
Wells Fargo's Sustainable Finance Progress: 2021

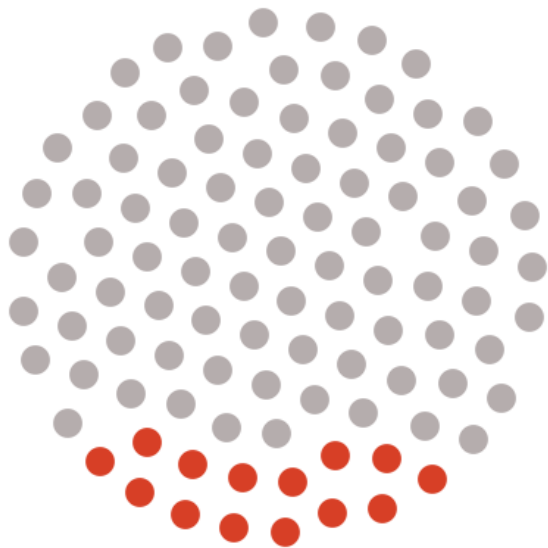
September 2022

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Sustainable Finance Progress

In 2021, Wells Fargo originated or committed approximately \$68 billion in sustainable finance*, representing approximately 14% of our overall commitment to deploy [\\$500 billion in sustainable finance between 2021 and 2030](#). Our sustainable financing encompasses both environmental and social financing and incorporates consumer and commercial financing – including lending, debt, tax equity investments, mergers and acquisitions advisory, and debt and equity capital markets activities. Nearly 53% of our 2021 progress went toward standard-aligned sustainable finance (i.e., transactions designated by a third-party as aligning to broadly accepted sustainable finance standards or principles), while approximately 30% supported environmental finance, and roughly 17% supported social finance.



\$68B

In sustainable finance
deployed in 2021

14%

Toward \$500B**

* See Sustainable Finance Eligibility Criteria for details

**Between 2021 and 2030

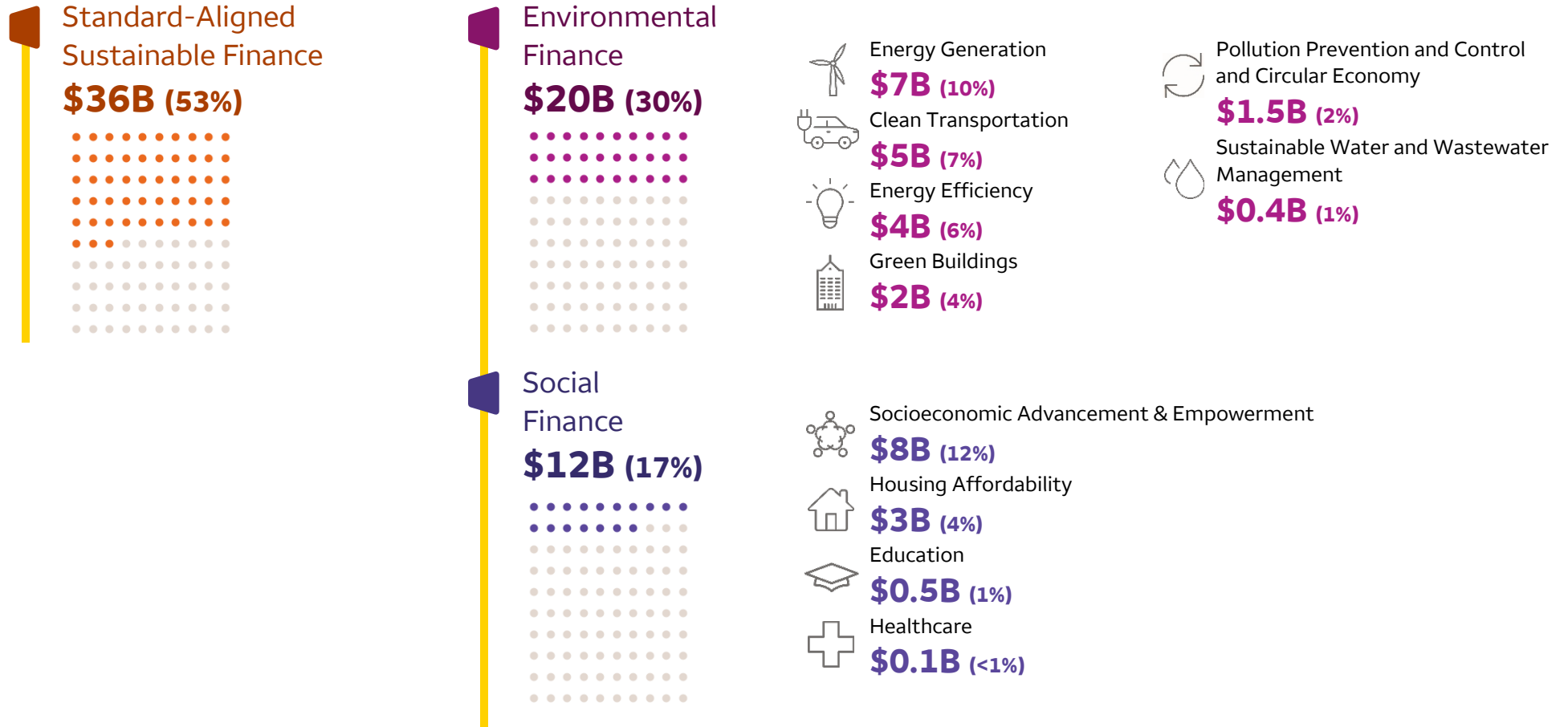
Progress

2030
|

\$68B DEPLOYED

\$500B

Category Breakdown*



*See Sustainable Finance Eligibility Criteria for category details. Percentages represent percent of 2021 deployment. Totals may not sum due to rounding. Showing categories with \geq \$0.1B

Sustainable Finance Eligibility Criteria¹

Category	Eligible Activities
Standard-Aligned Sustainable Finance <i>Financial products either directly dedicated to or linked to environmental and/or social outcomes that aim to align with sustainable finance standards or principles.</i>	
Standard-Aligned Transactions	<ul style="list-style-type: none">• Products that align with sustainable finance standards or principles based on Bloomberg’s and/or Dealogic’s designation are included in our sustainable finance reporting. When Wells Fargo underwrites or lends under the transaction or facilitates the use/issuance of these products, we will include them in our sustainable finance reporting.
Environmental Finance^{2,3} <i>Financial products and services that support clients or client activities that promote environmental sustainability.</i>	
Clean Transportation	<ul style="list-style-type: none">• Low- or zero-emission vehicles• Infrastructure dedicated to electrified transport• Financing of manufacturers that exclusively support clean transportation
Green Buildings	<ul style="list-style-type: none">• Energy efficiency upgrades for new and existing commercial and multifamily buildings meeting LEED® (Platinum, Gold, and Silver) certifications
Energy Efficiency	<ul style="list-style-type: none">• Manufacturers and/or businesses dedicated to the development or deployment of clean technology that serves to reduce or avoid greenhouse gas emissions: district heating, energy storage (mechanical, chemical, etc.), fuel cell manufacturing, smart/micro grid infrastructure, and new construction or improvements to transmission, distribution.

¹ Includes only revenue-generating business activities; philanthropic giving is therefore out of scope. Reported progress includes transactions that we have identified and determined to meet our Sustainable Finance Eligibility Criteria. We aim to (as we have done here) obtain a review of our progress toward our \$500 billion commitment from an independent accounting firm on an annual basis.

² Transactions that are not aligned to a sustainable finance standard but for which the use of proceeds and/or the counterparty can be determined through reasonable commercial means by mapping the use of proceeds to meet an activity to support environmental activities as defined by Environmental Finance categories.

³ Transactions that fall within both Environmental and Social financing types are counted only as Environmental finance, with the exception of qualifying Housing Affordability projects which are counted as Social.

Energy Generation	<ul style="list-style-type: none"> • Solar • Onshore and offshore wind power • Geothermal • Small hydropower (<20 MW) • Biofuels • Tidal
Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> • Repairs and improvements to existing water infrastructure, including pipelines and associated pumping infrastructure; water treatment facilities, including water recycling and wastewater treatment facilities; and development and deployment of desalination technology.
Pollution Prevention and Control and Circular Economy	<ul style="list-style-type: none"> • Reduction of air emissions • Greenhouse gas control • Soil remediation • Waste prevention • Waste reduction • Waste recycling and energy/emission-efficient waste-to-energy • Recycling and composting facilities • Technologies and infrastructure supporting pollution prevention and circular economy • Development and introduction of environmentally sustainable products
Sustainable Agriculture	<ul style="list-style-type: none"> • Production agriculture with third-party certifications (USDA organic) • Equipment finance that supports qualifying production agriculture clients • Forestry, timber production with third-party certification (Forest Stewardship Council) • Bio-refineries • Fisheries and fishing with certification for sustainable management (Marine Stewardship Council)
Transition Finance	<ul style="list-style-type: none"> • Financial products and services provided to projects, firms, or sovereigns that contribute to a specified sustainable transition strategy for the production and/or consumption of energy, industrial processes, or other activities that have historically negatively impacted the environment, in line with achieving net zero by 2050 to align with 1.5 C° pathways.

Social Finance^{4,5}

Financial products and services that serve underserved, excluded, or marginalized people or communities.

Education	<ul style="list-style-type: none">• Accredited Historically Black Colleges and Universities, and Tribal Colleges and Universities• Projects that promote access to education in low- to moderate-income (LMI)⁶ communities or majority minority census tract areas⁷, including apprenticeship training programs, community and junior colleges, public schools, colleges, and universities
Healthcare	<ul style="list-style-type: none">• Non-profit or public sector emergency healthcare facilities that provide free-of-cost or subsidized service to underserved populations• Voluntary health organizations as defined by the North American Industry Classification System (NAICS)
Housing Affordability	<ul style="list-style-type: none">• Projects financed via the Low-Income Housing Tax Credit (LIHTC) program• Financing of non-profit organizations dedicated to addressing housing affordability• Financing of state and/or local housing finance agencies (HFAs)
Socioeconomic Advancement & Empowerment	<ul style="list-style-type: none">• Projects financed via the New Markets Tax Credit (NMTC) program• Supranational and development agency activities• Loans to small- or medium-sized enterprises (annual revenues <\$50 million) operating in LMI or majority minority census tract areas or that are minority- or women-owned• Financing activity to and investments in Minority Depository Institutions (MDIs) as defined by the Federal Deposit Insurance Corporation

⁴ Transactions that are not aligned to a sustainable finance standard but for which the use of proceeds and/or the counterparty can be determined by mapping the use of proceeds to meet an activity to support social activities as defined by Social Finance categories.

⁵ Transactions that fall within both Environmental and Social financing types are counted only as Environmental finance, with the exception of qualifying Housing Affordability projects which are counted as Social.

⁶ “Under the Community Reinvestment Act (CRA), the term low- and moderate-income refers to communities that in certain geographies that have income levels that fall between certain ranges, as determined by the Census Bureau. A low-income community means there is a median family income of less than 50 percent of the area median income. A moderate-income community means that the median family income is at least 50 percent and less than 80 percent of the area median income.” Source: [Federal Reserve \(Note: Wells Fargo does not control this website. Wells Fargo has provided this link for your convenience, but does not endorse and is not responsible for the content, links, privacy policy, or security policy of this website\).](#)

⁷ Wells Fargo and the Federal Housing Finance Agency (FHFA) consider a “minority census tract” to be a census tract that has greater than or equal to 50% non-white population.

Appendix I: Sustainable Finance Tracking and Reporting Overview

Product	Measurement Criteria	Reporting Scope
Standard-Aligned Transactions⁸		
Green, Social, Sustainability, Sustainability-Linked, and Transition Bonds	Bond issuances based on Dealogic's designation for green, social, sustainability, sustainability-linked, or transition finance.	League table credit methodology based on Dealogic's criteria is utilized, defined as splitting capital market origination credit equally among named bookrunners.
Sustainability-Linked Loans	Loans based on Dealogic's designation as sustainability-linked loan including any loan instrument for which the financial or structural characteristics are linked to predefined sustainability performance targets (SPTs).	League table credit methodology based on Dealogic's criteria is utilized where available, defined as splitting origination credit equally among named bookrunners. Otherwise, committed ⁹ amount (limit at execution) of credit facilities is counted.
Green Loans & Social Loans	Loans based on Dealogic's or Bloomberg's designation as a green loan or social loan including any type of loan instrument made available exclusively to finance or refinance, in whole or in part, new or existing eligible green or social project.	League table credit methodology, defined as splitting origination credit equally among named bookrunners, is utilized where available. Otherwise, committed ⁹ amount (limit at execution) of credit facilities is counted.
Bond Investments	Bond investments based on Dealogic's or Bloomberg's designation as green, social, sustainability, sustainability-linked, or transition finance.	Commitment ⁹ amount is counted.

⁸ Eligible transactions are those meeting the description for the product and reported as such by Bloomberg or Dealogic.

⁹ As defined by U.S. generally accepted accounting principles (US GAAP)

Environmental and Social Finance: Transactions that are not aligned to a sustainable finance standard but for which the use of proceeds or the counterparty can be determined (through reasonable commercial means) to support environmental, or social finance activities

Equity Capital Markets	Sustainability-linked convertible bonds, green convertible bonds, and any equity issuance from renewable energy companies, based on Dealogic's designation are counted ¹⁰ .	League table credit methodology based on Dealogic's criteria is utilized, defined as splitting capital market origination credit equally among named bookrunners.
Mergers and Acquisitions Advisory	Advisory mandates on buy-side and sell-side transactions where the target's operating revenue aligns with the Wells Fargo Sustainable Finance Taxonomy eligible activities, as designated by Dealogic.	Based on Dealogic's criteria for M&A advisory services ranking credit.
Other Environmental, Social and Transition Qualified Debt Capital Markets activity	Corporate, project, municipal, or supranational bonds, asset backed finance, commercial mortgage backed securities and loan syndications issued/originated by a company or to finance a project where the use of proceeds or the company's North American Industry Classification System (NAICS) ¹¹ code aligns with the Wells Fargo Sustainable Finance Taxonomy eligible activities; however the bond is not designated by Dealogic or Bloomberg as a green bond, social bond, sustainability bond, transition bond or sustainability-linked bond ¹⁰ .	League table credit methodology is utilized, defined as splitting capital market origination credit equally among named bookrunners.
Other Environmental, Social and Transition Qualified Lending ¹²	Loans for which the facility use of proceeds or the company's North American Industry Classification System (NAICS) code aligns with the Wells Fargo Sustainable Finance Taxonomy eligible activities; however, the facility does not explicitly align and is not designated by Dealogic or Bloomberg as a green loan or social loan or sustainability-linked loan ¹⁰ .	Committed ⁹ amount (limit at execution) of facilities is counted.

¹⁰ Eligible transactions not designated by Dealogic or Bloomberg or where the NAICS code does not explicitly align with an eligible code in Appendix II are reviewed as part of an internal manual review process by Subject Matter Experts to identify and review transactions that fall within our eligibility criteria but are not captured by our rules-based approach.

¹¹ The North American Industry Classification System (NAICS) is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy.

¹² Eligible transactions are determined based on the NAICS code associated with the lending. See mapping of eligible NAICS codes in Appendix II.

Other Investment ¹³	Other investments ¹⁰ , including: <ul style="list-style-type: none"> • Renewable energy tax credit investments • Housing tax credit investments • New market tax credit investments • Equity investments 	Committed ⁹ amount of investment is counted. These investments are where the use of proceeds is for sustainability activity.
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Qualifying refinancing activity: Refinanced facilities that qualify during the calendar year 2021 are counted when:

- (i) any qualifying facility is refinanced and upsized with no change in the use of proceeds or when a commitment is counted at transaction close but increases due to accordion or prescribed upsize over the tenor of the transaction; in either case only the incremental amount will be counted
- (ii) any qualifying facility is refinanced to support new qualifying projects; in which case full renewal amount is counted
- (iii) a sustainability-linked loan is renewed; in which case full renewal amount is counted
- (iv) a facility, that was not previously qualified is refinanced as a standard-aligned or use of proceeds facility with appropriate amendments to the terms and conditions; in which case the full renewal amount is counted
- (v) a facility, that was previously qualified, changes its structure or product type to a new qualifying facility (e.g., green loan to sustainability-linked loan) with appropriate amendments to the terms and conditions; in which case the full renewal amount is counted.

Extensions to existing facilities that do not meet any one of the conditions stated above will not be counted.

¹³ Eligible transactions are determined based on the NAICs code associated with the activity. See mapping of eligible NAICs codes in Appendix II.

Appendix II: Eligible 2021 NAICS Code Table

Sustainable Finance Category	NAICS Code	Description
Education	611210	Junior Colleges
Energy Efficiency	335911	Storage Battery Manufacturing
Energy Generation	221111	Hydroelectric Power Generation
Energy Generation	221114	Solar Electric Power Generation
Energy Generation	221115	Wind Electric Power Generation
Energy Generation	221116	Geothermal Electric Power Generation
Healthcare	813212	Voluntary Health Organizations
Pollution Prevention and Control and Circular Economy	562920	Materials Recovery Facilities
Socioeconomic Advancement & Empowerment	624110	Child and Youth Services
Socioeconomic Advancement & Empowerment	624120	Services for the Elderly and Persons with Disabilities
Socioeconomic Advancement & Empowerment	624210	Community Food Services
Socioeconomic Advancement & Empowerment	624221	Temporary Shelters
Socioeconomic Advancement & Empowerment	624229	Other Community Housing Services
Socioeconomic Advancement & Empowerment	624230	Emergency and Other Relief Services
Socioeconomic Advancement & Empowerment	624310	Vocational Rehabilitation Services
Socioeconomic Advancement & Empowerment	712190	Nature Parks and Other Similar Institutions
Socioeconomic Advancement & Empowerment	813211	Grantmaking Foundations
Socioeconomic Advancement & Empowerment	813219	Other Grantmaking and Giving Services
Socioeconomic Advancement & Empowerment	813311	Human Rights Organizations
Socioeconomic Advancement & Empowerment	921150	American Indian and Alaska Native Tribal Governments
Sustainable Agriculture	112910	Apiculture
Sustainable Water and Wastewater Management	221320	Sewage Treatment Facilities



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Independent Accountants' Review Report

Wells Fargo & Company Board of Directors and Management:

We have reviewed management's assertion on page 13 that approximately \$68 billion in sustainable finance activities have been originated or committed by Wells Fargo & Company during the calendar year 2021 and existed as of December 31, 2021 that meet the Sustainable Finance Eligibility Criteria (the "Criteria") included on pages 5 through 11 of Wells Fargo's Sustainable Finance Progress: 2021 Report (the "Report"). Reported progress includes transactions that management has identified and determined to meet its Sustainable Finance Eligibility Criteria ("Management's Assertion"). Wells Fargo & 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. 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 Wells Fargo & Company's sustainable finance activities;
- inquiring of Wells Fargo & Company management to understand the processes and systems used to aggregate data and prepare the sustainable finance activities information;
- inspecting a selection of documentation for recorded sustainable finance activities to evaluate whether they were originated or committed by Wells Fargo & Company during the calendar year 2021 and existed as of December 31, 2021;
- 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 13. Accordingly, we do not express a conclusion or any other form of assurance other than on the 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

Charlotte, North Carolina
August 31, 2022

Management's Assertion

Wells Fargo & Company asserts that approximately \$68 billion in sustainable finance activities have been originated or committed by Wells Fargo during the calendar year 2021 and existed as of December 31, 2021 that meet the Sustainable Finance Eligibility Criteria established in this document on pages 5 through 11. Reported progress includes transactions that we have identified and determined to meet our Sustainable Finance Eligibility Criteria. Wells Fargo is responsible for the completeness, accuracy, and validity of this management assertion.

Disclaimer

The information contained in this document is as of August 31, 2022 and pertains to Wells Fargo's 2021 Sustainable Finance progress. We do not undertake to update the information, whether as a result of new information, future developments, or otherwise. This document 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, 2021, as filed with the Securities and Exchange Commission and available on its website at www.sec.gov¹⁴.

¹⁴ 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.