy Industries Association (SEIA)	A	N/A	Aligned
International Emissions Trading Association (IETA)	C	N/A	Partially Misaligned
UK Finance	N/A	C	Partially Misaligned
Business Council of Australia	C	N/A	Partially Misaligned
Securities Industry and Financial Markets Association (SIFMA)	N/A	C-	Partially Misaligned
Bank Policy Institute	N/A	C-	Partially Misaligned
International Swaps and Derivatives Association (ISDA)	N/A	D+	Partially Misaligned
European Banking Federation (EBF)	N/A	D+	Partially Misaligned
Association for Financial Markets in Europe (AFME)	N/A	D+	Partially Misaligned
Business Roundtable	D+	E	Partially Misaligned (Climate) and Misaligned (Sustainable Finance)
Japanese Bankers Association (JBA)	N/A	D	Misaligned
American Bankers Association (ABA)	N/A	D	Misaligned

Managed Funds Association (MFA)	N/A	<i>D-</i>	Misaligned
Institute of International Finance (IIF)	N/A	<i>D-</i>	Misaligned
US Chamber of Commerce	<i>E</i>	<i>F</i>	Misaligned
California Chamber of Commerce (CalChamber)	<i>F</i>	N/A	Misaligned