Climate Report

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Table of contents

Message from the Chief Executive Officer

Wells Fargo's Climate Report captures our continued evolution and approach to supporting our clients' climate and transition-related activities, building our internal capabilities, and managing risks associated with climate change.

We recognize that we have an important role to play in meeting the changing needs of our customers, clients, and communities in the transition to a lower-carbon economy. However, we know that we cannot facilitate this transition alone. The complex solutions needed require action from governments, businesses, communities, and individuals; it will also require policy measures, technological advancements, and behavioral changes

In this report, I invite you to learn about our ongoing activities and overarching approach to our part in helping to address climate-related risk and finding opportunities in the transition to a low-carbon and sustainable future.

Charlie Scharf
Chief Executive Officer
Wells Fargo & Company

Introduction[1]

[1] References to publicly available websites are provided herein for your convenience. Unless otherwise noted, Wells Fargo does not control the websites and does not endorse and is not responsible for the content, links, privacy policies, or the security policies of such websites. For other disclaimers regarding the nature of the content contained in this document, please see our Disclaimer and Forward-Looking Statements section of this report.

About Wells Fargo

Wells Fargo & Company is a leading financial services company that has approximately $1.9 trillion in assets. We provide a diversified set of banking, investment, and mortgage products and services, as well as consumer and commercial finance, through our four reportable operating segments: Consumer Banking and Lending, Commercial Banking, Corporate and Investment Banking, and Wealth and Investment Management. Wells Fargo ranked No. 34 on Fortune's 2024 rankings of America's largest corporations. We ranked fourth in assets and third in the market value of our common stock among all U.S. banks at December 31, 2023.

Cautionary notes: This document contains forward-looking statements about our business, including discussion of the Company's plans, objectives and strategies, and expectations for our operations and business related to our environmental, social, and governance activities. For additional information, including about factors that could cause actual results to differ materially from our expectations, refer to the Disclaimer and Forward-Looking Statements section of this document and our reports filed with the Securities and Exchange Commission, including the discussion under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023, as filed with the Securities and Exchange Commission and available on its website at www.sec.gov. Data herein is as of December 31, 2023, unless otherwise indicated.

Our climate focus and objectives

Wells Fargo is taking steps to pursue our climate and sustainability-related business objectives, support our clients' decarbonization activity in the real economy, and manage climate-related risks. Our goals, as well as our support of the goals of our clients, customers, and communities, have continued to evolve and progress over time.

Throughout this report, we provide highlights on the progress we are making on the journey to a low-carbon economy through our financing, operations, and philanthropy.

To support our goals, we focus on:

- Enhancing internal climate capabilities, including our climate-related governance;
- Supporting client climate-related transition activities; and
- Collaborating with stakeholders to support GHG emissions reduction efforts beyond our direct business activity.

Climate change is expected to affect the various sectors in the economy in different ways. For some sectors, the transition to a low-carbon economy represents a generational opportunity, where new products, supply chains, and technologies will be in demand across the globe.

In other sectors, transformation will be the driver as businesses look to adapt their existing models to help ensure they can thrive in a low-carbon economy.

Wells Fargo's climate-related goals announced in March 2021

Leverage our expertise and scale to deploy $500 billion in sustainable financing by 2030.

Highlight sustainable finance initiatives that support a low-carbon economy via the Institute for Sustainable Finance.

Achieve net-zero greenhouse gas emissions* by 2050, including financed emissions.

Integrate climate considerations into Wells Fargo's risk management programs.

*Net zero goal includes Scopes 1, 2, and 3 financed emissions.

Wells Fargo has many of the financing capabilities necessary to support this real economy transition, with financing tools and expertise that span many of the industries and value chains that will be central to this transition. We have teams, products, and solutions that serve a broad swath of the U.S. economy. We serve households across the U.S. We serve middle-market companies, industrial firms, logistics companies, manufacturers, and some of the largest corporations in the world.

We put our customers, clients, and communities at the center of our climate and transition activity. We respond to and aim to meet the evolving needs of our clients and customers as they transition toward a sustainable and resilient low-carbon economy, while we work to reduce our own emissions. We work to do this in a way that aligns with our own climate goals and manages risks appropriately. Client engagement is central to our pursuit of our climate goals. This not only allows us to best serve our clients, but it also helps us provide the financing necessary to reduce real-world emissions.

We know the transition will not be linear, and the Company will need to evolve along with new markets, technologies, and regulations. We have a strong foundation, with client focus, expertise, and capabilities to finance the companies and technologies required for the climate transition. This report, an update from our Task Force on Climate-Related Financial Disclosures (TCFD) report released in 2023, highlights the progress we have made, and conveys our approach to transition, supporting client needs, and managing the risks and opportunities that arise from climate change. The report is informed by the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations on climate-related financial disclosures.

In addition to this report, we share information and updates on our climate efforts through our Annual Report, our CO2eMission℠ disclosures, the Sustainability & Governance Report (PDF), and in communications with our shareholders and stakeholders. Wells Fargo also considered additional relevant, voluntary guidance when developing this report. This included, among other things, the U.S. Department of the Treasury's "Principles for Net-Zero Financing & Investment," and Glasgow Financial Alliance for Net Zero's, "Financial Institution Net-zero Transition Plans – Fundamentals, Recommendations, and Guidance." The data included in this report is as of December 31, 2023, unless noted otherwise.

Governance

Overview

At Wells Fargo, we believe the management and oversight of climate-related risks and opportunities should be integrated into the business of the Company. This is why we leverage established governance structures, such as the Board of Directors and the Enterprise Risk and Control Committee, to provide oversight and guidance on climate-related activities. We continue to develop expertise in financing climate-related activity in existing teams and use formal management steering committees and other forums to support specific initiatives. Wells Fargo believes this combined approach best balances the need for disciplined management governance and Board oversight, while enhancing our ability to adjust quickly to changing and emerging risks and opportunities.

The transition toward a more sustainable and resilient low-carbon economy will continue to evolve, as customers change their approaches to transition and as new technologies and innovations are developed. The transition will also depend on public policy, investment in new technologies beyond the direct influence of Wells Fargo or, in some cases, our clients. This evolution will unlock new ways for Wells Fargo to reduce our own operating emissions and support our customers. These factors, as well as the maturation of our risk and control infrastructure related to climate, are reasons we will remain flexible and prepared to evolve our governance of climate-related activities as appropriate.

Climate-related organization alignment

Wells Fargo Board Committees with climate-related oversight

Corporate Responsibility Committee	Risk Committee

Governance and Management Committees

Enterprise Risk and Control Committee	Business & Enterprise Function Risk and Control Committees

Climate Implementation Steering Committee	Climate Risk Steering Committee	Line of Business and Functional Dedicated Forums

Dedicated climate-related teams and teams with climate-related subject matter expertise

Client-facing teams:

Corporate and Investment Banking

- Sustainable Finance and Advisory
- Commercial Real Estate
- Community Lending and Investing
- Energy and Power
- Energy Transition and Renewable Asset Finance

Commercial Banking

- Renewable Energy and Environmental Finance
- Public Power
- Sustainable Finance and Advisory
- Sustainable Technology
- Commodities Finance Group

Consumer Banking and Lending

Wealth and Investment Management

Enterprise function teams:

Public Affairs

- Enterprise Sustainability
- Government Relations and Public Policy

Chief Operating Office

- Corporate Properties
- Supply Chain Management

Finance

- Disclosures, Targets, and Reporting

Corporate Risk

- Climate Risk Oversight
- Environmental and Social Impact Management

Board of Directors

The Wells Fargo Board of Directors (the Board) oversees the Company's business, including our risk management. The Board carries out its sustainability and social oversight responsibilities directly and through its committees.

The Board assesses senior management's performance and holds senior management accountable for maintaining an effective risk management program, adhering to risk management expectations, and providing effective reporting to the Board.

The Board's Risk Committee reviews and approves the Wells Fargo Risk Management Framework, which sets forth the Company's core principles for managing and governing risk, including risks related to impacts from climate change and our efforts to integrate climate-related considerations into risk management programs. The Risk Management Framework is annually reviewed for appropriate updates and approved by the Board's Risk Committee. The Risk Committee also oversees the Company's adherence to our risk appetite. The Risk Committee supports the stature, authority, and independence of the Company's Independent Risk Management function, which includes the Climate Risk Oversight function.

The Board's Corporate Responsibility Committee oversees the Company's significant strategies, policies, and programs on social and public responsibility matters, including sustainability and climate change. To facilitate its oversight of climate-related matters, the Corporate Responsibility Committee receives regular updates from our Chief Sustainability Officer and other leaders on sustainability-related matters.

The Human Resources Committee of the Board oversees Wells Fargo's performance management and incentive compensation programs and approves all compensation for the CEO and other Named Executive Officers (NEO). At the beginning of each year, individual NEO goals are set tailored to their area of responsibility with a focus on supporting broader Company goals. For 2023, consistent with 2022, the strategic pillars, Company, and individual NEO goals are broadly categorized below:

Company goals and performance objectives

Strategic pillars	Company goals	Individual/line of business goals*
• Risk and control culture • Operational excellence • Customer-centric culture and conduct • Technology and innovation • Financial strength	• Risk, regulatory, and control • Financial • Operational excellence • Customer-centric culture and conduct • Technology and innovation • ESG (including DE&I and community engagement) • Talent and leadership	• Risk, regulatory, and control • Financial • Strategy, technology, and innovation • Talent, leadership, and culture (including DE&I)

*Line of Business Goals are included for CEO's of each business line.

Management and governance committees' responsibilities

The Company's strategic planning process, which identifies the Company's most significant opportunities and challenges, develops plans to address them, evaluates the risks of those plans, and articulates the resulting decisions in the form of a company-wide Strategic Plan. Our Strategic Plan includes enterprise functions and line-of-business specific sustainability and climate-related strategies and initiatives. The Company's risk profile, risk capacity, risk appetite, and risk-management effectiveness are considered in the strategic planning process.

The Company has various management committees that support management in carrying out its governance and risk management responsibilities. One type of management committee is a governance committee, which helps senior management plan, identify, assess, control, monitor, and report risk exposures consistent with the risk appetite. At times, Wells Fargo leverages such committees to manage climate-related matters.

Each management governance committee is expected to discuss, document, and make decisions regarding high-priority and significant risks, emerging risks, risk acceptances, and risks and issues escalated to it; review and monitor progress related to critical and high-risk issues and remediation efforts, including lessons learned; and report key challenges, decisions, escalations, other actions, and open issues as appropriate.

Significant climate-related risks and decisions, such as the setting or refreshing of climate-related goals and commitments are reviewed and approved, as appropriate, at impacted risk and control committees.

The Enterprise Risk and Control Committee (ERCC) governs management of all risk types. The ERCC is co-chaired by the CEO and CRO, with membership comprising the heads of principal lines of business and certain enterprise functions.The ERCC receives information about risk and control issues, addresses escalated risks and issues, and oversees risk controls and makes risk decisions that have broader enterprise impact. The ERCC chairs and senior management provide regular updates to the Board's Risk Committee regarding current and emerging risks and senior management's assessment of the effectiveness of the Company's risk-management program. The ERCC is the highest management committee that reviews and approves significant climate-related risk decisions, such as our operational efficiency goals and interim financed emissions targets.

In addition, each principal line of business and enterprise function has a risk and control committee, which is a management governance committee with a mandate that aligns with the ERCC, but with its scope limited to the respective principal line of business or enterprise function. The Public Affairs Risk and Control Committee provides governance over the risks and controls associated with the activities of the Enterprise Sustainability team. For example, in 2023, the Public Affairs Risk and Control Committee provided oversight of our public voluntary environmental, social, and governance (ESG) related disclosures, including our Task Force on Climate-Related Financial Disclosures (TCFD) report and our Sustainable Finance Eligibility Criteria, which guides our progress toward Wells Fargo's $500 billion sustainable finance goal. Progress toward our goal can be found in the Metrics and Targets section of this report.

Steering committees and other forums

To facilitate management focus on our climate-related goals and commitments, we also rely on steering committees and other forums with a climate-specific focus.

The Wells Fargo Climate Implementation Initiative, established in 2021, is comprised of subject matter experts and impacted lines of business and functions. The Climate Implementation Initiative is guided by the Climate Implementation Steering Committee.

Separately, the Climate Risk Steering Committee provides strategic direction and decision-making on matters related to climate risk management. The head of Climate Risk Oversight participates in both climate-related steering committees.

In 2023, Wells Fargo established a Sustainability Council. This cross-enterprise forum was established to provide an opportunity to discuss broad sustainability related topics, issues, and priorities.

While some of the participants of the Sustainability Council also participate in the Climate Implementation Steering Committee, the focus of the Sustainability Council is to provide an open forum for emerging topics on which to engage with wider audiences, promoting transparency, collaboration, and continuity across efforts.

Management of progress on climate goals and targets

The Climate Implementation Initiative monitors progress associated with our climate goals and commitments, including our goal to deploy $500 billion in sustainable finance by 2030, and our 2050 goal to achieve net zero in GHG emissions, including financed emissions.

- Progress toward our $500 billion sustainable finance goal is reviewed by various lines of business forums and the Climate Implementation Steering Committee prior to publication in our Sustainability & Governance Report. Changes to our tracking methodology are reviewed by the Public Affairs Risk and Control Committee.
- In 2023, we created internal management reporting to monitor our 2030 operational sustainability goals progress. The management reporting is provided to the Climate Implementation Steering Committee.
- To date, we have set interim targets for five carbon-intensive sectors: Oil & Gas, Power, Automotive, Steel, and Aviation. Progress toward these targets is reviewed by various senior leaders and representatives from impacted lines of business, Independent Risk Management, Internal Audit, the Legal Department, and the Controller's Office.

Client-facing and Enterprise teams

At Wells Fargo, we continue to mature the integration of sustainability and climate expertise into our business and operations and, where appropriate, have established dedicated client-focused teams with deep subject matter expertise. These include the Sustainable Finance and Advisory groups in Corporate and Investment Banking and Commercial Banking, and Renewable Energy and Environmental Finance and Sustainable Technology in Commercial Banking. These teams assist bankers and clients by providing sustainable finance expertise and transaction-execution support, as well as sustainability-related content and advisory, and product development.

Independent Risk Management establishes and maintains the Company's risk management programs and provides oversight, challenge, and independent assessment and monitoring of the Front Line's execution of its risk management responsibilities.

With respect to climate-related risks, Climate Risk Oversight within Independent Risk Management is responsible for leading efforts to integrate climate-related risks into the Company's risk management programs. Reputation Risk Oversight administers the Environmental and Social Impact Management Policy, which facilitates the Company's assessment of certain environmental and social risks associated with clients and transactions that are within the policy's scope.

For additional information on the efforts and impacts of these teams, please see our Strategy and Risk Management sections of this report.

Strategy

Our approach

Wells Fargo's strategy to address climate change and pursue our climate goals is centered on supporting our clients. This includes clients' work to enable climate transition in various sectors, and also to reduce their own operational emissions. This strategy aligns with Wells Fargo's areas of strength as a financial services provider across many sectors of the U.S. economy. It also reflects our overall philosophy of seeking to serve our clients' needs. We understand the role financial institutions can play to address climate change, and we see significant business opportunities in supporting our clients' climate transition efforts.

We also recognize our responsibility to a broad set of stakeholders, including customers, communities, and shareholders. Beyond our direct financing activity with our clients, we have an opportunity as a large bank to engage and seek to influence stakeholders who, in turn, can support climate progress. Ambitious climate change goals will not be met without action on the part of many independent actors, which is why we work to support others making positive change. This approach to supporting Wells Fargo's goals and our clients' transition means that we focus on the following:

- Enhancing internal climate-related capabilities. The foundation of our strategy is the enhancement of our internal capabilities to better support our clients and pursue our own operational climate goals. We are focusing on building our expertise in sustainable finance, integrating climate considerations into our operations, and educating employees best positioned to be proactive on climate-related matters. These efforts are to position us to provide support to our clients, leveraging our own expertise and experience, to help them navigate the complexities of the transitioning economy.

- Supporting client climate-related activities and transitions. We are focused on providing our clients with the appropriate services to help them achieve their climate-related objectives. We offer a suite of banking capabilities, including tailored solutions, to support relevant clients' production, delivery, and adoption of low-carbon solutions.

- Collaborating with stakeholders to support climate progress. Our strategy involves active collaboration and direct support for industry stakeholders to help build the ecosystem necessary to achieve ambitious climate goals. This includes philanthropic support for initiatives that aim to advance climate solutions and sustainable finance, fund cleantech companies, and support an equitable transition to a low-carbon economy.

At Wells Fargo, we work to respond to and meet the evolving needs of our clients and customers as they transition toward a sustainable and resilient low-carbon economy, while we work to reduce our own emissions.

Wells Fargo's climate strategy
Our approach to supporting Wells Fargo's goals and our clients' transitions:

Enhancing internal climate-related capabilities

Supporting client climate-related activities and transitions

Collaborating with stakeholders to support climate progress

Enhancing internal climate-related capabilities

Wells Fargo seeks to continuously enhance its climate-related capabilities to address both our own operational emissions and the climate-related needs of our clients. This section describes those capabilities and efforts underway to strengthen them.

Our own operations

Wells Fargo's Corporate Properties Group (CPG) is responsible for the Company's operational sustainability goals and has built a specialized team of sustainability experts to implement a range of initiatives. The team advances Wells Fargo's own Scope 1 and Scope 2 GHG emissions reduction efforts, and partners with lines of business to provide insights and share best practices with clients in support of their own operational sustainability strategies, including power purchase structures, and building performance standards.

Wells Fargo has set operational sustainability goals for 2030:

- Reducing GHG emissions (Scope 1 and Scope 2) from 2019 levels by 70%.
- Reducing energy usage from 2019 levels by 50%.
- Reducing total waste stream from 2019 levels by 50%.
- Reducing water usage from 2019 levels by 45%.
- Meeting 100% of our annual purchased electricity consumption needs with new renewable energy sources.[2]

Since 2017, we have met 100% of the global electricity consumption in our operations with renewable energy,[2] and we aim to continue to transition to long-term contracts for new renewable energy sources to match future needs. In 2023, we continued efforts to replace existing lighting across our buildings with high-efficiency lighting. We are also working to reduce the sale of plastic bottled beverages in our cafes, vending machines, or micro markets where possible.

In April 2023, we launched an initiative to reduce the sale of beverages in plastic bottles from our food service operations, starting with sodas. We are working with our waste management and food service vendors to find alternate packaging, such as cans, cartons, and glass bottles, depending on the recycling infrastructure available in the market.

[2] Wells Fargo has been meeting 100% of its electricity consumption with renewable energy primarily with unbundled Renewable Energy Certificates from existing assets, with a goal to transition to long-term agreements that directly support new sources of renewable energy. New sources of renewable energy are defined as assets where commercial operation was achieved no earlier than 12 months prior to contract execution.

Our approach to carbon credits

As described above, Wells Fargo's emissions reduction strategy begins with setting goals and continues with identifying and implementing approaches to avoiding or reducing emissions in our operations. For Scope 1 GHG emissions that remain after our reduction efforts and Scope 2 (market-based) GHG emissions, Wells Fargo works closely with third-party consultants to purchase carbon removal credits. In addition to being verified by a recognized carbon registry, these credit purchases are evaluated against a set of specific quality criteria. See the Metrics and Targets, and Information Relevant to the California Voluntary Carbon Market Disclosures Act sections for a breakdown of our Scope 1 and Scope 2 GHG emissions and more information about the credits that we used. These initiatives highlight how Wells Fargo is directly implementing many of the climate-related activities we also support for our clients.

In addition to these broader initiatives, noteworthy operational developments in 2023 include:

- The groundbreaking for our new Dallas campus, which will be our first net positive energy building with rooftop solar panels to create more energy than the building consumes annually. Plans for the campus currently include electric vehicle (EV) charging stations, dynamic glass that automatically tints in direct sunlight, water reclamation, and native plantings to minimize watering requirements.

- Piloted a building technology solution from Turntide Technologies to help run our building HVAC electric motors more efficiently in order to reduce overall energy consumption and associated greenhouse gas emissions. Turntide was previously a Wells Fargo Innovation Incubator (IN^2) company, receiving technical assistance and non-dilutive funding through Wells Fargo's philanthropic program with the National Renewable Energy Laboratory.

- Announced the accomplishment of Leadership in Energy and Environmental Design (LEED) v4.1 (CI-Commercial Interior) Platinum certification for our Tower 4 building in Hyderabad, India. At 1.2 million square feet, the tower is the world's largest LEED v4.1 (CI-Commercial Interior) Platinum-rated building. Key features include energy-efficient HVAC, lighting, and water use.

Capabilities to support our clients

Wells Fargo started building specialized capacity to support renewable power deployment nearly two decades ago with the launch of our Renewable Energy & Environmental Finance (REEF) tax equity investment team. Since then, Wells Fargo has continued to build teams with climate and sustainability-focused expertise, while also embedding climate proficiency into existing teams.

Client-facing teams

Corporate and Investment Banking (CIB)

Bankers across Wells Fargo's CIB support clients' climate and transition-related activities. CIB delivers a suite of products and services to our corporate, commercial real estate, government, and institutional clients globally. Products and services include corporate banking, investment banking, treasury management, commercial real estate lending and servicing, equity and fixed income solutions, as well as sales, trading, and research capabilities. Some of the CIB teams with climate-related expertise and roles are discussed below.

- The CIB Sustainable Finance and Advisory (SFA) group supports clients along their carbon transition and efforts to improve their sustainability performance. The team supports implementation of Wells Fargo's financed emissions and sustainable finance goals within CIB. The SFA group has a client outreach effort focused on communicating Wells Fargo's sustainability-focused solutions and thought leadership. (This activity is described in more detail in the Engaging Clients section.) The team helps clients consider various financing structures across bonds, corporate lending and leasing, trade finance, supply chain finance, project finance, and other instruments. The CIB SFA team also focuses on capital deployment and execution strategies across Commercial Real Estate (CRE), Banking, and Markets business lines.

- The SFA team also works closely with the Commercial Real Estate business, where Wells Fargo offers sustainable finance solutions to support our clients' sustainability strategies, including sustainability-linked loans and bonds, and green loans and bonds. Further, in late 2023, the team designed and launched an innovative green loan program enhancement known as the Green Label Commercial Real Estate (GLCRE) program, which is described in greater detail in the Products and Services section below.

- The CIB Energy and Power group serves companies across the entire energy and power value chains, and provides traditional lending and investment banking products and services in the U.S. The Energy and Power group has positioned multiple sub-teams to support our clients' energy transition goals.

- The Renewable Asset Finance team, within Energy and Power, offers dedicated project finance, construction, and asset management capabilities and collaborates closely with other teams, notably REEF. The team seeks to grow the portfolio over time.

- The Energy Transition Initiative, also within Energy and Power, was created in mid-2021 in response to the growing client demand for decarbonizing technologies within the energy and power sectors. This team works to coordinate CIB coverage and transaction execution across the sectors within Energy and Power CIB. In addition, the team is coordinating across industry groups in CIB on energy transition technologies and businesses that are not directly tied to the energy and power end markets. The team is focused on opportunities that touch the energy and power end markets, including grid connected battery storage, EV charging infrastructure, carbon capture and sequestration, green hydrogen, renewable biofuels, and associated manufacturing and services companies.

- Wells Fargo's Community Lending and Investing (CLI) team specializes in offering debt and equity capital to organizations that provide economic development, job creation, and affordable housing in underserved communities nationwide. CLI supports our clients' integration of sustainability and resiliency into new affordable housing projects, helping low-income and underserved populations access the benefits of sustainable and resilient housing, such as lower energy costs and increased protection against acute weather events.

Commercial Banking

Wells Fargo Commercial Banking (CB) is well positioned to support clients pursuing real economy decarbonization with its middle-market client coverage, suite of asset-focused financial products, and increased strategic focus on sustainable finance. CB provides comprehensive financial solutions to meet the diverse needs of emerging middle-market, mid-corporate businesses and government, institutional, and not-for-profit clients. Some of the CB teams with climate-related expertise and roles are discussed below.

- REEF is a leading provider of tax equity financing to companies that develop, own, and operate U.S.-based renewable energy projects eligible for federal tax credits. The REEF portfolio includes wind, solar, fuel cells, and battery storage systems. REEF provides investments directly into renewable energy projects and receives tax benefits (such as credits), which comprise most of our project returns.

- The Public Power team serves not-for-profit municipal utilities and cooperatives that provide essential electric services to defined service territories across the U.S. The entities that comprise the sector include local-, state-, and federally-owned municipal utilities, public utility districts, and electric cooperatives that are responsible for the generation, transmission, and/or distribution of power at the retail or wholesale level.

- The CB Sustainable Technology team brings specialized expertise and capabilities to support the unique needs of clean technology companies. The team focuses largely on clean energy, clean transportation, and agrifood technology and companies.

- The CB SFA team, launched in 2022, added new staff in 2023 and is now supporting bankers and clients across many groups in CB. CB SFA is a national client-facing group that engages with current and prospective clients, providing specialized guidance and financing to help customers pursue their sustainability goals. CB SFA aims to support clients by identifying, introducing, and supporting the activities, technologies, services, and financing to drive their sustainability objectives.

- The Commodities Finance Group (CFG) is focused on financing marketing, trading, and logistics companies involved in the supply chain physical movement of energy, metals, and agricultural commodities. These companies are some of the key players in developing the industrial supply chains necessary for decarbonizing the global economy. CFG also enables the monetization of new lower-carbon products and carbon-credit programs to generate demand and support continued investment and development.

- The CB Climate and Sustainable Growth team is responsible for coordination of activities related to Wells Fargo's net-zero and sustainability goals across CB. This includes aggregating key financed emissions and sustainable finance data to support activity related to Wells Fargo's climate goals, and building out operational capabilities within CB to pursue our climate goals. Work also includes defining sector-specific opportunities, educating bankers, and building out business analytics capabilities.

Consumer Banking and Lending

Wells Fargo's Consumer Banking and Lending group, which offers diversified financial products and services for consumers and small businesses, plays a role in the climate transition for the transportation sector. In 2023, Wells Fargo's Auto Lending team financed more than one in six EV loans in the United States, helping to enable households in every state to purchase vehicles with zero tailpipe emissions.

Enterprise teams

Client-facing teams work with key enterprise and cross-functional groups that support lines of business activity, set strategy, pursue direct operational climate goals, and build the enabling environment necessary for Wells Fargo to pursue ambitious climate goals.

- The Enterprise Sustainability team, under the leadership of the Chief Sustainability Officer, provides expertise, advice, and informational content that supports business objectives and opportunities for the benefit of our many stakeholders. Key activities include providing subject matter expertise to bankers and clients on relevant market trends and policies, engaging with external stakeholders, and managing our sustainability-related disclosures. Enterprise Sustainability also drives Wells Fargo's climate-focused philanthropic work. The team is also responsible for managing the enterprise wide implementation of activities in support of pursuing our net-zero and sustainable finance goals. See the Governance section for more detail.

- Formed in 2021, Disclosures, Targets, and Reporting (DT&R) team within Corporate Finance developed and maintains Wells Fargo's methodology for calculating client emissions attributable to its lending and capital markets activities. This team's work is discussed in more detail later in this Strategy section.

- The Government Relations and Public Policy (GRPP) team is responsible for managing development and execution of strategies that advance Wells Fargo's public policy priorities. This includes internally assessing the impact of proposed or implemented climate-related policies and managing external engagement with policymakers and industry stakeholders to advance the Company's priorities.

Products and services

Wells Fargo uses a broad set of products and services to support clients' climate-related efforts. This includes our existing set of general financing capabilities that can be used to help clients' climate activities, as well as products specifically designed to enable or support climate, transition, and sustainability efforts.

As a diversified financial institution serving customers and clients ranging from U.S. households to global corporations, Wells Fargo has many products that can be used to support client and customer climate activity.

This includes capabilities like our core corporate and commercial banking and financing services, trade finance, mortgages, municipal finance, equipment finance, community lending and investment, and consumer auto loans.

Wells Fargo has also developed products and services that are specifically designed to enable client climate and transition-related activity. This includes working with clients to raise funds through green and sustainability bonds and loans or sustainability linked-loans, specialized renewable tax equity investing, asset-backed project finance, and transition-focused commodity financing solutions.

This also includes the recently launched Green Label Commercial Real Estate (GLCRE) program to support clients as they look to retrofit and develop more sustainable real estate. GLCRE leverages the Loan Syndications and Trading Association (LSTA) green loan principles to provide differentiated loan pricing at the request of clients that aspire to achieve predetermined sustainability criteria, such as green building certification, energy or water efficiency retrofits, building electrification, and the utilization of renewable energy or lower-carbon building materials.

Illustrative examples of our products and services

Specialized solutions

- Sustainability advisory
- Green/social/sustainable use-of-proceeds loans and bonds
- Sustainability-linked loans
- Renewable tax equity investing
- Renewable project finance
- Green-labeled commercial real estate program
- Low-carbon commodity solutions

Suite of existing products used

- Core banking, lending and investment banking services
- M&A advisory
- Supply chain and trade finance
- Asset-based lending
- Asset-backed lending
- Municipal and tax-exempt finance
- Commercial real estate lending
- Commodities and environmental products
- Commodity finance solutions
- Community-focused lending and investing
- Equipment finance
- Consumer retail service financing
- Consumer auto financing

Education, training, and employee engagement

Wells Fargo provides opportunities for employees to understand our climate and sustainability objectives, and see how they can personally play a role. Many Wells Fargo employees live in the communities they serve and can be important ambassadors for, and practitioners of, the Company's climate goals.

For many employees in dedicated climate-related roles, we provide targeted training and education. For example, bankers across CIB and CB received focused training on Wells Fargo's sustainable finance goals and the kinds of activities included in the Sustainable Finance Eligibility Criteria, with the aim of increasing their understanding of the types of financing that count toward our $500 billion goal. In 2023, the Enterprise Sustainability team also worked with groups in CB and CIB to conduct trainings for bankers in client-facing roles related to the Inflation Reduction Act (IRA) to help these groups identify where newly-available federal incentives might create opportunities to better support their clients.

Wells Fargo also creates opportunities for employees across the Company to engage on climate and sustainability topics, and to become more informed. For example, articles published by the Institute for Sustainable Finance are shared broadly through internal channels like the Sustainability Digest newsletter. Employees are offered a slate of activities and events during Earth Month to volunteer, learn, and engage on climate-related topics, including a company-wide town hall. Employees are offered the chance to join location-based Employee Impact teams. And the Sustainability team has hosted sessions to educate employees on the incentives in the Inflation Reduction Act that they can personally use at home to lower their energy costs and their GHG emissions through EVs, solar panels, and energy-efficient equipment.

Data and technology

High-quality climate data is critical for understanding and managing climate risks, opportunities, and operational activity across our business. To support effective management we have developed a climate data road map that aims to unite and organize climate-related data across multiple systems, for both external and internal applications. Wells Fargo is focusing on centralizing climate-data management capabilities, implementing robust quality assurance processes, taking in new data sources to enhance business activity in priority sectors, and utilizing advanced models and tools for enriched insights.

Prioritizing an equitable transition*

Wells Fargo prioritizes equitable transition opportunities when possible as part of our climate financing activity and philanthropy. In the lines of business, the intersection of climate action and community impact is seen most clearly in our Community Lending and Investing, which serves clients like housing developers and community development finance institutions (CDFIs). For the Wells Fargo Foundation, supporting an equitable transition to a low-carbon economy is a central strategy of our climate philanthropy. This includes a substantial focus on implementation of the IRA Greenhouse Gas Reduction Fund, which has the potential to deliver billions of dollars of climate investment to low-income communities through the finance sector. Each of these areas of work is discussed later in this report.

*In this section Wells Fargo references information from publicly available third-party sources, Wells Fargo cannot guarantee accuracy of this information.

Supporting client climate-related and transition activities

A central component of our strategy is to support client climate-related activity and our clients' transition through our financing and advisory services. We strive to be responsive to client needs based on proactive engagement, and offer a broad scope of services and capabilities that can support real economy transition across our lines of business. Just as the transition to a low-carbon economy goes far beyond a focus on large corporate emitters, our strategy considers the many ways we can support client investment in the technologies, projects, and activities necessary to enable a whole-economy transition. This section describes elements of our client engagement approach and financing activity to support climate transition.

Wells Fargo's and our clients' transition

Wells Fargo's ability to achieve net zero depends on the action of a host of stakeholders, including our clients. That is why we take a client-centered approach to transition planning and are developing methodologies and practices that can help align our business activity with our climate goals.

Climate transition planning

Wells Fargo is developing a coordinated approach to decision-making, reporting, and responsible management of our transition-related activities. Activities like climate-focused client engagement, reporting on financed emissions progress, and investment planning for climate-related data and technology upgrades are considered as part of the Company's enterprise climate transition planning efforts.

Wells Fargo is building capabilities that will help bankers and decision-makers identify transition-related business opportunities that also help the Company pursue its own climate goals. These capabilities are meant to grow and evolve to meet client needs and respond to external and/or regulatory conditions.

We are also conscious of the levers that would need to be utilized by other stakeholders throughout society, beyond our own financing, to meet ambitious climate goals. We intend to continue to pursue our climate goals, while understanding they can likely only be achieved if others act in concert.

Target setting and reporting

Wells Fargo has set 2030 interim targets for financed emissions in five sectors. Target setting is outlined in more detail in CO2eMission and includes:

- Collecting internal client data and external emissions data and running a model to calculate client GHG emissions attributable to the Company's financing activities under the selected methodology.
- Assessing and selecting science-based climate scenarios to derive a benchmark that defines how attributed GHG emissions within a particular portfolio would need to change over time to reach net zero by 2050.
- Supporting senior management review and approval of interim targets.

Wells Fargo continues to refine our internal reporting process for our financed emissions targets for carbon-intensive sectors.

Transition finance

In 2023, Wells Fargo began developing a new approach for defining and monitoring transition finance activity. The goal of this effort is to create an approach that can be applied and integrated into business activity.

Although no singular definition of transition finance has emerged, there is a growing list of best practices, regulations, and guidelines we can now reference to enhance our internal approach to transition finance. (See callout box.)

This growth in supporting materials has coincided with a recognition by financial institutions and many other stakeholders that transition finance will need to flow to both low-carbon solutions and companies in high-emitting sectors to help them reduce their emissions.

In alignment with our overall approach to climate, we are developing a definition and approach for transition finance that considers a broad scope of activities necessary to enable real economy transition. In addition to defining transition finance, Wells Fargo intends to pair this new definition with banker education and data management.

Defining transition finance

In developing our approach, Wells Fargo is considering the wealth of multinational, national, and institutional guidance on transition finance published in the last five years. These resources include the EU Sustainable Finance Taxonomy, Glasgow Financial Alliance for Net Zero (GFANZ) Consultation on Transition Finance Strategies, and Japan's Basic Guidelines of Climate Transition Finance. Our work also benefits from the expertise provided by RMI's Center for Climate-Aligned Finance. We have considered these resources and expect our approach to continue to evolve as guidance, regulation, and the economy evolves.

Engaging clients

As noted above, a number of Wells Fargo teams seek to provide expertise and financial services to clients that enable their climate transition or are looking to reduce their own operating emissions. We help companies across the economy finance pathways to lower-emitting solutions. This is why we have teams and resources dedicated to engaging with our clients to understand their own climate and sustainability strategies.

Our client engagement approach is focused on supporting our clients where they are in their own decarbonization journey. As a provider of financial solutions and products, we help clients navigate complexities in their journeys for transitioning to a low-carbon, climate-resilient future, highlighting how and when financing solutions can be most helpful.

Our approach

Climate-focused client engagement is primarily executed by the Sustainable Finance and Advisory teams in CIB and CB where there is a client need or interest. In the initial phase of client climate engagement, Wells Fargo conducts assessments of certain clients' sustainability strategies. This involves gathering and analyzing a client's sustainability disclosures and objectives to gain insights into their environmental strategies and ambition. Having developed an initial understanding of the client's unique objectives and activities, we then consider the client's profile in context of industry risks, opportunities, and decarbonization pathways.

Our approach involves contextualizing our clients' strategies within broader industry trends and benchmarks. By considering clients' objectives in context of climate solution technologies and industry best practices, we can develop not just a perspective on our clients' climate profiles, but also which financial products may help enable clients to achieve their climate objectives.

When engaging clients on climate, our discussions are centered around refining our understanding of their unique profiles, needs, and priorities. This involves initiating dialogues focused on their sustainability strategies and their operational targets and initiatives. These engagements are typically highly collaborative and can involve various subject matter experts within the Company. A key component of our engagement process is educating clients. We provide tailored information and recommendations based on initial assessments and ongoing discussions.

In addition to providing tailored advice and expertise, our engagement strategy includes offering a range of financial solutions designed to support our clients' climate goals. Products such as green bonds, sustainable loans, and investment opportunities in renewable energy and other low-carbon technologies are structured to support the unique sustainability-related financial needs of each client.

Wells Fargo also recognizes the importance of ongoing collaboration with our clients to address the evolving sustainability challenges and opportunities they face. Our relationships go well beyond the initial engagement; it is a process of reassessment and learning. This involves check-ins, updates on climate trends and technologies, and adapting our advice and solutions as clients' needs and the broader sustainability landscape evolve.

Overall, our approach to engaging clients in their transition journey is grounded in a clear understanding of their current situations and aspirations. We aim to provide informed and strategic guidance, helping clients navigate the complex pathway to operating and advancing in a lower-carbon economy.

Exploring new approaches

To build on Wells Fargo's existing client engagement capabilities, which are primarily delivered to large corporate clients, we conducted a self-initiated pilot focused on testing and refining our approach to proactive client engagement on climate with middle-market companies. Wells Fargo intends to use the learnings from the pilot to develop scalable client engagement capabilities within this client segment, and shape new client-centric experiences that can be expanded across our businesses and relationships.

The clients selected for initial participation in the pilot represent a diversity of industries and GHG emissions profiles. Through this initiative, our objective is to engage clients at different stages of decarbonization and understand how to provide the most relevant support in their transition journey. Key learnings from the pilot should help refine our internal capabilities, and client offerings. The pilot also aims to provide a framework for scaling our climate advisory services to a broader set of clients.

Illustrative client data and information gathered to support client engagement

Emissions data

- Absolute emissions and emissions intensity
- Scope of emissions data
- Emissions assurance status and scope

Relationship metrics

- Revenues, returns, and historical client relationship
- Future business opportunities

Decarbonization strategy

- Decarbonization plan or strategy
- Progress toward goals, plans, or strategies
- Governance and business integration
- Operational initiatives
- Investments in climate-related priorities

Other considerations

- Sustainability reporting
- External benchmarks and engagement

Enabling decarbonization across the transition value chain

Driven by effective client engagement, Wells Fargo is financing client activity that supports climate transition in many parts of the economy. The framework below depicts examples of how we utilize our broad suite of products and capabilities to support real economy decarbonization.

Wells Fargo supports real economy decarbonization

Ways Wells Fargo supports decarbonization:	Grow climate solution companies	Support climate supply chains	Build and deploy climate solutions	Aid client transitions to low-carbon future
	Financing the growth of companies that provide the new technologies, services, software, and expertise necessary for the climate transition.	Financing the manufacturing, distribution, and supply of clean-energy components and technologies to meet customer demand around the world.	Financing the upfront costs associated with the construction, purchase, and adoption of climate solutions at both the commercial and household levels.	Financing the emissions reductions activities of companies in high-emitting sectors so they may transition to a low-carbon economy.
Examples:	• Renewable project developers • Providers of new building management systems • High-voltage transmissions construction companies	• EV component manufacturers • International sales of solar PV panels • Supply of electricity-based equipment to retailers	• Construction of utility-scale renewable energy projects • Lease of electric bus fleet • Household purchase of EV • Conversion of refinery to produce renewable fuels	• Includes use-of-proceeds specific financing; KPI-based financing structures; and discussion of transition pathways and plans, where relevant.
Examples of applicable Wells Fargo capabilities:	• Core banking • Treasury management • Lending • Advisory • Debt capital markets • IPO and M&A services	• Distribution finance • Floor plan finance • Inventory finance • Trade finance • Supply chain finance • Vendor finance • Consumer retail services	• Corporate finance • Use-of-proceeds bonds • Muni bonds • Project finance • Tax equity • Warehousing • Real estate solutions • Community loans and investment • Equipment finance • Auto and personal loans	• Traditional corporate finance and capital markets activity • Use-of-proceeds bonds • Specialized products like sustainability-linked loans, transition bonds, etc.

Climate transition levers and Wells Fargo activity[3]

Wells Fargo understands the transition in the real economy and our pursuit of our financed emissions targets will not be a linear process. Much depends on global energy markets, policies, and technology costs. Ultimately, we are responsive to our client needs while considering business opportunities and associated risks. In that context, and based on our expertise and capabilities, Wells Fargo today is providing financing across many of the categories of activities needed to support climate transition.

Energy and power

Wells Fargo knows that transition in the energy sector requires investing in known, commercially viable technologies, as well as supporting the development of new technologies. Our CIB Energy and Power and Sustainable Finance and Advisory (SFA) teams have collaborated to develop a coverage approach that focuses on technologies and sectors that are both established and emerging. We will continue to support existing and new clients with insights, capital, and a range of other financial products.

Much of the power sector's transition is expected to rely on known technologies like solar, wind, and battery storage that Wells Fargo is already financing both directly and through utility clients. The increasing electrification of the transportation sector and the expected electrification of segments of the building and industrials sector also mean there will need to be significant investment in grid expansion.

- In December 2023, Wells Fargo was the initial coordinated lead arranger, joint bookrunner, and co-green loan structuring agent on Pattern Energy's $8.8 billion SunZia transmission and wind project, the largest clean energy infrastructure project in U.S. history. Pattern Energy will build an approximate 550-mile high-voltage direct-current transmission line and an associated approximate 3.5 gigawatt wind project. The largest in the Western Hemisphere, the wind project is being constructed in New Mexico, and with the transmission line, will move power across several western U.S. states. The financing is structured as a green loan facility in alignment with the Green Loan Principles.

- In April 2023, Wells Fargo acted as the sole rating advisor and coordinating lead arranger on a $2.4 billion construction and term loan for a portfolio of solar and battery projects for The AES Corporation. The two solar-plus-storage projects and one solar project in the portfolio are anticipated to total 855 MW and 2,400 MWh, respectively. Plans also call for a 14-mile transmission line that will connect the project to Southern California Edison's Windhub Substation.

Beyond the utility and power sectors, Wells Fargo also supports corporate clients seeking to implement their own renewable power.

- In 2023, Wells Fargo was the lead underwriter for Verizon's $1 billion green bond, the net proceeds of which are expected to be allocated entirely toward renewable energy investments. Transactions like these highlight how Wells Fargo's financing and capital markets facilitations for clean energy spans beyond the traditional power sector.

- In 2023, Wells Fargo was senior manager for an approximately $83 million sustainability bond from the Philadelphia Energy Authority, with the proceeds used to fund a citywide effort to convert 130,000 public streetlights to high-efficiency LED lighting. This was Philadelphia's first third-party certified sustainability bond, and the project is the city's largest-ever energy conservation project. The project sponsors estimate that these investments are expected to reduce energy used for street lighting by 50% and the city's overall carbon emissions by more than 9%. In addition to the climate benefits, the two-year project will prioritize improved street lighting installation in neighborhoods where public safety needs are highest.

[3] In this section Wells Fargo references information from third-party sources, Wells Fargo cannot guarantee accuracy of this information.

In the oil, gas, and fuel sectors, operating GHG emissions can be reduced through actions like methane capture, electrification of drilling equipment and platforms, and fuel switching in the field service industry. Downstream emissions can be reduced through fuel switching, like transitioning to renewable and biodiesel fuels, as well as through diversification into noncombustion-based energy businesses.

- In 2023, Wells Fargo was the lead agent in underwriting an asset-based lending for St. Bernard Renewables to convert an oil refinery unit so that it could process and produce zero-emission renewable diesel. Wells Fargo was able to lead this transaction because of our deep expertise in asset-based lending and familiarity with complex credits across sectors. We took a creative approach, gaining comfort with lending against the feedstock, the product while in the refining process, and the various credits that attribute to the renewable diesel. This transaction also reflects Wells Fargo's investment-driven approach, engaging key clients and sectors to enable their transition to a low-carbon economy.

- Wells Fargo served as left lead arranger, joint bookrunner, and administrative agent on a $750 million sustainability-linked term loan to IMTT in October 2023, following a $300 million sustainability-linked term loan to IMTT in July 2023. IMTT is the largest pure-play bulk-liquid storage and handling provider in North America and is prioritizing sustainability initiatives. IMTT is making investments to adapt existing infrastructure to alternative sources of energy. Pricing of the finance structure includes achievement of renewable energy capital expenditure goals.

Cutting across the energy sector are two key technologies that have gained significant attention but remain commercially nascent: carbon capture, utilization, and storage (CCUS) and hydrogen. Both CCUS and hydrogen production are subsidized by the U.S. government through the IRA and can be used to support emissions reduction in multiple sectors.

Wells Fargo is building expertise, engaging with clients, and developing the capabilities to finance these projects. For example, the REEF team has expanded coverage to include CCUS projects.

Transition in the energy sector also includes thoughtful consideration of when it is prudent and cost effective to accelerate the planned phaseout of high-emitting assets to be replaced with cleaner alternatives. Inherent in these considerations is the need to plan for the impacts such place-based transitions can have on local communities.

Transportation

Wells Fargo serves clients in transportation and industrial sectors that are essential to global economic growth and mobility, though only some of those sectors have clear and cost-effective technology road maps for significant near-term GHG emissions reductions. In the transportation industry, consumer purchases of EVs are growing. However, adoption has been slower in other vehicle segments. Alternative solutions like compressed natural gas or hydrogen-powered vehicles are still commercially nascent.

Wells Fargo provides financing to both legacy auto original equipment manufacturers (OEMs) and pure-play EV manufacturers, in addition to serving the auto and EV supply chain critical to the continued transition in the auto sector.

- Wells Fargo also supports customer adoption of EVs. In 2023, the CIB SFA team introduced a new tool to support corporate clients across sectors in electrifying their fleets by modeling EV deployment that incorporates the cost of electrification, tax credits, cost savings, and environmental benefits. This customer-specific, tailored quantitative analysis enables clients to understand both the initial and long-term dynamics of transitioning to EVs and pursue an investment plan that meets their specific needs. This new tool was highlighted by the White House as part of the EV Acceleration Challenge (see more details below about our engagement with the U.S. government and others in support of IRA implementation).

The long-term transition pathway for the aviation sector will likely rely on sustainable aviation fuel (SAF). Today, though, the SAF industry is nascent, with low production volume, high costs, and minimal global supply chains. Despite the long road to aviation decarbonization, Wells Fargo is taking steps to support the early growth of the SAF industry. Simultaneously, we are focused on achievable, real-world gains that can be made through increased operational efficiency among our airline clients.

- In October 2023, the Wells Fargo Commodities team executed a $120 million supply and offtake intermediation agreement (S&O) for Montana Renewables, currently the largest producer of SAF in North America. This transaction built on success from 2022, when Wells Fargo completed a $90 million bilateral asset-backed credit agreement with Montana Renewables. Proceeds from the financings will be used to maintain and expand Montana Renewables' circular business, which upcycles feedstocks like used cooking oil, mustard seed oil, and other renewable feedstocks into low-carbon fuels.

- The Company also finances a wide range of transportation authorities, projects, and providers across the U.S. This includes regional transportation authorities providing local rail for commuters, as well as longer-distance intercity passenger rail. (See discussion of our financing for the Washington Metropolitan Area Transit Authority in the Sustainability & Governance Report.)

Real estate

Decarbonization in the real estate sector requires a complex combination of proven and emerging technologies, capital that is structured and delivered in ways suited to specific real estate subsectors, and behavioral changes from both building owners and tenants. There is also a significant data challenge that makes portfolio-level strategic planning for building sector transition particularly difficult.

Technologies to reduce on-site building GHG emissions include solutions like electric heat pumps to replace natural gas boilers. Other technologies supplement or substitute for off-site GHG emissions associated with a particular building, like rooftop or ground-mounted solar generation with or without battery storage. Efficiency measures like LED lighting, insulated windows, dynamic glass, insulation, and new building wrapping solutions can reduce overall energy needs for a building. New building-management hardware and software can optimize HVAC and other systems to also reduce energy usage. Some of these solutions apply to either new construction or renovations, while others are intended for one or the other use case.

- In December 2023, Wells Fargo led an innovative transaction with the real estate firm, Lubert-Adler, providing and facilitating several financing components to support the redevelopment and repurposing of a former power plant in Pennsylvania into a mixed-use, multifamily apartment building featuring increased energy efficiency. Wells Fargo increased the existing construction loan facility to $107.9 million and made a $27.9 million federal historic rehabilitation tax credit investment. Most notably, we worked with a third-party lender and consented to the client's use of $26.6 million of Commercial Property Assessed Clean Energy (C-PACE) financing to help improve the building's energy efficiency. C-PACE is a public/private partnership that enables property owners to finance energy efficiency, renewable energy, or resiliency projects facilitated through a voluntary tax assessment placed on the property by the applicable taxing authority. This is the first transaction for which Wells Fargo's CRE group has provided C-PACE consent and one of the first transactions in which a large commercial bank has consented to C-PACE. C-PACE eligible improvements in these projects are expected to yield annual savings of 4.3 million kWh, and modeled energy use is expected to be 29% lower than the required building energy code.

As one of the largest real estate lenders in the world, Wells Fargo is developing ways to integrate climate-related considerations into our lending practice, where appropriate. Whether it's structuring a green loan for the construction of a large data center, guiding a public Real Estate Investment Trust (REIT) in establishing credible key performance indicators to demonstrate progress on their sustainability targets, or facilitating a Fannie Mae green rewards loan for an affordable housing project, each situation is nuanced. Wells Fargo will continue to work closely with developers, building owners, and housing agencies to support the integration of practical and cost-effective solutions to lower energy usage and GHG emissions and improve building resiliency.

Collaborating with stakeholders to support climate progress[4]

Wells Fargo knows that helping to achieve climate goals requires significant collaboration and action on the part of others outside of Wells Fargo or our clients. That is why, beyond our direct financing, we engage a broad set of stakeholders and participate in multiple forums where we can learn and share our perspectives to influence progress. This includes participating in industry associations, collaborating with select climate-focused nongovernmental organizations (NGOs), engaging government, and directly funding key organizations to support cleantech development and an equitable transition. This section summarizes some of those external engagement and funding activities.

Industry and partner engagement

Wells Fargo works with and is a member of several industry and trade organizations through which we seek to learn about key industry trends and advance climate-related activities and policies aligned with our overall goals. Some of these organizations are specifically focused on climate and clean energy activities, while others are more general industry groups. In those cases, we may seek opportunities to join climate, sustainability, or related committees.

We view industry engagement as part of our comprehensive engagement strategy. In some cases, the industry groups we are members of represent a large and diverse set of stakeholders, and we may not always be able to influence or dictate the group's decisions. However, we continue to use our position in those groups to express our own views and influence broader activities. And we ultimately rely on internal expertise to make our own business decisions.

Some of our climate-specific industry group engagement includes:

- **American Council on Renewable Energy (ACORE)** – ACORE is a leading, nonpartisan national 501(c)(3) nonprofit organization that works with industry, finance, and policymakers to accelerate the transition to a renewable energy economy.[5] Wells Fargo has long been a member, and recently elevated its membership to the highest executive level to deepen our already strong engagement. Among many points of engagement with ACORE, one recent area of focus has been our participation in industry-wide outreach to educate policymakers and regulators on the impacts of proposed increased capital requirements for renewable energy investments. These new requirements could significantly increase the cost of providing renewable tax equity investment and limit the growth of renewable power. Wells Fargo has participated through industry letters and direct meetings with policymakers to convey our support for reduced capital requirements for investments in renewable power, to help support investment in this critical sector.

- **Solar Energy Industries Association (SEIA)** – Wells Fargo is a member of SEIA, the national trade association for the solar and solar + storage industries, which uses research, education, and advocacy to support growth of solar and storage markets. education, and advocacy to support growth of solar and storage markets.[6]

- **World Business Council for Sustainable Development (WBCSD)** – In 2021, we joined the Banking for Impact on Climate in Agriculture as a founding member, an initiative convened by the WBCSD. Wells Fargo has now extended its engagement to participate in a new WBCSD workstream focused on transition finance,

[4] In this section Wells Fargo references information from third-party sources, Wells Fargo cannot guarantee accuracy of this information.
[5] https://acore.org/about/
[6] https://www.seia.org/about

which aligns with our increased focus on financing real economy transition activities.

Wells Fargo is also a member of several broader business and financial industry groups to serve a wide range of objectives across the Company. In some cases, Wells Fargo seeks opportunities to engage the groups on climate-specific topics by joining specific committees or subgroups. A list of principal trade associations, and our climate-related participation and role, is shown below:

Trade organization	Climate group member
American Bankers Association	ESG Working Group Climate Working Group
Bank Policy Institute	Climate Working Group
Financial Services Forum	Climate Risk Working Group
Institute of International Finance	Sustainable Finance Policy Expert Group Sustainable Finance Risk and Alignment Methodologies Expert Group
Securities Industry and Financial Markets	Sustainable Finance Task Force
U.S. Chamber of Commerce	ESG Working Group

Collaborating with NGOs

Wells Fargo works closely with and/or funds many leading NGOs, nonprofits, and other groups that support thought leadership and development in fields related to climate finance. We look to these organizations to share best practices, provide updates on new industry trends, and help advance fields of thought related to net-zero, transition, and sustainable finance.

Some of these NGOs are:

- **RMI Center for Climate-Aligned Finance** – We continue to support and work with RMI, a leading global clean energy nonprofit, and its Center for Climate-Aligned Finance on a range of initiatives. This includes ongoing regular dialogue around emerging definitions and frameworks for transition finance and best practices on transition planning. For example, in 2023, Wells Fargo employees participated in an all-day workshop focused on crafting holistic external engagement strategies to support sector-specific climate objectives.
- **Ceres** – Ceres is a nonprofit organization working with influential capital market leaders to help solve the world's sustainability challenges. Wells Fargo works with Ceres as a subject matter expert on sustainability topics relevant to the financial sector.
- **The Center for Climate and Energy Solutions (C2ES)** – C2ES is a leading nonpartisan, nonprofit organization working to secure a safe and stable climate by accelerating the global transition to net-zero GHG emissions and a thriving, just, and resilient economy. Wells Fargo has several points of engagement to support C2ES' work, including membership on their Business Environmental Leadership Council. As members of the council, we work with peers from many industries to learn from one another and help develop practical and ambitious climate solutions. For example, the fall 2023 council meeting was focused on IRA implementation, including learning best practices from fellow council members and engaging directly with senior policymakers.

Public policy support

Wells Fargo looks for opportunities to shape and inform climate-related public policy creation and implementation where it makes sense. Most of our business is in the U.S., which is where we look for opportunities to support policies that help achieve positive outcomes for our clients, for our business, and for addressing climate-related matters.

Our most focused and comprehensive policy-related efforts concern the implementation of the IRA. Early in 2023, Wells Fargo engaged senior leaders in the White House to identify ways we could support effective implementation and client awareness of numerous provisions of the IRA. This initial discussion has helped us to engage and work with clients in support of their climate-related IRA activities. Specific highlights include:

- Ongoing discussion between CIB and CB teams and leaders from the Department of Energy Loan Programs Office to exchange updates on potential pathways to support client activity.
- Joining a February 2023 roundtable meeting of banks and capital providers with the EPA administrator to provide industry feedback on several of the new financing programs the EPA is tasked with launching under the IRA.

- Participating in the White House Summit on Building Climate Resilient Communities in September 2023 to join the launch of a new climate resilience framework, where the Wells Fargo Foundation was the only corporate foundation highlighted for our work in this space.
- Attending an October 2023 roundtable discussion at the White House on leveraging the IRA in the healthcare sector.
- Hosting briefings for individual clients and groups of clients on the specific provisions of the IRA most relevant to their needs and providing insights to aid in the understanding of new technical guidelines regarding tax credits.
- Educating bankers internally on specific IRA benefits for their clients, and providing training on effective ways to engage clients on the topic.
- Exploring ways for Wells Fargo to utilize relevant IRA provisions that could expand our overall capacity to support transition, including through tax credit transferability.

We have found interest from many clients to learn about IRA benefits and opportunities, particularly from those clients now able to access tax credits for the first time via new "direct pay" mechanisms. For example, nonprofit institutions and municipalities can now own clean energy projects and receive the full value of the tax credit via direct pay. And our support extends to our philanthropic activity, as well, where we have funded community-focused solar and resilience projects that leverage direct pay tax credits.[7] We plan to continue engaging policymakers to help inform IRA implementation in ways that are beneficial to our clients and the Company. More information about how Wells Fargo supports the climate ecosystem can be found in the Accelerating and Broadening Cleantech Adoption section of our Sustainability & Governance report which can be found on our Goals and Reporting website.

Greenhouse Gas Reduction Fund*

Teams within the Company have worked together to support the successful planned implementation of the U.S. EPA's Greenhouse Gas Reduction Fund (GGRF), a $27 billion fund created as part of the IRA. The GGRF is designed to catalyze private investment and lending for the deployment of clean energy technologies designed to reduce GHG emissions, with a particular focus on serving low-income and underserved communities. As the largest single investment of the IRA focused on low-income communities, the GGRF has the potential to drive hundreds of billions of dollars of capital into the construction of climate solutions for households and communities most in need. The funds will be deployed through multiple sub-awardees, including green banks, CDFIs, and development agencies. Wells Fargo is taking several steps to support the successful rollout to be ready to deploy funds in partnership with GGRF once funds are awarded by the EPA. Specific activities include writing letters of support for clients and potential clients who are seeking funds directly from the EPA, providing approximately $8.3 million in philanthropic support to nonprofits focused on helping to ensure funds successfully reach communities most in need, and conducting partnership discussions to proactively identify ways Wells Fargo can provide financing aimed at making GGRF dollars go further, while meeting our own business, climate, and equitable transition objectives.

*In this section Wells Fargo references information from publicly available third-party sources, Wells Fargo cannot guarantee accuracy of this information.

[7] https://welcome.wf.com/impact/sustainability/future-of-community-accessible-solar-projects/

Risk management

Climate risk management

Climate-related risk refers to the potential risks that may arise from climate change or from efforts to mitigate climate change, their related impacts, and their financial and nonfinancial consequences. Wells Fargo considers climate change to be a risk driver with the potential to impact the risk types it manages. Wells Fargo classifies climate-related risks into two primary categories: (1) risks related to the transition to a lower-carbon economy and (2) risks related to the physical impacts of climate change.

Climate Risk Oversight is a dedicated group within Independent Risk Management and is responsible for the strategy and approach for integrating climate considerations into the Company's risk management program. To achieve this, the Climate Risk Oversight team collaborates with stakeholders across the Company to embed climate-related risks within our enterprise risk programs and capabilities, including strategic planning, risk identification, risk measurement, and scenario analysis.

As climate-related risks are a risk driver within the Company's risk management program, they are managed, reported, and escalated through existing processes and governance structures. As described in the Governance section, business and enterprise function governance committees help senior management plan, identify, assess, control, monitor, and report on climate-related risk, which is ultimately overseen by the Enterprise Risk and Control Committee and the Risk Committee of the Board.

For more information on our risk management approach, please see our Risk Management section of our Sustainability & Governance report that can be found on our Goals and Reporting website.

Risk identification

Climate-related risk can impact various risk types that Wells Fargo manages. Climate-related risk identification and assessment are embedded in the risk management processes in the Company. The table below provides a sample of climate risk drivers.

Risk type	Description	Climate risk drivers
Strategic risk	The risk to earnings capital, or liquidity arising from adverse business decisions, improper implementation of strategic initiatives, or inadequate responses to changes in the external operating environment.	Inability to adapt the business to evolving climate-related regulatory requirements or changes in client/customer preferences toward a lower-carbon economy, could significantly impact our market position.
Credit risk	The risk of loss associated with a borrower or counterparty default (failure to meet obligations in accordance with agreed-upon terms), Credit Risk exists with many of the Company's assets and exposures, such as debt security holdings, certain derivatives, and loans.	Catastrophic or frequent severe weather events affecting collateral values, substantial increase in draws on lines of credit, or higher delinquency rates. Change in climate-related policies and regulations impacting carbon-intensive clients' creditworthiness, and hence their ability to repay loans.
Operational risk	The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.	Devastating physical weather events, such as wildfires and severe floods, causing damage to the Company's properties and buildings, or affecting the Company's ability to perform business operations, or third parties' ability to deliver critical business services.
Reputation risk	The risk arising from the potential that negative stakeholder opinion or negative publicity regarding the Company's business practices, whether true or not, will adversely impact current or projected financial conditions and resilience, cause a decline in the customer base, or result in costly litigation. Key stakeholders include customers, employees, communities, shareholders, regulators, elected officials, advocacy groups, and media organizations.	Failure to meet climate-related public commitments and lack of transparency in reporting progress, or the perception of not banking certain customers/clients, may lead to loss of customers, failure of businesses, and/or reputational harm.
Market risk	The risk of possible economic loss from adverse changes in market risk factors, such as interest rates, credit spreads, foreign exchange rates, equity and commodity prices, and the risk of possible loss due to counterparty exposure.	Climate risk drivers, physical or transitional, realized or anticipated, that may result in changes to market variables (e.g., commodity and equity price, interest rates and FX rates, credit spreads, and volatility) may generate economic loss and negatively impact the Company's earnings.
Compliance risk	The risk resulting from the failure to comply with laws and regulatory guidance and the failure to appropriately address associated impact, including to customers.	Failure to make climate-related disclosures required by laws and regulations leading to potential regulatory scrutiny and penalties.

Environmental and Social Impact Management Framework[8]

Our Environmental and Social Impact Management (ESIM) Framework is designed to provide clarity and transparency to our stakeholders about how we approach the environmental and social impacts associated with certain financial relationships. It is intended to reflect enterprise policy and procedure requirements that establish expectations and requirements for identifying, assessing, and managing actual and potential adverse environmental and social impacts associated with certain commercial clients and financings.

Business resiliency and disaster recovery

Independent Risk Management maintains the Enterprise Resiliency Risk Management Policy designed to ensure that the Company is prepared for, mitigates against, can respond to, and recover from disruptive incidents. The Enterprise Resiliency (ER) team operates under the direction of the Chief Operating Officer and is overseen by Independent Risk Management. The Company maintains Business Impact Analysis and Resilience Plans for its critical functions along with recovery strategies. These strategies and plans are exercised to help ensure successful recovery at time of incident. Climate and business resiliency concentration risks are monitored and reviewed to measure the maintenance of geographical separation of critical functions. Severe weather events are monitored and breaches are escalated. The Resilience Program is inclusive of enterprise resilience, incident management, business recovery, technology recovery, and crisis communications.

[8] The ESIM Framework can be found on our Goals and Reporting website.

Climate-risk scenario analysis

We use climate-risk scenario analysis, including stress testing, to assess the potential impact of climate-related risk drivers on our risk profile. Scenario analysis can be used to identify and mitigate the broad range of possible outcomes related to these risks, and to model the complex linkages across climate drivers, economic and financial variables, and sectors to estimate the quantitative impact of a potential event.

Our scenario analysis exercises have largely focused on model expansion and knowledge-building, using industry-standard scenarios from the Network for Greening the Financial System (NGFS), and the Intergovernmental Panel on Climate Change (IPCC). In 2023, we enhanced our scenario analysis capabilities to include more Physical and Transition risk short- and long-term scenarios across Credit, Market, and Operational risk:

Topic	2021	2022	2023
Physical scenarios	Event based	Event based with limited macroeconomic impacts	Event based with macroeconomic impacts
	Hurricane, wildfire	Hurricane, drought, wildfire	Flood, hurricane, wind, drought, wildfire
Transition scenarios		NGFS phase 2: Net-Zero 2050	NGFS phase 3: Net Zero 2050, Current Policies, Divergent Net Zero
Time horizons	Short-term (2–3 years)	Short- (2–3 years) and long-term (15 years exploratory)	Short- (2–3 years) and long-term (10 years for transition risk)
Risk types	Credit, Market, Operational	Credit, Market, Operational	Credit, Market, Operational
Balance sheet	Static/dynamic sensitivity	Static	Static
Credit risk	Commercial (corporate and CRE)	Commercial (corporate and CRE), Home Lending	Commercial (corporate and CRE), Home Lending
Market risk	Trading portfolio	Trading portfolio, counterparty exposure	Trading portfolio, counterparty exposure
Operational risk	Wells Fargo properties	Wells Fargo properties	Wells Fargo properties and third parties

Scenario design

Scenario design includes specification of acute (short-term) physical events such as hurricanes, wildfires, and droughts, and long-term transition scenarios leveraged from NGFS over a 10 to 15 year horizon. As part of its supervisory efforts, the Federal Reserve selected Wells Fargo to participate in its Climate Scenario Analysis (CSA) pilot exercise in 2023. The scenario-design aspects of the CSA exercise, which we utilized for our 2023 scenario analysis, are detailed in the table to the right.

Credit-risk scenario analysis

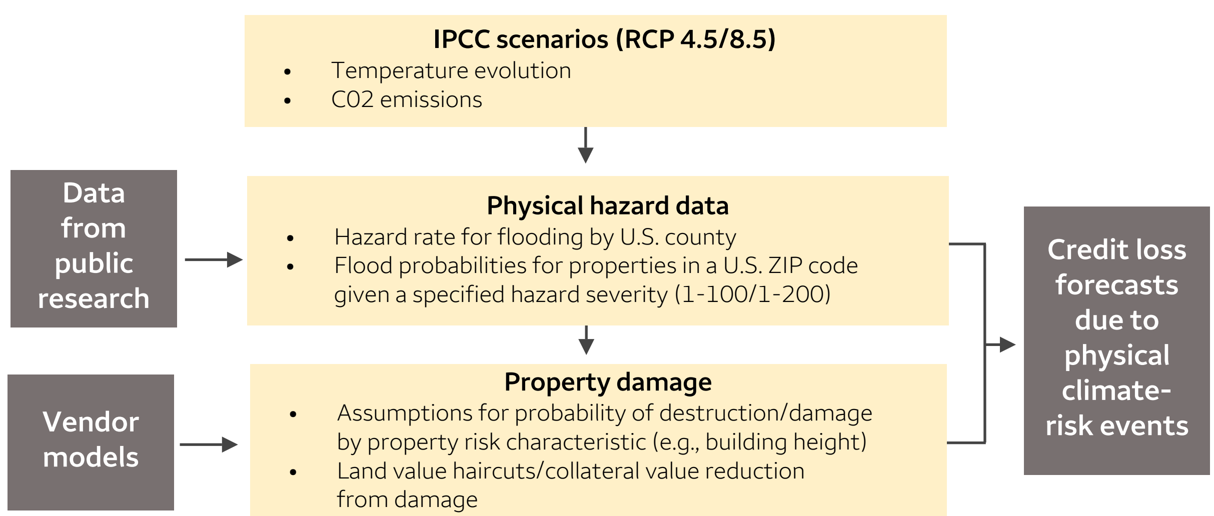
Physical climate-risk events have the potential to impact the credit-risk exposure of the Company's borrowers through multiple means, such as direct physical damages, can destroy or damage collateral that may force the borrower into default and resulting credit losses, indirect effects due to house price declines as a result of extreme events, or the risk of future events like hurricanes, sea-level rise, wildfires, and more. For the CSA exercise, Wells Fargo focused primarily on direct physical damages for home lending and commercial real estate properties only. We also evaluated indirect macroeconomic effects on real estate lending within the affected areas for the risk-rating projection. Wells Fargo's approach for credit-risk physical scenario analysis is detailed in the figure to the right:

Module-specific elements of the pilot Climate Scenario Analysis exercise

Element	Physical risk module	Transition risk module
Scenarios	1-100 and 1-200 from IPCC[1]	NGFS[2]: Current Policies and Net Zero 2050
Type of shock	Common hazard specified by the Federal Reserve: Northeast hurricane. Idiosyncratic hazard chosen by WFC: Southwest flooding.	Current policies: no new policies are adopted by countries. Net Zero 2050: stringent climate policies are introduced globally, increasing carbon prices.
Projection horizon	One-year hypothetical 2050 event	10 years: 2023–2032
Loan portfolios	Residential real estate Commercial real estate	Corporate Commercial real estate
Potential mitigants	Insurance	Obligor transition capacity

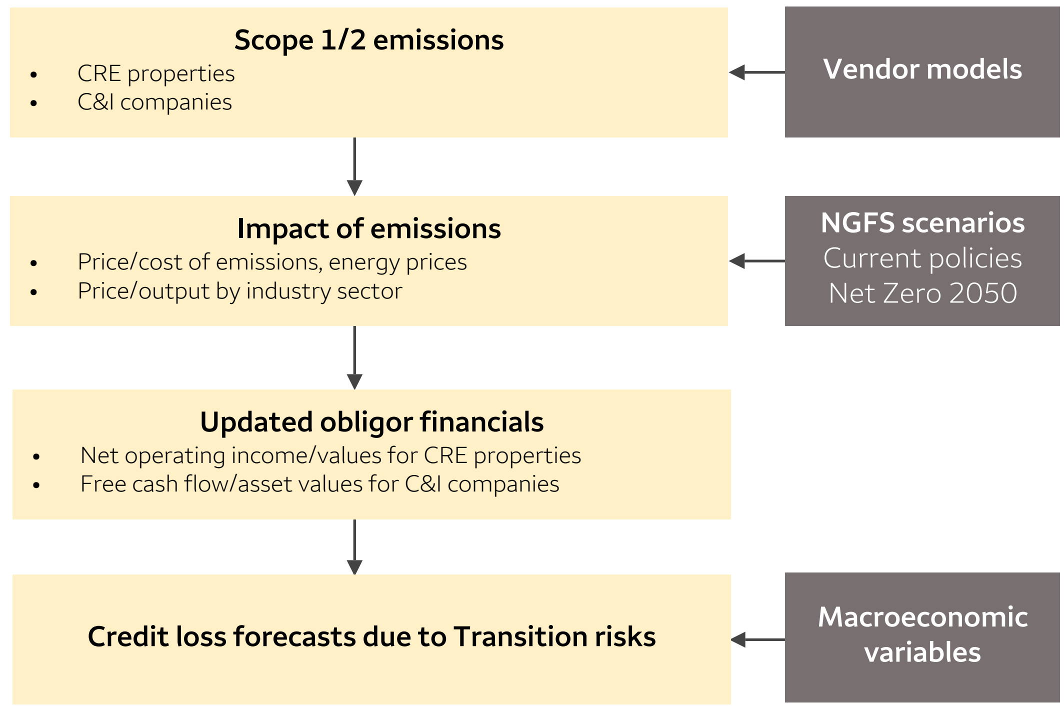
1 - IPCC: Intergovernmental Panel on Climate Change
2 - Network for Greening the Financial System

Wells Fargo's approach for credit-risk physical scenario analysis



Transition risk in the corporate lending portfolio can be realized due to an adverse impact on the profitability/solvency of the borrowers due to increased cost from high emissions or a shift away from high-emissions activities. For example, an oil and gas borrower may see their revenues decrease due to reduced demand for their product. A materials (e.g., concrete or steel manufacturing) company may have high emissions that increase their direct cost due to a tax on carbon emissions or indirectly through increased cost of inputs resulting from carbon tax policies. Transition risk in commercial real estate (CRE) can manifest through increased cost for operating buildings, particularly where the energy use intensity is high. Such buildings can lead to increased cost due to direct carbon tax on emissions, as well as increased cost of energy inputs like electricity and natural gas. Such financial impacts can affect the ability of the borrower to repay their lending obligations. The Wells Fargo's approach for credit-risk transition scenario analysis is detailed in the figure to the right.

Wells Fargo's approach for credit-risk transition scenario analysis



Market-risk scenario analysis

The Company has developed market risk management capabilities to assess climate risk-related exposures and potential impact under different scenarios, as part of our overall strategic climate risk effort. The market risk management climate capabilities have been incorporated into the market risk management programs.

The Company has developed both physical and transition climate-risk scenario analysis to assess market risk impacts, considering regulatory guidance and climate-related market changes. Physical risk exposures and related scenario analysis are focused on acute climate risk drivers (e.g., floods, droughts, winter weather, and tropical storms) including historical natural disaster events. Transition risk scenarios were developed based on NGFS scenarios, which are widely used industry benchmarks. The market risk transition risk scenario evaluates the potential impact to various capital markets variables (e.g., commodity and equity prices, interest rates, foreign exchange rates, and credit spreads) from transition to a lower-carbon economy through policy, legal, technology, and socioeconomic changes.

Operational-risk scenario analysis

The Company continues to assess the potential operational risk impacts from climate change inclusive of physical and transition risks. Climate risk drivers and scenarios are utilized in operational risk scenario analysis to assess potential impacts on the Company's customers, employees, and physical assets.

Climate risk drivers are incorporated in the Company's Comprehensive Capital and Analysis Review (CCAR)/stress test for capital adequacy planning purposes. For example, the potential operational risk impact of a severe hurricane that results in damages to the Company's physical assets, including its properties, was incorporated in the Company's 2023 CCAR/stress test.

In 2023, the Company also assessed the potential, longer-term operational risk impacts from climate change (through 2050) by leveraging internal and external data to analyze several climate scenarios. This analysis included potential likelihood and severity of operational losses from flooding, hurricanes, wildfires, and impact on operating expenses (e.g., heating/cooling buildings) driven by persistent changes in temperature.

Next steps for scenario analysis

We are enhancing our next generation of climate scenario analysis across different risk types to perform a more detailed scenario analyses. For that purpose, the Company is pursuing more granular physical and transition risk data to enhance our scenario analysis capabilities that will help the Company manage risks associated with climate change.

Metrics and targets

Overview

Wells Fargo measures and reports on climate-related activities to keep stakeholders informed on progress. The following subsections describe our metrics, targets, and progress with respect to our operational and financed emissions, as well as sustainable financing. This section also includes information pertaining to key value chain emissions aligned with the Greenhouse Gas Protocol scopes of emissions. For the 2023 reporting year, Wells Fargo has engaged a third-party carbon accounting software platform to perform GHG emissions calculations for Scope 1, Scope 2, and Scope 3 (categories 3 and 7). Engagement of the third-party resulted in certain carbon accounting methodology and emission factor changes for Scope 1, Scope 2 and Scope 3 (categories 3 and 7) which did not result in significant changes in emissions. Therefore, prior period emissions have not been updated to reflect the changes implemented in 2023.

Operational sustainability[13]

Wells Fargo has a physical presence across the U.S. and in key global locations. Focus on reducing the environmental impacts from our building operations is an important factor to achieving our goal of net zero by 2050. Our buildings (owned, occupied, or operated assets that we use directly in our operations) contribute to direct GHG emissions, known as Scope 1 emissions, and indirect GHG emissions from purchased electricity, known as Scope 2 emissions.

Through 2023, we reduced our aggregate GHG emissions for Scope 1 and Scope 2 (location-based) by 25% from our 2019 baseline. We achieved these results by focusing on energy and water efficiency in the design, construction, operations, and maintenance of our buildings and by optimizing our portfolio of buildings. We continue to evaluate opportunities to reduce Scope 1 and Scope 2 emissions through these and other means.

Overview of renewable energy activities in operations

	Unit	2021	2022	2023
Total electricity consumed[9]	MWh	1,550,417	1,579,854	1,509,777
Total renewable energy purchased[10]	MWh	1,673,872	1,584,509	1,522,223
% of total electricity consumption covered by renewable energy purchases[11]	%	108	100	101
% of renewable energy purchases sourced from new long-term renewable energy projects[12]	%	4	6	6

[9] Includes purchased electricity and self-supplied electricity generated through Wells Fargo's on-site solar program.
[10] Total renewable energy purchased includes self-supply renewable energy where Wells Fargo generates renewable energy from on-site solar installations, power purchase agreements, which are contracts for the purchase of power and associated Renewable Energy Certificates, as well as Unbundled Renewable Energy Certificates, which are sold, delivered, or purchased separately from the electricity generated from the renewable resource.
[11] Wells Fargo secured enough Renewable Energy Certificates to meet or exceed our annual consumption of purchased electricity.
[12] Wells Fargo has been meeting 100% of its electricity consumption with renewable energy primarily with unbundled Renewable Energy Certificates from existing assets, with a goal to transition to long-term agreements that directly support new sources of renewable energy. New sources of renewable energy are defined as assets where commercial operation was achieved no earlier than 12 months prior to contract execution.
[13] Environmental and energy use data included in this report is subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data.

In addition to efforts to reduce energy consumption in our buildings, we look for opportunities to reduce emissions across business areas for which emissions area calculated, including through collaborative engagement with suppliers.

Scope 1 and Scope 2 emissions (location and market based)[14]

	Unit[15]	2019 (baseline)	2020	2021	2022	2023
Total Scope 1	MTCO2e	86,602	78,087	73,319*	77,476*	82,410*
Total Scope 2 (location)[16]	MTCO2e	771,327	694,011	569,633*	593,495*	558,616*
Total Scope 2 (market)[16]	MTCO2e	4,988	3,614	1,792*	4,424*	3,633*
Total Scope 1 and Scope 2 (location)	**MTCO2e**	**857,929**	**772,098**	**642,952***	**670,972***	**641,026***
Total Scope 1 and Scope 2 (market)	**MTCO2e**	**91,591**	**81,701**	**75,111***	**81,901***	**86,044***
Carbon credits purchased and retired[17]	MTCO2e	98,981	92,019	81,809*	82,414*	86,044*
Remaining Scope 1 and Scope 2 (market)[18]	**MTCO2e**	**0**	**0**	**0***	**0***	**0***
Reduction in total Scope 1 and Scope 2 (location) GHG emissions (from 2019 baseline)	%	—	10	25	22	25

Scope 3 emissions[19]

	Unit	2021*	2022*	2023*
Category 1: Purchased goods and services	MTCO2e	1,429,619	1,300,698	1,415,876
Category 2: Capital goods	MTCO2e	348,249	293,289	455,831
Category 3: Fuel and energy-related activities (not included in Scope 1 or 2)[20]	MTCO2e	121,357	123,938	228,465
Category 5: Waste generated in operations	MTCO2e	13,058	12,730	13,026
Category 6: Employee business travel (air travel only)	MTCO2e	4,795	27,403	38,354
Category 7: Employee commuting (excluding remote work)	MTCO2e	218,795	289,051	253,813

*Wells Fargo's Statement of Greenhouse Gas Emissions, which can be found on our Goals and Reporting website, has been reviewed by an independent accountant for the years ended December 31, 2021, 2022, and 2023.

[14] Totals in this figure and others in this report may not add correctly due to rounding.
[15] MTCO2e stands for metric tons of carbon dioxide equivalent.
[16] A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using grid average emission factor data). A market-based method reflects emissions from electricity that Wells Fargo has purposefully chosen. It derives emission factors from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy bundled, with attributes about the energy generation, or for unbundled attribute claims.
[17] For further information on carbon credits, please see our Information Relevant to the California Voluntary Carbon Market Disclosures Act section of this report.
[18] As part of its journey toward net zero, Wells Fargo has implemented carbon reduction strategies and purchased energy attribute certificates and carbon credits sufficient to cover its total Scope 1 and Scope 2 (market-based) emissions for 2023.
[19] This report includes relevant Scope 3 categories for which Wells Fargo had calculated emissions for the year ended 2023.
[20] In 2023, we updated our calculation methodology to reflect a change in emission factors.

Sustainable finance

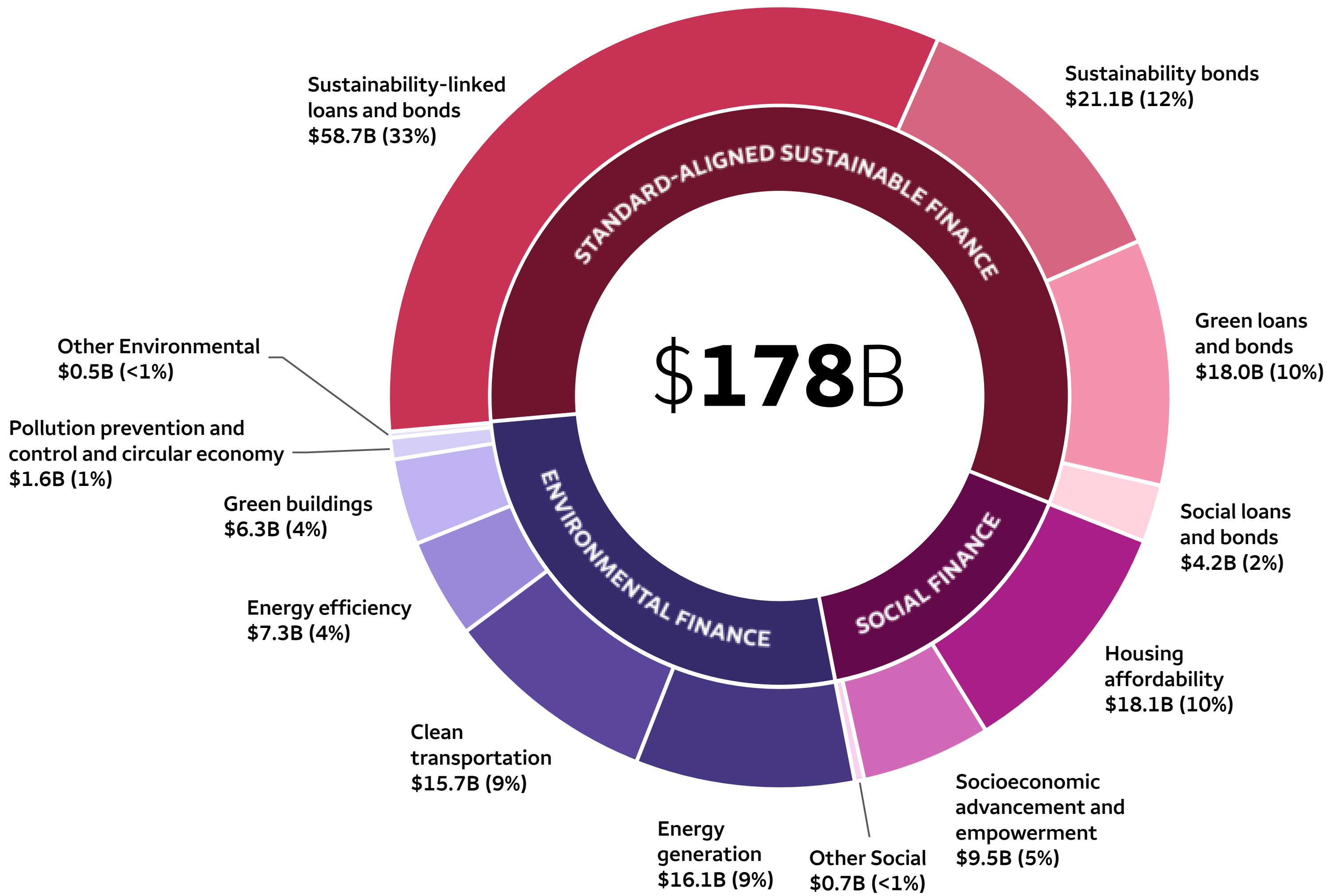
In 2023, Wells Fargo marked our third year of activity in pursuit of our goal to deploy $500 billion of sustainable finance by the end of 2030. From 2021 to 2023, Wells Fargo originated, committed, advised, or facilitated approximately $178 billion in sustainable finance activities, representing approximately 36% of our goal to deploy $500 billion of sustainable finance between 2021 and 2030.

For Wells Fargo, sustainable finance includes our activity in support of both environmental activity, which includes climate-related activity, and social activity. As previously discussed, we are reviewing our transition finance eligibility criteria to capture the suite of activities that Wells Fargo finances that enable decarbonization. This reflects the rapidly evolving nature and discussion concerning the concept of transition finance.

Our internal Sustainable Finance Eligibility Criteria ("the criteria"), which can be found in our Sustainability & Governance report on our Goals and Reporting website, is designed to capture transactions where funds are used for qualifying sustainable activities. The choices underlying the criteria align with the Company's continued focus on delivering benefits to our clients, customers, and communities. For our progress toward our $500 billion goal, we obtain limited assurance annually on our assertion of the total amount of sustainable finance activities originated, committed, advised, or facilitated that meet the criteria.

The figure on the next page reports our cumulative progress toward the 2030 goal through 2023. Total sustainable finance is broken down into the categories of environmental finance, social finance, and standard-aligned sustainable finance.

Sustainable finance progress* (2021-2023)



*See Sustainable Finance Eligibility Criteria in the Appendix of the Sustainability & Governance report, which can be found on our Goals and Reporting website, for more details. Showing 2021-2023 sustainable finance activities that have been originated, committed, advised, or facilitated that meet the Sustainable Finance Eligibility Criteria. Totals may not sum due to rounding. Showing categories with ≥ $0.1B, anything less than 1% is categorized as either "Other Environmental", which includes sustainable water and wastewater management, or "Other Social" which includes education and healthcare.

Metrics and targets for client portfolio emissions

To understand and measure client emissions attributable to our financing, we evaluate certain carbon-intensive sectors in our portfolios, select useful metrics, and set emissions-based targets. To set targets, we follow the framework described in CO2eMission, our methodology for aligning our financial portfolios with pathways to net zero by 2050 (see CO2eMission (PDF). We published CO2eMission and our 2030 portfolio targets for the Oil & Gas and Power sectors in May 2022. In July 2023, we published a supplement to CO2eMission that included our 2030 portfolio targets for three additional carbon-intensive sectors — Automotive, Steel, and Aviation (see July 2023 Supplement (PDF). At this time, we are not setting targets for other sectors. The reasons for this decision are specific to the sectors. For certain sectors, our exposure is not significant. For other sectors, reliable data, scenarios, and methodologies do not allow for target setting. As more data becomes available and methodologies mature, we may evaluate additional sectors in our portfolios for future target setting and reevaluate the methodology applied to existing targets. As described throughout this report, we remain focused on supporting our clients' efforts to enable transition across the economy by enhancing our climate-related capabilities, tailoring our product offerings, and investing for an equitable transition to a low-carbon future.

Measuring emissions attributable to our financing activities allows us to better understand how clients are positioned and how our products and services can help them achieve their goals and transition to a low-carbon future. To measure attributed client emissions, we use either an absolute emissions metric or a physical emissions intensity metric.

An absolute emissions metric refers to the total quantity of greenhouse gases being emitted into the atmosphere (for example, million metric tons of carbon dioxide equivalent [CO2e]).

A physical emissions intensity metric is expressed as a ratio of absolute emissions over a unit of output (for example, kilograms of CO2e per MWh of electricity produced). We base our selection of the metric for a target on assessment of the activities driving emissions in a given sector, among other factors. The following table lists the metrics we use for our targets.

Metrics for 2030 targets

Sector	Metric	Unit of measurement
Oil & Gas	Absolute emissions	Million metric tons of CO2e (Mt CO2e)
Power	Physical emissions intensity	Kilograms of CO2e per megawatt-hour (kg CO2e/MWh)
Automotive	Physical emissions intensity	Grams of CO2e per vehicle kilometer (g CO2e/vkm)
Steel	Physical emissions intensity	Metric tons of CO2 per metric ton of steel (t CO2/t steel)
Aviation	Physical emissions intensity	Grams of CO2e per revenue ton kilometer (g CO2e/RTK)

Calculation approach: absolute emissions

For an absolute emissions metric, we measure client emissions attributable to our financing using an attribution factor that reflects our financing to each client relative to client value.[21]

$$\text{Absolute emissions attributable to Wells Fargo} = \sum \left(\text{Total client emissions in scope} \times \frac{\text{Wells Fargo financing to client}}{\text{Client value}} \right)$$

Client value
Client value measured by
Enterprise Value + cash (publicly-traded companies) or
Client book value of debt + equity (privately-held companies)

Calculation approach: physical emissions intensity

For a physical emissions intensity metric, we measure client emissions attributable to our financing using a portfolio weight that reflects our financing to each client relative to our total financing to the sector.[22]

$$\text{Wells Fargo portfolio emissions intensity} = \sum \left(\text{Client emissions intensity} \times \text{Portfolio weight} \right)$$

$$\text{Portfolio weight} = \frac{\text{Wells Fargo financing to clients}}{\text{Total in-scope portfolio}}$$

[21] Additionally, we include certain undrawn commitment amounts in the attribution factor denominator to better capture the full potential impact of the financing we provide to clients. Commitments in the numerator are composed of both funded and unfunded components, while client value in the denominator represents on-balance sheet funding only. By adding unfunded commitments to client value, Wells Fargo reduces the over-allocation of emissions that would arise from an unadjusted approach. Note that a complete approach would entail the addition of all unfunded commitments from all lenders, but given data availability, we add only the unfunded portion of our commitment. Although this method risks over-allocating emissions to Wells Fargo, we concluded that this approach would best align with the client relationship-based principles of CO2eMission.

[22] Wells Fargo's Power methodology takes into account the emissions profile of the assets our clients operate to produce electricity. For renewable resources (for example, wind and solar) that do not have direct emissions, we use emissions factors that assign zero emissions to the power these assets generate. Improvement in the carbon intensity of our Power portfolio is principally driven by expanded financing to renewables, both through dedicated financing we provide directly to renewable projects and the expansion of low- and zero-emission generation by clients to whom we provide general purpose financing. Asset retirements and other changes to the generation mix of clients, in addition to changes in the counterparties to whom we provide financing, also influence our overall emissions intensity.

Targets

Our existing targets cover client emissions attributable to our lending activities[23] and the capital markets activities we help facilitate.[24] We also include renewable tax equity financing for our Power target. In defining client activities to cover with our targets, we aim to prioritize the parts of the sectoral value chain that have high emissions and are likely to have the greatest impact in transforming the sector to a low-carbon future. The following figure shows our 2030 targets and the activities and emission scopes the targets cover.

Wells Fargo's 2030 targets

Our 2030 targets focus on the emissions-intensive parts of the sectoral value chains

Oil & Gas

72.3 Mt CO2e

- Exploration and production (Scopes 1, 2, and 3, category 11 (use of sold products)
- Refining (Scopes 1 and 2)

Power

102 kg CO2e/MWh

- Power generation (Scope 1)

Automotive

103 g CO2e/vkm

- Manufacture of passenger cars and light-duty trucks (tank-to-wheel (tailpipe) emissions (Scope 3, category 11 (use of sold products)

Steel

1.01 t CO2/t steel

- Steel manufacturing (Scopes 1 and 2)

Aviation

775 g CO2e/RTK

- Passenger and cargo airlines' transport activities (tank-to-wake emissions (Scope 1)

[23] To calculate client emissions attributable to our lending activities, we use committed exposure (credit available to a client) rather than outstanding exposure (funds drawn from the available credit by a client) to provide a more complete measurement of the funding we have agreed to provide a client.

[24] To minimize the potential volatility inherent in capital markets facilitation activities, we amortize these activities over a five-year period.

We derived our targets from the Network for Greening the Financial System (NGFS) Orderly Net Zero 2050 scenario (June 2021) for the Oil & Gas and Power sectors, and the International Energy Agency (IEA) Net-Zero Emissions by 2050 scenario (October 2021) for the Automotive and Steel sectors. To set our target for the Aviation sector, we considered the IEA Net-Zero Emissions by 2050 scenario (as augmented by the Transition Pathway Initiative 1.5°C scenario). However, we did not rely on this scenario to set our target given its heavy reliance on sustainable aviation fuels as a key decarbonization lever to reach net zero and the number of barriers constraining market development of these fuels at the scale necessary to meet net-zero expectations. Instead, we set a target based on the emissions reductions we believe our clients can achieve through operational and fuel-efficiency improvements.

This target — to reduce the emissions intensity of our portfolio by 20% by 2030 — is based on the fuel-efficiency goals set by the International Civil Aviation Organization through its Carbon Offsetting and Reduction Scheme for International Aviation for 2021-2050.

To learn more about our Oil & Gas and Power targets, see sections 3 and 4 in CO2eMission (PDF); to learn more about our Automotive, Steel, and Aviation targets, see the July 2023 Supplement (PDF) to CO2eMission.

To support our net-zero goal and provide transparency, we measure and publish our progress toward our targets. Our progress as of December 31, 2022,[25] is summarized in the table below; an explanation of the factors primarily driving the changes follows.

Progress toward 2030 targets

Sector	Unit of Measurement	Baseline Year [1]	Portfolio as of Baseline Year	Portfolio as of 12/31/2022[25]	Percent Change from Baseline	2030 Target
Oil & Gas	Mt CO2e	2019	97.7	92.5	(5.3)%	72.3
Power	kg CO2e/MWh	2019	273[2]	203	(25.6)%	102
Automotive	g CO2e/vkm	2021	220	210	(4.5)%	103
Steel	t CO2/t steel	2021	1.08[3]	1.05	(2.8)%	1.01[4]
Aviation	g CO2e/RTK	2019	969	895	(7.6)%	775

Targets set in May 2022 Targets set in July 2023

(1) The analyses for Oil & Gas and Power targets use a 2019 baseline due to the impact of COVID-19 on sector activity in both 2020 and 2021. The analyses for the Automotive and Steel targets use a 2021 baseline as this was the most recent full year of available data at the time we set these targets. The analysis for the Aviation target uses a 2019 baseline due to the impact of COVID-19 on sector activity in 2020 and incomplete data for a 2021 baseline year calculation at the time we set our target.
(2) As noted in our Task Force on Climate-Related Financial Disclosures (TCFD) report published in 2023, we revised our Power portfolio baseline from 253 kg CO2e/MWh (as disclosed in CO2eMission) to 273 kg CO2e/MWh.
(3) This year we revised our Steel portfolio baseline from 1.01 t CO2/t steel (as disclosed in the July 2023 Supplement to CO2eMission) to 1.08 t CO2/t steel.
(4) We set our Steel target using the IEA Net-Zero emissions by 2050 scenario. The scenario's benchmark for 2030 is 1.09 t CO2/t steel. At the time we set our target, we calculated the 2021 baseline emissions intensity of the clients comprising our Steel portfolio to be 1.01 t CO2/t steel. Because our portfolio's emission intensity was below the scenario benchmark, we set the target equal to the baseline. Though we subsequently restated our baseline to be 1.08 t CO2/t steel, which remains below the scenario benchmark, we did not change our target.

[25] Our progress is measured as of December 31, 2022, rather than December 31, 2023, due to challenges in obtaining emissions data in a timely manner. For additional information on these challenges, see the "Data challenges" subsection below.

Oil & Gas – The attributable emissions of our Oil & Gas portfolio decreased from a 2019 baseline of 97.7 Mt CO2e to 92.5 Mt CO2e (a 5.3% reduction). The decrease was primarily driven by business-as-usual turnover in clients, partially offset by higher oil and gas production from our client base.

Power – The emissions intensity of our Power portfolio decreased from a 2019 baseline of 273 kg CO2e/MWh to 203 kg CO2e/MWh (a 25.6% reduction). This decrease was primarily due to an increase in our dedicated renewable energy financings, which have lower emissions intensities compared to our general purpose lending and capital markets facilitation activities. Our Power portfolio intensity also benefited from a modest reduction in average intensity across our nonrenewable portfolio due to clients generating more electricity from low- and zero-emission sources, such as wind and solar, and slightly reducing reliance on higher-emitting sources.

Automotive – The emissions intensity of our Automotive portfolio decreased from a 2021 baseline of 220 g CO2e/vkm to 210 g CO2e/vkm (a 4.5% reduction). This decrease was primarily due to a reduction in client emissions intensity. During 2022, clients improved their emissions intensities by one or both of the following actions:

- Increasing the production of hybrid and electric vehicles in relation to internal combustion vehicles
- Shifting overall production to lower-emitting vehicles

Our Automotive portfolio emissions intensity also decreased due to a decrease in financing to certain clients with high emissions intensities.

Steel – We revised our Steel portfolio baseline from 1.01 t CO2/ t steel to 1.08 t CO2/ t steel to reflect data-quality improvements and the identification of additional in-scope clients in our portfolio. Against the revised baseline, the emissions intensity of our Steel portfolio decreased by 2.8%, due primarily to clients' energy-efficiency improvements.

Aviation – The emissions intensity of our Aviation portfolio decreased by 7.6% from a 2019 baseline of 969 g CO2e/RTK to 895 g CO2e/RTK. The decrease was driven largely by the addition of a new client primarily engaged in cargo flights. This client has a lower emissions intensity (when measured using our selected metric, g CO2e/RTK, based on client-produced disclosures) than clients primarily engaged in passenger flights. We plan to support our clients' efforts to improve fuel efficiencies while sustainable aviation fuels become economically viable and new aircraft technologies mature and become more available.

Recognizing that sustainable aviation fuels are critical to the success of decarbonizing the Aviation sector, we facilitated a supply and offtake intermediation agreement for Montana Renewables, the largest producer of sustainable aviation fuels in North America.

For additional information about this agreement, see the Strategy section describing climate transition levers and Wells Fargo activity for the Transportation sector.

While we saw progress toward all of our targets from the respective baseline year through 2022, we remain mindful that progress may not be linear, and our ability to achieve our targets depends largely on events beyond our control, such as the development and commercialization of decarbonizing technologies, the implementation of supportive government policies, changes in consumer behavior (e.g., growth in electric vehicles), and shifts in business models and practices. We continue to support progress by doing our part by engaging with our clients and offering products, services, and financial solutions to support their climate- and transition-related activities while operating within the boundaries of an existing risk appetite associated with a variety of other risks, including credit concentration and market risk.

Data challenges

As we have noted in prior disclosures, the availability and quality of data for client emissions is a common challenge. To quantify clients' emissions, we evaluate available data sources on a sector-by-sector basis and consider the appropriateness of relying upon company-reported emissions versus asset-level production data collated by third-party data providers. Looking at each sector separately, we try to select data sources that balance coverage, consistency, comparability, and accuracy to best suit our target-setting application.[26]

Obtaining emissions data from sources in a timely manner presents an additional challenge. While data related to our financing is generally readily available, production data and company-reported emissions can lag by over a year or more. Given this lag and the fact that third-party data providers refresh data frequently, the emissions data (as well as the percentage of reported versus estimated data) may vary depending on the date the data is extracted. For this Climate Report, we used the most recent 2022 emissions and production data available in August 2023 and financing data (including loan commitments, amortized capital markets amounts, and dedicated renewable energy financing) as of December 31, 2022.

[26] For our five existing targets, we use client emissions and production data from various data providers and sources, including S&P Trucost, GlobalData, Auto Forecast Solutions, Global Energy Monitor, EPA, International Energy Agency, and client disclosures. S&P Trucost provides emissions data, which comes from a variety of sources and its own modeling and estimation. GlobalData, Auto Forecast Solutions, and Global Energy Monitor provide production data, which we use to impute a client's emissions. For Oil & Gas, this production data is a combination of reported data and vendor estimated data (when reported data is not available). For Power generation, the production data is estimated from capacity and plant load (that is, utilization by fuel type) factor. For Automotive, we use auto production data by make and model, which is a combination of reported data and vendor estimated data. For Steel, the production data is estimated from capacity and utilization factors that are sourced from industry publications. And for Aviation, we rely on client disclosed emissions and activity data.

Future plans

Our approach to climate, and our external disclosures associated with it, will continue to evolve as industry practices, policies, regulations, and market conditions change. The approach presented in this report captures only a portion of the Company's climate-related and transition activities at a particular point in time, and much of this activity is actively under development and maturing.

We expect to continue to engage our clients, leveraging our expertise to help clients pursue their own climate and transition plans. We will seek to meet our clients' needs while simultaneously working toward our own climate goals. And we will continue to invest in and build internal capabilities, first and foremost, in response to growing client demand and strive to capture the burgeoning business opportunities for Wells Fargo in climate-related sectors.

We will also continue to evaluate the most appropriate structures for responsibility, management, and reporting on our transition-related activities, with a preference to integrate management into existing governance and accountability structures when possible (see Governance section). As regulations allow, we will support clients' climate-related and transition activities where it is good for clients and for business, while we make progress towards our climate-related goals.

We will continue to integrate climate risk considerations into our risk management programs. Also, we plan to increase granularity of climate risk data to perform scenario analysis at property, sector, and counterparty levels. Though the Company will take reasonable steps to pursue our climate goals, the net-zero transition will require coordinated action by many parties outside of Wells Fargo.

Disclaimer and forward-looking statements

This document is provided for information purposes only. The information provided in this document reflects Wells Fargo & Company's (the "Company") approach to the topics herein as of August 20, 2024. The approach is subject to change in the Company's sole discretion without notice. The Company does not undertake to update this document, or any information contained in this document, to reflect changes or events that occur after that date. Any goals, targets, commitments, objectives, or other information discussed in this document are not guarantees of future results, occurrences, performance, or conditions.

This document contains forward-looking statements about our business, including discussion of the Company's plans, objectives and strategies, and expectations for our operations and business related to our environmental, social, and governance (ESG) activities such as our goals, targets, commitments, and objectives relating to greenhouse gas emissions reductions, operational sustainability, and renewable energy and sustainability financing and investment, among others. Because forward-looking statements are based on our current expectations and assumptions regarding the future, they are subject to inherent risks and uncertainties. Do not unduly rely on forward-looking statements as actual results could differ materially from expectations. Forward-looking statements speak only as of the date made, and we do not undertake to update them to reflect changes or events that occur after that date. Factors that could cause actual results to differ materially from those forward-looking statements described in this document include the precautionary statements and disclaimers included in this report as well as the following factors: the challenges associated with data availability and quality; the evolving standards and methodologies for measuring, reporting and verifying ESG-related metrics; the necessity of technological advancements; the evolution of consumer behavior; the need for thoughtful climate and sustainability policies; the need for collaboration and action on the part of various stakeholders to help achieve climate and sustainability goals; the potential impact of legal and regulatory obligations; and changes in management's strategy for balancing our aspirational short-term targets, goals and commitments with other interests such as the prioritization of energy security and achievement of an orderly and equitable energy transition, among other factors. For additional information about factors that could cause actual results to differ materially from our expectations, refer to our reports filed with the Securities and Exchange Commission, including the discussion under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023, and in our subsequent quarterly reports, as filed with the Securities and Exchange Commission and available on its website at www.sec.gov.[27]

While this document describes events, including potential future events, that may be of interest or significance to our stakeholders in the context of our ESG priorities and related activities, any references to terms such as "significant," "important," or "material" or similar terms should not be read as necessarily rising to the level of materiality of disclosures required under U.S. federal securities laws or other laws and regulations.

The Company is not providing any financial, economic, legal, accounting, tax, or investment advice or recommendations. This document should not be used as a basis for trading in the securities of the Company or for any other investment decision.

This document reflects certain positions and approaches to ESG as of the date of this document that are subject to change at any time

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in the Company's sole discretion without notice, and we do not undertake to update this document to reflect any such changes. Any references to "sustainable investing," "sustainable financing," "renewable energy," "clean energy," "ESG," or similar terms in this document are intended as references to the internally defined criteria of the Company, as applicable, and, except as specifically stated, not to any jurisdiction-specific regulatory definition that may exist. Such terms can be subjective in nature, and there is no representation or guarantee that these terms, as used herein, or judgment exercised by Wells Fargo in the application of these terms, will reflect the beliefs or values, policies, principles, frameworks, or preferred practices of any particular investor or other third party, or reflect market practices or trends. Wells Fargo's ESG, sustainability, climate, sustainable investing, or sustainable finance goals, targets, commitments, and initiatives are aspirational and purely voluntary, are not binding on the Company's business, investment decisions, and/or management, may be amended or cancelled at any time, and do not constitute a guarantee or promise of achievement of any such goals, targets, or commitments or regarding actual or potential positive impacts or outcomes.

Information contained herein is sourced from a variety of internal and external sources and may be based on emerging or evolving practices. Similarly, statistics and metrics relating to climate- and other ESG-related matters are estimates and may be based on assumptions and developing standards. In addition, disclosures related to environmental sustainability, including disclosures related to the Company's resource consumption and greenhouse gas emissions, as well as certain internal estimates and assumptions, are based in part on third-party data. Uncertainties, inaccuracies, or omissions in any of these inputs may potentially have compounding effects on the accuracy and completeness of resulting emissions and resource consumption figures. The suitability of the design and effectiveness of any third-party systems and associated controls over the accuracy and completeness of the data has not been independently assessed by us. Also, while the Company set client portfolio emissions targets for certain sectors to enable it to track the alignment of its financing activities to its net-zero goal, these targets, even if met, do not guarantee reductions of absolute greenhouse gas emissions in the real economy. The reduction of absolute greenhouse gas emissions in the real economy will ultimately depend on the efforts and actions of various stakeholders outside of our control. Relatedly, given the indirect nature of financial institution emissions target setting and the challenges of drawing causality between bank financing and real economy emission outcomes, these targets reflect our efforts to help align the Company's financed emissions to its net-zero goal, and should not be construed as a commitment by the Company to achieve a particular emissions outcome or a claim to realize a specific climate effect.

With respect to data and other information that is not also included in the Company's Statement of Greenhouse Gas Emissions or Management's Assertion with respect to sustainable financing activities, the Company makes no representations or warranties as to the quality, completeness, accuracy, or fitness for a particular purpose and shall not be liable for any use by any party of, for any decision made or action taken by any party in reliance upon, or for any inaccuracies or errors in, or omissions from, such data and other information. GHG Protocol requires restatement when changes in calculation methodology or improvements in the accuracy of emissions factors or activity data significantly impact the base year emissions data. As data availability and quality continue to improve, and as the standards, methodologies, and approaches used in preparing this document continue to evolve, information we are currently disclosing may need to be changed or restated in the future. Other than as expressly stated herein, the Company does not undertake any duty to restate or correct data should such information later prove to be incorrect.

This document provides general information regarding a number of the Company's policies, procedures, and positions relating to ESG issues. The description of such policies, procedures, and positions herein does not purport to be complete and such policies, procedures, and positions may be subject to approved exceptions. Further, there can be no assurance that the Company's policies, procedures, and positions relating to ESG issues will continue; such policies, procedures, and positions, including the initiatives, goals, and targets related thereto, could change, even materially. The Company may determine in its sole discretion that it is not feasible or practical to implement, comply with, or achieve certain of its policies, procedures, positions, goals, or targets relating to ESG issues based on cost, timing, or other considerations. Except where indicated, this document and the data contained herein have not been verified or otherwise assured by an independent third party.

The Company has provided external links within this document for your convenience, but the Company does not endorse and is not responsible for the content, links, privacy policy, or security policy of these websites. The content of any third-party websites is not in any way included in or incorporated by reference into this document. This document is not intended to make representations as to the ESG initiatives of any third parties, whether named herein or otherwise, which may involve information and events that are beyond Wells Fargo's control.

All third-party trademarks or brand names are the property of their respective owners. The use of any third-party trademarks or brand names is for informational purposes only and does not imply an endorsement by the Company or that such trademark owner has authorized Wells Fargo to promote its products or services. The Company disclaims any representations or warranties regarding the non-infringement of any information contained herein.

Appendix

Information Relevant to the California Voluntary Carbon Market Disclosures Act

Disclosures by Wells Fargo & Company and its subsidiaries ("Wells Fargo" or the "Company") under the Voluntary Carbon Market Disclosures Act (Cal. Health & Safety Code § 44475 et seq.) can be found below.

Wells Fargo purchases and use of voluntary carbon offsets

Wells Fargo offsets our residual Scope 1 and Scope 2 emissions (market-based) for reporting year 2023 through the purchase of carbon credits registered on the Verra Registry ("Verra"), certified under their Verified Carbon Standard (VCS) Program and the Climate Action Reserve Registry ("CAR Registry"), certified under their Voluntary Offset Program (known as "CAR"). Relevant information on carbon credits purchased by us to offset 2023 residual emissions from our Scope 1 and Scope 2 as provided by each applicable registry and program is below.

Name of the business entity selling the offset and the offset registry or program	The project identification number, if applicable	Project name as listed in the registry or program, if applicable	Offset project type, including whether the offsets purchased were derived from a carbon removal, an avoided emission, or a combination of both	Location	Specific protocol used to estimate emissions reductions or removal benefits	Third-party verification
Bought from: Clean Air Action Corporation (CAAC) Registry/Program: Verra – Verified Carbon Standard (VCS); Climate, Community and Biodiversity (CCB) Standard	996	TIST in Kenya, VCS 009	Project type: Agriculture Forestry and Other Land Uses Project description: Carbon removal	Kenya	VCS Methodology AR-AMS001	Further information on the specific carbon projects indicated is also available on registry.verra.org[1]
	994	TIST in India, VCS 001	Project type: Agriculture Forestry and Other Land Uses Project description: Carbon removal	India	VCS Methodology AR-AMS001	
Bought from: Cool Effect Registry/Program: Climate Action Reserve (CAR)	1463	Carbono, Agua y Biodiversidad Indígena Peñoles	Project Type: Forestry – MX Project description: Carbon removal	Mexico	v2.0	Further information on the specific carbon projects indicated is also available on climateactionreserve.org[1] thereserve2.apx.com[1]
	1565	Ejido Forestal Chavarria Nuevo	Project Type: Forestry – MX Project description: Carbon removal	Mexico	v2.0 and v3.0	

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Wells Fargo greenhouse gas reduction efforts

Information regarding the greenhouse gas reduction efforts of Wells Fargo, including measurement of its progress, is provided in the following publications available on Wells Fargo's website.

Information	Publication
Operational sustainability and related goals	Sustainability & Governance Report (PDF) pp. 8-14 Climate Report (PDF) pp. 12-13, 16-18, 45-46
2050 net-zero GHG emissions goal[1]	Sustainability & Governance Report (PDF) pp. 8-14 Climate Report (PDF) pp. 6-7, 11-13, 17-21, 24, 45-54
Emissions-based targets for Oil & Gas, Power, Automotive, Steel, and Aviation financing portfolios, including underlying methodology	CO2eMission (May 2022) (PDF) pp. 7-32 CO2eMission (July 2023 Supplement) (PDF) pp. 6-30 Climate Report (PDF) pp. 13, 49-55
Independent Accountants' Review Report on Statement of Greenhouse Gas Emissions for the year ended December 31, 2023	Statement of Greenhouse Gas Emissions (PDF) pp. 2-3

(1) Wells Fargo's 2030 goals for GHG reduction, energy reduction, and renewable energy are interim goals as part of the overall the 2050 net-zero goals.

TCFD index

This table identifies where TCFD recommended disclosures can be found within this report, as well as within other related documents. The index and corresponding Wells Fargo disclosure is based on our interpretation of TCFD recommended disclosures.

Disclosure	Recommended disclosures	Location within this report	Other source references
Governance	a. Describe the board's oversight of climate-related risks and opportunities.	pp. 10-11	Wells Fargo 2023 Annual Report (PDF) Wells Fargo 2024 Proxy Statement (PDF) Corporate Responsibility Committee Charter (PDF) Risk Committee Charter (PDF) Sustainability & Governance Report (PDF)
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	pp. 12-14	Wells Fargo 2023 Annual Report (PDF) Environmental and Social Impact Management Framework (PDF) Sustainability & Governance Report (PDF)
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	pp. 16-35	
	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	pp. 16-35	Wells Fargo 2023 Annual Report (PDF) Sustainability & Governance Report (PDF)
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	pp. 40-43	

Disclosure	Recommended disclosures	Location within this report	Other source references
Risk management	a. Describe the organization's processes for identifying and assessing climate-related risks.	pp. 37-38	
	b. Describe the organization's processes for managing climate-related risks.	pp. 39-43	Environmental and Social Impact Management Framework (PDF) Risk Committee Charter (PDF) Sustainability & Governance Report (PDF)
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	pp. 37-43	Wells Fargo 2023 Annual Report (PDF) Sustainability & Governance Report (PDF)
Metrics and targets	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	pp. 45-54	CO2eMission (PDF) Sustainability & Governance Report (PDF)
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.	pp. 45-46	CO2eMission (PDF) Sustainability & Governance Report (PDF)
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	pp. 43-54	CO2eMission (PDF) Sustainability & Governance Report (PDF)

Glasgow Financial Alliance for Net Zero (GFANZ) index

This table identifies where some elements of the voluntary GFANZ Financial Institution Net-Zero Transition Plans – Fundamentals, Recommendations, and Guidance report, published in November 2022, can be found within this report. The table is based on our interpretation of the GFANZ report.

Component		Recommendation	Report Section
Foundations	Objectives and priorities	Define the organization's objectives to reach net zero by 2050 or sooner, in line with science based pathways to limit warming to 1.5 degrees C, stating clearly defined and measurable interim and long-term targets and strategic timelines, and identify the priority financing strategies of net-zero transition action to enable real-economy emissions reduction.	Introduction, Our climate focus and objectives Metrics and targets
Implementation Strategy	Products and services	Use existing and new products and services to support and increase clients' and portfolio companies' efforts to transition in line with 1.5 degrees C net-zero pathways. Include accelerating and scaling the net-zero transition in the real economy, providing transition related education and advice, and supporting portfolio decarbonization in accordance with the institution's net-zero transition strategy.	Strategy, Products and services
	Activities and decision-making	Embed the financial institution's net-zero objectives and priorities in its core evaluation and decision-making tools and processes to support its net-zero commitment. This applies to both top-down/oversight structures and bottom-up tools and actions.	Governance Strategy, Our approach
	Policies and conditions	Establish and apply policies and conditions on priority sectors and activities, such as thermal coal, oil and gas, and deforestation. Include other sectors and activities that are high emitting, or otherwise harmful to the climate, to define business boundaries in line with the institution's net-zero objectives and priorities.	
Engagement Strategy	Clients and portfolio companies	Proactively and constructively provide feedback and support to clients and portfolio companies to encourage net zero-aligned transition strategies, plans, and progress with an escalation framework with consequences when engagement is ineffective.	Strategy, Supporting client climate-related and transition activities
	Industry	Proactively engage with peers in the industry to 1) as appropriate, exchange transition expertise and collectively work on common challenges and 2) represent the financial sector's views cohesively to external stakeholders, such as clients and governments.	Strategy, Collaborating with stakeholders to support climate progress
	Government and public sector	Direct and indirect lobbying and public sector engagement should, in a consistent manner, support an orderly transition to net zero, and as appropriate, encourage consistency of clients' and portfolio companies' lobbying and advocacy efforts with the institution's own net-zero objectives.	Strategy, Collaborating with stakeholders to support climate progress

Component		Recommendation	Report Section
Metrics and Targets	Metrics and targets	Establish a suite of metrics and targets to drive execution of the net-zero transition plan and monitor progress of results in the near, medium, and long term. Include metrics and targets focused on aligning financial activity in support of the real-economy net-zero transition; on executing the transition plan; and on measuring changes in client and portfolio GHG emissions.	Metrics and targets
Governance	Roles, responsibilities, and remuneration	Define roles for the Board or strategy oversight body and senior management ensuring they have ownership, oversight, and responsibility for the net-zero targets. Assign appropriate individuals and teams to all aspects of both design and delivery of the transition plan. Use remuneration incentives for all roles, where possible. Review the transition plan regularly to ensure material updates/developments are incorporated; challenges are reviewed as an opportunity to correct course; and implementation risks are properly managed.	Governance
	Skills and culture	Provide training and development support to the teams and individuals designing, implementing, and overseeing the plan so that they have sufficient skills and knowledge to perform their roles (including at the Board and senior management level). Implement a change management program and foster open communications to embed the net-zero transition plan into the organization's culture and practices.	Strategy, Enhancing internal climate-related capabilities Strategy, Supporting client climate-related and transition activities