

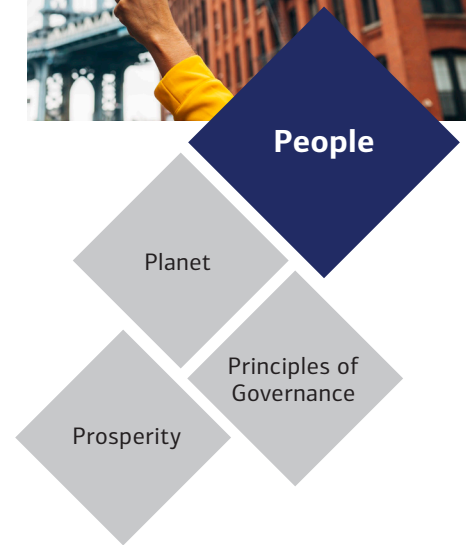
CHIEF INVESTMENT OFFICE

Sustainable & Impact Investing

People: The heart and soul of companies and communities

People are the heart of every company — as employees, customers, suppliers or distributors and retailers. The global health crisis and movement toward social equality have amplified the critical importance of our most valuable resource — human capital. When they flourish, businesses can succeed. Engaged, skilled, healthy workforces can be more productive and enable companies to be more resilient and innovative. Thriving customers, educated suppliers and supportive communities provide ecosystems for growth — and opportunities for investors.

Whether you want to promote health and wellness or are interested in supporting companies with diverse leadership and pay equity, you can make a difference with your investment choices. In an evolving world, your investments may have the potential to drive positive change and seek competitive returns.



PEOPLE FACE CHALLENGES AROUND THE WORLD

2.4 million	2.4 million women left the workforce in the year since the beginning of the pandemic. Hispanic and Black women were disproportionately impacted, as sectors such as services, retail and hospitality were among those hardest hit. ¹
More than 1/2	More than half of the world's population lacks access to essential healthcare services; the critical nature of this problem has been magnified by the global pandemic. ²
\$2.5 trillion	As technology changes the workplace, workers face a widening gap between their skills and those required by available jobs. This global skills gap may leave an estimated 2.4 million positions unfilled between 2018 and 2028 in manufacturing alone — with a potential economic impact of \$2.5 trillion. ³
.82¢ for every \$1	In the United States, women, on average, make only 82 cents for every dollar a man earns — and the gap is even greater for Black and Latina women. ⁴
700+ million	As a result of the pandemic, additional new people living in extreme poverty increased by 47 million, forcing 736 million people to survive on less than \$1.90 a day. ⁵
4 in 10	The Federal Reserve estimates that nearly 4 in 10 Americans would struggle to cover an unexpected expense of \$400 or more. ⁶

- ◆ **PEOPLE:** Commitment to engaged and healthy workers
- ◆ **PLANET:** Contributions to climate and environmental sustainability
- ◆ **PRINCIPLES OF GOVERNANCE:** Commitment to ethics and societal benefit
- ◆ **PROSPERITY:** Contributions to equitable, innovative economic growth and sustainable communities

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Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
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Please see last page for important disclosure information.

THERE ARE GREAT INVESTMENT OPPORTUNITIES

Inclusive practices are not only the right thing to do from a moral perspective, but an economic one as well, presenting opportunities for global growth. While gender inequality has decreased significantly, the Organisation for Economic Co-operation and Development (OECD) estimates that if gender pay discrimination were ended, it could unleash \$12 trillion a year — 16% of the world's income.⁷ And if the education attainment gap between men and women were closed, it could create an estimated \$15 trillion to \$30 trillion benefit for society.⁸

Looking at a firm level, companies can unleash opportunities that help society and their bottom line. Companies that treat people as assets to be invested in, rather than resources to extract from, represent long-term investment opportunities. McKinsey analysis has shown consistent outperformance by leaders in ethnic and cultural diversity — 36% outperformance in 2019 by top quartile firms versus bottom quartile.⁹ And Gallup found that organizations with engaged employees have nearly double the odds of success than those with low engagement scores and that organizations with greater organizational success see a 21% increase in profitability.¹⁰ Companies that excel in prioritizing people are more likely to be better prepared to take advantage of the opportunities that come from our transforming world.



Empowerment and inclusion

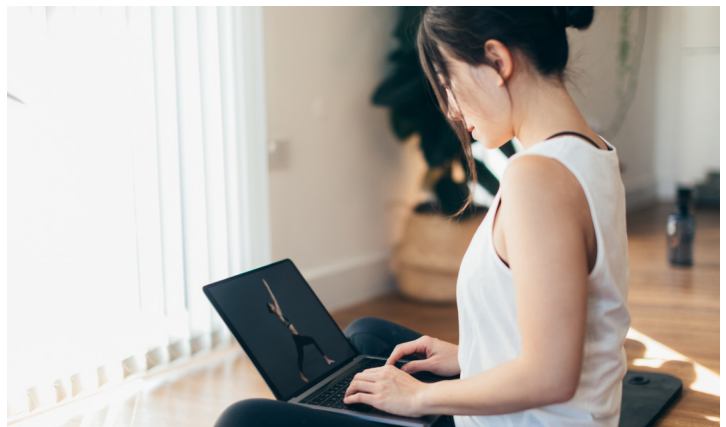
Expanding opportunity through investments in companies that:

- Pay and promote fairly
- Create inclusive workforces at all levels
- Support robust practices of employee health and safety in their supply chains
- Invest in training, education and skills to enhance human resources

YOU CAN INVEST IN PEOPLE WITH FUTURE GENERATIONS IN MIND

Our Chief Investment Office (CIO) has a framework to help you think about your sustainable investing preferences. Divided into four areas — People, Planet, Principles of Governance and Prosperity — our sustainability pillars can help you identify actionable investment solutions to incorporate into your portfolio, if appropriate.

Sustainable investments related to people combine two goals: to seek competitive returns and to support human dignity through inclusion, health and developing communities that are life-giving. To support you in creating positive impact that helps people and society at large, we evaluate potential investments by looking at two broad areas: empowerment and inclusion, and good health and well-being.



Good health and well-being

Caring for the well-being of employees, their families and broader stakeholders by:

- Upholding strict safety practices
- Supporting robust practices of employee health and safety in their supply chains
- Providing holistic health programs

YOU CAN IMPLEMENT SUSTAINABLE & IMPACT INVESTMENTS IN YOUR PORTFOLIO IN THREE WAYS

You can choose the type of impact that is important to you — from avoiding harm, to benefiting favorable business practices, to contributing to measurable outcomes or a combination of all three.

Avoid



Seek to reduce negative social or environmental effects and manage risk by limiting certain exposures

Benefit



Seek to support positive social or environmental practices and enhance potential for long-term competitive financial returns

Contribute



Seek to advance positive, measurable social or environmental outcomes and target opportunities where impact is intrinsic to financial performance

In the context of your sustainable investing goals, this could include strategies that:

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| <ul style="list-style-type: none">• Avoid companies without diverse boards or leadership teams• Avoid companies that were subject to litigations due to poor labor practices or supply chain management• Avoid companies that do not provide employee benefits, such as healthcare or parental leave | <ul style="list-style-type: none">• Invest in companies that have leading diversity and inclusion practices• Invest in companies that are leaders on gender equality and diversity on boards metrics• Include companies that invest in training and benefits to create competitive advantage | <ul style="list-style-type: none">• Invest in firms that improve access to finance, health and education for disadvantaged communities• Invest directly in healthcare and education companies• Focus on investing in minority- or women-owned businesses or investing with managers who have diverse ownership |
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COMPANIES AND INVESTORS HAVE TAKEN NOTICE

Corporate commitments to board diversity, expansion of health benefits and support for pay equity have increased dramatically over the past decade. Our global health crisis has demonstrated the urgent need for both health and safety practices, but also spotlighted the interconnected nature of our economic system and lives. More firms are now committing to proactively addressing systemic racism, recognizing that authentic conversations and actions are necessary to meet society's emerging expectations. Corporate leadership in human resource strategy is quickly becoming a business imperative that drives real value creation and brand loyalty from consumers.

BANK OF AMERICA BELIEVES IN THE POWER OF THE PEOPLE¹¹

At Bank of America, we believe that our diversity makes us stronger and is essential to our ability to serve our clients. We proactively seek out opportunities for growth and development among our team members and have programs in place to help support the physical, emotional and financial wellness of all employees.

Named the **#1** financial services company on JUST Capital's 2021 list of *America's Most JUST Companies* for **diversity, equity and inclusion policies, work-life balance and additional compensation during COVID-19.**

Increasing U.S. **minimum hourly rate of pay to \$25 by 2025** to deliver sustainable, responsible growth by being a great place to work — and **to support the needs of our ~212,000 teammates around the world.**

Issued a **\$2 billion Equality Progress Sustainability Bond** as part of a \$1.25 billion, five-year philanthropic commitment to advancing racial equality and economic opportunity.

LEARN MORE

To learn about how you can use your investments to support your environmental, social and governance (ESG) goals, talk to your advisor.

ENDNOTES

- ¹ Kochhar, Rakesh and Jesse Bennett, "[U.S. labor market inches back from the COVID-19 shock, but recovery is far from complete.](#)" Data reflects Feb. 2020 to Feb. 2021 in the U.S.
- ² United Nations, *Good Health and Well-Being: Why It Matters*, March 2017.
- ³ The Manufacturing Institute, "2018 Deloitte and The Manufacturing Institute Skills Gap and Future of Work Study," 2018.
- ⁴ U.S. Department of Labor Blog, *5 Facts About the State of the Gender Pay Gap*, March 19, 2021.
- ⁵ The World Bank, *Reversals of Fortune*, 2020.
- ⁶ The Federal Reserve, *Report on the Economic Well-Being of U.S. Households in 2018 – May 2019*, January 30, 2020.
- ⁷ Ferrant, Gaëlle and Alexandre Kolev, "Does Gender Discrimination in Social Institutions Matter for Long-Term Growth? Cross-Country Evidence," Paris: OECD Publishing. 2019.
- ⁸ Wodon, Quentin, Claudio Montenegro, Hoa Nguyen, and Adenike Onagoruwa, "Missed Opportunities: The High Cost of Not Educating Girls," The World Bank. 2018.
- ⁹ McKinsey, *Diversity Wins: How Inclusion Matters*, 2020.
- ¹⁰ Harter, Jim, "Employee Engagement on the Rise in the US," Gallup. 2018.
- ¹¹ Bank of America Newsroom, as of June 3, 2021.

Important Disclosures

Investing involves risk, including the possible loss of principal. Past performance is no guarantee of future results.

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All recommendations must be considered in the context of an individual investor's goals, time horizon, liquidity needs and risk tolerance. Not all recommendations will be in the best interest of all investors.


Asset allocation does not ensure a profit or protect against loss in declining markets.

Impact investing and/or Environmental, Social and Governance (ESG) managers may take into consideration factors beyond traditional financial information to select securities, which could result in relative investment performance deviating from other strategies or broad market benchmarks, depending on whether such sectors or investments are in or out of favor in the market. Further, ESG strategies may rely on certain values based criteria to eliminate exposures found in similar strategies or broad market benchmarks, which could also result in relative investment performance deviating.

Investments have varying degrees of risk. Some of the risks involved with equity securities include the possibility that the value of the stocks may fluctuate in response to events specific to the companies or markets, as well as economic, political or social events in the U.S. or abroad. Investments in foreign securities involve special risks, including foreign currency risk and the possibility of substantial volatility due to adverse political, economic or other developments. These risks are magnified for investments made in emerging markets. Investments in a certain industry or sector may pose additional risk due to lack of diversification and sector concentration.

The "A-B-C" framework that helps classify the impact objective of a sustainable strategy was adapted from The Impact Management Project. The Impact Management Project is a forum for building global consensus on how to measure, compare and report ESG (environmental, social and governance) risks and positive impacts.

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