

# Bank of America Modern Slavery Statement

June 2021

## Introduction

Bank of America believes that human trafficking, slavery, and related exploitative practices such as servitude, forced labor and child labor (together ‘Modern Slavery’) are egregious human rights abuses. We are committed to respecting human rights and we have pledged resources and capabilities to combat the global crime of Modern Slavery. This statement outlines the measures taken during fiscal year 2020 by Bank of America and its subsidiaries to address the risk of Modern Slavery in Bank of America’s business and supply chain.

Bank of America Corporation is headquartered in the United States (Charlotte, North Carolina) and our stock (NYSE: BAC) is listed on the New York Stock Exchange. To comply with the requirements of the United Kingdom Modern Slavery Act 2015 and the Commonwealth Modern Slavery Act 2018 this statement is given by Bank of America for the year ending December 31, 2020 on its own behalf and on behalf of its wholly owned subsidiaries and branches of subsidiaries, including, but not limited to:

- United Kingdom: Bank of America, National Association - London Branch, Bank of America Europe Designated Activity Company - London Branch, Merrill Lynch International
- Australia: Bank of America, National Association – Australian Branch, Merrill Lynch Equities (Australia) Limited, Merrill Lynch Markets (Australia) Pty Limited, Merrill Lynch (Australia) Futures Limited, Merrill Lynch (Australasia) Pty Limited, Merrill Lynch (Australia) Nominees Pty Limited

## Who We Are

Bank of America is one of the world’s leading 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 serves approximately 66 million consumer and small business clients with approximately 4,300 retail financial centers. Bank of America is one of the global leaders in wealth management, corporate and investment banking and trading across a broad range of asset classes, serving corporations, governments, institutions and individuals around the world. The company serves clients through operations across the United States, its territories and approximately 35 countries. As of December 31, 2020, Bank of America had approximately \$2.4 trillion in assets and more than 200,000 full-time equivalent employees worldwide, including approximately 6,000 employees located in the United Kingdom and 300 employees located in Australia.

Our supply chain is comprised of approximately 5,000 active vendors globally. A significant majority are providers of professional services, such as contract labor, legal services, creative marketing and communication services, information technology services and real estate services. While we source from many countries, including the 35 countries where we have operations, most of our vendors are headquartered in and provide services to us in the United States.

More information on Bank of America can be found in our 2020 [Annual Report](#) and on our [corporate website](#).

## Our Policies and Approach

Bank of America is committed to respecting human rights and demonstrates leadership in responsible workplace practices across our enterprise and in all regions where we conduct business. We continue to align our company policies and practices with international standards, including the principles laid out in the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights and the International Labour Organization's Fundamental Conventions. Additionally, we support a number of international charters, principles and initiatives that inform our approach, including the United Nations Principles for Responsible Investment, the Equator Principles and the United Nations Global Compact. Our commitment to fair, ethical and responsible business practices, as we engage with our employees, clients, vendors and communities around the world, is embodied in our [values](#), our [Code of Conduct](#) and our [Vendor Code of Conduct](#). To learn more about our commitment to human rights, please refer to our [Human Rights Statement](#).

As a financial institution, risk is inherent in all of our business activities. Establishing a culture of managing risk well is fundamental to our values, our purpose and how we drive responsible growth. It requires all employees to focus on risk in all activities and encourages the necessary mindset and behavior to enable effective risk management and promote sound risk taking within our risk appetite. Our Code of Conduct, Risk Framework, Risk Appetite Statement and strategic plans are overarching documents that firmly embed the company's culture of managing risk well in everything we do.

Our Risk Framework serves as the foundation for consistent and effective management of risks facing Bank of America and its subsidiaries. It sets forth roles and responsibilities for the management of risk, provides a blueprint for how the boards of directors, through delegation of authority to committees and executive officers, establish risk appetite and associated limits for our activities and describes the components of our risk management approach. Our Chief Risk Officer has primary responsibility for our Risk Framework and is held accountable to me, the Chief Executive Officer, and the Enterprise Risk Committees of the Board of Directors of Bank of America Corporation.

Individual accountability is the cornerstone of our culture and requires that risks are promptly identified, escalated and debated, thereby benefiting the overall performance of the company. Managers have additional obligations to lead by example, to create an environment in which teammates know they are encouraged to ask questions and raise concerns and to hold others accountable for acting in accordance with our values, our Code of Conduct and our Risk Framework. All employees are required to complete annual training on these subjects and acknowledge our Code of Conduct. Employees are encouraged to submit complaints or possible violations of the Code of Conduct or other unethical activities without fear of retaliation to our Ethics & Compliance Hotline. All complaints are thoroughly and confidentially investigated and tracked to closure in a timely manner. Adverse human rights impacts are addressed as they are identified.

Our [Environmental and Social Risk Policy Framework](#) (ESRPF) provides additional clarity and transparency around how we address environmental and social risks which touch almost every aspect of our business. We recognize the impact they can have on our communities, clients, vendors, employees and our company and take our role in managing those risks very seriously. This commitment is underscored by Bank of America's governance of environmental and social issues. Our Global Environmental, Social and Governance (ESG) Committee includes leaders from across our company who help identify, raise and oversee our company's response to emerging environmental, social and governance risks and opportunities, including Modern Slavery. The Global ESG Committee reports to the

Corporate Governance, ESG, and Sustainability Committee of the Board of Directors of Bank of America Corporation and provides ESG risk updates to the Enterprise Risk Committee of the Board of Directors of Bank of America Corporation through the Management Risk Committee. The Global ESG Committee reviews and approves the ESRPF at least every two years or more frequently as material issues develop.

In 2018, Bank of America formed an internal Human Trafficking Task Force to promote awareness, increase collaboration and improve detection of Modern Slavery. This Task Force is led by a member of the executive leadership team and includes members from across the enterprise who provide valuable insight and expertise based on their diverse experiences and responsibilities. The Task Force remained active in 2020 and provides periodic updates to the Global ESG Committee regarding progress made in addressing the risks, root causes and impacts of Modern Slavery in our role as an employer, a procurer of goods and services, a financial institution serving clients and as part of our commitment to addressing society's greatest challenges.

### **How We Assess the Risks of Modern Slavery**

We conduct regular reviews of our internal business operations and extended supply chain to identify Modern Slavery risks. Through our internal reviews and engagement with Verité in 2019, a globally recognized non-profit organization specializing in fair labour practices, we identified a number of priority risk areas, including: financial transactions that have the potential to be directly tied to Modern Slavery; and business being conducted with or on behalf of Bank of America by vendors in industry sectors that feature low or unskilled labor or foreign migrant workers. These include vendors responsible for facilities and travel services and vendors that manufacture hardware and some hard goods. Risks related to our own employees and recruiting practices are very limited because the vast majority of our global workforce is made up of skilled professional workers who are recruited directly.

### **How We Address These Risks in Our Business**

Bank of America is committed to treating every employee, contractor and temporary worker with respect and dignity and protecting their human rights. We offer equal employment opportunity to all, do not tolerate discrimination or harassment and are proud to be a leader in supporting diversity and inclusion. We abide by labor laws and regulations in the regions where we conduct business including those that address child labor, forced labor, equal pay and nondiscrimination in our workforce. We strive to be a great place to work and we provide a safe and healthy work environment for all employees. We have effective policies and processes to ensure all employees, including contractors and temporary workers, are recruited ethically, at no cost to the employee and are subject to appropriate background and other reviews prior to beginning employment. This includes verifying an individual's identity, age and right to work. All employees receive offer letters prior to commencing work, which – together with our policies – make clear each employee's right to leave their employment with Bank of America, with reasonable notice, at any time. Through our Life Event Services team, we offer support to employees in the moments that matter, including being personally impacted in any way by human trafficking or Modern Slavery. We acknowledge and support the rights of each employee and value an open dialogue with our employees so we can continue to improve our work environment.

We also recognize the critical role we play in combatting human trafficking and Modern Slavery as a financial crime. In order to mitigate this risk, we have instituted policies and controls to prevent the illegal use of our products and services, including abuse that may result in human rights violations.

These include a rigorous Customer Due Diligence process and anti-money laundering controls. One such control is our Material Negative News process, which involves monitoring negative news that connects our clients to possible financial crimes including human trafficking. Since 2018, with the help of Thomson Reuters Foundation's U.S. Banks Alliance Against Trafficking, we have identified typologies and red flag indicators specific to sex trafficking and developed advanced detection methods to identify suspicious activity, augmenting our existing transactions monitoring processes. We are in regular contact with other financial institutions, civil society organizations and law enforcement to share best practices and further refine our detection methods.

Training our teammates to recognize potential financial crimes, including human trafficking, is essential to ensuring that we are delivering on our company's purpose and managing risk effectively. As such, all Bank of America employees are required to complete Global Financial Crimes training annually, which includes information on Modern Slavery. Front line teams in our Consumer line of business, which operates in the United States, complete an annual training module specific to human trafficking, which details how to identify and report suspicious activity. In 2020, we also provided awareness training to all of our security guards in the United States, including guards employed by vendors. All reports of suspicious activity are systematically investigated by a team that has received specialized training on the topic and cases are referred to law enforcement if appropriate.

### **How We Address These Risks in Our Supply Chain**

Bank of America has a Third Party Program in place to manage the risks of using vendors to support our business units, processes, products and services. The Third Party Program is delivered by our Global Procurement team, which is responsible for sourcing, global purchasing, procurement strategies and the establishment of an oversight and governance framework. A senior executive responsible for Global Procurement is a member of the Global ESG Committee and helps ensure that the Third Party Program is informed by the ESRPF and regulatory requirements, as applicable.

Our [Vendor Code of Conduct](#) sets out our requirements and expectations of our vendors, with regard to ethics, human rights, diversity and inclusion and the environment. The Vendor Code of Conduct is made available to prospective and existing vendors and is reviewed by the Global ESG Committee at least every two years, or more frequently as material issues develop. Vendors are expected to develop policies and procedures to respect human rights consistent with internationally recognized standards, including the United Nations Guiding Principles on Business and Human Rights. In 2020 we began conducting ESG assessments on our largest vendors, prior to contracting, to monitor compliance with our Vendor Code of Conduct. Assessments include a review of a number of vendor policies and processes, including those that relate to Modern Slavery.

As part of our efforts to prevent unethical practices, including Modern Slavery, from taking place within our supply chain, we maintain an approved vendor list and conduct extensive due diligence on all prospective vendors to ensure an effective control environment is in place. This due diligence includes, but is not limited to, the review of documented recruitment policies and background screening procedures. For vendors that provide goods and services in industry sectors considered to be at high risk of Modern Slavery, a review of policies and procedures specific to forced and child labor is also included. If a vendor supplies a non-compliant response, Global Procurement is responsible for ensuring the findings are investigated and resolved.

We also perform ongoing monitoring of vendors to guard against Modern Slavery. We perform daily negative news monitoring to help ensure that issues reported by the media are identified and addressed quickly. We conduct periodic assessments of our vendors throughout the engagement, including a review of vendors' background check processes, financial crimes control monitoring and whistle-blower protections. For vendors in industry sectors that are most vulnerable to Modern Slavery, we also assess their efforts to mitigate risk of forced and child labor within their operations and respective supply chains.

Bank of America has a disciplined process to ensure effective contracts are in place with vendors, including language that requires vendors and their subcontractors to comply with Bank of America policies, procedures and other instructions. Our global contract template specifically requires vendors and their subcontractors to abide by labor laws and regulations in the regions where they conduct business, including those that address child labor, forced labor, slavery, human trafficking, equal pay and non-discrimination in the workforce. The contract template also specifically prohibits vendors from engaging in any practice that could reasonably be considered as employing or encouraging child labor, forced labor, slavery or human trafficking, such as withholding wages or security payments, confiscating identity documents or charging workers recruitment fees. Bank of America maintains the right to terminate immediately any vendor contract in the event of material violations of applicable laws.

In 2020, we enhanced our mandatory training course specific to Modern Slavery and deployed it to all Bank of America Global Procurement and Vendor Management employees globally. The training, which is provided annually, increases visibility and awareness of how Modern Slavery manifests in supply chains and includes information on how to identify and report any concerns.

**Measuring Progress**

We track and measure our effectiveness in ensuring that Modern Slavery is not occurring in our business and supply chain in a number of ways. We will continue to review these metrics in 2021 and will revise them if better measures are identified.

Metric	2020
Annual Awareness Training Delivered	More than 33,000 front line employees and 1,000 employees in Procurement or Vendor Management roles completed annual awareness training specific to Modern Slavery in 2020.
Deals Escalated to Reputational Risk Committee	Three items, relationships or transactions which included human rights risks were escalated to the Reputational Risk Committee in 2020. Of these, none was specific to Modern Slavery.
Vendor-Related Observations Logged	Seventeen observations regarding potential vendor issues related to Modern Slavery were logged in 2020. All observations were investigated and finding no substantiated evidence, closed.

## Partnering for Progress

Bank of America works with other financial institutions, civil society organizations, law enforcement agencies and trusted advisors to promote collaboration and shared action to address Modern Slavery. These include:

- Our pledge in 2020 to commit \$100 million toward medical supplies, food security and other vital support to communities impacted by Covid-19 and an additional \$1.25 billion 5-year commitment to help advance racial equality and economic opportunity – specifically focused on workforce development, health care, housing and small business assistance. These funds are intended to help vulnerable workers who are affected by Covid-19.
- Our efforts, working with the International Business Council at the World Economic Forum and Deloitte, EY, KPMG and PwC, to develop a set of Stakeholder Capitalism metrics that demonstrate to investors and other stakeholders our company’s commitment to drive progress in four key areas – Governance, Planet, People and Prosperity. We reported our progress under these metrics in the 2020 Annual Report.
- Our sharing thought leadership by hosting a panel discussion at the 2020 World Economic Forum on the role of the private sector in addressing Modern Slavery.
- Our partnerships with [Polaris](#), [The Arise Foundation](#), [Covenant House](#) and local nonprofits across the globe combatting human trafficking. These partnerships support frontline organizations as they work to eradicate this global crime and support survivors. They also enable us to gather critical feedback directly from victims and survivors.
- Our participation with the United Nations Financial Sector Commission’s [Survivor Inclusion Initiative](#) to promote the financial inclusion of those vulnerable to Modern Slavery and human trafficking. We are extending access to checking and savings accounts, debit cards and, if appropriate, credit cards, to survivors and will work with designated agencies to connect referred survivors to convenient financial services, advice and education.
- Our contribution to financial sector initiatives to develop best practices such as the Liechtenstein Initiative, the Mekong Club and the Thomson Reuters Foundation’s U.S. Banks Alliance Against Trafficking. These initiatives offer an opportunity to share experiences with other financial institutions and develop guidance, improving the industry as a whole.
- Our consultation with Omnia Strategy LLP, a law firm specializing in human rights, corporate responsibility, stakeholder engagement and the prevention and resolution of disputes; and Verité, a globally recognized non-profit organization specializing in fair labor practices. These engagements strengthen our understanding of the issue, recognized standards and best practice.

## Continuing Commitment

We are committed to respecting human rights wherever we do business and reviewing our policies and practices to ensure that our approach to Modern Slavery remains appropriate. We will continue to provide awareness training for our employees and partner with vendors and outside organizations to identify ways to mitigate and eradicate Modern Slavery. For any questions or feedback, please contact us at [ESG\\_information@bofa.com](mailto:ESG_information@bofa.com).

This statement was reviewed with the Merrill Lynch International Board of Directors and executive leadership at Bank of America, National Association - London Branch, Bank of America Europe

Designated Activity Company - London Branch, Bank of America, National Association – Australian Branch, Merrill Lynch Equities (Australia) Limited, Merrill Lynch Markets (Australia) Pty Limited, Merrill Lynch (Australia) Futures Limited, Merrill Lynch (Australasia) Pty Limited and Merrill Lynch (Australia) Nominees Pty Limited. It was reviewed and approved by the Bank of America Corporation Board of Directors on June 23, 2021, has been signed by me, Chairman of the Board of Directors of Bank of America Corporation, and published on Bank of America’s website at [about.bankofamerica.com](https://about.bankofamerica.com).

A handwritten signature in black ink, appearing to read 'B Moynihan', written in a cursive style.

Brian Moynihan  
Chairman and CEO, Bank of America Corporation