

Environmental and Social Risk Policy Statement

Introduction

At U.S. Bank, we care deeply about meeting all of our stakeholders' needs, promoting sustainable business practices, and supporting economic growth. It is one of the reasons U.S. Bank was named a World's Most Ethical Company by the Ethisphere Institute in 2021 for the seventh consecutive year. Our approach to our business encompasses corporate responsibility and risk management discipline by embedding strong environmental, social and governance (ESG) principles into our business strategy.

Business risks and opportunities presented by key ESG issues are addressed in our ESG report available at usbank.com. The report describes our ethical, speak-up culture, our efforts to protect customer data and privacy, our commitment to building a workforce for the future, and our focus on creating financial well-being and inclusion in the communities we serve. It also shows how we assess and mitigate the risks associated with these topics, including climate change.

This Environmental and Social Risk Policy (ESRP) statement formalizes our key relationship principles and outlines our approach to reduce the risk of engaging in relationships that have legal, regulatory, political, ethical, environmental, or social responsibility factors which may create elevated risk. It is critical for our company to follow an enterprise-wide framework for identifying and managing the risk associated with doing business with customers that are engaged in activities with specific environmental and social impacts.

Overview

At U.S. Bank, we have developed an enterprise-wide approach to managing and overseeing our relationships, including customers and other business partners, that present heightened risk based on the type of business conducted or other aspects of the relationship's positioning on various ESG issues.

Our comprehensive risk management process ensures we are appropriately managing the risk associated with serving our customers, including those in higher-risk industries. Should we find a customer is out of compliance or introduces unacceptable risk to the bank, we reevaluate our position and determine appropriate actions, which can include exiting our business with the client.

ESG sensitivity is an important component of our credit, investment, underwriting, and payment procedures and is integrated into our overall risk management philosophy. Since we serve a broad spectrum of enterprises across a diverse array of industries, we embrace a balanced approach to addressing the needs of our communities, customers, employees and shareholders.

Approach

At U.S. Bank, we actively participate in thoughtful and respectful discussions on topics that are consistent with our core values, impact our communities and affect our company's long-term ability to do business. As a financial institution, our focus is on providing access to financial

services and in a way that upholds all state, federal and local laws and regulations. We continuously review our policies to ensure they align with changes in legislation and regulation.

To that end, U.S. Bank has identified relationships, including relationships with customers, vendors, investment partners and others, that pose unacceptable or heightened risk to our company. Current or potential relationships that are deemed to pose unacceptable risk are strictly prohibited. Relationships that present substantial potential or actual risk require additional due diligence and elevated levels of approvals.

Due Diligence

For relationships in a heightened risk industry or engaged in heightened risk activity, additional due diligence is performed to evaluate risks specific to that customer. The additional due diligence includes an assessment of items such as past compliance with laws and regulations and programs in place that mitigate the potential for negative outcomes, such as damage to the environment or impact to communities.

Business lines must also perform additional environmental due diligence requirements for customers operating within environmentally sensitive industries to better guide decisions on new or prospective relationships. These industries or sectors include, but are not limited to:

- Coal mining
- Forestry
- Oil and gas production
 - Hydraulic fracturing
 - Oil sands
 - Arctic, Alaska, or offshore oil extraction
- Metals mining
- Electric power generation
 - Nuclear
 - Coal
 - Hydroelectric

This environmental due diligence requirement applies to all prospective and existing customer relationships meeting specific thresholds. The due diligence and review requirements ensure a prospective or existing customer's policies and processes are sound and effective as they relate to the environment and the community in which it operates. For customers in certain environmental industries or sectors, we require our commercial clients to be in compliance with all state and local, national and international environmental laws and will verify adherence to such laws through certification or due diligence, as appropriate.

This additional environmental due diligence focuses, in part, on:

- Past and present environmental compliance with laws and regulations.
- Internal framework related to environmental risk management.
- Potential impact on dependent communities and indigenous people.

When evaluating relationships requiring additional due diligence, our Reputation Risk Management group partners with specialists across the company to ensure all pertinent risks are considered and evaluated as part of the decision to engage, maintain, or exit a relationship. Among others, Reputation Risk Management may engage with the following risk and compliance partners to ensure all relevant aspects of a relationship are considered when engaging or determining to maintain a relationship.

Environmental Program Manager

The day-to-day management of the Company's environmental initiatives is managed by the Environmental Program Manager as part of the Corporate Social Responsibility division which oversees Environmental Responsibility and ESG activities for the Company. The Environmental Program Manager reviews environmental due diligence escalations to determine whether further escalation is needed.

Enterprise Financial Crimes Compliance (EFCC)

EFCC is involved when evaluating unacceptable or heightened risk relationships based on Anti-Money Laundering, Counter-Terrorist Financing, and Economic Sanctions risks. EFCC provides direction, guidance, monitoring, and assistance necessary to comply with applicable laws and regulations.

Credit Risk Management

Credit Risk Management partners with Reputation Risk Management to identify industries or borrower types that may pose unacceptable or heightened risk to the Company. Depending on exposure size and borrower credit quality, Credit Risk Management may also provide independent credit approval oversight during the underwriting process for borrowers in industries with heightened risk.

The Law Division

The Law Division provides updates on changes within the regulatory environment that may impact policy and is consulted to ensure compliance with all applicable state and federal laws.

Global Ethics Office

Our Global Ethics Office (GEO) policies, tools and training provide all employees the information needed to make the right choices. The GEO is consulted upon to ensure relationship decisions reflect the Company's commitment to the highest ethical standards.

Escalation Protocols

Business lines may be required to document and implement any identified mitigation activities prior to receiving approval to enter or expand a relationship with heightened risk. The risk mitigation activities must specifically address the risk associated with the relationship and could include activities such as enhanced monitoring, periodic reviews, or triggers to exit the relationship. Once due diligence is complete, relationships with heightened risk are escalated through a formal approval process that may require review by business line and risk executives, including the Company's Chief Risk Officer and other Managing Committee members, as appropriate.

Prohibited Customers

U.S. Bank has identified prohibited relationships that pose an unacceptable risk. Prohibited relationships are not allowed and there are no exceptions. We will not establish Relationships with entities engaged in business that is illegal under state or federal law or are in the following prohibited categories:

Marijuana-Related Businesses

United States federal law prohibits the cultivation, distribution, and use of marijuana and, as a federally regulated organization, we adhere to federal law. We maintain the highest standards of legal and regulatory compliance and, we do not bank this industry.

Bribery and Corruption

Relationships that pose an unacceptable risk to the Company for Anti-Bribery/Anti-Corruption activities. Reputation Risk Management engages with the Company's Global Ethics Office to determine whether a relationship poses unacceptable risk in this category.

Sanctioned Entities

Businesses or Parties owned by, controlled by or acting on behalf of an individual, entity, country or organization on the Specially Designated Nationals List in the United States and/or in violation of Government imposed sanctions designed to protect a jurisdiction from financial crimes. This also includes any person subject to U.S., European Union, Canadian, or United Nations sanctions.

Shell Banks

Banks that do not have a physical presence in any country.

Illegal Internet Gambling

Any unlicensed business that operates betting on the internet.

Private Prisons

Commercial entities that manage or operate for-profit correctional facilities.

Project Financing of Long-Term Infrastructure or Industrial Projects

The Company prohibits direct project financing of long-term infrastructure or industrial projects based upon a non-recourse financial structure in which repayment is solely dependent upon the projected cash flow of the project being financed. This does not include certain renewable energy lending activities.

Unacceptable Environmental Risk:

Financing customers engaged in the below activities create undue risk and are prohibited:

- **Certain Forestry and Logging Activities**
 - Any customer who participates in illegal logging activities, including those who collude with, or knowingly purchase timber from illegal logging operations.
 - Logging companies that do not have an explicit policy prohibiting uncontrolled fire as part of their forestry practices.
 - Any customer who participates in logging in No-Go Zones, Temperate or Boreal Regions without appropriate due diligence or certification.
 - Forestry operations that negatively impact indigenous people and or dependent communities without the provision of culturally appropriate representation.

Category 1 Relationships – Significant Potential Risk

Relationships that present potential or actual significant reputation risk may be deemed outside the Company's risk appetite. Entering into a relationship related to the following businesses requires additional due diligence and elevated levels of approval, up to the Company's Chief Risk Officer, and may require appropriate mitigation plans.

Virtual Currency – Certain Activities

- Businesses that include serving as a dealer, an exchanger or an administrator for virtual currency, including ATM owners and operators, and entities and funds that derive more than 50% of their revenue from virtual currency businesses, other than the custodial activities included under Category 2 below.

Environmental

- **Mining**
 - Relationships involving individual Mountain Top Removal (MTR) projects or coal producers who rely on MTR for anything more than a limited portion of their overall coal production.
 - Relationships involving the development of new coal mines.

Other

- Payday Lenders and Auto Title Lenders
- Sexual Encounter Firms
- Adult Entertainment
- Debt Resolution Companies
- For-profit colleges that offer degrees with little intrinsic value due to lack of accreditation. This does not include technical or trade schools.
- Third Party Payment Processors for Debt Resolution Companies
- Life Settlement Funds that allow the holder to cash out a fraction of the estate value
- Unregistered Bearer Shares/Bearer Warrants
- Landlords leasing to a customer who operate marijuana businesses

Category 2 Relationships – Heightened Potential Risk

Relationships with customers in the following industries present potential or actual heightened reputation risk, which requires appropriate mitigation plans and additional levels of approval through the Reputation Risk Office and business line risk organization prior to entry into a new relationship.

Marijuana Related Activity

Direct marijuana-related investments, cross-border transactions, and cannabis funds are reviewed to ensure compliance with Federal, State and jurisdictional laws.

Virtual Currency – Custody

The custody of cryptocurrency, including the safekeeping of assets, settlement, and related administration activities such as reporting of the custodied assets.

Firearms

U.S. Bank does not prohibit relationships with customers based solely on their status as a business or other entity engaged in the manufacture, distribution, or sale of firearms or firearms accessories. However, specific due diligence for retailers, distributors and manufacturers of firearms or firearms accessories is intended to ensure that they are doing business in compliance with state and federal laws and regulations.

Financing Munitions

Loans for the purpose of financing munitions for use by foreign entities in active military conflicts/engagements.

Environmental

- **Coal Power Plant Construction**
 - Instances where the customer is constructing a new coal-fired power plant, but U.S. Bank is not participating in financing or directly linked to the project. Refer to Project Financing section above for prohibited activity.
- **Logging Operations**
 - Relationships with customers involved in logging or other extractive operations in large intact forests or primary forests that hold high conservation values without certification that these operations are managed using standard sustainable forest management practices and that conservation values are not degraded.
- **Fossil Fuels**
 - Fossil fuel transportation customers involved in controversial projects or with customers that do not have well-defined policies on spills. In addition, fossil fuel transportation relationships involved in spills that have resulted in fines, protests, or media attention.
 - Fossil fuel extraction relationships where 1) More than 10% of extraction is in any of the following individual location types: Arctic; Offshore; Oil Sands; 2) If extraction is negatively affecting local communities; or 3) If waste product from their operations is disposed of using controversial methods or methods that negatively affect local communities or the environment.
- **History of environmental negligence or non-compliance with rules and regulations**
 - Relationships with a recent history or a pattern of material non-compliance with environmental rules and regulations.

Other

- Principal Money Service Businesses
- Loans to Political Parties/Candidates, excluding loans for personal purposes.
- Landlords leasing to a customer type/activity outlined within this policy statement (non-marijuana related)

- Mutual Fund Servicing with a primary investment objective that includes a firm outlined within this policy statement.

In addition to the above, other industries, businesses, or factors not specified above may also be identified as presenting heightened or significant risk to the Company or may present human rights or other concerns that have not been identified in this policy statement. These relationships will also be escalated to the Reputation Risk Office for additional review and approval.