

# 2000 Environmental Progress Report



Bank of America.



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*This report is prepared using the CERES (Coalition for Environmentally Responsible Economies) recommended format. Bank of America reaffirmed its endorsement of the CERES Principles in 1999.*

*For more information on the Bank of America Environmental Commitment, visit our website at [www.bankofamerica.com](http://www.bankofamerica.com).*

**W**e know that damage to our environment threatens the long-term sustainability of our economy, our prosperity and our way of life. For this reason, caring about the environment is everybody's business.

At Bank of America, our environmental policies are shaped by our conviction that the health of our company is dependent on the health of our communities and our society. Understanding that every part of our business has a potential impact on our environment, we strive to integrate environmental policy into our company's operations at every level. For example:

We have programs in place to minimize the environmental impact of our internal operations.

We encourage loans to and investments in environmentally beneficial endeavors and avoid loans or investments which will have a negative impact on the environment, causing unacceptable risks to our portfolio or reputation.

We take a leadership role in working with public and private partners to create solutions that are beneficial to the environment as well as the economy.

We actively encourage our 144,000 associates to establish and follow environmentally sensitive practices both in the office and at home.

Our goal is to be the leading financial services company in this country, and to be recognized as one of the world's great companies. We know that these goals come with a responsibility to serve as a leader on issues of great importance. We all want to live in a world that is clean, safe and beautiful, and Bank of America is striving to do its part to help make sure we will.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ken Lewis', with a stylized, cursive-like structure.

Ken Lewis

You must be the change you wish to see in the world.

—Ghandi

**B**ank of America is an evolving financial institution working to keep pace with an ever-evolving world. As a corporation we know that change brings both opportunities and challenges. We also recognize that it is often difficult to be “the change” with the many other priorities we deal with daily. This report represents the accumulated effort of associates working to implement the Bank of America Environmental Commitment and being “the change” we wish to see in the world. We are proud of our accomplishments and appreciate the work of the many who are involved.

These accomplishments are also the result of our partnerships with others to find solutions. Vendors, customers and environmental and community groups enlighten us, and support our efforts, while at the same time, we add value to their efforts and help them broaden their perspective to include economic and other social factors.

We know that for us to sustain the environment, our efforts must become standard business practice and be driven further within the organization. Our commitment is an investment in the future of our children, our associates, our customers, our shareholders and the communities in which we live, work and do business. Ours is still a work in progress but we are dedicated to being “the change” that will create a healthier sustainable environment.



Bill Vandiver  
*Corporate Risk Management Executive*



Candace Skarlatos  
*Environmental Initiatives Director*

One of the world's leading financial services companies, Bank of America is committed to making banking work for customers like it never has before. Through innovative technologies and the ingenuity of its people, Bank of America provides individuals, small businesses and commercial, corporate and institutional clients across the United States and around the world new and better ways to manage their financial lives. The company enables customers to do their banking and investing whenever, wherever and however they choose through the nation's largest financial services network, including approximately 4,400 domestic offices and 13,000 ATMs, as well as 38 international offices serving clients in 190 countries and an Internet Web site that provides online access for more than 3 million customers, more than any other bank.

Dun & Bradstreet Number: 05-516-9452  
Corporate Tax ID Number: 56-0906609  
Web site address: www.bankofamerica.com

Management reports the corporation's operating results in four business segments:

#### CONSUMER AND COMMERCIAL BANKING

*Consumer and Commercial Banking* provides a wide array of products and services to individuals, small businesses and middle-market companies through multiple delivery channels.

#### GLOBAL CORPORATE AND INVESTMENT BANKING

*Global Corporate and Investment Banking* provides a broad array of financial services such as investment banking; trade finance; treasury management; and capital markets, leasing and financial advisory services to domestic and international corporations, financial institutions and government entities.

#### ASSET MANAGEMENT

Asset Management consists of:

- *The Private Bank*, which provides customized asset-management and credit, financial advisory fiduciary, trust and banking services to high-net-worth clients and foundations
- *Banc of America Capital Management*, which offers management of equity, fixed-income, cash and alternative investments; manages the assets of individuals, corporations, municipalities, founda-

tions and universities, and public and private institutions; and provides advisory services to the bank's affiliated family of mutual funds

- *Banc of America Investment Securities, Inc.*, which provides both full-service and discount brokerage services through investment professionals located throughout the franchise and a brokerage Web site that provides customers with a wide array of market analyses, investment research and self-help tools, account information and transaction capabilities

#### EQUITY INVESTMENTS

*Equity Investments* includes Principal Investing (formerly a component of Global Corporate and Investment Banking), comprised of a diversified portfolio of companies serving clients in all stages of the business cycle. Investments are made on both a direct and indirect basis in the United States and overseas. Equity Investments also include the bank's strategic technology and alliances investment portfolio in addition to other parent company investments.

TOTAL WORLDWIDE EMPLOYEES			
1997	1998	1999	2000
181,265	170,975	155,906	143,000

Approximate number of full-time equivalent human resources assigned to environmental programs and activities worldwide:

- One in Environmental Initiatives
- Eleven in Environmental Services, which provides environmental risk management services
- Two in the National Source Reduction and Recycling program

ASSET SIZE – IN MILLIONS			
1997	1998	1999	2000
\$570,983	\$617,679	\$632,574	\$642,191

2000 ASSET DISTRIBUTION IN MILLIONS		
Domestic*	91.6%	\$588,409
Asia	3.3	21,287
Europe, Middle East, Africa	4.0	25,648
Latin America	1.1	6,847

\*Includes the corporation's Canadian operations, which had total assets of \$4,087

Most of the bank's assets (loans outstanding, for example) are booked in the United States. However, in those cases where income is earned and expenses are incurred offshore to serve a relationship, those assets are booked offshore.

As of December 31, 2000, the commercial lending business was concentrated in the following industries: transportation, media, health care, business services, agribusiness, equipment and general manufacturing, retail, oil and gas, autos and telecommunications.

Significant changes in company structure (for example, acquisitions and divestitures, sectors and product lines) occurred during the five years prior to 2000 (*see Appendix Two*).

**2000**

On June 28, Bank of America and Marsico Capital Management, LLC announced they aligned the strategic and financial interests of both companies to ensure a long-term relationship and that Bank of America will complete its acquisition of Marisco Capital.

**B**ank of America associates receive communications about environmental programs, criteria and guidelines through management, internal departmental procedure updates and internal communications. They also may access environmental information and programs on the corporate Intranet Web site.

POLICY DATE	ISSUE DATE	PUBLICLY AVAILABLE
Environmental Commitment	3/29/99	Yes
Statement of Environmental Principles	12/13/99	N/A
Developing Countries Activity Criteria	7/99	N/A

## PROGRAMS, PRINCIPLES AND GUIDELINES

### BANK OF AMERICA ENVIRONMENTAL COMMITMENT

Bank of America believes environmental protection is an integral component of doing business. The health of the environment not only directly affects the quality of our lives; it also serves as the foundation for the sustainable economy upon which our business and communities depend. As a result, environmental considerations are increasingly intertwined with economic decisions. Today, progressive businesses are leaders in environmental protection while maintaining the flexibility to implement innovative, cost-effective solutions that lead to business success. Bank of America is committed to help make economic development and environmental protection compatible. Our goal is to show progress annually. We do this through:

#### INTERNAL OPERATIONS

Reducing the environmental impact of the company's own operations.

#### ASSOCIATE PROGRAMS

Engaging associates to apply a conservation ethic in their jobs, commutes and homes.

### CORE BUSINESSES

Demonstrating environmental sensitivity in such core business products and services as credit, investment, underwriting and payments.

### PUBLIC OUTREACH

Taking a leadership role in activities that form a bridge between business and the environment.

Our Environmental Commitment is a corporate commitment. Quarterly management reports and an annual report to external audiences highlight our progress in support of the commitment.

### BANK OF AMERICA STATEMENT OF ENVIRONMENTAL PRINCIPLES

These principles, approved in December 1999, elaborate on the Bank of America Environmental Commitment and guide officers to demonstrate environmental sensitivity in providing core business products and services such as credit, investment, underwriting and payments. The principles apply to all credit activities worldwide — commercial and consumer alike. Bank of America strives to make special efforts to identify prudent 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.

### DEVELOPING COUNTRIES ACTIVITY CRITERIA

Approved in July 1999, the International Corporate Banking criteria provide guidelines for credit granted in developing countries. These guidelines cover such areas as impact on the environment, cultural and social structures and human rights.

### ENDORSING COMPANY STATEMENT

The Bank of America Environmental Initiatives unit tracks various issues that directly affect sustainability as well as efforts aimed at building sustainable solutions. Environmental Initiatives networks with other businesses, community and environmental groups and government agencies, incorporating best practices and other findings into the bank's own work. *(More details can be found in Section Four: Community Involvement.)*

Although Bank of America has not adopted a sustainability policy, we are committed through our endorsement of the CERES (Coalition for Environmentally Responsible Economies) Principles to achieve progress in meeting those principles (*see Appendix One*). The Principles are built on pursuing a sustainable economy and environment. The bank's community development lending and long-time involvement in the communities we serve also illustrate our support of equitable opportunities for all members of our communities.

By adopting the CERES Principles, we publicly affirm our belief that corporations have a responsibility for the environment and must act as responsible stewards of the environment by conducting all aspects of business in a manner that protects the earth. We believe corporations must not compromise the ability of future generations to sustain themselves. We update our practices in light of advances in technology and new understandings in health and environmental science. In collaboration with CERES, we also promote a dynamic process to ensure the principles are interpreted in a way that accommodates changing technologies and environmental realities. We intend to continue to make consistent, measurable progress in implementing these principles and to apply them to all aspects of our operations throughout the world.

## ORGANIZATION AND MANAGEMENT RESPONSIBILITY

The company's Corporate Risk Management executive, reporting to the Chairman and CEO, has overall accountability for the company's Environmental Commitment. This officer is considered the executive environmental officer. Other levels of responsibility include:

### SENIOR VICE PRESIDENT OF ENVIRONMENTAL INITIATIVES

This position is responsible for reporting on the bank's Environmental Commitment, implementation, environmental advocacy, generating fresh ideas and networking and partnering with internal and external stakeholders.

### SENIOR VICE PRESIDENT OF ENVIRONMENTAL SERVICES

This position leads a team responsible for due diligence on transactions that require environmental oversight and provides environmental risk management expertise and information to lending officers bankwide.

### SENIOR VICE PRESIDENT OF CORPORATE SERVICES RELATIONS

This position leads a team of associates from Procurement & Corporate Services, Corporate Real Estate, and Technology Acquisition and Management assigned the task of meeting the bank's goals to reduce the impact of our internal operations.

Environmental Initiatives reports quarterly to the Corporate Risk Management executive, who shares this information with senior management. The Environmental Progress Report is sent annually to all senior management and the board of directors.

The 2000 Environmental Progress Report is publicly accessible online. It can be downloaded and printed as needed. While Bank of America has improved some of its baselines in 2000, the company needs to continue to work toward building baselines that will give us better measurements of our progress.

## BANK OF AMERICA ASSOCIATE RESPONSIBILITY

Another Bank of America goal is to integrate environmental sensitivity and consideration into our business decisions, practices and processes. If we are to succeed, our success will be the result of a change in the way we do business, rather than a special program. While Environmental Initiatives is an internal advocate and a change agent within our corporate culture, it is the tens of thousands of associates throughout the company whose enthusiastic support and hard work actually make the commitment a reality. The progress documented in this report was accomplished by the many associates who are responsible for the implementation of the Bank of America Environmental Commitment through their job responsibilities and as champions for the environment.

### ASSOCIATE ENGAGEMENT

Associates regularly participate in the bank's Environmental Commitment through the Team Bank of America Environmental Networks. The Environmental Networks engage associates in activities that promote our Environmental Commitment and help to establish Bank of America as a leader in working to achieve a society that seeks a sustainable economy.

## GOALS OF THE ENVIRONMENTAL NETWORKS

- Help associates understand why an active environmental program and ethic should be part of our corporate culture
- Help associates engage in environmental best practices and activities at work, at home and in their communities
- Provide measurable results of Environmental Network activities to demonstrate the positive effects of corporate environmental responsibility
- Encourage professional development and networking opportunities

In 2000, 38 Environmental Networks hosted more than 200 events around the world. An example of a network's activities is the Styrofoam elimination campaign designed and implemented by the Environmental Network in Miami, Fl., which eliminated the use of 216,000 Styrofoam cups.

Other Environmental Network activities for 2000 included brown bag lunches on subjects that included composting, electric-vehicle education, notifying associates about smog alerts, educational programs such as the annual Children's Environmental Poster contest, teaching kids how to make recycled crafts during "Bring Your Child to Work Day" and planting trees at community schools.

Another associate engagement resources is Environews, a monthly online internal newsletter that features updates on progress relating to the bank's Environmental Commitment, profiles of other companies' environmental activities and tips for the office and home.

**E**ach manager is held accountable for complying with the requirements of the health and safety program, and this compliance is subject to audit under Bank of America internal audit procedures.

#### PROGRAMS

Bank of America maintains an Injury and Illness Prevention Program, which includes training, inspections, safety reviews and emergency preparedness. A corporate Life Safety unit is responsible for policy and training materials.

#### MANAGEMENT SERVICES

The Management Services division, responsible for Bank of America buildings, requires facility management partners to properly maintain heating and air-conditioning systems to achieve optimum indoor air quality.



**B**ank of America understands the importance of interacting with nonprofit organizations, government agencies and community groups, both at a national level and locally in the communities we serve. The Bank of America Environmental Commitment strives to bridge the gap between business and the environment. Therefore it is important to communicate and understand the issues of these groups to work toward solutions that support the environment, the quality of life in our communities and the economy. The following activities are examples of this interaction and public policy support for the issues identified both internally and with external organizations:

### SMART GROWTH BUSINESS PRACTICES

Bank of America business practices are helping build more livable communities across the United States. With a focus on sustainable urban revitalization, the bank's lending and equity investments increasingly support projects that balance practical, repeatable growth with a good quality of life for all.

Bank of America supports Smart Growth as the right process at the right time. After all, smart planning is the best way to address growth, which is inevitable. As the population grows, so does the need for housing and services. But if not planned well, growth can degrade our cities and the environment and, resultantly economic conditions. The bank stands firmly on the side of planning for growth that fuels economic prosperity, environmental protection and equitable opportunities and benefits — in short, planning that protects quality of life.

Diverse elements comprise so-called Smart Growth projects: mixed-use development, mass transit-oriented and walkable communities, urban infill redevelopment, mixed-income as well as mixed rental and for-sale housing, well-designed density levels higher than are traditional, brownfields redevelopment and the protection of open space and ecologically valuable lands. To support Smart Growth efforts, Bank of America needs to continue to focus on lending to Smart Growth projects.

Such projects represent a unique development model. Smart Growth projects often are perceived as risky and difficult to finance. Systemic financing barriers also

exist, with many institutional investors taking the short-term approach to real estate investment and favoring more standard projects over the less conventional. Developers and bankers agree that more models are needed to demonstrate Smart Growth's benefits. We need to work together to determine what works and why, where and at what cost.

While financing barriers still limit the number of projects, Bank of America has a good record on Smart Growth and will continue to seek expedited financing options and lower costs for smarter growth while meeting metropolitan needs. And, as more thoughtful regional planning lays the groundwork for these projects to succeed, proponents expect more stakeholders to be supportive and the market to grow.

### BANK OF AMERICA SMART GROWTH LINE OF BUSINESS SUPPORT

Bank of America has long supported sustainable metropolitan prosperity through its Real Estate and Community Development Banking businesses. Both have experience in lending and equity investing across the spectrum of real estate development that has come to be labeled Smart Growth.



Real Estate Banking provides a broad and flexible array of debt products, beginning with construction lending and concluding in permanent loans that are typically securitized and sold in the secondary markets. Community Development Banking, a nationwide leader in debt and equity investment in the construction of affordable housing, specializes in providing investment for housing and business initiatives in low- to moderate-income communities. Through this business, the bank is directly involved in inner-city redevelopment and neighborhood revitalization. Projects typically include partnerships with public-sector incentives and

funding. This work advances Smart Growth by revitalizing urban cores and distressed neighborhoods through redevelopment of existing infrastructure.

The company's Environmental Services team is available to loan officers to assess and quantify brownfields and other environmental risks that could affect a transaction. The team can suggest ways to mitigate the risks, amortizing costs and finding appropriate indemnification.

#### **SMART GROWTH TOOLKIT**

To help other departments learn about and take advantage of Smart Growth opportunities, and to further the efforts of the Bank of America Smart Growth Initiative introduced in 1999, a Smart Growth Working Group was formed and championed by the head of Real Estate Banking. The team includes Real Estate Banking, Environmental Initiatives, Environmental Services, Federal Government Relations, Public Relations, Community Development Banking and Corporate Real Estate.

The group compiled a Smart Growth Toolkit, available on an Intranet site, to share within the bank and use as an educational tool. The toolkit includes the following components:

1. State listings of Smart Growth activities
2. Talking points and speech template
3. Guidelines for how to set up a local Smart Growth Assessment Team
4. Business unit resources
5. Real Estate Banking
6. Community Development Banking
7. Environmental Services
8. Corporate Real Estate
9. State listings of Smart Growth transactions

#### **BANK OF AMERICA FACILITIES**

Worldwide, the bank occupies 70-80 million square feet of office space. Location, construction and management determine a building's total impact on the community and environment. To develop a better understanding of these issues, Corporate Real Estate partners with managers across the company to advise them about impacts, including those of an environmental nature, and the choices they face with real estate location and interiors on both new and renovated projects.

#### **SMART GROWTH TRANSACTIONS**

Since March 1999, when recently retired Chief Executive Officer Hugh McColl announced a commitment to encourage and participate in Smart Growth initiatives in communities throughout the franchise, the bank has been involved in many creative projects. A total of 52 Bank of America transactions were documented internally as having Smart Growth components in 2000. In **Atlanta**, the construction of 400 single-family homes is reinvigorating a formerly distressed area, and other efforts are under way to provide mass-transit-oriented housing in low- to moderate-income neighborhoods. In **Washington, D.C.**, the bank helped to jump-start the renovation and development of Northeast Business Park, a small industrial park on an inner-city site close to interstate highways that formerly contained a junkyard. In **Houston**, the bank financed construction of a mass-transit-oriented, 360-unit low- to moderate-income apartment community, the innovative, modular design of which resulted in lower costs and larger units. In **Phoenix**, the Southwest Region headquarters moved into the mixed-use, downtown Collier Center in 2000. In **Baltimore**, the bank spearheaded development of the now fully leased Parren J. Mitchell Business Center, which is part of the Lexington Terrace redevelopment on the site of decayed public housing demolished in 1996. In **San Francisco**, an affordable mixed-use infill project was made possible by the bank's sale of inner city land to a public-private group for \$6 million less than market value. And in **Charlotte**, ongoing projects exhibit numerous Smart Growth characteristics.

#### **NATIONAL SMART GROWTH COLLABORATION**

In 2000, Bank of America supported the following important national programs:

#### **SMART GROWTH FUNDERS NETWORK**

The Bank of America Foundation participated in the Smart Growth Funders Network for Smart Growth and Livable Communities as a member of the managing committee. The Network was launched April 5, 1999. It is an affinity group of foundations that does research on Smart Growth in order to inform and strengthen philanthropic funders' individual and collective abilities to support and connect organizations working to improve quality of life, create better economies, build livable communities and protect and preserve natural resources. It is designed to be an active resource and focal point for foundations, nonprofit organizations and other partners working together to create opportunities

by positively affecting the environmental, social and economic issues exacerbated by suburban sprawl and urban disinvestment.

#### **URBAN LAND INSTITUTE**

In May 1999, the Bank of America Foundation committed \$200,000 to the Urban Land Institute (ULI) over two years to foster more informed and collaborative efforts among Smart Growth stakeholders. Outreach includes providing communities with leadership training on Smart Growth issues and support of ongoing ULI National and District Council Forums. The bank also was a sponsor of and participant in ULI's National Partners for Smart Growth Conference 2000 in Atlanta.

#### **REGIONAL SMART GROWTH COLLABORATION**

The Smart Growth Working Group also recognizes that smart growth development is more effective if the community is involved in the process. However, since each community's growth usually affects a much larger area, regional collaboration is needed to sustain the infrastructure supporting the economy, environment and social fabric for all the communities affected by growth. In 2000, Bank of America became involved with numerous new collaborative efforts that support regional growth solutions, and continued our support of many more efforts:

#### **NEW REGIONAL SMART GROWTH COLLABORATIONS**

##### **CALIFORNIA DEPARTMENT OF TRANSPORTATION TRANSIT-ORIENTED DEVELOPMENT (TOD) STUDY TECHNICAL AND ADVISORY COMMITTEES**

These committees are overseeing a study of TOD and identifying best-practice developments to use as examples. The result will be policy recommendations and implementation procedures by fall 2001 for local governments to encourage TOD.

##### **CHICAGO METROPOLIS 2020**

This nonprofit is an affiliate of the Commercial Club of Chicago. It recommends and facilitates implementation of a series of actions and policy initiatives designed to strengthen the region's economic vitality and enhance the quality and equity of life for all citizens. Our company is represented on the Workforce Development Task Force.

#### **ONGOING REGIONAL SMART GROWTH COLLABORATIONS**

##### **BAY AREA ALLIANCE FOR SUSTAINABLE DEVELOPMENT**

The alliance is a regional coalition of stakeholder organizations launched in 1997 to address the challenge of meeting the sustainability needs of the San Francisco Bay Area. The alliance focuses on transportation, housing, environmental quality, land use, education and economic development. Its mission is to improve long-term economic competitiveness by promoting economic growth while simultaneously strengthening environmental quality and social equity. The overall goal is to reach consensus on a new regional "compact for sustainability" that can be endorsed and implemented by a majority of the stakeholder organizations and local governments in the Bay Area. A bank associate participates in the coalition.

##### **CALIFORNIANS AND THE LAND**

Bank of America, the James Irvine Foundation, the William and Flora Hewlett Foundation, Environment Now Foundation and the David and Lucile Packard Foundation cochair this effort to provide a neutral ground where stakeholders interested in land use can seek sustainable solutions. The group sponsored two reports from the Center for the Continuing Study of the California Economy: "Land Use and the California Economy" and "Smart Public Investments for the California Economy." A bank associate participates in the group.

##### **CHARLOTTE CENTER CITY PARTNERS**

This group, which promotes uptown development in Charlotte, N.C., our headquarters city, has spearheaded much of the office, commercial and residential growth in the center city. A bank associate chairs the board.

##### **THE GEORGIA CONSERVANCY**

This organization, established in 1967, is dedicated to the responsible stewardship of Georgia's natural resources. It strives to balance the demands of social and economic progress with a commitment to protect the environment. It does so by convening business, government and community interests, seeking reasoned positions on environmental issues and fostering solutions through consensus building. Its acclaimed Blueprints for Successful Communities initiative has brought together community leaders to address growth management issues. A bank associate volunteers as an

advisor to the board of trustees.

#### **COUNCIL FOR A SUSTAINABLE FLORIDA**

The Council, comprised of public- and private-sector partners, promotes responsible environmental conduct and seeks to provide a forum for addressing environmental, economic and social issues in a collaborative manner. A bank associate sits on the council.

#### **NORTH CAROLINA ENVIRONMENTAL DEFENSE**

The role of this group is to heighten awareness among community leaders about Smart Growth and urban sprawl throughout North Carolina. A bank associate serves on its board.

#### **NORTH CAROLINA BOARD OF TRANSPORTATION**

Responsible for transportation policy and approving transportation construction contracts, the board in 1999 embarked on its first strategic planning process, which introduced Smart Growth concepts into transportation funding for the first time. A bank associate served as a governor-appointed member of the Board of Transportation in 2000.

#### **METROPOLITAN PLANNING COUNCIL**

This nonprofit organization works to enhance the vitality and livability of the Chicago metropolitan region. To accomplish that goal, it mobilizes leadership around regional solutions to the problems of housing, transportation, land use and urban development. A bank associate serves as an Executive Advisor to the organization, and another serves on the board of governors and chairs the council's Regional Housing Committee.

#### **SMART GROWTH ALLIANCE**

The Alliance serves as a communications consortium, primarily in North Carolina, among environmental, governmental, academic and corporate groups concerned about Smart Growth issues. Board representatives include the Sierra Club president in North Carolina and representatives from state government and the University of North Carolina. A bank associate serves on the board of directors.

#### **VOICES & CHOICES**

This North Carolina grassroots Smart Growth coalition for the 14-county Greater Charlotte-Mecklenburg region is pulling together a regional agenda that can be addressed by local governments. An associate chairs the coalition's Reuse, Recycle and Reduce subcommit-

tee, and another chairs its regional task force on Transportation, Land Use and Open Space.

#### **BROWNFIELDS REDEVELOPMENT**

Brownfields are idle or underused properties that have an element of real or perceived contamination. Returning these properties to productive use can generate jobs and tax revenues in older urban areas, where most brownfields are located. Such redevelopment can help concentrate economic activity in established urban areas and reduce expansion pressures on the urban fringe. The U.S. Environmental Protection Agency (EPA) has taken the lead in promoting brownfields redevelopment.

In 2000, Bank of America continued to support brownfields redevelopment by leveraging internal resources such as the bank's Environmental Services Department and Community Development Banking. Bank of America has made efforts to finance brownfields redevelopment and work with community and government agencies to make investment in brownfields more attractive to the private sector.

#### **NATIONAL BROWNFIELDS**

##### **ENVIRONMENTAL PROTECTION AGENCY**

A bank associate serves as chair of the Brownfields Work Group of the U.S. Environmental Protection Agency's Environmental Finance Advisory Board, specifically providing advice on federal brownfields tax incentives.

##### **NATIONAL BROWNFIELDS ASSOCIATION**

A bank associate serves on the advisory board of this association, an organization formed to facilitate the redevelopment of distressed urban properties by advancing technical, legislative and financial efforts. Participation in the National Brownfields Association links Bank of America to premier brownfields redevelopers nationwide.

#### **REGIONAL BROWNFIELDS COLLABORATION**

##### **CALIFORNIA**

*California Redevelopment Fund* — Bank of America, through its Community Development Banking group, committed in 2000 to invest \$10 million in the

California Environmental Redevelopment Fund to help finance the environmental cleanup of properties slated for redevelopment. Bank associates participated in the planning and implementation of this fund.

*California Treasurer's Office* — A bank associate advised in the development of a \$25 million brownfield environmental due diligence loan program that will be funded in 2001. Bank of America supported the legislation that helped this innovative program move forward.

#### FLORIDA

*Broward County (Florida) Redevelopment Task Force* — A bank associate serves as vice chairman of and chairman of the Finance and Insurance Committee of this task force. The task force's primary responsibilities are recommending local brownfield policies and making recommendations to the local municipalities sites for brownfield designation. In 2000, a number sites were recommended by the task force; the group is currently working on recommending two or three more.

*Department of Housing and Urban Development Seminar* — In May, Bank of America cosponsored a seminar geared towards educating local financial institutions and government agencies on what a brownfield project is, what financing or insurance may be available and general issues to consider. The bank also had a speaker at the State brownfield meeting on the finance and insurance panel in October.

*Florida Brownfield Meeting* — Two bank associates were speakers at the finance and insurance panel included in the state brownfield meeting in October.

#### ILLINOIS

*Illinois Site Remediation Advisory Committee* — A bank associate sits on this committee, appointed by the governor of Illinois to work with regulators in establishing new comprehensive remediation guidelines for the state of Illinois. Additional legislative outreach and advisory presentations were made in Florida, Georgia and Alabama.

#### OREGON

*Oregon Environmental Cleanup Financing Committee* — A bank associate served on this three-member committee at the request of the director of the Oregon

Department of Environmental Quality. This committee examined innovative ways to promote private sector involvement in environmental cleanup and restoration projects throughout Oregon.

### OTHER COLLABORATIONS

#### CALIFORNIA ENVIRONMENTAL DIALOGUE (CED)

CED is a collaboration of some of California's leading corporate, environmental and public policy leaders. The organization is committed to strengthening environmental protection while reducing costs and improving economic efficiencies. The members share a belief that environmental protection and economic prosperity go hand in hand. In 2000, CED members signed statement regarding California's transportation needs and published California Transportation: The key to a Prosperous Economy and a High Quality of Life.

#### COALITION FOR ENVIRONMENTALLY RESPONSIBLE ECONOMIES (CERES)

In 2000, Bank of America reaffirmed its endorsement of the CERES Principles. By adopting these principles, we publicly affirm our belief that corporations must be good stewards of the environment. Companies that endorse these principles pledge voluntarily to go beyond the requirements of law. Through this relationship, Bank of America has engaged in mutually beneficial dialogues to strengthen interaction among the business, environmental and socially responsible investing communities. CERES has provided valuable assistance to Bank of America on environmentally sensitive issues, including the bank's decision not to participate in China's Three Gorges Dam financing.

#### ENVIRONMENTAL BANKERS ASSOCIATION (EBA)

This trade association is dedicated to the promotion of environmental risk management and environmental awareness within the financial services industry. Two bank associates are on the EBA board of directors.

#### MORTON ARBORETUM

The Morton Arboretum in Lisle, Ill., is one of the world's largest "tree gardens." It has been promoting the knowledge and love of trees, shrubs and other plants since its founding in 1922. It has outstanding research and education programs dedicated to reaching out for a greener, healthier and more beautiful world. Our

Consumer and Commercial Banking division recently provided bond financing to the arboretum, and one of our associates serves on the board of the organization.

#### **NATURELANDS**

This organization was established to enhance San Diego County residents' appreciation for the unique wildlife habitat of the area. A bank associate is on its board of directors.

#### **SINGAPORE GOVERNMENT PARLIAMENTARY COMMITTEE – ENVIRONMENT**

This committee was convened by the Singapore Parliament to encourage public debate and involvement on important environmental issues such as infrastructure for solid and liquid waste disposal, implementation of pollution control measures and the establishment of high standards for public health. A bank associate is a member of the committee's Resources Panel, and also received the Green Leaf Award 2000, awarded by the Singapore Ministry of Environment for his efforts.

#### **SILICON VALLEY MANUFACTURING GROUP**

Principal officers and senior managers of member companies work cooperatively with local, regional, state and federal government officials to address major public policy issues affecting the economic health and quality of life in California's Silicon Valley. On bottom-line issues that impact Silicon Valley – including traffic relief, affordable and available housing, an educated workforce, environmental quality, streamlined permitting and tax fairness – the Manufacturing Group draws on members' expertise to find workable, innovative answers. A bank associate is a board member and treasurer/secretary.

#### **SONOMA COUNTY BUSINESS ENVIRONMENTAL ALLIANCE**

This alliance of business, environmental and government leaders is dedicated to promoting good environmental business practices, currently focusing on water and energy conservation in this Northern California county. A bank associate is a co-chair.

#### **NATURE CONSERVANCY OF GEORGIA**

The Nature Conservancy mission is to preserve earth's diverse plants, animals and natural communities by protecting the lands and waters they need to survive. The Nature Conservancy has been active in Georgia since 1968. The Georgia chapter's vision is to protect for future generations more than 175,000 acres of habitat

in the state through cooperative partnerships, innovative science and diverse funding sources. A bank associate serves on its board of trustees.

#### **FINANCE INSTITUTE FOR GLOBAL SUSTAINABILITY (FIGS)**

FIGS is an internet-based information and networking resource on global sustainability for the financial industry. A bank associate serves on the board.

#### **VALLEY FORWARD**

The Valley Forward Association brings business and civic leaders together in the Phoenix, Arizona region to improve the environmental and quality of life in Valley communities. They are dedicated to:

- viable community partnerships,
- advocating environmental sustainability,
- having programs that promote environmental consciousness
- organized, smart growth

Several Bank of America associates are members of the coalition.

#### **SPONSORSHIPS AND GRANTS**

During 2000, Bank of America and the Bank of America Foundation funded \$809,525 in grants, memberships and sponsorships to diverse organizations involved in environmental efforts. This giving focused on collaborative efforts and projects deemed possible models for environmental preservation or supported Smart Growth efforts.

## SPEAKING ENGAGEMENTS: SMART GROWTH/BUSINESS AND THE ENVIRONMENT

The bank provided speakers at the following venues:

- Brownfields Seminar - Orange County Bar Association
- CERES Annual Meeting
- Chicago Urban Land Institute and Campaign for Sensible Growth
- Great Valley Center Annual Meeting
- Joint Venture Silicon Valley Conference
- National Consumers League National Conference
- Sierra Business Council
- South Carolina's Governor's Conference on Smart Growth
- U.S. Chamber of Commerce — Environmental Summit 2000
- U.S. Dept of HUD Lenders Symposium on Brownfields
- United Engineering Foundation - Green Brownfields Conference
- University of Southern California/Urban Land Institutes Trends 2000 Conference

## ASSOCIATE VOLUNTEER ACTIVITIES

The company supports associate volunteerism through Team Bank of America, a worldwide organization through which associates can learn and develop new skills, volunteer in the community and network with one another.

The components of Team Bank of America are:

- Diversity Network
- Environmental Network (*described in Section Two*)
- Recreation Network
- Speaking Network
- Volunteer Network

The Volunteer Network promotes community participation at Bank of America by encouraging and facilitating associate and retiree volunteerism in team and individual projects. Environmental volunteer activities are encouraged. In 2000, more than 3,000 associates and retirees participated in events that contributed more than 100,000 hours of volunteer work on a range of projects and activities. Nationally, they included Adopt a Highway, Earth Day, habitat restoration, international coastal and river cleanups and zoo habitat restoration.

One example of ongoing volunteer support is the Waterways Watch Society in Singapore. Five Bank of America associates are actively involved in the society, including the position of chairman. The group, comprised of local volunteers, aims to bring people together to monitor, restore and protect the aesthetics of Singapore waterways. The group's activities include weekly patrols of rivers and educating the public on the importance of keeping the waterways clean.

**B**ank of America is committed to finding prudent ways to finance projects and companies that benefit the environment and refrain from financing those with environmental practices that fall short of acceptable standards. In 2000, Bank of America was one of the 30 most popular companies among green investors identified in a survey conducted jointly by Credit Suisse and Tomorrow Magazine, published in the magazine's January-February 2000 edition.

## ENVIRONMENTAL SENSITIVITY

The Bank of America Statement of Environmental Principles guides lending officers in demonstrating environmental sensitivity in selling products and services such as credit, investment, underwriting and payments.

### WORLD BANK GUIDELINES

The Statement of Environmental Principles specifically refers to the World Bank's Pollution Control and Abatement Guidelines as a key measure in evaluating potential environmental performance on projects we finance.

Bank of America considers environmental practices acceptable if they meet industry standards, conform to World Bank guidelines and comply with applicable law.

## INTERNAL TEAMS

The bank's Environmental Services team provides lending officers with research, evaluation and other support for environmental issues that affect our products and services. The group has developed broad expertise in integrating the financing needs of our clients with the technical issues associated with actual or perceived contamination of real estate. Having pioneered the evaluation of environmental risk issues in real estate financing in the late 1980s, this team has also led the financial industry in its involvement in community and public policy activities.

Both Environmental Services and Environmental Initiatives act in an advisory capacity as well, following issues of business and public concern and sharing

information with associates for their use in making business credit and investment decisions. Across the company, associates are encouraged to network with public agencies, nonprofit organizations and business regarding environmentally sensitive industries and projects.

The bank's Statement of Environmental Principles was formally approved in December 1999. Annually, the Principles are communicated and distributed to senior managers, who share this information with associates in their areas of responsibility. In 2000, the Principles were featured in periodic internal communications media on three occasions throughout the year. The Principles also are included in standard credit risk manuals on-line.

Networking with nonprofits and government agencies is extremely important in understanding the environmental issues that are of concern to these organizations and ultimately to Bank of America. Sharing concerns, best practices and working with other institutions are important. Examples of these interactions include:

- Ongoing involvement with various nonprofit organizations and business groups concerning international development financing, climate change and global trade
- Participation at the EXIM Bank 2000 Annual Meeting where an associate served on a panel, "Best Environmental Practices for Participation in International Financing."
- Formation of an internal issue group with agriculture lending, which led to the development of a policy paper, "Agricultural Easements as a Consideration in Agricultural Lending." The information from this paper was used by the Sierra Business Council to respond to questions in its consensus regional planning process.
- Involvement with international banks, such as an associate's trip to Brazil at the invitation of the U.S. Consulate to make multiple presentations on environmental risk management for banks. He was the keynote speaker hosted by the Brazilian national development bank.

- The bank's Global Corporate and Investment Banking division advised the government of Ghana on how to obtain funding to prevent an ecological catastrophe. The littoral barrier between the Gulf of Guinea and the Keta Lagoon is in danger of being breached, and already thousands of citizens have been displaced from their homes.



Soil erosion and saltwater intrusion threaten to destroy local agriculture, commerce, fisheries and wildlife. The financed project will enable Ghana's residents to stabilize the coastline, install flood controls, reclaim land for residential use, restore roads and set aside part of the lagoon for shore-birds. The loan will be guaranteed by the U.S. Eximbank and funded by the Private Export Funding Corporation. The project meets the U.S. Eximbank's high environmental standards.

- Bank of America lent funds to develop environmentally sensitive salt works in Venezuela. This solar evaporation project is within a marsh adjacent to a wildlife refuge that is home to a number of unique species. Development was supervised by researchers from a local university and favorably reviewed by the International Finance Corporation and National Audubon Society. Because the transaction is insured by the Overseas Private Investment Corporation, the project also met that organization's rigorous environmental standards.
- The bank's Corporate Finance group arranged for seven years of true lease financing in the amount of \$1 million for RB Rubber Products/RB Recycling, Inc., in Oregon for its rubber recycling facility. The financing will pay for equipment that will recycle scrap tires into rubber chips, which in turn are made into various styles of rubber mats. The financ-

ing qualified for Oregon business energy tax credits.

- The Community Development Banking Group's (CDBG) Venture Fund Group invested \$3 million in Durham- and Philadelphia-based Sustainable Jobs Fund LP. It is a venture fund that invests in growing recycling, manufacturing, environmental and other businesses that create jobs for former low-income individuals. A bank associate is an advisory board member to the fund, and referred it to the bank.
- In December 2000, Banc of America Securities was named agent for a \$150 million syndicated credit to Amtrak, the only provider of intercity passenger rail transportation in the United States. This is the second year in a row that Banc of America Securities was named agent.



In three years, with 20 new high speed "Acela Express" electric trains that are being put into service, Amtrak will likely carry 15.9 million passengers — or about 8,200 a day, between Boston and New York, and New York and Washington, D.C.

- Smart Growth Transactions — More transactions are referenced in Section Four.

**P**rocurement & Corporate Services (P&CS) is the internal organization responsible for the company's procurement of goods and services nationwide. Areas of focus are supplier diversity and development, corporate travel, food services, supplier management, mail and transportation services, records, recycling, document management, forms management, equipment management and support, office supply orders and internal client relations.

The majority of Bank of America purchases are made through a centralized process, so it is important to leverage P&CS functional responsibility and integrate environmental impacts into its decision-making, processes and delivery. To that end, Procurement & Corporate Services integrated implementation of the Bank of America Environmental Commitment into its department objectives, making PC&S management responsible for progress relating to the commitment.

### ENVIRO-TEAM

An Enviro-Team was established in June 1999 with representation from Procurement & Corporate Services, Corporate Real Estate and Technology Acquisition & Management. In 2000, this team was given additional management support and leadership by assigning the team a chair with the environmental commitment included in his job description. The team reports to management each quarter on progress.

### REQUEST FOR PROPOSALS

The bank request for proposal (RFP) form explains the Bank of America Environmental Commitment to suppliers and vendors. This section also conveys the bank's expectation that suppliers and vendors adhere to environmentally beneficial policies, including the use of recycled paper goods. Furniture and carpet RFP templates solicit specific data regarding the environmental impacts of these products.



### CONTRACTS

The contract pro forma requires environmental reporting data from suppliers and vendors, including, where applicable, a quarterly report on paper usage and recycled content in products the bank uses. The contract includes a section that informs suppliers of the bank's Environmental Commitment and of the bank's expectation that suppliers also adhere to environmentally beneficial policies including the use of recycled paper products.

The bank also requests a written description of how the suppliers' policies, practices and procedures support the Bank of America Environmental Commitment. For example, Bank of America outsources its facility management. The Property Service Guide used by facility partners was specifically modified in 1999 to solicit support for the bank's recycling programs. Facility partners entered into agreements, each requiring the partner to adhere to environmentally beneficial policies and practices and to encouraging its subcontractors to do the same.

The Bank of America Environmental Commitment includes reducing the environmental impacts of our global operations. Reducing internal operations' environmental impacts involves efforts as diverse as making buildings more energy efficient, including environmental responsibility in vendor selection and contracts and implementing a national recycling program for all paper and nonpaper confidential items for all domestic Bank of America locations.

## CIRCULAR ECONOMY

To lessen our environmental impacts, Bank of America continues moving toward a more circular economy in which our company reduces materials use, recycles and supports the market for recycled materials. This effort results in reduced raw material demand and creation of wealth that puts less stress on the natural systems.

Our efforts in achieving this circular economy include:

### REDUCE MATERIALS USE

- *Make It Second Nature* — In December, Bank of America launched its “Make It Second Nature” associate campaign. The campaign seeks to make recycling and re-using materials second nature throughout the company, not only reducing the amount of materials discarded, but saving the bank costs. Associates were asked to share or order their subscriptions online, reuse file folders and binders, double-side copy, use electronic forms and turn off their printers and monitors at night. An ongoing communications strategy, combined with a poster and a sticker placed on copiers, says “Save Paper — Use Both Sides.”
- *Web Site* — Environmentally sound office practices are posted on the bank’s Intranet Web site that is used as a resource tool for associates.



- Other Paper Reduction Efforts — To further reduce paper consumption some corporatewide efforts adopted in 2000 included:
  - A new online process for ordering and renewing subscriptions was offered to associates.
  - An online expense reimbursement service (EXPRES) was implemented to replace paper-based associate expense reports.
  - Printed travel itineraries were reduced from three pages to one. We implemented this program during 2Q00 and estimate the paper savings for the balance of 2000 to be 235,000 sheets of paper.
  - Electronic ordering and delivery of title products — which were previously printed — were introduced for Consumer Real Estate Lending. Further, associates can contact HomeFocus Services, the bank’s vendor management company, using the Web.
  - Our facility partner, Trammell Crow Company, used a Web-based project management tool for the bank’s Gateway Village project in Charlotte to reduce paper consumption.
  - Throughout the year, paper communications were migrated to the bank’s Intranet site, establishing it as the channel of choice for associate communications.

## RECYCLING

Paper is by far the largest component of our waste stream. By improving our recycling performance, we lower the environmental impact of our operations. Instead of sending our paper to landfills, we can ship it where it can find new life as valuable products.

### NATIONAL DOCUMENT DESTRUCTION/RECYCLING PROGRAM

Bank of America associates are domiciled in more than 5,000 facilities nationwide, including banking centers, office buildings, processing centers and warehouses. Introduced in 1999 and completed in 2000, the program integrates recycling with secured document destruction, which means virtually every piece of paper can be placed in desk-side recycling containers. The bank has contracted with Recall Secured Destruction Services



based in Greenville, S.C. and Weyerhaeuser Paper Co. to collect the recyclable material, transport it to recycling facilities and process it. They then ship the processed material to paper mills that can turn it into recycled paper products.

As part of the program, each Bank of America associate has a special deskside recycling container for paper. Each associate can empty his or her deskside recycling container into larger bins that are conveniently located and can be locked, if appropriate. To help associates keep focused on the program, guidelines for the bank’s National Document Destruction/Recycling Program have been included in a bank operating manual used by banking centers.

In March 2000, the Bank of America deskside recycle program received the “Excellence in Employee Education” award from Commercial Waste Reduction Programs of Mecklenburg County in North Carolina. The award cited the bank’s outstanding work in educating associates about recycling and participating in the paper and confidential nonpaper materials deskside recycle program. The bank received the award as part of its membership in the Mecklenburg County Wipe Out Waste Program, designed to recognize and promote business efforts to recycle, buy recycled products and reduce waste. Following are the estimated results of the National Document Destruction/Recycling Program for 2000:

VOLUMES			
	1999	2000	change
Paper recycled	23,063 tons	29,514 tons	+6,451 tons
Estimated avoided trash hauling costs	\$763,962 per year	\$977,651 per year	+\$213,689 per year
Trees saved	392,071 trees	501,739 trees	+109,668 trees
Hours of energy saved	94,558,300 kwh	121,558,300 kwh	+27,000,000 kwh
Oil saved	69,189 barrels	88,542 barrels	+19,353 barrels
Landfill space saved	76,108 cubic yds	97,396 cubic yds	+21,288 cubic yds

### SUPPORTING THE MARKET FOR RECYCLED MATERIALS

Through various purchasing programs, Bank of America is choosing, whenever possible, to use recycled materials for companywide use.

**Baseline** — In 2000, contracts with paper vendors included quarterly reports that provided a baseline by year-end 2000.

2000 PAPER PURCHASED BASELINE IN TONS	TOTALS	PERCENTAGES
Total Paper Purchased (Tons)	23,381	100%
Recycled Paper Purchased (Tons)	9,454	40%
Virgin Paper Purchased (Tons)	13,927	60%
Avg % Post-Consumer Content		25%
Recycled Fiber (Tons)	2,323	

The Enviro-Team made a significant commitment to purchase recycled paper, including:

- Contracted for 30% post-consumer waste content in stationery (letterhead, envelopes and business cards) and added the recycled “bug” logo to letterhead and business cards.
- Closed the loop on some of the copy paper purchased. Xpedx purchases some of the bank’s recycled paper from Secured Data, our document destruction vendor, which is then used by International Paper in producing the copy paper that the bank buys (with 30% post-consumer content).



Bank of America uses 9.5 million sheets of copy paper per day

## NONPAPER

Other nonpaper efforts to conserve natural resources include:

### REUSE

Bank of America is an advocate for the reuse and refurbishment of existing furniture and equipment. This policy has saved millions of dollars in new capital purchases for the bank and lessens the amount of additional raw materials and energy required in making new furniture and equipment.

### FURNITURE REUSE

Reconditioned and reissued 64,434 pieces of surplus furniture, saving natural resources and also realizing a significant cost avoidance of \$10,197,165

Partnered with vendors, selling 54,045 pieces of used furniture for a total of \$455,382

Donated 11,279 pieces of furniture the bank no longer needed to schools, government agencies and nonprofit organizations

### EQUIPMENT REUSE

Reconditioned and reissued 23,646 pieces of equipment, realizing a cost avoidance of \$3,373,685

Sold 16,671 pieces of equipment from our warehouses for a total of \$67,999; also processed 1,296 sales directly from various bank sites, with multiple pieces each for a total of \$283,770

Donated 25,315 pieces of obsolete equipment

Recovered and donated, through the bank's Livermore Operations site, approximately 86 tons of used desktop office supplies; donations were primarily to a nonprofit organization

## ADDITIONAL EFFORTS

Bank of America implemented a remanufactured facsimile toner cartridge program with Pitney Bowes and Image Projections West, Inc., a minority-owned business. The bank orders 40,000 remanufactured toner cartridges annually. For each returned cartridge, Pitney Bowes also donates 50 cents to United Way on behalf of the bank.

When replacing carpet in facilities, the bank currently employs the recycling services of DFS, a company that specializes in carpet recycling.

Partnering with Office Depot, the bank blocked environmentally unfriendly products in the new Bank of America/Office Depot 2000 Corporate Supplies Catalog. Styrofoam cups and neon papers, which contaminate the bank's recycled paper program, are among the supplies that were removed from the catalog.

All in-store banking center fixtures and new customer service greeter stations for banking centers are manufactured with primarily recycled materials.

## WORKING RELATIONSHIPS

To assist in moving toward a more sustainable economy, Bank of America associates solicit advice and technical expertise in the development and management of our environmental programs and practices. Networking and building relationships with environmental groups, government agencies and other businesses are important links to finding ways to mitigate against the bank's environmental impacts. Of special interest to the bank are relationships with others working to find solutions that are cost-effective and beneficial to the environment and change the fundamental infrastructure needed for a more sustainable future. Bank of America is involved in many working relationships beneficial to our efforts to reduce our internal environmental impacts.

**Business for Social Responsibility** — This organization is a U.S.-based global resource for companies seeking to sustain commercial success in ways that demonstrate respect for ethical values, people, communities and the environment. BSR assists its members in creating value by providing expert help as companies address the full range of corporate responsibility issues.

**Recycled Paper Coalition** — When Bank of America began buying recycled paper, we found higher prices and problems with recycled paper quantity, variety and quality. We believed greater market demand would stimulate paper manufacturers to address these issues, but we alone could not generate greater demand. Finding that other companies shared our goals, we worked to form the Recycled Paper Coalition (RPC), comprised of paper buyers in the private, public and nonprofit sectors.

The RPC is a voluntary organization of major paper users whose national board of directors includes Bank

of America, Kaiser Permanente, George Lithograph, Natural Resources Defense Council, California Integrated Waste Management Board, Hewlett-Packard, Gap Inc., City of Chicago, Kinko's, RR Donnelley & Sons Company, Environmental Law & Policy Center, Alameda County Waste Management Authority and Source Reduction and Recycling Board and Corporate Express Document & Print Management. Today, the coalition has more than 260 members, and Bank of America cochairs its board.

**U.S. Green Building Council** — Bank of America is a member of this nonprofit building industry coalition that promotes the understanding, development and accelerated implementation of “green building” policies, programs, technologies, standards and design practices.

**WasteWise** — Bank of America is a participant in the U.S. Environmental Protection Agency's WasteWise program, which seeks to reduce business solid waste. Members of this voluntary program commit to preventing waste, buying or manufacturing recycled products and recycling.

Additional relationships in which we have shared information and collaborated on solutions include Environmental Defense Fund, National Recycling Coalition and Conservatree.

## ENERGY USE

Bank of America is partnering with an energy management company to provide a baseline for energy usage. In 2000, the bank was engaged in evaluating facility needs. Due to facility consolidations and expansion, the energy management company was unable to get a good energy baseline but will continue to pursue this as a 2001 goal.

In 2000, Bank of America did not have a climate change policy although the Environmental Initiatives team follows the issue. Information that could affect our products and operations is shared within the company as appropriate. The bank will work on a policy in 2001.

## ASSOCIATE TRANSPORTATION

Bank of America recognizes that associate commuting can adversely affect air quality. The following programs address this impact and respond to local regulations.

### NATIONAL EFFORTS

- **Picture Talk** — This advanced software links participants in real time, allowing associates to attend meetings and training classes without traveling.
- **Telecommuting** — Under this program with management approval, associates can perform all or part of their work from locations other than their normal work sites, either on a regular or an occasional basis.

### REGIONAL EFFORTS

#### California

##### **Sacramento Air Quality Board/ Folsom-Rancho-El Dorado Transportation Management Association**

(*FredTMA*) — Bank of America has been a member of the association for five years. In 2000, Bank of America encouraged associates to use environmentally friendly modes of transportation through the design and implementation of two programs in the Sacramento area during the four critical summer months of 2000. The first program was implemented in conjunction with the Sacramento Air Quality Board, as well as the Folsom-El Dorado Transportation Agency, an organization that Bank of America has been a member of for six years. The

second program, sponsored by Team Bank of America Environmental Network, also encouraged associates to use alternative forms of transportation.

In addition, as a benefit of their Folsom-El Dorado Transportation Agency membership, Bank of America associates are encouraged to “Spare the Air” through the availability of a Ride Share Matching Service and a Bicycle Purchase/Parts/Repair/Locker discount program. They are also guaranteed a free ride home in the event of a problem.

**San Francisco Bay Area “Spare the Air”** — Bank of America initiated a process to support “Spare the Air” days in the Bay Area. Certain associates receive electronic notification of anticipated high pollution days and requests for curtailed use of emission-producing products. Those associates then further distribute the notification.

**South Coast Air Quality Board (SCAQB) vehicle-scrapping program** — Bank of America participates in this program designed to take older, more polluting vehicles off the road. The bank also continues to work with SCAQB to provide commuter information to Southern California associates.

#### Georgia

**Smog Free Georgia** — This program was designed to inform bank associates in Atlanta about smog reduction, by using methods such as the Metro Atlanta Regional Transportation Authority (MARTA) public transit system for their commute, eating lunch in or walking to lunch or refueling their cars after 6 p.m. Voice mail smog alert messages and signage were installed in the bank’s Atlanta Plaza Building lobby to communicate to associates. Bank of America — and about 1,000 associates — participated in the MARTA summer commute subsidy program.

#### Washington

In Washington, 2,300 associates take advantage of a bank-sponsored pretax payroll deduction for bus passes or participate in registered car pools. The bank also provides access to vehicles for official business visits. More than 1,500 trips were made using bank vehicles, thus eliminating the need for associates to drive their cars to work.

**B**ank of America outsources the environmental compliance services for facility management. Services primarily include asbestos investigation, certification and abatement, as well as a host of other facility-related inspections, certifications and abatements. Currently, our facility partners are under contract to provide such environmental compliance. Workplace health and safety are covered in Section Three.

#### LEGAL REPORTING

It is possible that Bank of America has foreclosed on real property collateral or has fiduciary responsibility for property containing evidence of historical release of oil or chemicals that is reportable. In those cases, the bank has reported it to the appropriate authority.

In 2000, Bank of America sought to complete the merger of Bank of America and NationsBank successfully. The Bank of America Environmental Commitment engaged, educated and executed against this company goal. We maintained and executed against environmental policies and guidelines set up in 1999 in our four major areas of focus: internal operations, associate engagement, public outreach and core products. Baselines were established for the recycling and paper purchasing programs. Due to other transition priorities, we were unable to establish an energy or emissions baseline.

The Bank of America Environmental Commitment is part of the bank's strategy to become the leading financial service brand and, ultimately, to be recognized as one of the world's most admired companies. The goal is to integrate the commitment into the bank's decision-making, processes and products. If successful, the environmental commitment will not represent a special program. Rather, it will become part of our corporate culture and mindset and be fully integrated into the way Bank of America conducts business.

## CHALLENGES

- In a large company, it is difficult to empower and communicate to the vast majority of associates to engage their participation
- Our immense geographic presence is comprised of multiple regional and business segments, challenging our communications and reporting processes
- Environmental issues must compete with other issues and priorities
- Bank of America is an evolving, growing company in which change is constant, creating both a challenge and an opportunity

## 2001 PRIORITIES

- Continue to empower associates to participate by communicating senior management's support for the Bank of America Environmental Commitment
- Make more associates accountable for the commitment within their business objectives to create a stronger execution strategy. Also, partner with our vendors to leverage our opportunity to work through them to accomplish many of our environmental goals
- Strengthen our relationships with environmental groups, businesses and other stakeholders to broaden our understanding of environmental issues and partner with them on solutions
- Establish a better understanding of climate change and its impact on our business

The Bank of America Environmental Commitment is part of a larger bank goal to be the best place to work, bank and invest. This goal combined with our longstanding commitment to the environment and the communities where we do business will lead us toward becoming one of the world's greatest companies. We look forward to meeting the challenges presented and partnering with others to leverage opportunities to help us meet this goal.

**PROTECTION OF THE BIOSPHERE**

We will reduce and make continual progress toward eliminating the release of any substance that may cause environmental damage to the air, water, the earth or its inhabitants. We will safeguard all habitats affected by our operations and will protect open spaces and wilderness while preserving biodiversity.

**SUSTAINABLE USE OF NATURAL RESOURCES**

We will make sustainable use of renewable natural resources such as water, soils and forests. We will conserve nonrenewable natural resources through efficient use and careful planning.

**REDUCTION AND DISPOSAL OF WASTES**

We will reduce and, where possible, eliminate waste through source reduction and recycling. All waste will be handled and disposed of through safe and responsible methods.

**ENERGY CONSERVATION**

We will conserve energy and improve the energy efficiency of our internal operations and of the goods and services we sell. We will make every effort to use environmentally safe and sustainable energy sources.

**RISK REDUCTION**

We will strive to minimize the environmental, health and safety risks to our employees and the communities in which we operate through safe technologies, facilities and operating procedures, and by being prepared for emergencies.

**SAFE PRODUCTS AND SERVICES**

We will reduce and, where possible, eliminate the use, manufacture or sale of products and services that cause environmental damage or health or safety hazards. We will inform our customers of the environmental impacts of our products or services and try to correct unsafe use.

**ENVIRONMENTAL RESTORATION**

We will promptly and responsibly correct conditions we have caused that endanger health, safety or the environment. To the extent feasible, we will redress injuries we have caused to persons or damage we have caused to the environment and will restore the environment.

**INFORMING THE PUBLIC**

We will inform in a timely manner everyone who may be affected by conditions caused by our company that might endanger health, safety or the environment. We will regularly seek advice and counsel through dialogue with persons in communities near our facilities. We will not take any action against employees for reporting dangerous incidents or conditions to management or to appropriate authorities.

**MANAGEMENT COMMITMENT**

We will implement these principles and sustain a process that ensures that the board of directors and chief executive officer are fully informed about pertinent environmental issues and are fully responsible for environmental policy. In selecting our board of directors, we will consider demonstrated environmental commitment as a factor.

**AUDITS AND REPORTS**

We will conduct an annual self-evaluation of our progress in implementing these principles. We will support the timely creation of generally accepted environmental audit procedures. We will annually complete the CERES Report, which will be made available to the public.

**DISCLAIMER**

These principles establish an environmental ethic with criteria by which investors and others can assess the environmental performance of companies. Companies that endorse these principles pledge to go voluntarily beyond the requirements of the law. The terms “may” and “might” in principles one and eight are not meant to encompass every imaginable consequence, no matter how remote. Rather, these principles obligate endorsers to behave as prudent persons who are not governed by conflicting interests and who possess a strong commitment to environmental excellence and to human health and safety. These principles are not intended to create new legal liabilities, expand existing rights or obligations, waive legal defenses, or otherwise affect the legal position of any endorsing company, and are not intended to be used against an endorser in any legal proceeding for any purpose.

**1995**

On March 31, 1995, the registrant's mortgage-banking subsidiary acquired a \$10 billion residential mortgage-servicing portfolio from Source One Mortgage Services Corporation.

On March 31, 1995, the registrant's mortgage banking subsidiary acquired the residential mortgage-servicing business of KeyCorp Mortgage, Inc., from KeyCorp and Key Bank of New York.

The registrant formed MECA Software LLC and, on June 30, 1995, MECA purchased MECA Software, Inc. and its "Managing Your Money" software for an aggregate purchase price of approximately \$35 million.

On December 4, 1995, the registrant completed the sale of the portion of its corporate trust business that deals with bond servicing and administration to The Bank of New York.

On December 13, 1995, the registrant completed the acquisition of Intercontinental Bank.

On December 21, 1995, the registrant completed the acquisition of North Florida Bank Corporation.

**1996**

On January 9, 1996, the registrant completed the acquisition of Bank South Corporation.

On January 10, 1996, the registrant completed the acquisition of CSF Holdings, Inc.

On January 31, 1996, the registrant completed the acquisition of Sun World.

On April 29, 1996, the registrant, through NationsCredit Commercial Corporation, its wholly owned, indirect subsidiary engaged primarily in the commercial financial services business, completed the acquisition of LDI corporation.

On May 24, 1996, the registrant completed the acquisition of Charter Bancshares, Inc.

On August 13, 1996, the registrant completed the acquisition of TAC Bancshares, Inc., and its subsidiary, Chase Federal Bank FSB.

On August 31, 1996, the registrant acquired aggregate deposits of approximately \$970 million from Bluebonnet Savings Bank, FSB.

**1997**

On January 7, 1997, the registrant completed the acquisition of Boatmen's Bancshares, Inc.

During 1997, the corporation sold a number of business units acquired as a result of its acquisition of Boatmen's Bancshares, Inc., including Boatmen's corporate and institutional trust and stock transfer businesses, relocation management business, insurance premium financing business and an escrow services business.

On October 1, 1997, the corporation completed the acquisition of Montgomery Securities, Inc., an investment banking and institutional brokerage firm.

On October 1, 1997, the corporation also acquired Robertson Stephens & Company Group, an investment banking and investment management firm.

**1998**

On January 9, 1998, the corporation completed its merger with Barnett Banks.

On August 31, 1998, the corporation sold the investment banking operations of Robertson Stephens.

On September 30, 1998, the merger between BankAmerica and NationsBank corporations was completed, creating Bank of America.

**1999**

On February 26, 1999, the corporation sold the investment management operations of Robertson Stephens.