WELLS FARGO

Task Force on Climate-Related Financial Disclosures (TCFD) Report

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Message from the Chief Executive Officer

At Wells Fargo, we understand that climate change is one of the most urgent environmental and social issues of our time, and we recognize the important role that we play in addressing it. We support the goals of the Paris Agreement and a transition to a net-zero carbon economy. By 2050, our goal is to achieve net-zero greenhouse gas emissions, including our financed emissions.

Wells Fargo's Task Force for Climate-related Financial Disclosures (TCFD) Report outlines our strategic approach to managing the risks associated with climate change and deploying capital to support a transition to a low-carbon economy. We firmly believe that addressing climate-related risks also presents opportunities for innovation, growth, and long-term value creation.

At Wells Fargo, we're focusing on the following areas:

- Supporting clients' transition to a low-carbon economy, including the deployment of $500 billion in sustainable finance by 2030.
- Increasing transparency and accountability by disclosing emissions and setting reduction targets for high-emitting sectors.
- Reducing Wells Fargo's own operational emissions.
- Integrating climate considerations into our Risk Management Framework and decision-making.
- Leveraging the Wells Fargo Institute for Sustainable Finance to support clients and communities to accelerate the transition to an equitable, low-carbon economy.

We know we cannot do this alone. The path to net-zero emissions is complex and will require action from governments, businesses, communities, and individuals; it will also require policy measures, technological advancements, and behavioral changes.

I hope you enjoy reading about our approach and some of the climate-related initiatives underway across Wells Fargo in the pages that follow.

Charlie Scharf
Chief Executive Officer
Wells Fargo & Company

Introduction[1]

About Wells Fargo

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 companies. 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.

About this report

The Wells Fargo TCFD report outlines our strategic direction, ongoing efforts and progress pertaining to climate-related risks and opportunities, including governance, sustainable finance, and risk management. The report is informed by the 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[2], our CO2eMission℠ disclosures, and the Sustainability & Governance Report (PDF), and in communications with our shareholders and stakeholders.

[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 the Disclaimers and Forward-Looking Statements section of this report.

[2] Annual Report on Form 10-K for the year ended December 31, 2022.

This report highlights the progress made since the first release of our TCFD report in 2021.
This report includes information on the following:

- Oversight and management of climate-related efforts across the Company.
- Impact-focused strategy to deliver specific climate-related solutions and align our operations with the core elements of a transition to a low-carbon economy.
- Processes to identify and manage climate-related risks across the Company.
- Progress on climate-related efforts pertaining to our operations, financed emissions, and sustainable financing.

The data included in this report is as of December 31, 2022, unless noted otherwise.

Wells Fargo's climate journey

Wells Fargo has a balanced approach to assessing and seeking to address climate change impacts. It is a journey, and our decisions, efforts, and actions consider the needs of our stakeholders, including customers, employees, regulators, suppliers, communities, and shareholders. Below, we have highlighted progress across five key elements: goals and progress, establishing dedicated teams, integrating climate-related risks into our business activities, growing sustainable finance and philanthropy, and in membership or alignment with standard setters/industry forums.

2005-2010

- Became signatory to Equator Principles
- Set a goal to provide $1 billion in environmental finance from 2005-2010
- Established Renewable Energy and Environmental Finance group
- First appeared on CDP Disclosure Leadership Index

2011-2015

- Expanded sustainability goals to include operational efficiency efforts and increased sustainable finance goal to $30 billion by 2020
- Joined Ceres Company network
- Enhanced and externally published Environmental and Social Risk Management Policy[3]
- Launched the Wells Fargo Innovation Incubator (IN[2]) program in partnership with U.S. Department of Energy's National Renewable Energy Laboratory
- Underwrote first nonfinancial sector corporate green bond deal in U.S. investment grade market

2016-2020

- Renewed operational sustainability goals and added a goal to meet 100% of our global electricity consumption with renewable energy sources[4]
- Introduced new sustainable investing offerings (Social Impact Investing) to Wealth & Investment Management clients
- Announced a new goal to deploy $200 billion sustainable finance by 2030
- Joined CDP supply chain program
- Participated in first U.S. sustainability-linked syndication loan
- Provided funding support with peers to launch RMI's (formerly Rocky Mountain Institute) Center for Climate-Aligned Finance
- Provided $5 million in philanthropic seed funding to create Tribal Solar Accelerator Fund (with nonprofit GRID Alternatives) to support solar projects in tribal communities

[3] Renamed Environmental and Social Impact Management Policy in 2020.
[4] Renewable energy sources include on-site solar, long-term contracts that support net new sources of off-site renewable energy, and the purchase of renewable energy certificates.

2021

- Set goal of net-zero greenhouse gas (GHG) emissions by 2050, including Scope 3 financed emissions
- Set a new goal to deploy $500 billion in sustainable financing between 2021 and 2030
- Established the Institute for Sustainable Finance
- Created the Corporate & Investment Banking Sustainable Finance & Advisory group
- Issued $1 billion Inclusive Communities and Climate Bond
- Created the Climate Risk Oversight group
- Joined the Net-Zero Banking Alliance

2022

- Created a new role and appointed the Company's first Chief Sustainability Officer
- Released CO2eMission, our net-zero target setting methodology, and set emissions-based targets for our Oil & Gas and Power financing portfolios
- Issued $2 billion Inclusive Communities and Climate Bond
- Reached total deployment of approximately $129 billion[5] in sustainable finance activities toward our $500 billion goal – including $48 billion of climate-related financing
- Surpassed $15 billion in cumulative renewable energy tax-equity investment[6]

[5] Total is from January 1, 2021 through December 31, 2022.
[6] Total is cumulative from January 1, 2006, through December 31, 2022.

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	Other source references
Governance	a. Describe the board's oversight of climate-related risks and opportunities.	pp. 11-13	2022 Annual Report (PDF) (p. 28) 2023 Proxy Statement (PDF)(p. 4) 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. 14-18	2022 Annual Report (PDF) (p. 29) 2023 Proxy Statement (PDF) (p. 4) 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. 20-22	2022 Annual Report (PDF) (p. 28)
	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	pp. 23-33	2022 Annual Report (PDF) (p. 80) 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. 30-33	

Disclosure	Recommended disclosures	Location	Other source references
Risk management	a. Describe the organization's processes for identifying and assessing climate-related risks.	pp. 35-39	2022 Annual Report (PDF) (p. 28)
	b. Describe the organization's processes for managing climate-related risks.	pp. 36-39	2022 Annual Report (PDF) (p. 28) Environmental and Social Impact Management Framework (PDF)
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	p. 35-37	Sustainability & Governance Report (PDF) 2022 Annual Report (PDF) (p. 28)
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. 41-57	Sustainability & Governance Report (PDF) CO2eMission (PDF)
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.	pp. 43-45	Sustainability & Governance Report (PDF) CO2eMission (PDF)
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	pp. 46-57	Sustainability & Governance Report (PDF) CO2eMission (PDF)

Governance

Governance

In assessing and managing climate-related risks and opportunities, as well as enabling appropriate oversight by the Board of Directors (the “Board”), Wells Fargo leverages established governance structures. At the same time, we are developing climate expertise in existing teams and using formal management steering committees and other forums to support specific initiatives and facilitate cross-functional efforts in a flexible way. In our view, this combined approach best balances the need for disciplined management governance and Board oversight, while enhancing our ability to adjust quickly to changing risks and opportunities.

At its core, our approach underscores our view that the assessment, management, and oversight of climate-related risks and opportunities should be integrated into the business of the Company. We view climate change as one of many drivers of the types of risk we already manage, with effects manifesting both in financial risk (credit, interest rate, market, and liquidity) and nonfinancial risk (strategic, reputational, and operational, which includes compliance and model risk). Climate-related opportunities are also important for us to understand. The transition to a lower-carbon economy creates new business models, new opportunities to finance customer transitions, and new industries requiring banking support. With these considerations factored into our governance approach, climate-related risks influence go-forward business planning, our risk and control infrastructure, and areas where topic-specific expertise is most needed.

Climate-related organization alignment

Board oversight

Wells Fargo's Board of Directors oversees the Company's business, including our risk management. The Board does this directly and through its committees.

The Board assesses senior management's performance and holds senior management accountable for maintaining and adhering to an effective risk-management program. In addition, the Board engages in credible review and challenge of senior management assumptions, recommendations, and decisions as part of its oversight responsibilities. Oversight of management's approach to climate-related risks and opportunities is part of the Board's role. In 2022, the Board received an update on risks related to climate change, including management's work to integrate climate-related risks into our risk and control infrastructure.

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. The Risk Management Framework is reviewed and updated annually, with many other documents and policies flowing from its core principles. 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 Climate Risk Oversight).

The Board's Corporate Responsibility Committee assists the Board in fulfilling its responsibilities to oversee the Company's significant strategies, policies, and programs on social and public responsibility matters, including environmental 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 matters such as climate-related finance and our goal of achieving net-zero GHG emissions, including financed emissions, by 2050. Other forms of Board engagement with climate-related risks and opportunities occur as needed and will continue to evolve as needs dictate.

For further information on the oversight provided by the Board and its committees, please see the Committee Charters, which can be found on our Leadership and Governance website.

Management responsibilities

Responsibility for assessing and managing climate-related risks and opportunities is shared by a number of individuals, teams, governance bodies, and other forums at Wells Fargo. These include:

- Senior leaders and functional groups within our principal lines of business, as well as Public Affairs, Finance, the Chief Operating Office, and Independent Risk Management
- Management governance committees
- Steering committees and other forums

Senior leaders and functional groups

The Chief Executive Officer and his direct reports provide strategic direction related to the Company's goals. In addition, the Chief Executive Officer drives our strategic planning process, which identifies the Company's most significant opportunities and challenges, develops a plan to address them, evaluates the risks of those plans, and articulates the resulting decisions in the form of a three-year Companywide Strategic Plan. The Company's risk profile, risk capacity, risk appetite, and risk-management effectiveness are considered in the strategic planning process, which is linked with the Company's capital planning process. The Company's Independent Risk Management organization participates in strategic planning, providing challenge to and independent assessment of the risks associated with strategic initiatives. After review, the strategic plan is presented to the Board.

The Company's strategic plan sets the direction for our principal lines of business, including our Corporate and Investment Banking, Commercial Banking, and Wealth & Investment Management segments. As the Company's understanding of climate-related opportunities and risks grows, such considerations may increasingly impact development of the strategic plan.

Currently, in pursuing climate-related opportunities, these lines of business benefit from sustainability-related expertise provided by dedicated teams, such as the Sustainable Finance & Advisory groups in Corporate and Investment Banking and Commercial Banking, the Energy Transition team in Corporate and Investment Banking, and Renewable Energy and Environmental Finance and Sustainable Technology in Commercial Banking. These dedicated teams assist bankers and clients with sustainable finance expertise, providing transaction-execution support, content and advisory expertise, and product development.

Similarly, the Social Impact Investing team in our Wealth & Investment Management segment provides specialized expertise on investment-related risks and opportunities related to environmental and social issues.

Within Public Affairs, Enterprise Sustainability, led by the Chief Sustainability Officer, steers the Company's broader sustainability strategy; manages Environmental, Social, and Governance (ESG)-related engagement and reporting; and supports execution of our Companywide sustainability and climate goals through the Climate Implementation Initiative and the Institute for Sustainable Finance.

Corporate Finance is responsible for coordinating and supporting the development of CO2eMission, a methodology for aligning our financing activities to net-zero and setting interim emissions targets for key high-emitting sector portfolios. With respect to the climate-related impacts of Wells Fargo's own operations, the Corporate Properties Group in the Chief Operating Office leads efforts to reduce resource consumption related to building design, construction, and operation. Supply Chain Sustainability, also in the Chief Operating Office, works collaboratively to incorporate appropriate sustainability principles within our third-party relationships.

Independent Risk Management establishes and maintains the Company's risk-management program and provides oversight, challenge, and independent assessment 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 program. Reputation Risk 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 Company's approach to climate-related risk management, please refer to the Risk management section of this report.

The Human Resources Committee of the Board oversees Wells Fargo's performance management and incentive compensation programs and approves all compensation for the Operating Committee members. At the beginning of each year, individual Operating Committee member goals are set with a focus on supporting broader Company goals. The goals are tailored and specific to each Operating Committee member's area of responsibility. At the end of the year, each Operating Committee member's performance is evaluated against the pre-established performance goals. The outcome of the performance evaluation is directly used to determine variable compensation.

For more information on the Company and individual Named Executive Officer[7] performance for 2022 and Human Resources Committee engagement with shareholders, please see our 2023 Wells Fargo Proxy Statement (PDF). The strategic pillars, Company goals, and individual Operating Committee member goals for 2022 are broadly categorized below:

[7] Named Executive Officers for 2022 were CEO (Charlie Scharf), CFO (Mike Santomassimo), Scott Powell, Jon Weiss, and Mary Mack.

Management governance committees

Significant climate-related risks and decisions are escalated, as appropriate, to Wells Fargo's established management governance committees, which are decision-making bodies that operate for particular purposes. Each management governance committee, in accordance with its charter, 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, among other tasks. These governance committees help senior management plan, identify, assess, control, monitor, and report risk exposures consistent with the Company's risk appetite.

Our Enterprise Risk & Control Committee, or ERCC, is a governance committee that governs management of all risk types. The ERCC receives information about risk and control issues, addresses escalated risks and issues, and actively oversees risk controls. The ERCC also makes decisions related to significant risks and changes to the Company's risk appetite. The ERCC chairs (the CEO and Chief Risk Officer) 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.

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. These committees focus on and consider risks that the respective principal line of business or enterprise function generates and manages, and the controls the principal line of business or enterprise function is expected to have in place. As a complement to these risk and control committees, management governance committees dedicated to specific risk types and risk topics also report to the ERCC to enable more comprehensive governance of risks.

Significant matters involving climate-related risks and opportunities may be escalated to the management governance committees aligned to impacted lines of businesses or functions. For example, the Public Affairs Risk and Control Committee may be briefed on the risks and controls associated with significant voluntary ESG disclosures, whereas the risk and control committee aligned to a particular business might review the risk impacts of a climate-related strategy or opportunity. In this way, our approach to the risk impacts of climate-related strategies and opportunities is integrated into the existing governance structure of the Company.

Steering committees and other forums

To facilitate enhanced management attention to emerging risks and opportunities, we also rely on steering committees and other forums with a climate-specific focus. These include forums like the following:

- The Climate Steering Committee provides ongoing strategic direction and monitors progress on certain climate-related goals and commitments, including our goal of achieving net-zero GHG emissions, including financed emissions, by 2050, our goal to deploy $500 billion in sustainable finance (including climate- and social impact-related finance) by 2030, and our establishment of the Institute for Sustainable Finance. The Climate Steering Committee is chaired by the Chief Sustainability Officer and currently includes members from every principal line of business and impacted function.
- The Climate Risk Steering Committee provides strategic direction and decision-making on matters related to climate-related risk management.

Steering committees and other forums may be formed by senior leaders to drive a particular strategic initiative and retired, as appropriate. We see this flexibility as a valuable complement to our established committee structure, allowing us to evolve in response to changing needs.

Strategy

Wells Fargo recognizes the importance of addressing climate change, not only because of the significant threat it poses and the need to do our part, but also because of the immense innovation and business opportunities that emerge as the world transitions to a low-carbon future. Customers are proactively seeking financing from us to support their adoption of clean-energy solutions or transition to lower-emitting technologies. The combination of declining technology costs, business model and technology innovations, and significant new climate-related incentives indicates the markets and opportunities for climate-related business activity are growing. We understand that the transition to a low-carbon economy must be balanced with current energy needs, which represents a business opportunity for both clients and the Company.

In that context, we established two of our core climate-related goals[8]:

- Deploy $500 billion in sustainable finance by 2030, including environmental and social finance.

- Achieve net-zero GHG emissions by 2050, including operational emissions (Scope 1 and 2) and emissions attributable to our financing (Scope 3, Category 15).

To achieve these two goals, we will remain focused on clients, customers, and communities and work with them to identify tangible steps they can take and real-world benefits they can unlock with financing solutions. Whether through household-level electrification or corporate decarbonization, we are building the capacity to support and finance those customer and client activities.

The transition to a low-carbon economy requires many thousands of specific real-world actions with tangible impacts, such as the purchase of an electric vehicle or the installation of a wind turbine. Some of these actions require a trusted relationship between bank and client and a suitable financing solution.

[8] Identifying and addressing climate-related risks, as well as our work to integrate climate-related risks into our risk and control framework, are addressed in the Risk management section.

This Strategy section describes:

- Our focus on delivering specific solutions that align with the core elements of a transition to a low-carbon economy.
- The steps we are taking to turn the goals and focus areas into action, including:
    - Continuing to expand the Company's capacity and expertise in climate-related areas.
    - Driving more sustainable finance for clients and customers.
    - Engaging with clients where appropriate to support their long-term transitions.
    - Driving sustainability across our operations.
    - Supporting climate action with industry stakeholders and partners.

Working with clients and communities to build a low-carbon economy

As part of Wells Fargo's overall corporate sustainability strategy, we have established a framework to prioritize the impact we aim to achieve through our activities. As described in more detail in our Sustainability & Governance Report (PDF), our focused impact areas are categorized around both Climate Action and Community Impact, with a critical area of overlap. The Climate Action areas not only reflect our desire to support clients and communities in tangible ways, but they also align with the collective steps we believe are needed to build a low-carbon economy, underpinned by a focus on an equitable transition.

Our climate action impact areas are:

Scale clean energy. The backbone of a clean-energy future is a low-emissions electricity grid to power an increasingly electrified economy. For Wells Fargo, a focus on clean energy includes utility-, community-, and distributed-scale renewable power generation, energy storage, transmission, and distribution systems. It also includes other parts of the energy system that we believe can deliver benefits and cost savings to customers while also reducing GHG emissions. We adopt many of these solutions for our Company, finance their deployment for others, and support the manufacturing of key components of clean-energy technologies.

Increase sustainability where we live and work. The low-carbon transition also requires increased end-use electrification and efficiency. This includes clean mobility solutions, building and equipment efficiency, and climate-smart agriculture. We work across sectors of the economy to support a transition to electric- and alternative-fueled vehicles. This includes electrification of individual passenger vehicles as well as commercial fleets. We also support green building[9] construction, building efficiency retrofits in residential and commercial settings, and adoption of new solutions in industrial and commercial settings to increase efficiency. This also includes the electrification of key building and commercial technologies that currently run on fossil fuels. Finally, as one of the largest agriculture lenders in the U.S., we play a key role in working with clients to adopt technologies and practices that can reduce climate-related impacts of agriculture, while saving money and/or increasing productivity.

Advance climate finance and innovation. For parts of the economy that cannot be easily converted to run on clean electricity, further innovation is required. As a key element of our role in the transition, we aim to address this need, both by developing new financing solutions that are designed to help meet future climate and energy needs and supporting business model and technology innovation. For example, in the U.S., it is expected that, particularly with the passage of the Inflation Reduction Act, new solutions that are essential to the transition will become increasingly commercialized. Clients will, in turn, seek financing to support adoption. This includes solutions like green hydrogen; carbon capture; utilization and storage; and sustainable aviation fuel.

Support an equity-focused transition. Underlying our sustainability impact areas, we maintain a focus on vulnerable communities' access to the opportunities associated with a transition to a low-carbon economy. For example, we provided a grant to an organization that provides Chicago residents with access to clean, low-cost energy and inclusive workforce development opportunities while helping to lower carbon emissions in underserved neighborhoods. We also financed community solar projects, where residents use the output of a local solar installation. In some cases, the community solar subscribers included renters or low- to moderate-income community members.

[9] For details on Green Building standards, please see our Sustainable Finance Eligibility Criteria in the Appendix of our Sustainability & Governance Report (PDF).

Turning goals into action

The creation of focused impact areas and a plan to support the transition to a low-carbon economy must be matched by action and the ability to deliver. Wells Fargo is working to build the capacity, teams, and expertise necessary to execute on this strategy. We are committed to increasing sustainable finance to enable the deployment of climate-related technologies and working with clients to reduce their own emissions in line with a low-carbon future. And we are actively collaborating with others, including policymakers, industry groups, and communities, to facilitate strong stakeholder alignment.

Building capacity

As part of Wells Fargo's effort to support clients and capitalize on climate-related opportunities in the low-carbon economy, we are increasing relevant expertise and creating new structures across the Company. These additions build on our team's capabilities and activities already in place.

Enterprise sustainability. In February 2022, we created a new executive role and named our first Chief Sustainability Officer. Historically, enterprise sustainability efforts were managed alongside philanthropy and the Wells Fargo Foundation. As we continued to mature our approach to ESG, we committed resources such as dedicated leadership and a new operating structure for sustainability. Today, the Enterprise Sustainability team steers our sustainability goals and impact areas by providing expertise, advice, and content that supports business objectives and unlocks new opportunities for the benefit of all Company stakeholders.

This includes the ongoing management of the Institute for Sustainable Finance, which supports clients and communities to accelerate the transition to an equitable, low-carbon future. The Institute for Sustainable Finance provides external and internal thought leadership and engages partners to support innovation in sustainable financing solutions, improve community resiliency, and advance related market-based research.

The Sustainable Finance Integration group was also established in 2022 within Enterprise Sustainability. This group provides subject matter expertise across all lines of business within the Company, as well as to clients, on sustainable finance opportunities, policies, and key trends in climate-related markets. This work helps to focus and drive progress toward the Company's $500 billion sustainable finance goal.

The Sustainability Philanthropy team sits within Enterprise Sustainability and directly coordinates with the Wells Fargo Foundation to support an equitable transition to a low-carbon economy aligned with our sustainability goals by funding catalytic grants and building partnerships with nongovernmental organizations, nonprofits, and community-based organizations.

Corporate and Investment Banking. In 2020, we formalized and launched the Corporate and Investment Banking Sustainable Finance & Advisory group (previously ESG Solutions). The group collaborates with product and risk partners to deliver debt capital market services, including underwriting of green, social, and sustainability bonds, equity capital markets, lending, structured products, and mergers and acquisition advisory services. This growing business serves clients who are investing in their energy transition, improving their environmental sustainability, and/or advancing their social impact.

In addition to the Sustainable Finance & Advisory group, we have established a dedicated Energy Transition group in Corporate and Investment Banking. Comprised of industry experts from our energy and power industry coverage teams, this group focuses on coordinating services for new and existing clients as the sector looks for low-carbon solutions in energy production. This includes emerging and established energy and power sectors such as renewable fuels, biofuels, carbon capture, green hydrogen, energy storage, electric vehicle-charging infrastructure, and associated technologies and services.

Commercial Banking. Our Commercial Banking business serves large and middle market enterprises across our global footprint and in every sector of the economy. The needs and opportunities related to the adoption or manufacturing of climate-related solutions among this group of clients are significant. As such, our Commercial Banking team is building dedicated capacity to bring a climate-oriented lens to a range of financing needs, while also leveraging existing core competencies to best serve clients, such as delivering financing solutions for commercial clients' electric vehicle fleets and renewable energy projects.

This year, Commercial Banking launched its own Sustainable Finance Advisory team within its client coverage team. The team will work with clients across sectors to support their sustainability and climate-related strategies and financing needs. In addition to these new teams, Commercial Banking has existing industry-aligned teams that are driving climate-related activities. This includes the Renewable Energy and Environmental Finance group, a leading provider of specialized tax-equity investment in renewable power projects including solar, wind, and battery storage across the U.S. The teams work closely together on sector-specific research to identify specific market opportunities that are particularly relevant to Commercial Banking clients. In addition, the Sustainable Technology team brings specialized expertise and capabilities to support the unique needs of clean technology companies that are scaling up and require capital to fund research and development, product testing, and marketing efforts.

Wealth & Investment Management. The Social Impact Investing team, within the Wealth & Investment Management group, offers specialized ESG and other values-based investment strategies that include large-cap equity, fixed income, and real estate investment trust strategies. In 2020, they launched the Vision Investing initiative that provides opportunities for clients to align their personal values with their investment portfolios.

Deploying sustainable finance

A key way we leverage our internal expertise and capacity is by directly financing activities that are designed to address climate change. This requires making significant changes to the way society produces and uses energy. Additionally, it requires changes to the built environment, which encompasses the buildings that are lived and worked in, the systems that provide water and electricity, and the infrastructure that supports transportation. Many of these activities involve manufacturing, installing, replacing, or updating large capital assets that have high upfront costs for companies and households. Whether it is families purchasing electric vehicles or manufacturers increasing the efficiency of their operations, upfront cost may be a barrier to adoption.

This is why financing is such a critical component to how the world will address climate change. And in turn, this is why we view this opportunity as a significant area for business growth. We seek to leverage our broad existing set of financing solutions to support sustainable activities. We also offer a range of sustainable finance-focused solutions including green, social, and sustainability bond underwriting, sustainability-linked capital, Wealth & Investment Management portfolios, project or asset-specific financing, and more.

Sustainable finance at Wells Fargo means supporting customers and communities as they pursue and execute on positive environmental and social activities. As defined in the Wells Fargo Sustainable Finance Eligibility Criteria, this includes many specific climate-related activities, such as renewable power generation, clean transportation, and energy efficiency. As reported in our Sustainability & Governance Report (PDF), in 2021 and 2022 we originated, committed, advised, or facilitated approximately $129 billion of sustainable finance toward our $500 billion goal. This includes $35.8 billion of environmental finance, $19.3 billion of social finance, and $74 billion of standard-aligned sustainable finance. Standard-aligned sustainable financing includes transactions designated by a third-party as aligning to broadly accepted sustainable finance standards or principles, such as sustainability bonds, social bonds, and green bonds.

Within the environmental finance category, we have financed a broad variety of efforts to address climate change. Examples include:

- $10.9 billion for energy generation, which includes solar, onshore and offshore wind power, geothermal, small hydropower (<20 MW), biofuels, and/or tidal.
- $10.6 billion for clean transportation, which includes low- or zero-emission vehicles, infrastructure dedicated to electrified transport, and/or financing of manufacturers that exclusively support clean transportation.
- $6.5 billion for energy efficiency, which includes manufacturers and/or businesses dedicated to the development or deployment of clean technology that serves to reduce or avoid GHG emissions (district heating; mechanical, chemical, or other energy storage; fuel cell manufacturing; smart/microgrid infrastructure; and new construction or improvements to transmission and distribution).
- $5.7 billion for green buildings, which includes energy efficiency upgrades for new and existing commercial and multifamily buildings meeting any of the following certifications: Leadership in Energy and Environmental Design (Platinum, Gold, and Silver), Building Research Establishment Environmental Assessment Methodology (Outstanding, Excellent, and Very Good), GreenPoint (Platinum, Gold, and Silver), National Green Building Standard (Emerald, Gold, and Silver), Green Globes (three or higher), or other equivalent levels in state or regional certification schemes.

For more information on our Sustainable Finance Eligibility Criteria, please see our Sustainability & Governance Report (PDF).

Greenbacker: Wells Fargo provided a $200 million sustainability revolving credit facility for Greenbacker Renewable Energy Company, LLC. Greenbacker is a climate-focused investment manager and independent power producer, and we served as the joint lead arranger, joint bookrunner, and sole sustainability structuring agent on the deal.

Proceeds under the loan may be applied to a variety of eligible projects, including:

- Renewable and clean energy projects, such as inclusive community solar projects serving low- to moderate-income communities and contributing to a more equitable clean energy transition.
- Repurposing brownfield sites, such as landfills and other sites with development restrictions, into a source of renewable energy production.
- Sustainable site design and management, with a focus on nature-based solutions, especially in consideration of biodiversity and soil resiliency.
- Research and development in agrivoltaics, microclimate conditions, solar efficiencies, vegetation management, and pollinator habitats.

For more information on our progress toward our $500 billion sustainable finance goal, including more transaction examples, please see the Sustainable Finance section of our Sustainability & Governance Report (PDF).

Engaging with clients to support long-term transitions

In addition to taking action to finance the manufacture, deployment, and use of climate-related solutions discussed above, we are engaging with clients to support initiatives that help reduce their emissions. This component of our strategy combines target setting (discussed separately in this report) with intentional client engagement.

Since announcing our goal of net-zero GHG emissions by 2050, including financed emissions, in March 2021, Wells Fargo has taken meaningful steps forward. In May 2022, we disclosed our first interim targets for reducing GHG emissions attributable to financing activities in the Oil & Gas and Power sectors. The 2030 targets announced in 2022 for these sectors, based on a 2019 baseline, are:

- Oil & Gas sector: 72.3 MTCO2e, a 26% reduction in absolute emissions
- Power sector: 102 kgCO2e/MWh, a 63% reduction in portfolio emissions intensity[10]

These targets are detailed in CO2eMission, our methodology for aligning financial portfolios to the 1.5 °Celsius goal of the Paris Agreement and for setting interim, emissions-based targets to guide that alignment. The CO2eMission publication is available on our website. This methodology not only helps us set targets but also allows for comparison of the pace of transition within given portfolios, enabling the work to adapt and evolve over time.

When setting these initial targets and publishing the CO2eMission methodology, we committed to developing high-level transition plans that outline categories of action we expect to take to meet the 2030 targets for the Oil & Gas and Power sectors. Accordingly, we are now developing a transition framework and will continue to monitor evolving regulatory requirements and market practices concerning their public disclosure.

Our independent work on these efforts is proceeding in general alignment with Net-Zero Banking Alliance guidelines and practical guidance from groups like the Glasgow Financial Alliance for Net Zero.

[10] See Progress toward our Oil & Gas and Power targets in the Metrics and targets section for additional information on the percent reduction in the Power portfolio's emissions intensity.

Driving sustainable operations

Across its operations, Wells Fargo is working to minimize the use of energy, water, and other resources, and reduce GHG emissions.

Wells Fargo has set new operational sustainability goals for 2030:

- Reducing GHG emissions (Scope 1 and 2) from 2019 levels by 70%
- Reducing energy from 2019 levels by 50%
- Reducing total waste stream from 2019 levels by 50%
- Reducing water usage from 2019 levels by 45%
- Driving new renewable energy projects to meet 100% of annual purchased electricity needs[11]

Since 2019 (for building-related emissions), Wells Fargo has been reducing our emissions, increasing our procurement of renewable energy, and offsetting our residual Scope 1 and 2 emissions (market-based) through the purchase of carbon credits*. All carbon credits purchased by us to offset 2022 residual emissions from our Scope 1 and 2 are from carbon removal projects certified via third-party carbon registries. A portion of these carbon removal credits are Verified Carbon Standard certified and have also achieved the add-on Climate, Community and Biodiversity certification and are therefore Verified Carbon Standard+Climate, Community and Biodiversity certified. The remaining portion is certified by the Climate Action Reserve.

For more information on our operational sustainability efforts, please see our Sustainability & Governance Report (PDF).

[11] 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.

*Note: Updated after publication of this report to clarify that carbon credits purchased since 2019 include, but are not limited to, high-quality carbon removal credits.

Supporting climate action

As described above, Wells Fargo works directly with clients and customers to drive real-economy change through the adoption of climate solutions and reduction in GHG emissions. But the economy-wide change required to address climate change cannot be done alone. We believe that a successful transition to a low-carbon economy must consider a broad set of stakeholders.

To this end, we regularly work with communities, academia, industry, investors, customers, nongovernmental organizations, nonprofits, and suppliers to foster action that supports the equitable transition to a low-carbon economy. The ultimate objective of this engagement aligns with our overall strategy to focus on and drive tangible positive climate-related outcomes for clients and communities.

Climate policy. Achieving net-zero GHG emissions by 2050 requires action from a host of stakeholders, including supportive government policies, public investment, shifts in business models and consumer behavior, and the commercialization of new decarbonizing technologies. Examples of our recent climate-related policy advocacy include:

- Actively engaging with a renewable energy trade group (American Council on Renewable Energy) to support timely, clear guidance on implementation of the Inflation Reduction Act.
- Engaging multiple banking industry trade groups, including the Financial Services Forum and Bank Policy Institute, to provide comments to the banking regulators (including the Federal Reserve Board, Office of the Comptroller of the Currency) on their respective proposed Principles for Climate-Related Financial Risk Management.
- Submitting a comment letter to the Securities and Exchange Commission on its proposed Enhancement and Standardization of Climate-Related Disclosures for Investors, offering support and constructive feedback.
- Meeting with senior staff at the U.S. Department of Energy to identify ways the Company can effectively engage with the government on new financing and technology development programs meant to spark private investment in clean energy and emissions-reduction activity.

Wells Fargo's participation in Net-Zero Banking Alliance, or NZBA, and Glasgow Financial Alliance for Net Zero. In October 2021, we joined the NZBA, an industry-led leadership group designed to support banks in independently aligning their financing with the goal of achieving net-zero GHG emissions by mid-century. NZBA is comprised of several sector-specific alliances[12] that together form the Glasgow Financial Alliance for Net Zero, a financial sectorwide initiative aimed at developing tools and resources necessary to help the sector implement its net-zero commitments. We have been an active member in both NZBA and Glasgow Financial Alliance for Net Zero, participating in several technical working groups and co-leading the NZBA's Implementation Work Track.

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 such as an update to the Paris Agreement Capital Transition Assessment, or PACTA tool. PACTA is a widely used open-source methodology and tool that measures financial portfolios' alignment with various climate scenarios consistent with the Paris Agreement. Our engagement allows us to tap into RMI's expert knowledge in the building sector and support its activities to decarbonize affordable housing, including a published road map to help prioritize action for the affordable housing sector.

World Business Council for Sustainable Development. In 2021, we joined the Banking for Impact on Climate in Agriculture as a founding member, an initiative convened by the World Business Council for Sustainable Development. Banking for Impact on Climate in Agriculture is a bank-led group that works to evaluate and develop solutions to address the one-quarter of global GHG emissions that are produced by the agriculture and land use sectors.

[12] Sector-specific alliances include the Net-Zero Asset Owner Alliance, Net-Zero Asset Managers initiative, Paris Aligned Asset Owners, Net-Zero Banking Alliance, Net-Zero Insurance Alliance, Net Zero Financial Service Providers Alliance, Net Zero Investment Consultants Initiative, and Venture Climate Alliance.

Academic research support. We have supported new research and scholarship to address emerging issues at the intersection of climate and finance. For example, in 2021, we engaged with the University of Oxford Smith School of Enterprise and the Environment to launch the Sectoral Data Quality and Integrity project, a research initiative to analyze the quality of GHG emission data and provide sector-specific insight for use by financial institutions. We also partnered with Columbia University Law School to join the Columbia University Initiative on Climate Risk and Resilience Law as its founding sponsor.

Clean technology accelerator support. Not all of the technologies needed to build a low-carbon economy are viable or cost effective today. To address this, we actively support and engage with leaders across the clean technology innovation ecosystem to accelerate the pace of commercialization to bring key technologies to market. Most notably, Wells Fargo has provided $50 million since 2014 in support of the Wells Fargo Innovation Incubator, or IN^2. Funded by Wells Fargo and managed and run by the U.S. Department of Energy National Renewable Energy Laboratory, IN^2 is a collaborative effort that works toward a low-carbon future by advancing clean technologies on their paths to market. The IN^2 portfolio includes 65 companies with active projects that provide viable climate-related solutions in affordable housing, commercial buildings, and agriculture. Companies involved in IN^2 have raised $1.64 billion in external funding and have seen a combined 197% employment growth. Example IN^2 companies include:

- Blokable, which manufactures a highly energy efficient, prefabricated building system that reduces the cost for the company to develop multifamily housing.
- ESS Inc., which manufactures low-cost, long-duration iron-flow batteries for commercial and utility-scale energy storage applications that are a key element of transition to a clean energy grid.
- Mobius, which creates naturally biodegradable and compostable materials that can replace emissions-intensive fertilizers for improved plant and soil health.
- NEXT, which offers low-cost, printable, transparent coatings that are seamlessly integrated into windows, allowing for the harvest of light energy for use as on-site renewable power.
- Robigo, which is shaping microbial communities to create a more sustainable food system.

Climate change and affordable housing. We provide a range of lending support for affordable multifamily housing and recognize the critical nexus between housing, climate, and equity. To address this challenge, Wells Fargo has funded philanthropic field-building activities to support emerging solutions and capacity building. Our efforts will help to scale growth in this area as part of $19.5 million in grants to support sustainability and climate resilience in underserved communities. A critical objective is to support models that bring a focus on enabling access to finance in vulnerable communities to reduce emissions but also to improve health, address energy burdens, and improve overall well-being. For example, we recently provided a $3.15 million grant to Elevate Energy to decarbonize approximately 100 homes (focused on one- to four-unit family homes) in low-income neighborhoods in Chicago as a pilot to demonstrate energy savings and performance for the purposes of scaling this model. The program also focused on connecting women and contractors of color with the training and resources needed to take on clean energy projects as a way to grow their business. In addition, a $1.5 million grant from Wells Fargo to the Inclusiv Smart-E Loan program will help community development credit unions accelerate affordable sustainable financing for low- and moderate-income communities in New Mexico, Arizona, and Texas. An important goal of this program is for low-income households to access energy efficiency and decarbonization projects that help improve their home and lower utility costs. Finally, the Stewards of Affordable Housing for the Future used a grant from our Company to create the Stewards of Affordable Housing for the Future Multifamily Portfolio Carbon Emissions Calculator to allow affordable housing portfolio owners to calculate their annual GHG emissions.

Risk management

Wells Fargo manages a variety of risks that can significantly affect our financial performance and our ability to meet the expectations of our customers, shareholders, regulators, and other stakeholders. Risk is the possibility of an event occurring that could adversely affect our ability to achieve strategic or business objectives. We routinely take risks, within our risk appetite and approved exceptions, to achieve our business goals and serve our customers. These risks include financial risks, such as interest rate, credit, liquidity, and market risks, and nonfinancial risks, such as operational risk (which includes compliance and model risks), and strategic and reputation risks. Every employee, in the course of their daily activities, creates risk and is responsible for managing risk. Every employee has a role to play in risk management, including establishing and maintaining our control environment. Every employee must comply with applicable laws, regulations, and Company policies.

Senior management sets the tone at the top by supporting a strong culture, defined by Wells Fargo's expectations and Code of Conduct, that guides how employees conduct themselves and make decisions. The Board oversees senior management in establishing and maintaining this culture and effectively managing risk. Senior management expects employees to speak up when they see something that could cause harm to our customers, communities, employees, shareholders, or reputation. Because risk management is everyone's responsibility, all employees are empowered to and expected to challenge risk decisions when appropriate and to escalate their concerns when they have not been addressed. Wells Fargo's performance management and incentive compensation programs are designed to establish a balanced framework for risk and reward under core principles that employees are expected to know and practice. Effective risk management is a central component of employee performance evaluations.

The Company has three lines of defense for managing risk: the Front Line, Independent Risk Management and Internal Audit. Each line of defense has distinct risk management responsibilities.

- Front Line: The Front Line, which comprises our principal lines of business and certain enterprise function activities, is the first line of defense. The Front Line is responsible for understanding the risks generated by its activities, applying adequate controls, and managing risk in the course of its business activities.
- Independent Risk Management: Independent Risk Management is the second line of defense. It establishes and maintains the Company's risk management program and provides oversight of, including challenge to and independent assessment and monitoring, the Front Line's execution of its risk management responsibilities.
- Internal Audit: Internal Audit is the third line of defense. It is responsible for acting as an independent assurance function and validates that the risk management program is adequately designed and functioning effectively.

Climate-related risk management

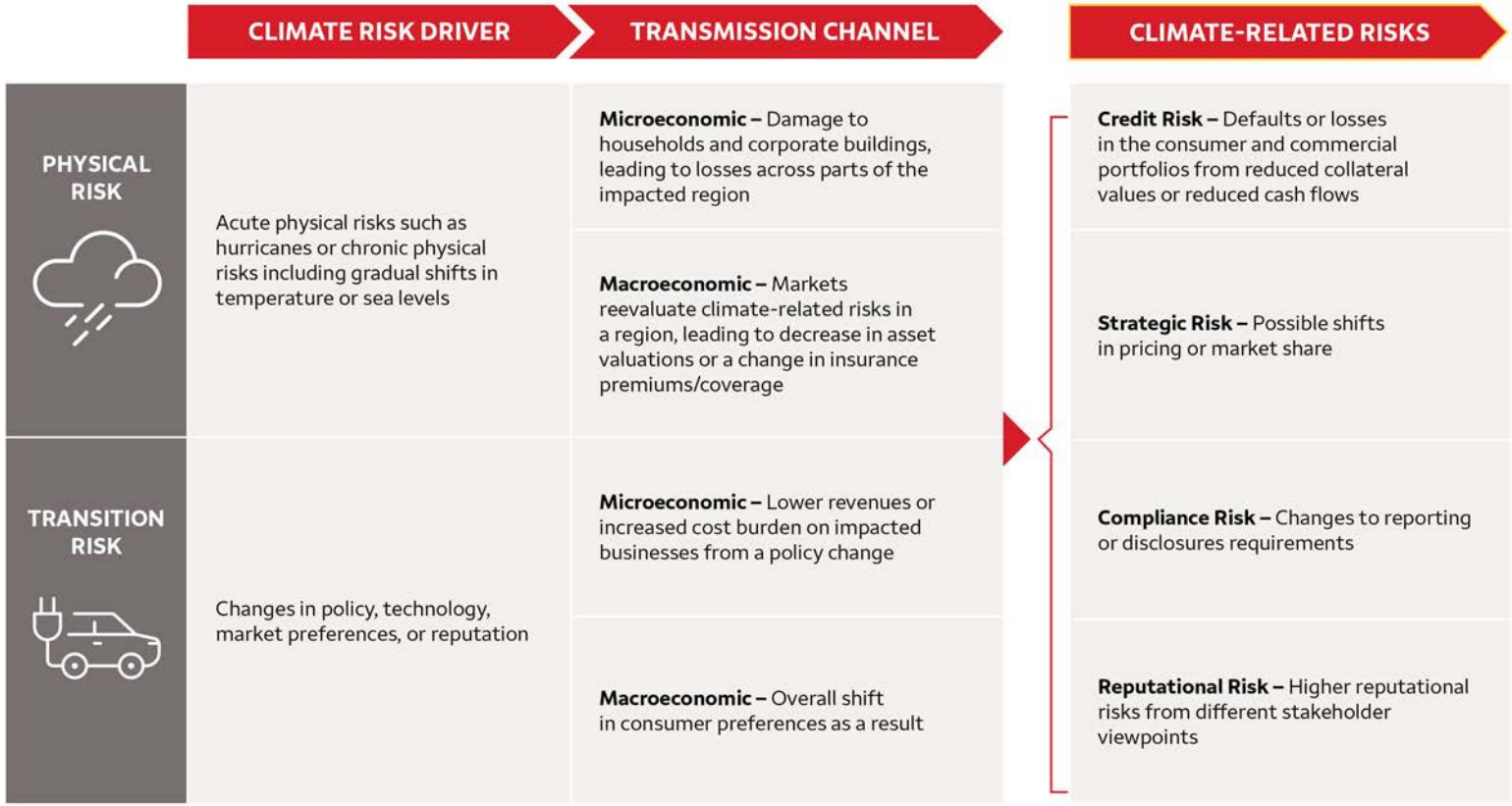
Climate Risk Oversight, which was established in 2021, is a dedicated group within Independent Risk Management and is responsible for establishing our approach to managing climate-related risk, including identification, measurement, monitoring, and reporting. The Climate Risk Steering Committee and corresponding program, which were also established in 2021, provide strategic direction on climate-related risk management matters. This Steering Committee is chaired by the head of Climate Risk, who also sits on the Climate Implementation Steering Committee to enable coordination and oversight. See the Governance section for more details.

To integrate climate considerations into Wells Fargo's risk management program, the Climate Risk Oversight team collaborates with stakeholders across the Company. This is done through six initiatives designed to identify and incorporate climate-related risks into routine risk management activities:

INITIATIVES	OBJECTIVES
Risk Identification & Assessment	Identify and assess the risks facing our businesses due to climate change.
Risk Appetite & Measurement	Establish metrics to measure exposure to climate-related risks and incorporate climate considerations into our expression of risk appetite.
Climate Scenario Analysis & Stress Tests	Evaluate capabilities to assess the impact of short-, medium-, and long-term climate scenarios.
Risk Reporting	Develop our ability to report climate-related risks, building additional specificity and dimensionality into our risk reporting.
Policies, Framework, & Governance	Embed climate-related risk considerations in our existing risk policies, frameworks, and governance routines.
Risk Data & Technology Strategy	Incorporate climate-related data and technology tools to support risk management and business decision-making.

Wells Fargo recognizes that climate-related impacts may arise in connection with both physical risks (risks related to the physical impacts of climate change) and transition risks (risks related to the transition to a lower-carbon economy). To appropriately identify, assess, monitor, and manage these impacts, we view climate change as a risk driver that may create financial and nonfinancial risk. As such, we manage climate-related impacts through the existing risk types defined in our Risk Management Framework, as described in the Governance section of this report.

Illustration: How climate change may create risks for banks



The potential risk that may arise from climate change and its potential impacts could include:

Examples of potential climate-related risks

WF RISK TYPE	PHYSICAL RISKS	TRANSITION RISKS
CREDIT RISK	Higher potential losses due to impact of extreme weather events on collateral values	Real estate lending activities adversely impacted from changes in property and casualty insurance markets
OPERATIONAL RISK	Disruption to internal operations affecting property and branches and/or those of critical vendors	Increased operating costs (e.g., higher compliance costs, increased insurance) from changes in regulatory/policy and/or consumer/investor demand
REPUTATION RISK	Negative stakeholder opinion based on management of natural disasters	Negative market and/or stakeholder sentiment from failure to achieve climate commitments
STRATEGIC RISK	Potential improper implementation of climate-related risk mitigation plans; inability to deliver or enable remote banking service impacting consumers' ability to access financial resources	Decline in market share or profit from failure to diversify into climate-related opportunities or to identify clients failing to transition

Our approach to climate-related risk management continues to mature. We have developed preliminary metrics to track climate-related risks, and we have launched first-generation dashboards to better understand geographic impacts from physical risks and the vulnerabilities that specific industries may face during the transition to a lower-carbon economy. In addition, we developed a climate scenario analysis tool, which we are continuing to evolve. Please see the Climate scenario analysis section for additional detail.

Finally, as outlined in our Environmental and Social Impact Management Framework (PDF), we focus on potential environmental and social impacts associated with certain client relationships. Our framework outlines certain restrictions on coal financing, as well as enhanced due diligence on certain sectors, including Oil & Gas.

Climate 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 sector responses needed to estimate the quantitative impact of a potential event.

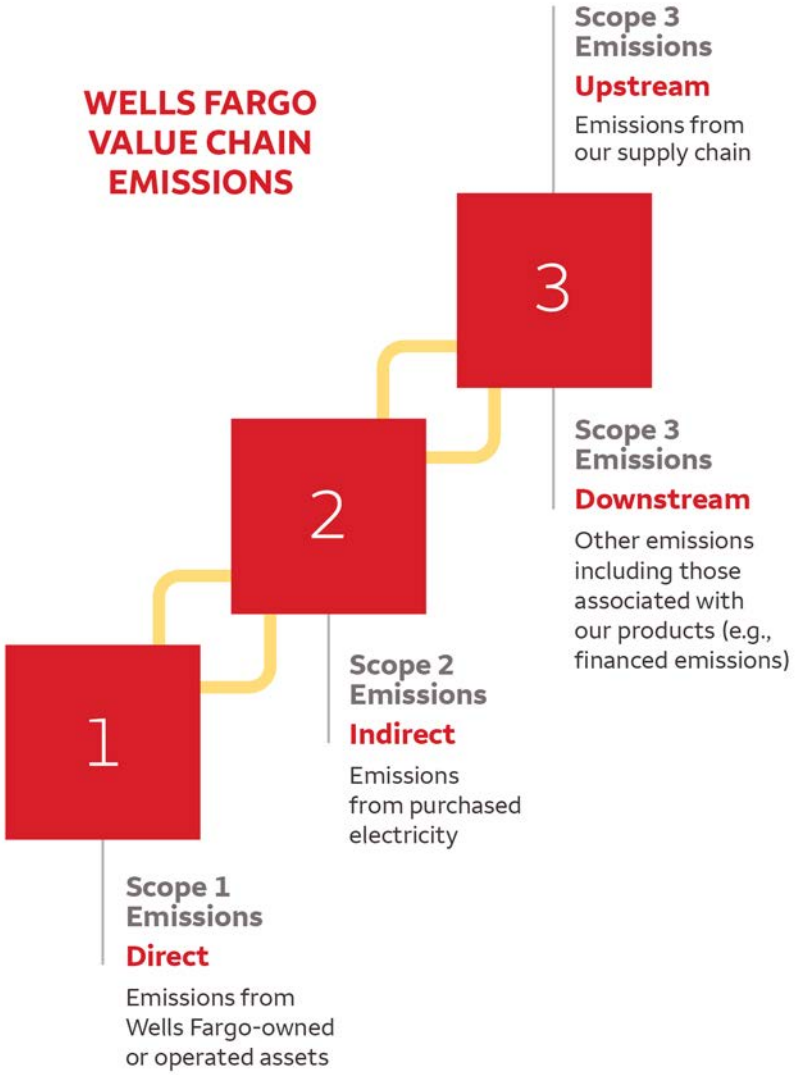
Our internal exercises to date have largely focused on model expansion and knowledge-building, using industry-standard scenarios from the Network for Greening the Financial System, or NGFS, and the Intergovernmental Panel on Climate Change.

Our initial climate scenario analysis used globally recognized scenarios from NGFS over a 15-year time horizon focused on credit risk losses. The process included selection of scenario narratives with climate as a driver of economic variables, performing data and technology exploration, model development, risk analysis, and forecasts for different scenarios. Our next-generation climate scenario analysis will expand beyond credit risk to include other risk types, with additional NGFS scenarios and business impacts.

We are also participating in the Federal Reserve Bank's Climate Scenario Analysis pilot. As part of this, we are using two NGFS climate scenarios to assess transition risk over a 10-year period and using Intergovernmental Panel on Climate Change Representative Concentration Pathways to assess credit impacts in our real estate exposure over one year.

Metrics and targets

Wells Fargo measures and reports on climate-related activities to keep stakeholders informed on progress to our stated goals. 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.



Operational sustainability

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

In 2022, we saw increases in our resource usage and emissions output as more people returned to the office after the height of the COVID-19 pandemic. Despite these increases, we reduced our overall GHG emissions for Scope 1 and 2 by 22% 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 optimizing our portfolio of buildings. We continue to evaluate opportunities to reduce Scope 1 and 2 emissions through these means.

Scope 1 and Scope 2 emissions (location and market based)[13,14]

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

*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, and 2022.

[13] Totals in this figure and others in this report may not add correctly due to rounding.
[14] Environmental and energy use data included in this report are subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary. Consumption is based on raw data. When raw data is unavailable, the Company estimates consumption based on a square foot extrapolation of the average consumption from the most comparable facilities. Third-party data (such as electricity and fuel usage) has been obtained from sources believed to be reliable, but the suitability of the design and effectiveness of the third-party systems and associated controls over the accuracy and completeness of the data has not been independently assessed.
[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] In 2022, Wells Fargo purchased carbon offsets from projects that remove and store carbon. A portion of these credits are Verified Carbon Standard (VSC) certified and have also achieved the add-on Climate, Community and Biodiversity (CCB) certification and are therefore VSC+CCB certified. The remaining portion is certified by the Climate Action Reserve (CAR).
[18] As part of its journey toward net zero, Wells Fargo has implemented carbon reduction strategies and purchased energy attribute certificates and carbon offsets sufficient to cover its total Scope 1 and Scope 2 (market-based) emissions for 2022.

Wells Fargo operational sustainability highlights in renewable energy:

Installed solar panels at

60

facilities

in eight U.S. states and two non-U.S. countries throughout 2022

Entered into over

210

MW

of long-term agreements supporting new sources of renewable energy

Overview of renewable energy activities in operations

	Unit	2020	2021	2022
Total electricity consumed[19]	MWh	1,654,354	1,550,417	1,579,854
Total renewable energy purchased[20]	MWh	1,666,777	1,673,872	1,584,509
Renewable energy % of total electricity use[21]	%	101	108	100
Total capacity from long-term agreements supporting new sources of renewable energy[22]	MW	186	210	210

[19] Includes purchased electricity and self-supplied electricity generated through Wells Fargo's on-site solar program.
[20] 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.
[21] Wells Fargo secures enough Renewable Energy Certificates to meet or exceed our annual consumption of purchased electricity.
[22] New sources of renewable energy are defined as assets where commercial operation was achieved no earlier than 12 months prior to contract execution. This data includes cumulative new renewable energy generation capacity contracted by Wells Fargo. Some assets have not yet achieved commercial operation and are under construction.

Aside from efforts to reduce energy consumption in our buildings, we look for opportunities to reduce emissions across all calculated areas of our business operations, including through collaborative engagement with suppliers.

Scope 3 emissions[23]

	Unit[24]	2020	2021*	2022*
Category 1: Purchased goods and services	MTCO2e	1,639,281	1,429,619	1,300,698
Category 2: Capital goods	MTCO2e	358,268	348,249	293,289
Category 3: Fuel and energy-related activities (not included in Scope 1 or 2)	MTCO2e	123,970	121,357	123,938
Category 5: Waste generated in operations	MTCO2e	7,622	13,058	12,730
Category 6: Employee business travel (air travel only)	MTCO2e	14,111	4,795	27,403
Category 7: Employee commuting (excluding remote work)	MTCO2e	313,757	218,795	289,051

*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, and 2022.

[23] This report includes relevant Scope 3 categories for which Wells Fargo had calculated emissions for the year ended 2022.
[24] MTCO2e stands for metric tons of carbon dioxide equivalent.

Client portfolio emissions

Metrics and targets for carbon-intensive portfolios
When we announced our net-zero goal in March 2021, we also committed to measuring and disclosing financed emissions for select carbon-intensive portfolios and to setting and disclosing interim, emission-based portfolio targets for the Oil & Gas and Power sectors by the end of 2022. As detailed in the Strategy section, in May 2022, we published CO2eMission, our methodology for aligning our financial portfolios with pathways to net-zero by 2050 and for setting interim emissions-based targets to track that alignment. CO2eMission also included our 2030 portfolio targets for the Oil & Gas and Power sectors. For more information about our net-zero alignment and target-setting methodology, please see the insert **CO2eMission: Wells Fargo's net-zero alignment and target-setting methodology.**

Prior to publishing this TCFD report, we released a supplement to CO2eMission that included our 2030 portfolio targets for three additional sectors — Automotive, Steel, and Aviation.

The following table summarizes the 2030 emissions-based targets we have set to date.

Wells Fargo's 2030 Targets

Sector	Metric	Baseline	2030 Target
Oil & Gas • Exploration and Production (Scope 1, 2, and 3, category 11 (use of sold products)) • Refining (Scope 1 and 2)	Absolute emissions	97.7 MT CO2e[1] (as of December 31, 2019)	72.3 MT CO2e
Power • Power generation (Scope 1)	Emissions intensity	273 kg CO2e/MWh[2], [3] (as of December 31, 2019)	102 kg CO2e/MWh
Automotive • Tank-to-wheel (tailpipe) emissions (Scope 3, category 11 (use of sold products))	Emissions intensity	220 g CO2e/vkm[4] (as of December 31, 2021)[5]	103 g CO2e/vkm
Steel • Steel manufacturing (Scope 1 and 2)	Emissions intensity	1.01 t CO2/t steel[6] (as of December 31, 2021)[5]	1.01[7] t CO2/t steel
Aviation • Tank-to-wake emissions (Scope 1)	Emissions intensity	969 g CO2e/RTK[8] (as of December 31, 2019)[5]	775[9] g CO2e/RTK

(1) Million metric tons (MT) carbon dioxide equivalents (CO2e)
(2) Kilograms (kg) CO2e per megawatt-hour (MWh)
(3) For further information on our baseline emissions intensity for our Power portfolio, please see the Progress toward our Oil & Gas and Power targets section of this report.
(4) Grams of CO2e per vehicle kilometer (vkm)
(5) The Automotive and Steel targets use a 2021 baseline as this is the most recent full year of available data. The Oil & Gas, Power, and Aviation targets use a 2019 baseline due to the impact of COVID-19 on sector activity in both 2020 and 2021.
(6) Metric tons of CO2 per metric ton of steel
(7) We set our target using the International Energy Agency Net-Zero Emissions by 2050 scenario. The scenario's benchmark for 2030 is 1.09 t CO2/t steel. The 2021 baseline emissions intensity of the clients comprising our Steel portfolio is 1.01 t CO2/t steel. Because our portfolio's emissions intensity is below the scenario benchmark, we set the target equal to the baseline. We intend to continue working with our Steel clients to decarbonize their businesses, which may push the portfolio's emissions intensity further below the baseline and benchmark. We plan to measure and report ongoing progress.
(8) Grams of CO2e per revenue ton kilometer (RTK); ton refers to metric ton.
(9) Our Aviation target – to reduce by 20% the emissions intensity of our Aviation portfolio – is not based on a climate scenario aligned to net zero by 2050. Though our target aligns with the fuel efficiency goals set by the International Civil Aviation Organization through its Carbon Offsetting and Reduction Scheme for International Aviation for 2021-2050, these goals are not sufficient for the sector to reach net zero by 2050.

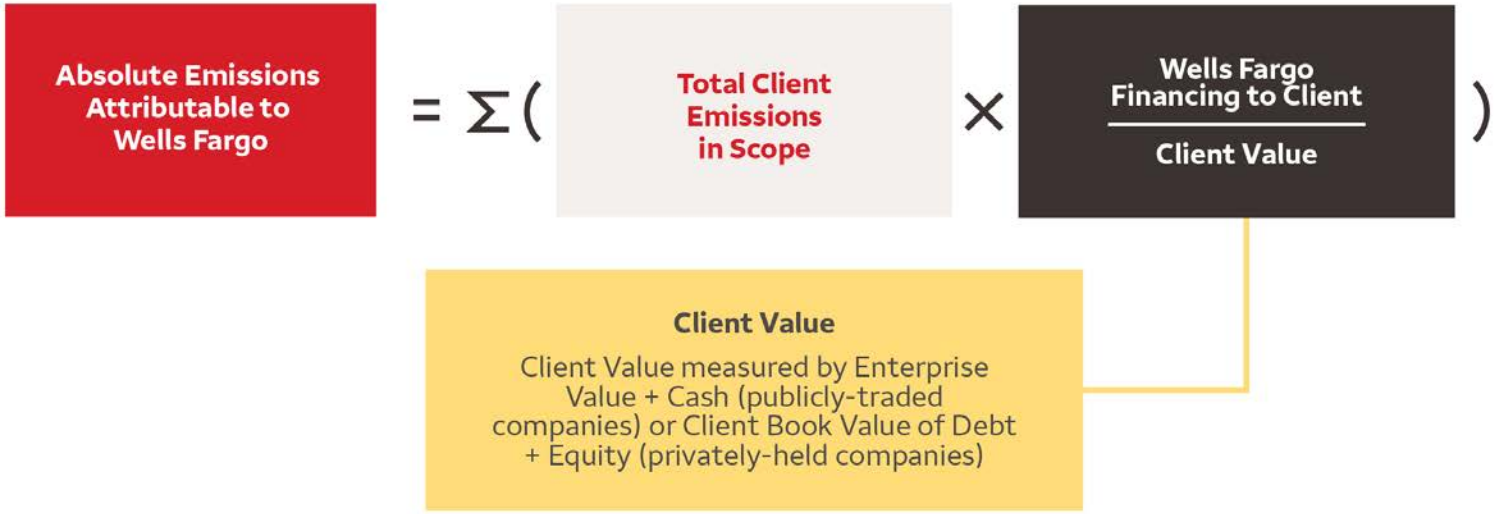
In selecting targets, we consider two quantitative metrics — an absolute emissions metric and an emissions intensity metric, in line with the Net-Zero Banking Alliance's target-setting guidelines.[25] An absolute emissions metric refers to the total quantity of GHG being emitted into the atmosphere (for example, million metric tons of 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 megawatt-hour). The choice between the metrics for target setting is determined based on assessment of the activities driving emissions in a given sector.

As noted in the preceding table, we selected an absolute emissions metric for our Oil & Gas portfolio target. An absolute metric is well-suited not only to measure reductions in our Oil & Gas clients' operational emissions (Scope 1 and 2), but also to capture reductions in Scope 3, category 11 (use of sold products) emissions resulting from clients transitioning into new businesses. For this metric, we measure client emissions attributable to our financing using an attribution factor that reflects our financing to each client relative to client value.[26]

[25] See "Guidelines for Climate Target Setting for Banks," (https://www.unepfi.org/wordpress/wp-content/uploads/2021/04/UNEP-FI-Guidelines-for-Climate-Change-Target-Setting.pdf) on p.6, U.N. Environment Programme Finance Initiative, April 2021. Wells Fargo has provided external links within this document for your convenience, but Wells Fargo does not endorse and is not responsible for the content, links, privacy policy, or security policy of these websites.

[26] Additionally, we include 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 overallocating emissions to Wells Fargo, we concluded that this approach would best align with the client relationship-based principles of CO2eMission.

Calculation approach: Absolute emissions



For our Power, Automotive, Steel, and Aviation portfolio targets, we selected an emissions-intensity metric. Though our reasons for selecting this metric are specific to each sector, in each instance an intensity metric provides for consistent tracking and comparability among clients regardless of their level of production or activity. For an 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.[27]

[27] 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 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.

Calculation approach: Emissions intensity

The availability and quality of data necessary to estimate and report client emissions attributable to financing is a common challenge for financial institutions. In selecting data sources, we consider the appropriateness of company-reported emissions data. We also consider sector-specific, asset-level data sets collated by third-party data providers, which quantify emissions from individual physical assets (for example, power plants or oil and gas wells) within a sector, attributing the associated emissions to the parent companies that own these facilities. Though existing data-scoring methods provide universal guidance — often favoring company-reported emissions over asset-level data, we found that the quality of reported data varied significantly by sector. Accordingly, rather than taking a "one-size-fits-all" approach to data sources preferring company-reported data to asset-level data (or vice versa), we evaluate the quality of data sources on a sector-by-sector basis.[28]

[28] To learn more about evaluating data quality for emission-based target setting, see "Data Quality Considerations for Estimating Financed Emissions," (https://www.smithschool.ox.ac.uk/sites/default/files/2023-01/Data-Quality-Considerations-for-Estimating-Financed-Emissions.pdf) K. Tang, G. Shrimali, C. Christiaen, Oxford Sustainable Finance Group, Smith School of Enterprise and the Environment, University of Oxford (January 6, 2023), accessed March 14, 2023. Wells Fargo has provided external links within this document for your convenience, but Wells Fargo does not endorse and is not responsible for the content, links, privacy policy, or security policy of these websites.

The timeliness of available data is also challenging. While data related to our financing is available shortly after year-end, production and emissions data can lag behind by over a year or more. For an example of the data lag we experienced in reporting progress against our Oil & Gas and Power targets, see footnote 30.

As we move forward, we plan to continue evaluating our carbon-intensive portfolios for target setting. In addition to our target-setting activities, we are also preparing an emissions profile or "footprint" of our lending portfolios for the sectors for which we have set targets. We anticipate our initial approach to footprinting will be broadly consistent with the sectoral boundaries we employ for target setting. The absolute emissions footprint metrics we produce will complement the emissions intensity metric we use for our Power, Automotive, Aviation, and Steel portfolio targets and the separate absolute emissions-based metric we use for our Oil & Gas portfolio target.[29] Our approach to financed emissions footprinting will likely evolve over time in response to industry trends, data availability, and regulatory requirements.

Progress toward our Oil & Gas and Power targets

To provide some context for our progress toward our Oil & Gas and Power targets, we begin by briefly describing the targets, key methodological choices for the targets, and a change to our 2019 Power baseline measurement.

Background

Our Oil & Gas portfolio target is an absolute emissions target that covers emissions from companies engaged in exploration and production activities (Scope 1, 2, and 3, category 11 (use of sold products)) and emissions from companies engaged in petroleum refining (Scope 1 and 2). Our Power portfolio target is an emissions intensity target that covers emissions from power-generating activities (Scope 1). The targets cover both lending and capital markets facilitation activities (and dedicated renewable energy financing for the Power sector) and are aligned to the NGFS Orderly Net Zero 2050 scenario released in June 2021. For more information on the Oil & Gas and Power targets, please see sections 3 and 4 in CO2eMission (PDF).

[29] The absolute emissions-based metric we use for our Oil & Gas target fixes client value as of certain dates to limit volatility. For a detailed description of how we calculate this metric, please see our CO2eMission document. Commonly used methodologies for developing emissions footprints, by contrast, typically apply a client value that corresponds to the year that a given footprint is intended to represent. We take the extra measure of fixing client value in our target metric, since year-over-year changes in client value can materially affect the emissions attributable to bank financing without any changes in underlying client emissions.

At the time we calculated the 2019 baseline emissions intensity for our Power portfolio, we relied upon 2020 power-generation data as a proxy to develop our 2019 baseline emissions intensity because 2019 power-generation data was not available from our data provider (see section 4.4 of CO2eMission (PDF)). We subsequently received 2019 power-generation data and recalculated our 2019 baseline. Using the 2019 data, the baseline emissions intensity changed from 253 kg CO2e/MWh to 273 kg CO2e/MWh. This change in the baseline emissions intensity was expected and, in part, is further evidence of the ongoing transition that is currently occurring in the Power sector. Nonetheless, our target, which converges with the NGFS Orderly Net Zero 2050 scenario benchmark in 2030, remains unchanged. However, with the change in the 2019 baseline, the percent reduction in the portfolio's emissions intensity to achieve the target has now increased from a 60% reduction to a 63% reduction.

Progress through December 31, 2021

The following table shows the progress made toward our Oil & Gas and Power targets from the 2019 baseline year through December 31, 2021.[30]

Sector	Metric	12/31/19 Baseline	12/31/21 Progress	2030 Target
Oil & Gas • Exploration and production (Scope 1, 2, and 3, category 11 (use of sold products)) • Refining (Scope 1 and 2)	Absolute emissions (million metric tons of CO2e)	97.7 MT CO2e	81.1 MT CO2e 17% reduction from 2019 baseline	72.3 MT CO2e 26% reduction from 2019 baseline
Power • Power generation (Scope 1)	Emissions intensity (kilograms CO2e/ megawatt-hour)	273 kg CO2e/MWh	215 kg CO2e/MWh 21% reduction from 2019 baseline	102 kg CO2e/MWh 63% reduction from 2019 baseline

As shown in the previous table, the attributable emissions of our Oil & Gas portfolio decreased from a 2019 baseline of 97.7 MT CO2e to 81.1 MT CO2e (17% reduction). This decrease was driven mainly by three factors. Most of the decrease was driven by business-as-usual turnover in clients, including the impact of industry consolidation and restructuring activity from the COVID-19 downturn. Additional decreases were the result of reductions in borrowing bases for reserve-based lending facilities that took place during the 2019-2021 time

[30] We source Company emissions data from S&P Trucost and GlobalData. S&P Trucost provides reported emissions data, which comes from a variety of sources. GlobalData provides 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. Because S&P Trucost and GlobalData refresh this 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 progress report, S&P Trucost and GlobalData emissions data for 2021 was extracted on June 24, 2022, and July 6, 2022, respectively. Financing data, including loan commitments, amortized capital markets amounts, and dedicated renewable energy financing, reflects amounts as of December 31, 2021.

frame, primarily as a result of underlying changes to Oil & Gas commodity prices. The reductions in borrowing bases reduced our commitments and, consequently, the share of client emissions attributable to our financing. A minor part of this decrease was due to a reduction in client emissions, primarily as a result of production decreases and associated operational changes in 2020 in response to COVID-driven demand declines.

The emissions intensity of our Power portfolio decreased from a 2019 baseline of 273 kg CO2e/MWh to 215 kg CO2e/MWh (21% reduction) due primarily 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. Additionally, our weighted average 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 reducing reliance on higher-emitting sources.

Potential impacts to future progress

Looking ahead, we anticipate that progress toward our Oil & Gas and Power targets may not follow a straight line because realizing the assumptions supporting our targets depends upon several factors, many of which are outside our control. For example, the emissions intensity of our Power portfolio may increase if Power utilities continue the recent trend of selling their renewable energy assets and then purchasing electricity generated from these assets through power purchase agreements. As noted in CO2eMission, our methodology's intensity metric does not account for emission reductions attributable to power purchase agreements because clients do not uniformly disclose information associated with these agreements. If utilities shift from generating renewable energy through assets they own to selling these assets and purchasing the electricity they produce through power purchase agreements, our portfolio emissions intensity may increase without any change to emissions in the real economy.

Moreover, progress toward targets may be obscured by the lag between the time a client raises capital to support its climate transition and the time it takes that client to invest in its own transformation. If a bank provides capital to a Power utility that is planning to develop a wind farm, for example, the client emissions intensity attributable to the bank will not reflect that wind farm until it is generating power — a process that can take months to years.

Progress toward our targets may also be impacted by inherent volatility in the volume of capital markets facilitation, which is driven by the business and credit cycle. Additionally, progress toward our Oil & Gas target may be impacted by volatility in Oil & Gas commodity prices. These fluctuations may materially impact one or more inputs used to calculate client emissions attributable to our financing, and by extension, materially impact our target progress.

For example, as Oil & Gas commodity prices increase, client value (that is, enterprise value and/or book value of debt and equity) may increase as it tends to be highly correlated with commodity prices. Given our approach for attributing client emissions to our financing activities,[31] an increase in client value may result in a decrease in our financed emissions calculation, even if client emissions stayed the same or even increased. The opposite is also true; a decrease in client value may result in an increase in our financed emissions calculation, even if we did not increase our financing to the client.[32]

Similar fluctuations may also be seen in reserve-based loans, where the size of the facility varies with underlying commodity prices. As Oil & Gas commodity prices increase, for example, the value of the Oil & Gas reserves that comprise the collateral for the loans would likely increase, which then increases the underlying borrowing base that governs the facility. This, in turn, drives a corresponding increase in our outstanding commitments to that client and consequently, an increase of our financed emissions calculation.

Though our target-setting methodology includes features designed to mitigate some of the volatility noted above (see section 2 of CO2eMission (PDF)), we cannot control all factors that impact the assumptions supporting the targets. There remain numerous variables and assumptions embedded in our calculations that will drive volatility in our progress and may affect the accuracy in our reported results as noted herein and in CO2eMission.

[31] As noted above and explained in CO2eMission, we attribute our Oil & Gas clients' Scope 3 emissions to our financing using a balance sheet approach. Under this approach, the attribution factor reflects our financing to a client relative to the client's value (Wells Fargo financing/client value). To measure client value, we use enterprise value including cash if the client is a publicly-traded company or the book value of debt plus equity if the client is a privately-held company.
[32] For more information on how fluctuations in client value impact client emissions attributable to a financial institution, see, e.g., Jakob Thomä, Stan Dupré, and Michael Hayne. 2018. "A Taxonomy of Accounting Principles for Financial Portfolios," (https://www.mdpi.com/2071-1050/10/2/328) Sustainability 10, No. 2: 328, accessed March 14, 2023. Wells Fargo has provided external links within this document for your convenience, but Wells Fargo does not endorse and is not responsible for the content, links, privacy policy, or security policy of these websites.

CO2eMission: Wells Fargo's net-zero alignment and target-setting methodology

CO2eMission includes our methodological framework for setting targets to align our financial portfolios with our net-zero goal. Recognizing that each industry or sector of the real economy is unique, we have taken the approach of grouping our financial portfolios by industry and setting industry-specific targets, rather than a Companywide target, for our financial portfolios. This sector-based approach allows us to set targets informed by the trends and challenges each industry is facing.

To set a sector-specific target, we consider a host of design choices. Our methodology endeavors to apply certain design choices universally across all sectors. For example, the decision to include both the financing we provide clients through lending activities and the financing we facilitate through debt and equity capital markets activities applies to all sectors. Other design choices, such as which metric or climate scenario to use for a target and which activities and emissions scopes to include, are made on a sector-specific basis.

Our methodology includes several key design features that distinguish it from other target-setting methodologies and frameworks:

- The methodology uses committed exposure (credit available to a client) rather than outstanding exposure (funds drawn from the available credit by a client) in attributing client emissions to the Company's financing activities. Using committed exposure provides a more complete measurement of the funding we have agreed to provide to a client.
- The methodology measures client emissions attributable to our lending activities, as well as the capital markets activities we help facilitate. Although the NZBA and supporting industry frameworks and tools do not currently include funding arranged in the capital markets, we include it in our methodology to capture more fully financing activities in each sector. (We also include renewable tax equity financing for our Power target.)
- Our methodology amortizes capital markets facilitation activities over a five-year period to minimize potential volatility inherent in these activities. It also fixes client value as of certain dates to limit volatility due to changes in value for Oil & Gas clients.
- To quantify clients' emissions, we evaluate and prioritize available data sources on a sector-by-sector basis. In so doing, we consider the appropriateness of relying upon company-reported emissions versus asset-level production data collated by third-party data providers. Though existing data scoring methods often favor company-reported emissions over asset-level production data, the quality of company-reported emissions can vary across and within sectors. We are working with the Spatial Finance Initiative at the University of Oxford to empirically evaluate data quality on a sector-by-sector basis with a view to providing sector-specific data scoring guidance.

We anticipate our methodology will evolve over time as approaches to net-zero mature, emissions data improves, and climate scenarios evolve. Moving forward, we intend to continue to address challenges and refine our approach. For more information, please see CO2eMission on our website.

Sustainable finance

In 2021, Wells Fargo established our goal to deploy $500 billion of sustainable finance by the end of 2030 to support our customers' and communities' transition to a resilient, equitable, and sustainable future. The goal mobilizes and focuses internal resources to help meet customers where they are on this critical journey. We also recognize the significant business opportunities that lie ahead by serving client and customer demand for sustainability-focused financing solutions. In 2022, we continued to leverage our broad set of products, solutions, and capabilities across all lines of business to drive financing toward sustainable activities.

We define sustainability to include both environmental and social objectives. Our internal Sustainable Finance Eligibility Criteria ("the criteria"), updated this year in our Sustainability & Governance Report (PDF) Appendix[33], provides a list of the various category descriptions and eligible activities for our $500 billion sustainable finance goal. Our criteria evolve as industry best practices change and mature and are designed to capture transactions where the funds are used for qualifying sustainable activities or to encourage qualifying sustainable activities. These choices 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 obtained limited assurance on our assertion of the total amount of sustainable finance activities originated, committed, advised, or facilitated that meet the criteria[34].

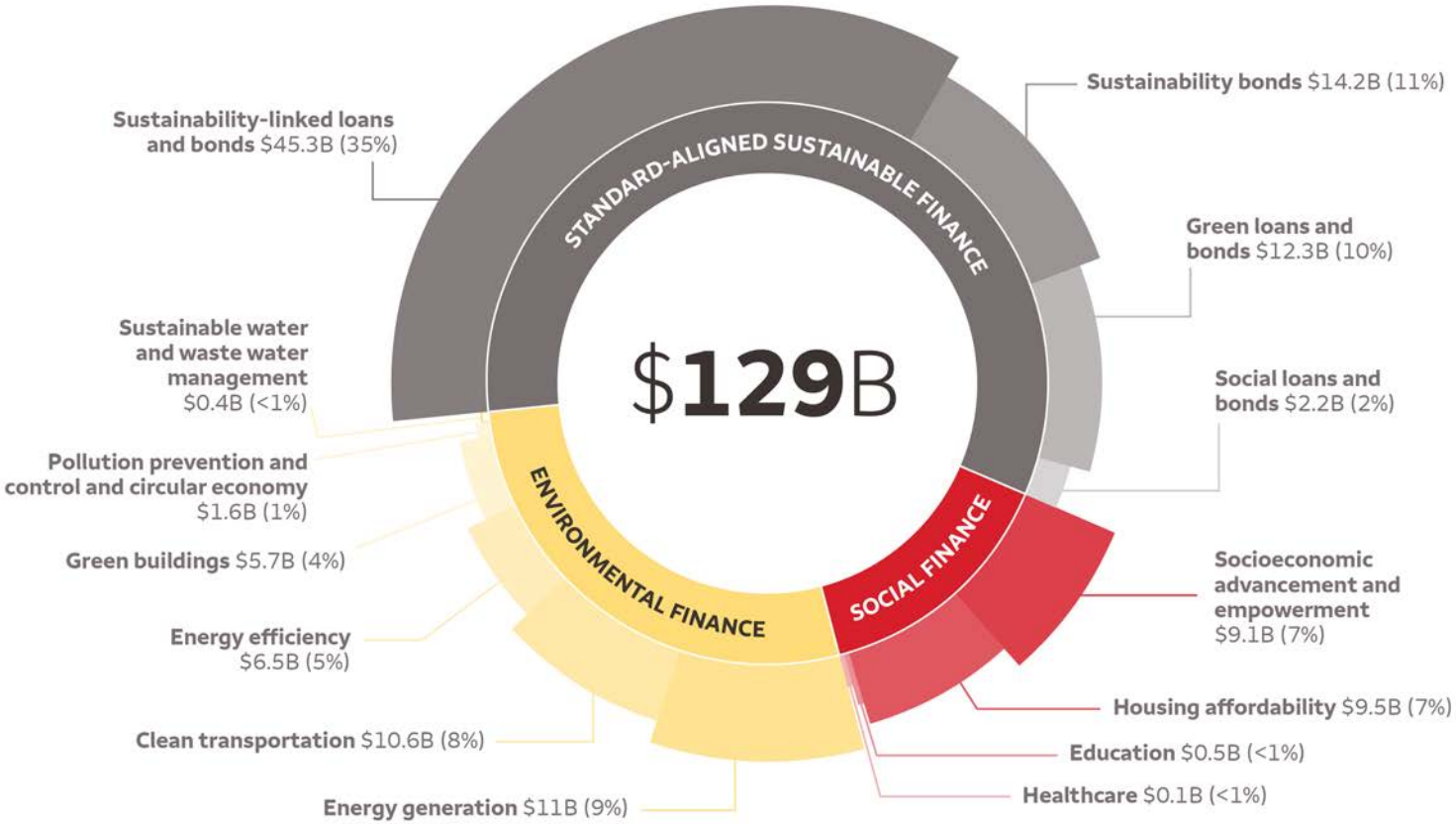
The table below reports our cumulative progress toward the 2030 goal through 2022. Total sustainable finance is broken down into the categories of environmental finance, social finance, and standard-aligned sustainable finance[35].

Standard-aligned sustainable finance

A significant portion of Wells Fargo's qualifying sustainable finance activity is through "standard-aligned" transactions. These are financial products either directly dedicated to or linked to environmental and/or social outcomes that aim to align with recognized voluntary market standards or principles. This includes instruments like green, social, sustainability, and sustainability-linked bonds as well as green, social, and sustainability-linked loans. See the Sustainable Finance Eligibility Criteria in the Appendix of our Sustainability & Governance Report (PDF) for more details.

[33] Our Sustainable Finance Eligibility Criteria was updated for calendar year 2022 related to Green Buildings (inclusion of additional green building certification schemes), Housing Affordability (inclusion of financing that meets government and government-sponsored enterprise definitions of affordable housing), and Standard-aligned Sustainable Finance (inclusion of transactions not captured by Dealogic or Bloomberg and reviewed internally). See Sustainable Finance Eligibility Criteria in the Appendix of our Sustainability & Governance Report (PDF) for details.
[34] See Independent Accountants' Review Report in the Appendix of our Sustainability & Governance Report (PDF) for more details.
[35] See Sustainable Finance Eligibility Criteria in the Appendix of our Sustainability & Governance Report (PDF) for category details.

Sustainable finance* (2021-2022)



*See Sustainable Finance Eligibility Criteria in the Appendix of our Sustainability & Governance report for more details. Showing 2021-2022 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

Outlook

Wells Fargo plays an important role in responding to climate and energy challenges and supporting our customers and communities to make an orderly transition to a low-carbon economy. We continue to work toward net-zero financed emissions by 2050, and have implemented carbon reduction strategies and purchased renewable energy certificates and carbon offsets sufficient to cover our own Scope 1 and 2 (market-based) emissions.

We know this journey will not be linear. As such we will continue to evaluate and develop our sustainability strategies and integrate climate considerations across our organization as we work to further our progress on key topics:

Governance. Maintaining appropriate and flexible governance and management structures to effectively provide oversight for climate-related risks and opportunities as the industry continues to evolve.

Strategy. Fostering engagement with customers, policymakers, data providers, and other stakeholders to support market growth and pursue climate financing opportunities, particularly those created by the Inflation Reduction Act, as well as expanding our sustainable financing capabilities to support customers' long-term transition plans and efforts.

Risk management. Broadening our ability to identify, assess, and manage climate-related risks over time and refine our approach as information and data become more readily available. We are continuing our work to strengthen our understanding of how climate change impacts our risk programs and processes. This includes enhancing our analytical tools and models to further explore climate-driven risks and opportunities.

Target setting and reporting. Continuing our efforts to develop portfolio targets for additional sectors while reporting progress toward our existing portfolio targets.

Disclaimer and forward-looking statements

The information provided in this document reflects Wells Fargo & Company's (the "Company") approach to the topics herein as of July 28, 2023 . 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 other information contained in this document, to reflect changes or events that occur after that date. This information is not a guarantee 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 activities. 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 described in this document include the necessity of technological advancements, the evolution of consumer behavior, the need for thoughtful climate policies, the potential impact of legal and regulatory obligations, and changes in management's strategy for balancing our aspirational short-term targets with the need to facilitate an orderly and equitable transition that considers energy security, among other factors. 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.gov[36].

While this document describes events, including potential future events that may be generally significant in the context of our ESG priorities and related activities, any such significance does not necessarily equate to the level of materiality of disclosures required under U.S. federal securities laws.

This document should not be used as a basis for trading in the securities of the Company or for any other investment decision and should not be construed as consisting of investment advice. The Company is not providing any financial, economic, legal, accounting, or tax advice or recommendations. This document reflects certain positions and approaches to ESG as of the date of this document that are subject to change at any time 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," "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

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In particular, among other statements, statements relating to the Company's climate-related goals, targets, policies, procedures or positions (including, for the avoidance of doubt, net-zero and related goals) and the Company's targets, aims and objectives in connection with those ambitions (including emissions reduction targets and objectives), and to the Company's expectations, targets and aims for capital expenditure (including the proportion of investment allocated to and capital employed in renewable energy and environmental finance investments or sustainable finance investments), are aspirational and not guarantees or promises that any goals, targets and objectives will be met or will continue to be pursued.

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 ESG and climate-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 potentially have compounding effects on the accuracy and completeness of resulting emissions and resource consumption figures. The suitability of the design and effectiveness of the third-party systems and associated controls over the accuracy and completeness of the data has not been independently assessed. Also, while the Company set sector-specific targets 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 companies that emit the greenhouse gases ultimately control that outcome. Relatedly, given the indirect nature of financial institution target setting and the challenges of drawing causality between bank financing and real economy emission outcomes, these targets should be interpreted as efforts in financial portfolio alignment and should not be construed as a commitment to achieve a particular outcome or a claim to realize a specific climate effect.

Accordingly, with respect to data that is not also included in the Company's Statement of Greenhouse Gas Emissions[37] or Management's Assertion[38] 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. 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. Since methodologies and approaches continue to evolve, information we are currently disclosing could later potentially yield materially different emissions and may result in restatement. Other than as 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. Although this document aims to present the general position of the Company, the policies, procedures, and positions discussed herein 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 initiatives, goals and targets, could change, even materially. The Company is permitted to determine in its discretion that it is not feasible or practical to implement or complete 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 has not been verified or otherwise assured by an independent third party.

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[37] The Statement of Greenhouse Gas Emissions can be found on our Goals and Reporting website.
[38] The Management Assertion can be found in the Appendix of our Sustainability & Governance Report (PDF).