

WELLS
FARGO



Inclusive Communities and Climate Bond

Published August 2023

Table of contents

Introduction [3](#)

Sustainability bond framework [4](#)

Issuance details and impact metrics [8](#)

Featured projects [14](#)

Independent Accountants’ Review Report [19](#)

Management’s assertion [21](#)

Introduction

Wells Fargo & Company (NYSE: WFC) is a leading financial services company that has approximately \$1.9 trillion in assets. We proudly serve one in three U.S. households and more than 10% of small businesses in the U.S., and we are a leading middle market banking provider in the U.S. Wells Fargo provides 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 & Investment Management.

Wells Fargo ranked No. 47 on Fortune's 2023 rankings of America's largest corporations. In the communities we serve, the Company focuses its social impact on building a sustainable, inclusive future for all by supporting housing affordability, small business growth, financial health, and a low-carbon economy.

Our \$2 billion Inclusive Communities and Climate Bond, issued on August 15, 2022, builds on our \$1 billion inaugural Inclusive Communities and Climate Bond, as well as our experience in, and history of, underwriting green, social, and sustainability bonds. These initiatives help advance our efforts toward a more inclusive and sustainable economy. Our second Inclusive Communities and Climate Bond was issued to support housing affordability, socioeconomic advancement and empowerment, renewable energy, and clean transportation.

This report provides details about the issuance of our 2022 **\$2 billion Inclusive Communities and Climate Bond**, allocation of net proceeds, and associated estimated impact.

Sustainability bond framework



Wells Fargo Sustainability Bonds are debt securities issued by us where the net proceeds are allocated to projects consistent with the Wells Fargo Sustainability Bond Eligibility Criteria (the “Criteria”) as described in the Wells Fargo Sustainability Bond Framework (the “Framework”). Our Framework provides the Criteria to identify “Eligible Green Projects” and “Eligible Social Projects” (described collectively as “Eligible Projects”) that comprise our Eligible Projects Portfolio (the “Portfolio”). In the case of our second Inclusive Communities and Climate Bond, Eligible Projects include initiatives to support housing affordability, socioeconomic advancement and empowerment, renewable energy, and clean transportation.

Our Framework is aligned with the four core components of the International Capital Market Association’s (ICMA) Green Bond Principles (2018), ICMA’s Social Bond Principles (2020), and ICMA’s Sustainability Bond Guidelines (2018). These principles and guidelines provide direction for the development of credible issuance programs and are voluntarily used by issuers to support market transparency and disclosure.

To support our Framework, we established a Sustainability Bond Council that includes representatives from the following company functions: Environmental and Social Impact Management; Sustainability; Diverse Segments, Representation, and Inclusion; Corporate and Investment Banking; and Corporate Treasury. Among other things, the Sustainability Bond Council is responsible for reviewing our Portfolio for alignment with the Criteria, evaluating the Criteria against industry best practices, and supervising the allocation of net proceeds raised by our Sustainability Bonds.

Third-party review of sustainability bond framework

The ICMA recommends that issuers engage an external party to assess and provide a review of the issuer’s sustainability program or framework (referred to as a second-party opinion). This review is not required but serves as an additional measure to allow for third-party assessment and feedback. [Sustainalytics](#)¹, which provides analytical environmental, social, and governance research, ratings, and data to institutional investors and companies, provided a second-party opinion stating that our Framework is aligned with the ICMA’s Green Bond Principles (2018), ICMA’s Social Bond Principles (2020), and ICMA’s Sustainability Bond Guidelines (2018). Sustainalytics’ second-party opinion with respect to the Framework is available for public review [here](#)¹.

¹ Wells Fargo does not control this website. Wells Fargo has provided this link for your convenience but does not endorse and is not responsible for the content, links, privacy policy, or security policy of this website.

Wells Fargo's sustainability bond framework & project categories for the Inclusive Communities and Climate Bond²

Use of proceeds³

Eligible Projects 1) may include transactions originated and/or investments committed by us up to 24 months prior to the issuance of any Sustainability Bonds and 2) will be considered eligible for allocation if they meet the Criteria as described in detail in our Framework for the following categories:

Eligible Green Projects

- Clean transportation
- Energy efficiency
- Renewable energy
- Green buildings

Eligible Social Projects

- Essential services
- Socioeconomic advancement and empowerment
- Housing affordability
- Education
- Healthcare

Eligible Projects for the Inclusive Communities and Climate Bond meet the following sub-sets of the Criteria, in accordance with the Framework, and as described in Final Pricing Supplement No.19 dated August 8, 2022:

Inclusive Communities Projects (representing “Eligible Social Projects”) including:

- Housing affordability projects, which include design, construction, building, expansion, or renovation of multifamily housing properties for low- and moderate-income populations that specifically qualify for the Low-Income Housing Tax Credit, in which financing may be provided in the form of loans, equity investments, or investments in regional and national funds.
- Socioeconomic advancement and empowerment projects that promote economic development and job creation for underserved or vulnerable populations, specifically projects financed via the New Markets Tax Credit Program in U.S. census tracts where the Tract Minority Population comprises the majority of the total population. Tract Minority Population means the tract's total population minus the white-alone population.

² This information is summarized from the [Framework](#) and as described in Final Pricing Supplement No.19 dated August 8, 2022.

³ Exclusions for Eligible Projects are detailed in the [Framework](#) and as described in Final Pricing Supplement No.19 dated August 8, 2022.

	<p>Climate Projects (representing “Eligible Green Projects”) including:</p> <ul style="list-style-type: none"> • Renewable energy projects, which include acquisition, development, operation and maintenance of new and ongoing renewable activities and projects and may include expenditures and/or investments made by us to support capital improvements in our own facilities including: (1) on and offshore wind energy power generation, including development, construction and operational production or manufacturing facilities wholly dedicated to wind energy generation; (2) solar energy power generation, including development, construction and operation of generation facilities; (3) geothermal energy power generation with direct emission of <100gCO₂/kWh, including development, construction and operation of generation geothermal energy facilities; and (4) manufacturing of wind turbines or solar panels, in each case utilizing the Equator Principles, as appropriate, and excluding nuclear power, fossil fuels and grid infrastructure that support fossil fuels and pipelines. • Clean transportation projects that include consumer financing of electric vehicles.
<p>Process for project evaluation and selection:</p>	<p>When selecting Eligible Projects from the Portfolio for allocation, the Sustainability Bond Council takes into account the following objectives:</p> <ul style="list-style-type: none"> • Adherence to the Criteria outlined above • Compliance with Wells Fargo’s company-wide Environmental and Social Impact Management policy • Alignment with the ICMA’s Green Bond Principles (2018), ICMA’s Social Bond Principles (2020) or ICMA’s Sustainability Bond Guidelines (2018) and relevant industry guidelines.
<p>Management of proceeds:</p>	<p>The Sustainability Bond Council intends to fully allocate an amount equal to the net proceeds raised by our Sustainability Bonds within 24 months from any issuance date. The Council meets quarterly to evaluate whether the aggregate amount is equal to or greater than the net proceeds attributable to our Sustainability Bonds. If for any reason the aggregate net proceeds attributed to the Portfolio are less than the total amount of net proceeds attributable to our outstanding Sustainability Bonds — including that Wells Fargo’s financing of a project in the Portfolio is terminated or a project no longer meets the Criteria — then the Sustainability Bond Council is expected to promptly remove such project from the Portfolio, and Wells Fargo is expected to hold the unallocated amount in cash, cash equivalents, and/or other liquid marketable instruments (including U.S. Treasury securities) in our liquidity portfolio until the amount can be allocated toward the Portfolio.</p>
<p>Reporting:</p>	<p>After any issuance of our Sustainability Bonds, Wells Fargo intends to publish a public report within 12 months from the date of issuance outlining the allocation of net proceeds from that issuance. We intend to publish such a report annually until the aggregate net proceeds of the relevant Sustainability Bond issuance have been fully allocated to Eligible Projects and in case of any material changes in the Eligible Project Portfolio thereafter. Information included in the subsequent pages of this report reflects this approach for our second Inclusive Communities and Climate Bond. Updates published following full allocation will be at our discretion.</p>

Issuance details and impact metrics



Wells Fargo Securities, LLC served as joint bookrunner, or primary underwriter, for the second Inclusive Communities and Climate Bond issuance, joined by five broker dealers also acting as bookrunners whose owners include people of color, women, and/or service-disabled veterans – Academy Securities, Inc., CastleOak Securities, L.P., Drexel Hamilton, LLC, R. Seelaus & Co., LLC, and Samuel A. Ramirez & Company, Inc. They, along with 19 additional broker dealers (see list below) whose owners are from underrepresented groups, received 75% of the underwriting fees from the transaction. BurgherGray LLP, a minority-owned law firm, was retained as issuer’s co-counsel for the offering, together with Faegre Drinker Biddle & Reath LLP. The law firm Gibson, Dunn & Crutcher LLP served as underwriters’ counsel.

Underwriters

Academy Securities, Inc.*

American Veterans Group, PBC

AmeriVet Securities, Inc.

Apto Partners, LLC

Bancroft Capital, LLC

Blaylock Van, LLC

Cabrera Capital Markets LLC

CastleOak Securities, L.P.*

C.L. King & Associates, Inc.

Drexel Hamilton, LLC*

Great Pacific Securities

Guzman & Company

Loop Capital Markets LLC

MFR Securities, Inc.

Mischler Financial Group, Inc.

Multi-Bank Securities, Inc.

Penserra Securities LLC

R. Seelaus & Co., LLC*

Roberts & Ryan Investments, Inc.

Samuel A. Ramirez & Company, Inc.*

Siebert Williams Shank & Co., LLC

Stern Brothers & Co.

Telsey Advisory Group LLC

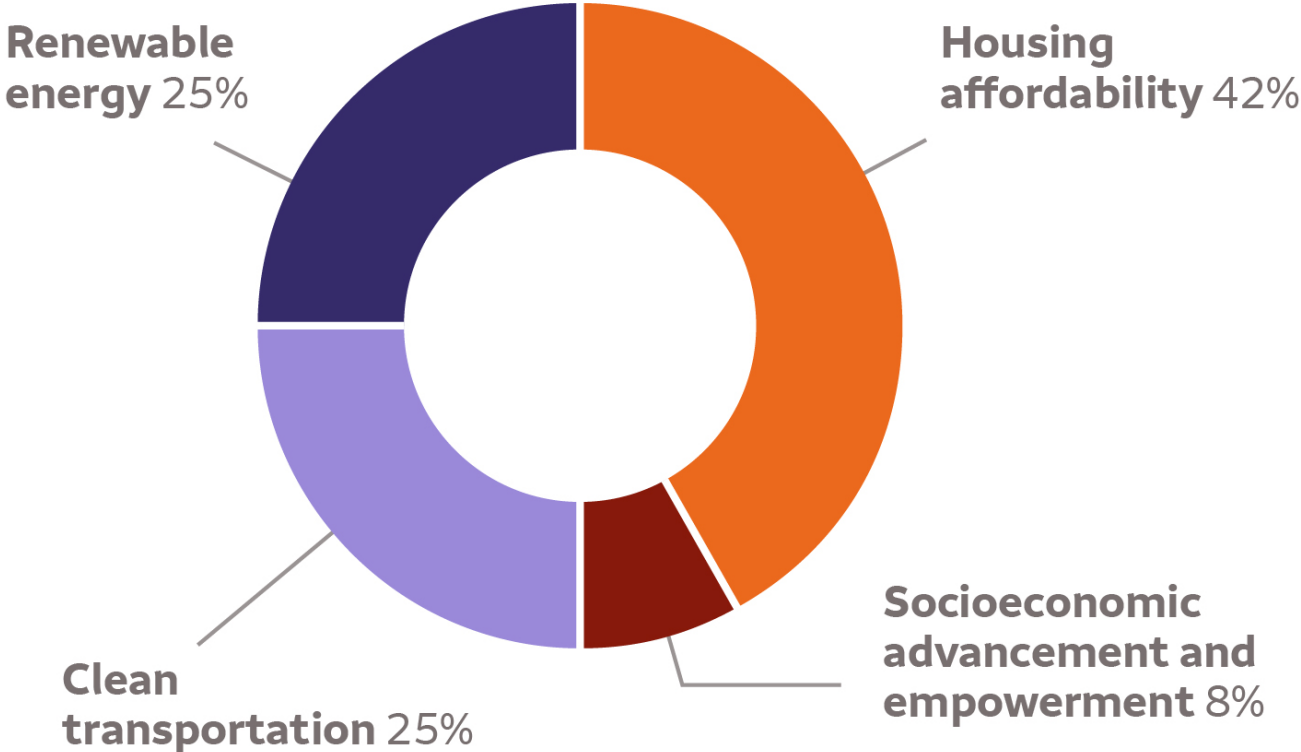
Tigress Financial Partners LLC

**Denotes Active Joint Bookrunner*

Inclusive Communities and Climate Bond issuance details

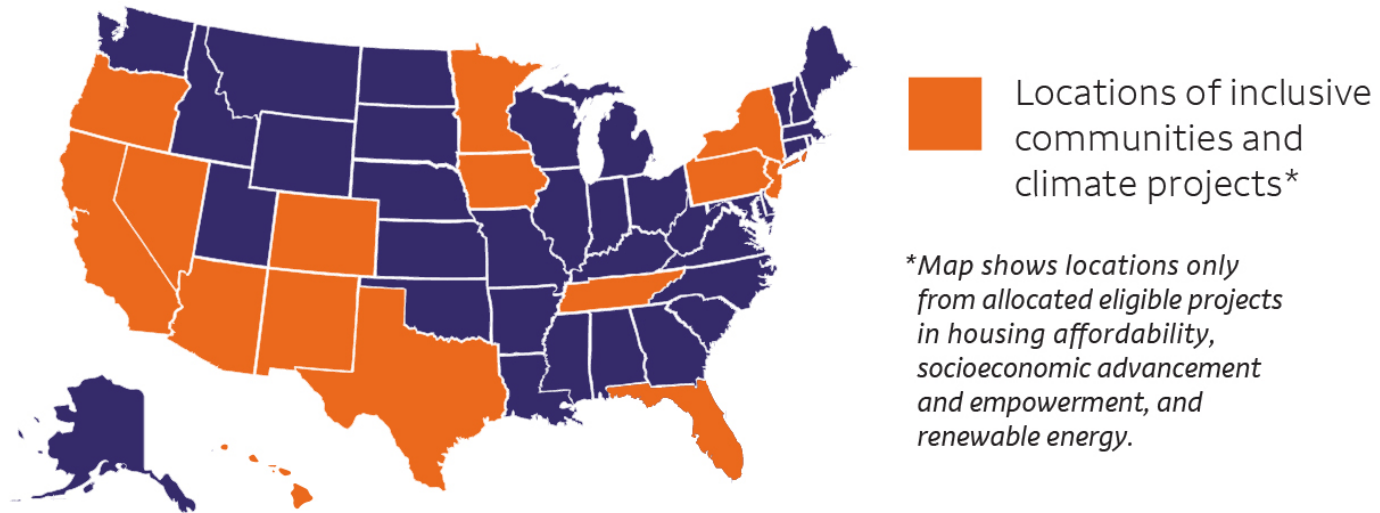
Issuer	Wells Fargo & Company
Principal amount	\$2,000,000,000.00
Total net proceeds	\$1,995,000,000.00
Allocated net proceeds	\$1,995,000,000.00
Unallocated net proceeds	\$—
CUSIP / ISIN	95000U3C5 / US95000U3C57

Allocation by eligible project category



Impact metrics

Geographic reach of inclusive communities and climate projects



An amount equal to the total net proceeds from the second Inclusive Communities and Climate Bond has been allocated to Eligible Projects. All net proceeds for this issuance have been allocated on a go-forward basis (originated and/or committed by Wells Fargo on or after August 15, 2022).

The table below discloses allocated net proceeds and associated estimated impact across four kinds of projects: Renewable Energy, Clean Transportation, Socioeconomic Advancement and Empowerment, and Housing Affordability that fall within overarching Criteria categories. All impact figures are based on available data (actual and projected).

Eligibility Criteria Category	Project Type	Amount Allocated	Total Project Impact ⁴
Climate Projects	Renewable Energy includes: 2 Solar projects, 6 Wind projects, and 1 Battery Storage project (9 total) across 5 states	\$498.75M	Renewable Energy Capacity⁵ 1,636 MW Wind and Solar 50 MW Battery Storage
	Clean Transportation includes: Consumer electric vehicle loans across the US	\$498.75M	Electric vehicle loans: Over 9,000
Inclusive Communities Projects	Socioeconomic Advancement and Empowerment includes: Support for 3 health facilities, 2 education facilities, 1 human services facility, and 1 housing facility (7 total) in majority minority census tract areas in 6 states	\$157.1M	Jobs Created/Retained: Over 500 jobs (includes construction jobs)
	Housing Affordability includes: Support for 36 multifamily rentals across 10 states	\$840.4M	Affordable Units Supported: Over 3,500 affordable units
Total		\$1,995.0M	

⁴ The impact measures are estimates based on the project documentation and include total impacts supported through these projects, not Wells Fargo's pro rata share of impacts based on its share of each project's total financing.

⁵ Based on installed capacity in megawatts (MW) for each project rounded to nearest whole number. Wells Fargo invested approximately 29% of the total value of the Renewable Energy Projects. This number represents Wells Fargo's tax equity investment as a percent of the total estimated valuation of the Renewable Energy Projects.

Featured projects



Inclusive communities project: housing affordability

With the Calvary Apartments development, Wells Fargo's Commercial Real Estate's (CRE) Community Lending & Investment (CLI) team is providing services to developer Trellis in connection with a historic church in Minneapolis. CLI provided a \$12.5 million Low Income Housing Tax Credit (LIHTC) and Historic Tax Credit equity investment, in addition to a \$10.2 million construction loan for the project.

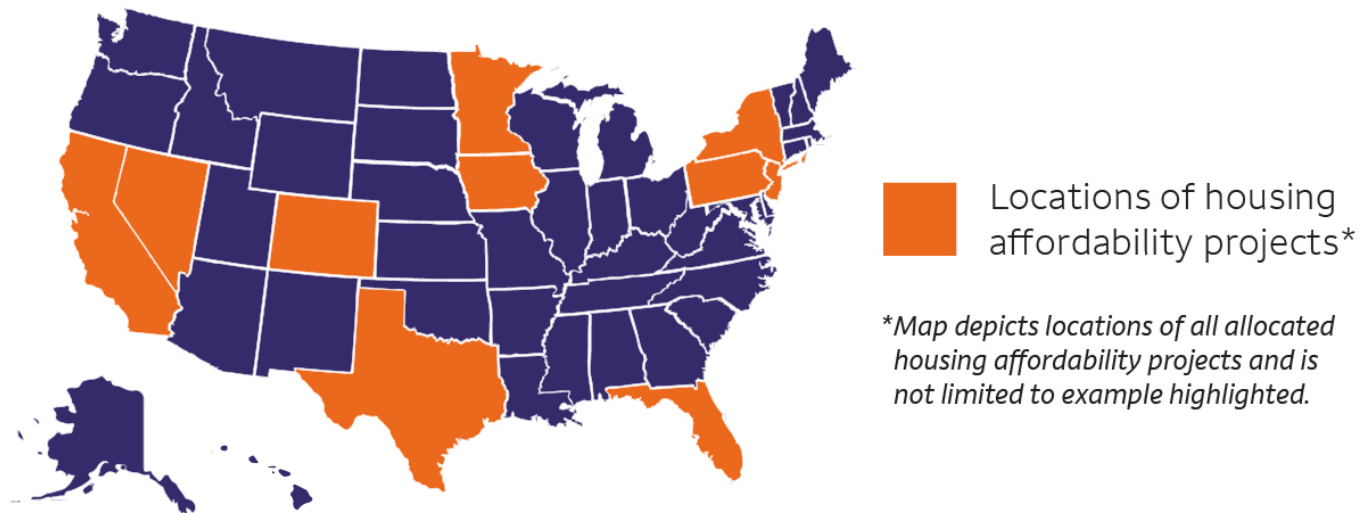
The existing Calvary Lutheran Church, along with its accompanying classroom building, will be converted into Calvary Apartments. This project also includes construction of a new three-story building where the church's parking lot exists today. The entire multifamily development is expected to consist of 21 units in the converted portion (church and classroom building) and 20 units in the new construction portion.



Located approximately one block south of George Floyd Square, Calvary Apartments is expected to include a variety of unit types including studio/alcove, one-bedroom, two-bedroom, three-bedroom, and four-bedroom units, and expected to target households with incomes below 30% of the area median income.

Rental assistance is expected to be available for all the apartment units, and the development has secured 26 project-based Section 8 vouchers from the Minneapolis Public Housing Authority. In addition, the project has devoted 15 units of site-based housing to support rental assistance, of which 10 are expected to be set aside for individuals or families experiencing homelessness. The remaining five would be reserved for people with disabilities.

Geographic reach of housing affordability projects



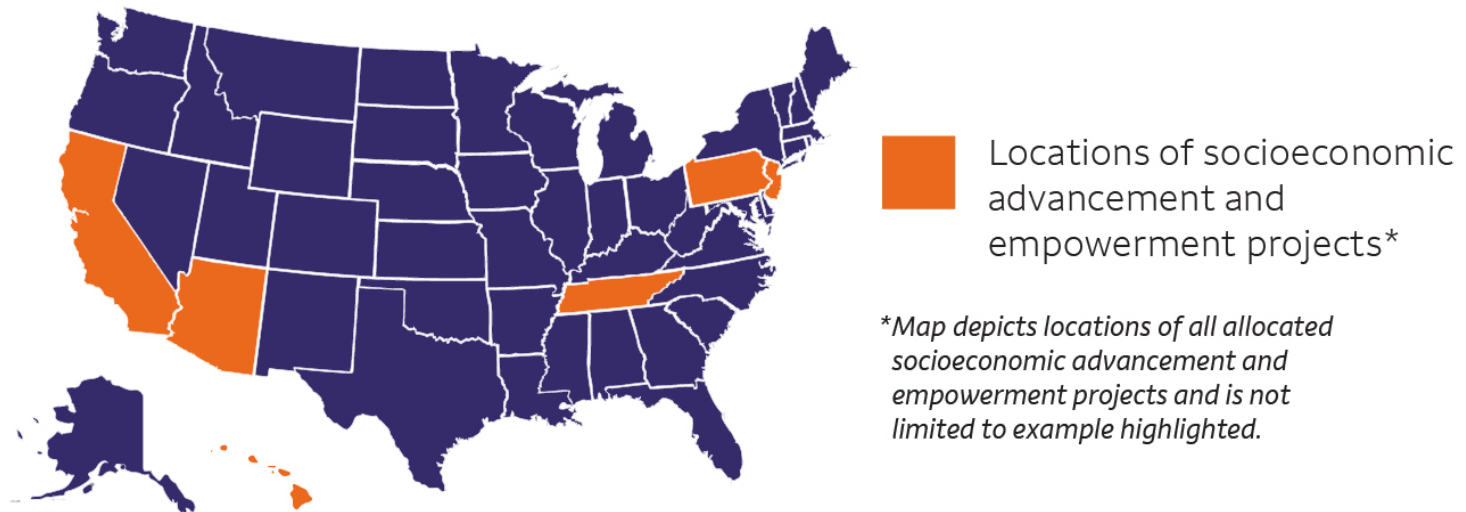
Inclusive communities project: socioeconomic advancement and empowerment

The Sunnydale Community Hub is a combined development project with a childcare center operated by Wu Yee Children's Services, a Boys & Girls Clubhouse, and community and recreational spaces serving the residents of Sunnydale, Visitation Valley, and surrounding Northern California communities.

The project is expected to include an 8,000 square foot early childhood education program facility serving approximately 81 children from low-income families offered by the tenant Wu Yee Children's Services. The development is expected to also include landscaped play areas, an outdoor courtyard, a café, and space for fitness and cooking classes, events, and community-building activities. The Sunnydale Community Hub anticipates providing space to families, children, and youth for sports, recreation, and cultural events, as well as health and wellness programs and activities.

Wells Fargo provided a \$41.6 million New Markets Tax Credit investment for this project which is part of San Francisco's HOPE SF initiative, aimed at creating inclusive, mixed-income, and thriving communities without the mass displacement of existing residents.

Geographic reach of socioeconomic advancement and empowerment projects

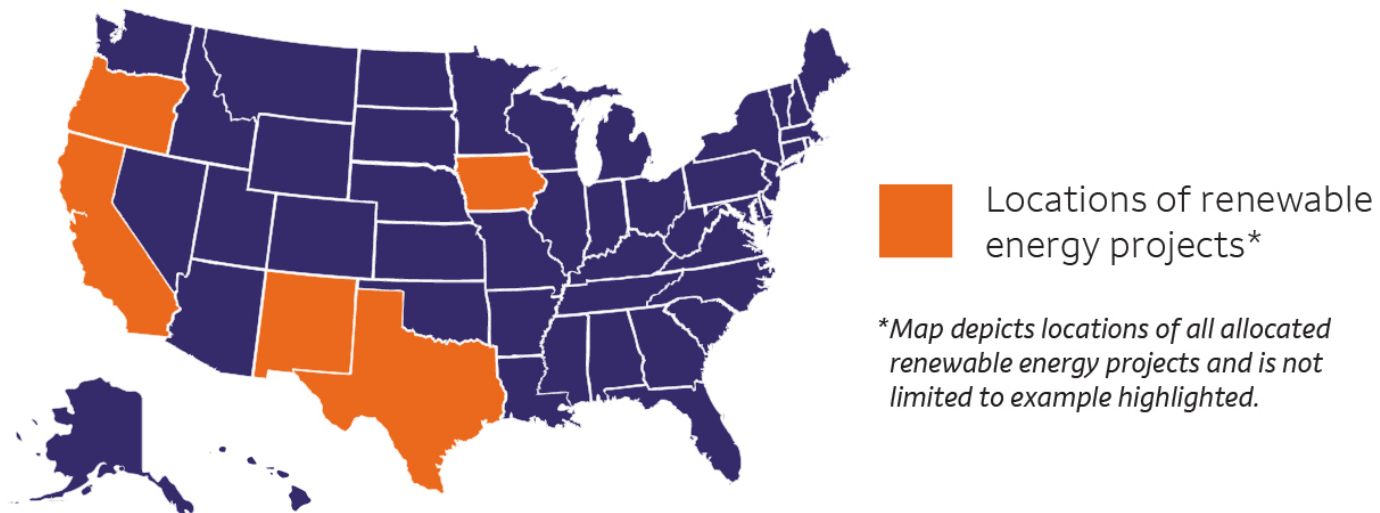


Climate project: renewable energy

Wells Fargo's Renewable Energy & Environmental Finance group actively supports the development of clean, low carbon energy sources by deploying tax equity capital for renewable energy and storage projects. For our second Inclusive Communities and Climate Bond, nearly \$500 million, a quarter of the total net proceeds, was allocated to solar, wind and storage projects.

Wells Fargo provided tax equity for the Shepherds Flat repowering project with Brookfield Renewable U.S. serving as sponsor/developer. The proceeds were used to update the existing renewable energy infrastructure to improve production and extend the useful lifespan of the project. The upgrades include new larger turbines and more efficient equipment, expected to lead to increased production by an estimated 20%.

Geographic reach of renewable energy projects





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Independent Accountants' Review Report

The Board of Directors and Management
Wells Fargo & Company

Wells Fargo Bank N.A.:

We have reviewed management's assertion on page 21 that, as of June 27, 2023, an amount equal to the net proceeds of \$1,995,000,000 from the August 15, 2022 issuance of Well Fargo's Inclusive Communities and Climate Bond has been allocated to finance, refinance or invest in Eligible Social Projects and Eligible Green Projects (the "Eligible Projects"; see pages 6 and 7 of this document) originated or committed by Wells Fargo & Company (the "Company") on or after August 15, 2022 that meet the Sustainability Bond Eligibility Criteria, and do not meet the Exclusions, established in the Wells Fargo Sustainability Bond Framework (the "Framework") and as described in Final Pricing Supplement No. 19 dated August 8, 2022 (collectively, the "Criteria") ("Management's Assertion"). The Company's management is responsible for its assertion. Our responsibility is to express a conclusion on Management's Assertion based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants in AT-C section 105, *Concepts Common to All Attestation Engagements*, and AT-C section 210, *Review Engagements*. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to Management's Assertion in order for it to be fairly stated. The procedures performed in a review vary in nature and timing from, and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether Management's Assertion is fairly stated in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.



The procedures we performed were based on our professional judgment and included:

- inquiring of management to obtain an understanding of the Company's Eligible Projects and the Criteria;
- inquiring of management to understand the processes and systems used to aggregate data and evaluate, approve and allocate proceeds to finance, refinance or invest in Eligible Projects that are originated or committed;
- inspecting a selection of documentation for Eligible Projects to evaluate whether they meet the Criteria;
- evaluating Management's Assertion for consistency with our understanding of the Criteria and other review procedures performed.

Our review was limited to Management's Assertion on page 21. Accordingly, we do not express a conclusion or any other form of assurance other than on Management's Assertion.

Based on our review, we are not aware of any material modifications that should be made to Management's Assertion in order for it to be fairly stated.

KPMG LLP

New York, New York
July 31, 2023

Management's assertion

Wells Fargo & Company asserts that as of June 27, 2023, an amount equal to the net proceeds of \$1,995,000,000 from the August 15, 2022 issuance of Wells Fargo's Inclusive Communities and Climate Bond has been allocated to finance, refinance or invest in Eligible Social Projects and Eligible Green Projects (see pages 6 and 7 of this document) originated or committed by Wells Fargo on or after August 15, 2022 that meet the Sustainability Bond Eligibility Criteria, and do not meet the Exclusions, established in Wells Fargo's Sustainability Bond Framework and as described in Final Pricing Supplement No. 19 dated August 8, 2022. Wells Fargo is responsible for the completeness, accuracy, and validity of this management assertion.

Disclaimer and forward-looking statements

This report is not, does not contain and is not intended as an offer to sell or a solicitation of any offer to buy any securities issued by Wells Fargo & Company. No representation is made as to the suitability of any issuance of green, social or sustainability bonds to fulfill environmental and sustainability criteria required by prospective investors. Eligible Projects may not satisfy an investor's expectations concerning environmental, social, or sustainability benefits, and may result in adverse impacts. The information contained herein is provided as of the date of this report.

This report contains forward-looking statements about our future financial performance and business. 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. For 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, 2022, as filed with the Securities and Exchange Commission and available on its website at www.sec.gov⁶.

⁶ Wells Fargo does not control this website. Wells Fargo has provided this link for your convenience but does not endorse and is not responsible for the content, links, privacy policy, or security policy of this website.