

Wells Fargo Sustainability Bond Framework

Introduction

Wells Fargo & Company (together with its subsidiaries, “Wells Fargo” or “we”) is a diversified, community-based financial services company that serves one in three households in the United States and more than 10% of all middle market companies and small businesses in the U.S. We are continuously working to better integrate sustainability across our enterprise to make a positive impact by helping people and communities succeed financially – and creating solutions for a stronger, more sustainable future where everyone can grow and prosper. Efforts span across our value chain and include sustainability considerations associated with our vendors, operations, employee engagement, customers, community activities, and more. We report our sustainability effort through three key reports: [Environmental, Social, and Governance \(ESG\) Report](#), [ESG Goals and Performance Data](#), and [Environmental and Social Risk Management](#).

Through the issuance of Sustainability Bonds, Wells Fargo seeks to reinforce its commitment to projects that align with its sustainability goals and advance the development of the broader sustainable finance market. “Sustainability Bonds” may include green, social, or sustainability bonds, which are debt securities of Wells Fargo for which we intend to allocate an amount equal to the net proceeds of an issuance to “Eligible Social Projects,” “Eligible Green Projects,” or a combination of both as defined by this framework.

We intend to align this framework with the four common core components of the International Capital Market Association’s (“ICMA”) Green Bond Principles 2018 (“GBP”), Social Bond Principles 2020 (“SBP”) and Sustainability Bond Guidelines 2018: (1) use of proceeds, (2) process for project evaluation and selection, (3) management of proceeds and (4) reporting.

Projects financed or refinanced by Wells Fargo’s Sustainability Bonds are also intended to align with the United Nations Sustainable Development Goals (“SDGs”). SDGs are a collection of 17 interlinked goals designed to be a “blueprint to achieve a better and more sustainable future for all.”¹

Use of proceeds

Net proceeds attributable to Wells Fargo’s Sustainability Bonds will finance or refinance, in whole or in part, loans and/or investments made by Wells Fargo to support projects that meet Wells Fargo’s Sustainability Bond Criteria outlined below. We intend to allocate an amount equal to the net proceeds of any green bond issuance to Eligible Green Projects, any social bond issuance to Eligible Social Projects, and any sustainability bond issuance to a combination of Eligible Green Projects and Eligible Social Projects. Eligible Green Projects may include expenditures and/or investments made by us to support capital improvements in our own facilities. Eligible projects may include transactions originated and/or investments committed by us up to 24 months prior to any issuance of Sustainability Bonds.

Sustainability Bond Eligibility Criteria

Eligible Green Projects	Alignment with SDGs	Detailed Criteria
1. Clean transportation	SDG# 11: Sustainable Cities and Communities	<p>Proceeds may be allocated toward clean transportation projects including:</p> <ul style="list-style-type: none"> • Consumer financing of electric vehicles • Consumer financing of hybrid vehicles that meet universal CO₂ emissions threshold of ≤50 grams CO₂/passenger kilometers • Manufacturing of hybrid, electric, hydrogen, and other clean alternative vehicles • Building or operating electric or hybrid mass transit of ≤50 grams CO₂/passenger kilometers, and electric commuter rail • Infrastructure for hybrid and electric vehicles such as electric vehicle charging stations <p>Excludes fossil-fuel filling stations</p>
2. Energy efficiency	SDG# 7: Affordable and Clean Energy SDG #9: Industry, Innovation and Infrastructure	<p>Proceeds may be allocated toward a variety of energy efficiency projects including:</p> <ul style="list-style-type: none"> • Manufacturers and/or businesses dedicated to the development or deployment of clean technology that serves to reduce or avoid greenhouse gas emissions (≥90% of revenue from clean technology) • Energy efficiency in new and refurbished buildings • District heating • Energy storage • Fuel cells and other clean technologies <p>Excludes fossil-fuel sources</p>
3. Renewable energy	SDG# 7: Affordable and Clean Energy	<p>Proceeds may be allocated toward the acquisition, development, operation and maintenance of new and ongoing renewable activities and projects including:</p> <ul style="list-style-type: none"> • On and offshore wind energy power generation, including development, construction and operational production or manufacturing facilities wholly dedicated to wind energy generation • Solar energy power generation, including development, construction and operation of generation facilities • Geothermal energy power generation with direct emission of <100gCO₂/kWh, including development, construction, and operation of generation geothermal energy facilities • Manufacturing of wind turbines or solar panels <p>Excludes nuclear power, fossil-fuels, and grid infrastructure projects that support fossil-fuels and pipelines. As appropriate, Equator Principles will be applied</p>
4. Green buildings	SDG# 11: Sustainable Cities and Communities	<p>Proceeds may be allocated toward green building initiatives including the financing of existing or new construction/commercial and multifamily buildings that meet third-party recognized standards or certifications such as LEED® (Gold or Platinum), ENERGY STAR (> score of 85), and CALGreen (reserved for jurisdictions that have mandated Tier 1 (or Tier 1 + Tier 2) requirements)</p> <p>Excludes hospitals and medical facilities where CALGreen standards apply, unless facilities meet other third-party recognized standards such as LEED</p>

Eligible Social Projects	Alignment with SDGs	Detailed Criteria
5. Housing Affordability	SDG #1: No Poverty SDG #11: Sustainable Cities and Communities	<p>Projects that promote housing affordability including:</p> <ul style="list-style-type: none"> • Projects to design, construct, build, expand or renovate multifamily housing properties for low- and moderate- income (LMI) populations that specifically qualify for the Low Income Housing Tax Credit (LIHTC) (created by the Tax Reform Act of 1986, as amended). Wells Fargo may provide financing in the form of loans, equity investments or investments in regional and national funds • Financing of non-profit organizations dedicated to addressing housing affordability • Financing of state housing finance agencies (HFAs)
6. Education	SDG #4: Quality Education	<p>Projects that promote increased access to education for underserved or vulnerable populations including:</p> <ul style="list-style-type: none"> • Accredited Historically Black Colleges and Universities, and Tribal Colleges and Universities • Projects that promote access to education in LMI or majority minority census tract areas, such as apprenticeship training programs, community and junior colleges, public schools, colleges, and universities
7. Healthcare	SDG #3: Good Health and Well-Being	<p>Projects that promote increased access to healthcare for underserved or vulnerable populations including:</p> <ul style="list-style-type: none"> • Non-profit or public sector emergency healthcare facilities that provide free-of-cost or subsidized service to target populations • Voluntary health organizations as defined by the North American Industry Classification System (NAICS)
8. Essential services	SDG #1: No Poverty SDG #10: Reduced Inequalities	<p>Projects that support the provision of essential services to underserved or vulnerable populations including:</p> <ul style="list-style-type: none"> • Broadband, addressing digital divide • Child and youth service including child daycare in LMI or majority minority census tract areas • Civic and social organizations • Community food services, housing services, and temporary shelters • 501(c)(3) charitable organizations • Human rights organizations • Individual and family services (targeting homeless or underemployed) • Social advocacy organizations • Vocational rehabilitation services <p>Excludes political organizations and hate groups</p>

Eligible Social Projects	Alignment with SDGs	Detailed Criteria
9. Socioeconomic Advancement & Empowerment	SDG #8: Decent Work and Economic Growth SDG #10: Reduced Inequalities	Projects that promote economic development and job creation for underserved or vulnerable populations including: <ul style="list-style-type: none"> • Projects financed via the New Markets Tax Credit (NMTC) program authorized by U.S. Congress in 2000 to help spur investment in operating businesses, community facilities, and commercial real estate located in qualified Low Income Communities (LICs) • Financing of non-profit, community-based Community Development Corporations (CDCs) and Community Development Financial Institutions (CDFIs), certified by the U.S. Department of the Treasury Community Development Financial Institutions Fund, that have missions that closely align with Wells Fargo's Sustainability Bond Eligibility Criteria • Loans to small- or medium-sized enterprises (annual revenues \leq\$50 million) operating in LMI or majority minority census tract areas or that are minority- or women-owned • Investments in Minority Depository Institutions (MDIs) as defined by the Federal Deposit Insurance Corporation

Target populations

Target populations for Eligible Social Projects may be further defined in conjunction with discrete issuances in relevant offering documentation as applicable. Target populations will align with the SBP and may be defined with reference to U.S. census tract data as well by reference to self-identification information provided by third party market research.

In the case of a Sustainability Bond issuance for which the net proceeds are intended to be allocated to projects aiming to address the direct or indirect effects of a socioeconomic crisis, such as the COVID-19 global pandemic, target populations for Eligible Social Projects related to financing small- or medium-sized enterprises, education, essential services and healthcare may be expanded to contemplate the needs of the general population. Note that loans that have been or will be funded under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security Act would not be considered for inclusion in the Eligible Project Portfolio (as described below).

Exclusions

To qualify for eligibility under this framework, Eligible Green Projects and Eligible Social Projects each excludes sensitive industries and businesses outlined in Wells Fargo's Environmental and Social Risk Management's ("ESRM") companywide policy. These restrictions and prohibitions include, but are not limited to:

- Coal industry, including companies deriving profits from mountaintop removal coal operations, or any project associated with the expansion of an existing or development of a new coal mine or new coal-fired power plant;
- Equator Principles in-scope transactions in the Alaska Arctic Region;
- Modern slavery, servitude, forced or compulsory labor (including child labor), and human trafficking; and
- Private prison companies and immigrant detention centers.

Process for project evaluation and selection

Wells Fargo has established a Sustainability Bond Council, which is responsible for screening potentially eligible projects against Wells Fargo's Sustainability Bond Eligibility Criteria. Once evaluated by the Sustainability Bond Council, qualifying projects are discretely tagged as either or both an Eligible Green Project or an Eligible Social Project.

The Sustainability Bond Council is chaired by Wells Fargo's Sustainable Finance Center of Excellence, and includes representatives from Environmental and Social Impact Management; Diverse Segments, Representation and Inclusion; Corporate and Investment Banking; and Corporate Treasury.

Wells Fargo’s selection process for defining Eligible Green Projects and Eligible Social Projects as defined above takes into account the following objectives, features and benefits:

- Each project included is designed to meet Wells Fargo’s Sustainability Bond Eligibility Criteria outlined above for inclusion in Wells Fargo’s Eligible Project Portfolio (references herein to the “Eligible Project Portfolio” mean all of the projects identified that meet the Sustainability Bond Eligibility Criteria and that are included in such Portfolio);
- Each project included is reviewed to evaluate compliance with Wells Fargo’s ESRM companywide policy; and
- Each project included aligns with the ICMA GBP, SBP, or Sustainability Bond Guidelines to evaluate compliance with industry guidelines.

If Wells Fargo’s financing of any project in the Eligible Project Portfolio is terminated or if a project no longer meets Wells Fargo’s Sustainability Bond Eligibility Criteria, Wells Fargo’s Sustainability Bond Council will remove such project from Wells Fargo’s Eligible Project Portfolio in a timely manner.

Details about Wells Fargo’s ESRM framework can be found at [Environmental and Social Risk Management](#).

Management of proceeds

All projects in Wells Fargo’s Eligible Project Portfolio will be tagged as either or both an Eligible Green Project or an Eligible Social Project within Wells Fargo’s Sustainability Bond tracking methodology. The Eligible Project Portfolio is dynamic; new eligible projects may be added as projects are removed due to maturity, termination or disposition during the finance period. Any changes to the Eligible Project Portfolio will be managed and reviewed by Wells Fargo’s Sustainability Bond Council.

Wells Fargo’s Sustainability Bond Council is responsible for supervising Wells Fargo’s Eligible Project Portfolio and allocating the net proceeds raised by Wells Fargo Sustainability Bonds. The group will meet quarterly to evaluate whether the aggregate amount by outstanding balance or amount invested in the Eligible Project Portfolio is equal to or greater than the net proceeds attributable to Wells Fargo’s Sustainability Bonds. Wells Fargo intends to fully allocate an amount equal to the net proceeds raised within 24 months from the issuance date. Wells Fargo’s Sustainability Bond Council is also responsible for continued evaluation of Wells Fargo’s Sustainability Bond Eligibility Criteria to evaluate whether it meets industry best practices.

If for any reason the aggregate amount of net proceeds attributed to Wells Fargo’s Eligible Project Portfolio is less than the total amount of net proceeds attributable to Wells Fargo’s outstanding Sustainability Bonds, Wells Fargo will hold the unallocated amount in cash, cash equivalents and/or other liquid marketable instruments (including U.S. Treasury securities) in Wells Fargo’s liquidity portfolio until the amount can be allocated towards Wells Fargo’s Eligible Project Portfolio.

Reporting

Wells Fargo intends to publish a Sustainability Bond report on its website within 12 months from the date of an inaugural issuance and will update it annually until the net proceeds of any outstanding Sustainability Bonds are fully allocated to eligible projects and as promptly as practicable in case of any material changes in the Eligible Project Portfolio thereafter.

The Sustainability Bond report will detail:

- The total net proceeds raised by Wells Fargo Sustainability Bond issuances and the total amount of an issuance’s unallocated net proceeds, if any;
- The categories of projects in the Eligible Project Portfolio to which net proceeds have been allocated and the total amount of net proceeds allocated to eligible projects; and
- The estimated impact and benefits realized from the allocated projects to the extent information is available to track and report publicly.

Additional reporting will be made in the case of any material changes to the underlying investments.

Sample reporting metrics may include the following, to the extent information is available:

Criteria	Metrics
1. Clean transportation	<ul style="list-style-type: none"> • Number of hybrid and electric vehicles • Miles of new public transit infrastructure • GHG emissions avoided per year
2. Energy efficiency	<ul style="list-style-type: none"> • Number of clean tech businesses supported • GHG emissions avoided per year
3. Renewable energy	<ul style="list-style-type: none"> • Total renewable energy installed capacity in MW • Total renewable energy generated in MWh • GHG emissions avoided per year
4. Green buildings	<ul style="list-style-type: none"> • Number of units financed • Square footage of units financed • Number and type of certifications achieved • GHG emissions avoided per year
5. Housing Affordability	<ul style="list-style-type: none"> • Number of loans and/or investments • Number of units financed • Number of individuals and/or families benefitted
6. Education	<ul style="list-style-type: none"> • Number of organizations financed • Number of students benefitted
7. Healthcare	<ul style="list-style-type: none"> • Number of healthcare facilities • Number of hospital beds • Number of patients receiving medical services per day
8. Essential services	<ul style="list-style-type: none"> • Number of organizations • Number of beneficiaries of services administered
9. Socioeconomic Advancement & Empowerment	<ul style="list-style-type: none"> • Number of organizations • Number of loans and/or investments • Jobs created and/or retained

External review

Annual Reporting

Wells Fargo intends to engage an independent auditor to provide a limited assurance report over the allocation of Sustainability Bond net proceeds to eligible projects and may engage an independent consultant with experience in sustainability research and analysis.

The independent auditor will be engaged to review that the aggregate amount allocated in the Eligible Project Portfolio is equal to or greater than the net proceeds attributable to outstanding Wells Fargo issued Sustainability Bonds.

The independent consultant will provide an assessment as to whether the projects financed met the applicable eligibility criteria and impact reporting objectives outlined in this framework.

Second Party Opinion on this Sustainability Bond Framework

Sustainalytics, an independent provider of sustainability research, analysis, and services to investors and other financial institutions globally, has provided a second party opinion on this framework, which may be found on its website. Sustainalytics' opinion intends to provide an assessment of the alignment of Wells Fargo's framework with the transparency and reporting requirements of the ICMA GBP, SBP, and Sustainability Bond Guidelines as well as assess Wells Fargo's overall sustainability performance and its alignment with the framework.

Disclaimer

The information contained in this framework is provided as of the date of this framework and is subject to change without notice. Wells Fargo reserves the right to update this framework at any time in its sole discretion. Wells Fargo does not assume any responsibility or obligation to update or revise the statements contained in this framework, regardless of whether those statements are affected by the results of new information, future events or otherwise. This framework is not intended to, nor can it be relied on, to create legal relations, rights or obligations.

This framework is intended to provide non-exhaustive, general information. This framework may contain or incorporate by reference public information not separately reviewed, approved or endorsed by Wells Fargo and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Wells Fargo as to the fairness, accuracy, reasonableness or completeness of such information.

This framework contains statements regarding Wells Fargo's plans with respect to its possible issuances of Sustainability Bonds and other statements about future events and expectations that are forward-looking statements. Forward-looking statements are not based on historical facts but instead represent Wells Fargo's current expectations and assumptions regarding its business, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. In particular, future events or circumstances may change Wells Fargo's approach to possible Sustainability Bond issuances or result in changes to this framework. Thus, there can be no assurance that the financing for any project will be implemented in the manner set forth in this framework or achieve the results or outcome originally expected or anticipated by Wells Fargo or as contemplated by this framework. Wells Fargo's activities in general, which may affect any Sustainability Bonds that it issues, are also subject to certain risks, uncertainties and additional information that are described in Wells Fargo's annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K filed with the Securities and Exchange Commission. Those reports are available on Wells Fargo's website (<https://www.wellsfargo.com/about/investor-relations/filings>) and on the Securities and Exchange Commission's website (www.sec.gov). Wells Fargo does not undertake to update any forward-looking statements. None of the projections, expectations, estimates or prospective statements in this framework should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such projections, expectations, estimates or prospective statements have been prepared are correct or exhaustive or, in the case of assumptions, fully stated in this framework.

No representation is made as to the suitability of any issuance of Sustainability Bonds to fulfill environmental, social, sustainability or other criteria required by prospective investors. Each prospective investor should determine for itself the relevance of the information contained or referred to in this framework or the relevant bond documentation regarding the use of proceeds and its purchase should be based upon such investigation as it deems necessary. Each prospective investor should be aware that projects may not satisfy the investor's expectations concerning environmental, social or sustainability benefits, and may result in adverse impacts.

The material provided herein is for informational purposes only. This framework does not constitute a recommendation regarding any securities of Wells Fargo. This framework is not, does not contain and is not intended as an offer to sell or a solicitation of any offer to buy any securities issued by Wells Fargo. In particular, neither this document nor any other related material may be distributed or published in any jurisdiction in which it is unlawful to do so, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession such documents may come must inform themselves about, and observe, any applicable restrictions on distribution. If any offer to sell or solicitation of any offer to buy any securities issued by Wells Fargo is made, it will be done so pursuant to separate and distinct documentation in the form of a prospectus supplement, an accompanying prospectus or other equivalent document (collectively, the "Offering Documents"). Any decision to subscribe for or purchase any securities pursuant to such offer or solicitation should be made only after carefully reviewing such Offering Documents, including any documents incorporated by reference therein, and consulting with any legal, tax, financial and other advisors, as appropriate. No decision to subscribe for or purchase any securities of Wells Fargo should be made on the basis of the information contained in this framework.