2021

Environmental Responsibility Policy

At U.S. Bank, we care deeply about promoting sustainable business practices while supporting economic growth – it is one of the reasons that we have invested more than $39 billion in environmentally beneficial business opportunities since 2008. It is also one of the reasons U.S. Bank was named a World's Most Ethical Company by the Ethisphere Institute for the seventh year in a row.

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

We believe that we can make a positive contribution to a sustainable environment by developing business practices to protect and conserve our natural resources, as well as by discovering opportunities to invest in innovative new products, services, and partnerships in areas such as renewable energy and mobile banking.

Most importantly, our oversight of customers incorporates awareness of the environmental impact they have, including our customers from the energy sector. Our Environmental Responsibility Policy is the centerpiece for our sustainability governance and guides us in how we improve our sustainability efforts today and in the future.

Through Renewable Energy Tax Credits, U.S. Bank invests in projects that help provide clean energy options to our nation's homes, towns and businesses through wind, solar and other renewable energy projects. These projects are not only good for the environment, but they also create tens of thousands of jobs in local communities around the country.U.S. Bank commits more than $1 billion annually in renewable energy investments, and to date the USBCDC has committed more than $12 billion in solar, energy storage, wind, biomass, and fuel cell technologies.

We review our practices and our Environmental Responsibility Policy on a quarterly basis, looking for additional opportunities to enhance our commitment and continue making a positive impact on the environment around us.

Policy Statement

U.S. Bancorp is one of the largest commercial banks in the United States providing a diverse business mix of financial products and services for retail, commercial and corporate customers. As a financial services provider to consumers and businesses in the energy, forest and agricultural product industries, U.S. Bancorp recognizes the importance of the environmental challenges facing our customers, shareholders, and communities. We also recognize that we impact the environment directly through our operations and facilities.

Through community engagement and organizational partnerships, U.S. Bancorp strives to better understand environmental issues and identify solutions.

Scope

Environmental Responsibility includes the advancement of society in a way that balances the social, environmental and economic needs of today and future generations through the conservation of resources, preservation of our communities and advancement of economic development. U.S. Bancorp strives to be a responsible steward of the environment. We believe that we can make a positive contribution to a sustainable environment by developing business practices to protect and conserve our natural resources as well as by embracing opportunities for new products, services, and partnerships in areas such as renewable energy. We believe this approach can create long term value for our stakeholders through increased revenues, reduced costs, reduced risks, and maintaining our reputation as a responsible community leader.

Roles and Responsibilities

The day to day management of our environmental initiatives are managed by the Environmental Program Manager as part of the Strategy, Transformation and Corporate Affairs Division. In addition, a company-wide Corporate Responsibility Working Group made up of key Business Line leaders meets regularly to evaluate environmental, social and governance initiatives and activities across the organization.

Environmental Responsibility Requirements

Environmental Stewardship and Climate Change

U.S. Bank acknowledges the international scientific community's position on climate change and the potential impacts to the global economy and to the environment. We acknowledge that we have a responsibility to our customers, employees, shareholders, and the communities that we serve, to better understand the impact of our operations on global climate change and to help reduce that impact.

In addition to ensuring compliance with regulatory requirements, we proactively approach climate change through the following areas:

- Internal operations
- Products and services
- Partners, third parties, and customers
- Employees

Internal Operations

We embrace our responsibility to be a good steward of our natural resources. We track and monitor energy consumption and carbon emissions from our owned and operated facilities, and from other facilities as feasible, with the intent to measure, manage and reduce consumption resulting in greenhouse gas (GHG) emissions from our operations.

We have implemented a 'continuous improvement' approach by protecting and conserving our natural resources through methods such as:

- Developing less resource-intensive business practices
- Embracing opportunities for financial products and services that incorporate features or benefits for reduced environmental impact
- Investing in environmentally beneficial business opportunities
- Engaging and educating our employees and customers

Energy Conservation – Proper management of energy resources is critical to our long-term success. We believe that we have the opportunity to benefit our communities, customers, shareholders and the environment by effectively managing our energy usage and reducing our carbon footprint. We will continue to evaluate opportunities to invest in products and practices that reduce our dependence on energy in areas such as facilities, equipment, operations and business travel.

Recycling – When consuming natural resources, we must ensure efficient use of the resource and disposal of waste byproducts in an environmentally friendly manner through reuse, recycling or final disposal. We have many recycling programs in place for paper and other types of recyclable materials, and will continue to review opportunities to expand current programs or implement new ones.

Environmental Stewardship and Climate Change *(continued)*

Paper – As one of the primary consumables of our industry, we recognize our responsibility to protect this valuable resource. It is vital that we educate our employees on how we can manage this resource more effectively and to continue to review processes for ways to reduce paper consumption both internally and with our customers. U.S. Bank will continually evaluate the type of paper used to maximize the use of certified products, such as Forest Stewardship Council (FSC) or other similarly certified, and/or post-consumer content recycled paper.

Supply Chain – Through our supplier selection processes, we strive to identify supply chain partners who possess high environmental standards while continuing to meet financial, feature and performance requirements. All potential new vendors are asked to identify their environmental policy and practices during the application process and we work closely with our current supply chain partners to:

- Identify environmentally friendly product alternatives
- Develop programs that help us advance toward our environmental objectives

Where appropriate, our corporate procurement area works with business lines to explore opportunities to address environmental impacts such as shipping options, delivery channels and operational best practices.

Environmental Investments, Products and Services

As part of our pledge to a comprehensive and sustainable environmental policy, we strive to continually increase our investments in initiatives that sustain resources and the environment. This financial commitment has a positive impact on the environment and may include projects that promote:

- Wind energy
- Solar energy
- Geothermal energy
- Biomass energy
- LEED or other nationally recognized energy efficient certified real estate
- Brownfield redevelopment and reclamation
- Bio-fuels
- Waste energy recovery and conservation systems
- Re-forestation
- Waste recycling

We continuously review, develop and promote opportunities that help sustain our resources and the environment and encourage energy conservation, reduction of waste and other environmental initiatives. We pursue opportunities to develop products and services that have either a direct environmental benefit through product design or indirect environmental benefit. Indirect benefits occur through encouraging customers to adopt behaviors that have environmental benefits and assist our customers in meeting their personal waste reduction, recycling and energy conservation goals. In addition, we inform our customer base of environmentally-sound product and service options available to them through us to ensure the success of our initiatives and to engage our communities in our environmental responsibility efforts.

Environmental Stewardship and Climate Change *(continued)*

Partners, Third Parties, and Customers

We continue to heighten our understanding of the potential greenhouse gas (GHG) impact of our partners and the potential risks that are posed from climate change. We attempt to gain an understanding of which partners, third parties, and customers are the largest GHG emitters and work with them to better understand their reporting requirements and mitigation plans.

Employees

We are committed to providing a culture that inspires and facilitates environmental responsibility and recognizes that our employees are vital to our success. To support employee engagement, we:

- Educate employees about environmental issues, their impact on climate change and internal operations, and how they can make a difference.
- Provide opportunities for employees and their families to become actively involved in environmental initiatives in the communities in which we work.
- Create a culture of environmental awareness by setting examples, recognizing results, and communicating the impact that we have on our environment.

Forestry

We are committed to partnering with customers who promote environmentally responsible sustainable forest practices. We do this by implementing practices in the following areas to guide our businesses that have a considerable impact on the world's forests:

- Illegal Logging – We prohibit relationships with customers who participate in any illegal activities. More specifically, we will not knowingly enter into a relationship with any customer who participates in illegal logging activities, including those who collude with, or knowingly purchase timber from illegal logging operations. Likewise, we do not enter into relationships with logging companies that do not have an explicit policy prohibiting uncontrolled fire as part of their forestry practices.
- High Conservation Values and Sensitive Habitats – We may enter into relationships with customers involved in logging, light sustainable harvests or other extractive operations in large intact forests or primary forests that hold high conservation values. In such cases, we will require certification be provided that these operations are managed using standard sustainable forest management practices and that conservation values are not degraded. Although we do not currently finance any international logging operations, we do not condone, nor will we enter any relationship with a customer who participates in logging in No-Go Zones, Temperate or Boreal Regions without appropriate due diligence or certification.
- Certification Programs and Compliance – We expect all customers to apply adequate resources to assess and manage their environmental and social impacts and may encourage the adoption of a credible certification program, such as those established by the FSC or other credible program, which motivates best practices in sustainable forest management.
- Dependent Communities and Indigenous People – We do not finance forestry operations that negatively impact indigenous people and or dependent communities without the provision of culturally appropriate representation.

Energy and Mining

We are committed to promoting sustainable practices by providing funds that are used in an environmentally responsible manner, including a commitment to relationships that support renewable energy and energy efficiency. In 2018 we invested more than $1.1 billion in renewable energy projects and we continue to be a leader in the renewable energy investment tax credit space.

We recognize the significant role that fossil fuels play in providing secure electricity supplies and seek to manage environmental risks specific to this sector. In accordance with our environmental responsibility commitment, we prohibit relationships with customers who participate in any illegal activities.

The company does not provide project financing of long-term infrastructure or industrial projects, including oil or natural gas pipelines, based upon a nonrecourse financial structure, in which repayment is solely dependent upon the projected cash flow of the project being financed. Relationships with clients in the oil and gas pipeline industries are subject to the Bank's enhanced due diligence processes that are outlined further below.

Mining

We do not extend credit to, provide financing to, or participate in relationships involving individual Mountain Top Removal (MTR) projects or coal producers who rely on MTR for anything more than a limited portion of its firm’s overall coal production.

In addition, we will not participate in any relationship involving or provide project financing or other forms of asset-specific financing for the development of new coal mines.

U.S. Bank has and will continue to reduce our exposure to companies that operate within the coal industry.

Coal Power

The Company prohibits direct project financing of coal-fired power plants and relationships that involve constructing such plants.

Enhanced Due Diligence

We require our commercial clients to be in compliance with all state and local, national and international environmental laws and will verify adherence to such laws through certification or due diligence, as appropriate or where deemed necessary.

We maintain additional environmental due diligence and review requirements for firms operating within certain sensitive industries to better guide our decisions to new or prospective relationships. We want to confirm that a firm's policies and processes are sound and effective as they relate to the environment and the community in which it operates.

This additional due diligence focuses, in part, on:

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

Industries or sectors include, but are not limited to:

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

This due diligence applies to all prospective customers and periodic reviews of existing customer relationships meeting business line specific threshold limits enterprise-wide.

Monitoring and Reporting

We report on our environmental responsibility efforts through annual submission of the CDP questionnaire.