



2023

TCFD Report



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About U.S. Bancorp

U.S. Bancorp, with more than **70,000** employees and **\$663 billion** in assets as of December 31, 2023, is the parent company of U.S. Bank National Association. Headquartered in Minneapolis, the company serves millions of clients locally, nationally and globally through a diversified mix of businesses including consumer banking, business banking, commercial banking, institutional banking, payments and wealth management.

We provide corporate trust, merchant acquiring services, corporate card issuance and fund administration services in Europe. Elavon, a wholly owned subsidiary of U.S. Bank, has been a global leader in payment processing for more than 30 years. U.S. Bancorp has been recognized for its approach to digital innovation, community partnerships and customer service, including being named one of the 2024 World's Most Ethical Companies® and Fortune's most admired superregional bank.

To learn more, please visit the U.S. Bancorp website at usbank.com and click on "About Us."



More than
70,000 employees



\$663 billion
in assets



2024 World's Most
Ethical Companies®

Introduction

U.S. Bancorp is pleased to share its third report based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). The recommendations are structured around four thematic areas: governance, strategy, risk management, and metrics and targets. They are designed to help investors and other stakeholders to better understand how companies think about and assess climate-related risks and opportunities.

At U.S. Bancorp, we seek to embed sustainable business practices into our business strategy and risk management efforts while keeping mindful of our broader corporate responsibility to the health and prosperity of the communities in which we do business and the clients we serve.

Since 2008, U.S. Bancorp has published reports and provided transparency on how we manage climate-related risks and opportunities through annual CDP reporting. Earlier this year we published our most recent [Corporate Responsibility Report](#) covering progress on key environmental and social topics in 2023. To structure the disclosure of our progress on our climate-related strategy and risk management practices consistent with emerging best practices, in 2021, we decided to align future disclosures with the TCFD recommendations and also joined the Partnership for Carbon Accounting Financials (PCAF), whereby our financed emissions would be measured and disclosed based on PCAF standards.

We have since used this report to provide updates on the climate-related goals we made in November 2021:

- Net zero greenhouse gas (GHG) emissions by 2050¹
- 100% renewable electricity in U.S. Bancorp operations by 2025
- Environmental finance goal of \$50 billion by 2030

¹ Net zero GHG emissions across our own operations and value chain.

We recognize that our ability to meet our current and any future climate-related goals is largely reliant upon a variety of external factors, including the pace of development of supportive policies, the robust commercialization of new technology, client and consumer demands and the need for workforce reskilling and upskilling. In the past few years since we made our initial goals, the world has experienced unexpected energy challenges and geopolitical uncertainties. As discussed within this report, we are mindful of this evolving context as we continue to evaluate and develop our climate strategy.

This TCFD Report is a continuation of our efforts to use the TCFD framework to increase our transparency around the progress we have made through our climate-related risk management practices and commercial strategy. Going forward, we plan to continue to leverage this report to highlight key annual updates on our efforts to address climate-related risks and opportunities.

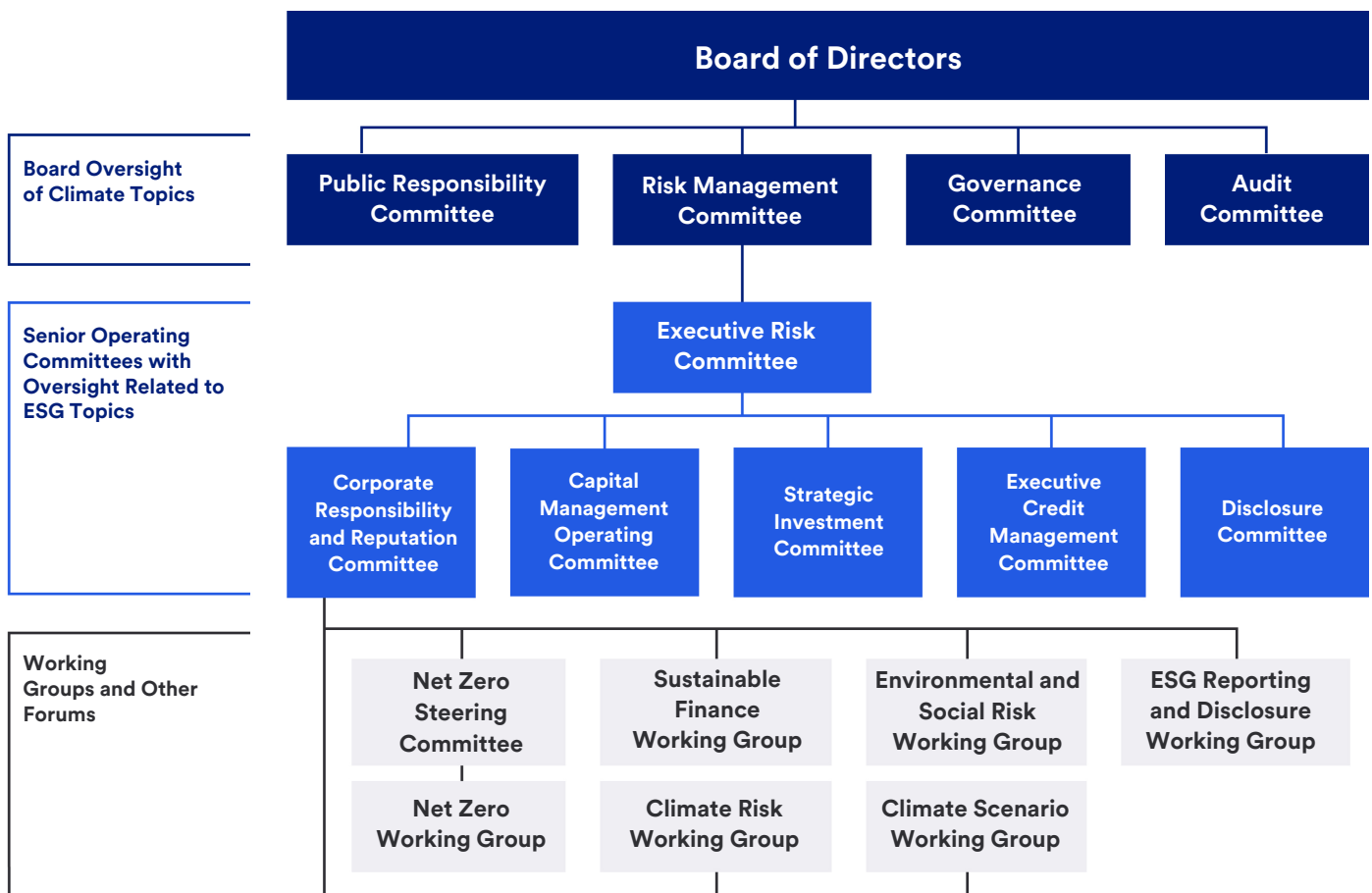
Unless otherwise stated, metrics in this report cover the period of January 1 through December 31, 2023, but the narrative may describe activities undertaken in both 2023 and 2024.

PART 1

Governance

The Board of Directors is very focused on the risks that climate change poses to our company as a major financial services institution. The board has established a comprehensive oversight framework to address these risks. Our company has senior-level operating committees and working groups that form part of our risk management structure and serve to guide and oversee climate risk management activities throughout the company. Management actively monitors the evolving regulatory environment and engages shareholders on climate-related topics.

Climate governance structure



Board oversight

The board oversees the management, business and strategy of the company, and significant risks facing the company, and has delegated oversight of certain types of risks and opportunities to its various committees. The board receives periodic updates related to our key business initiatives, including updates on our sustainability strategy and priorities, public goals and climate risk.

Board committees

The board's risk oversight responsibility is primarily carried out through its standing committees, including the following committees.

Public Responsibility Committee (PRC)

This committee reviews public policy matters that impact our business activity, financial performance or reputation, oversees our engagement with key external stakeholders and reputation risk relating to matters within its scope of responsibility, and oversees the design and implementation of the company's strategy related to corporate responsibility matters, which may include environmental, social, human rights and other matters involving the company's business strategy. The PRC receives regular updates from management on the company's corporate responsibility matters, including environmental matters. This information includes considerations for achieving our sustainability goals, relevant timelines and related metrics in order to oversee and hold management accountable for progress. The PRC also oversees our corporate responsibility disclosure and communication plans.

Risk Management Committee (RMC)

This committee oversees the operation of our overall risk management function, which governs management of capital, credit, interest rate, liquidity, market, operational, compliance (including Bank Secrecy Act/economic sanctions/anti-bribery/anti-corruption), strategic and reputation risk, as well as other risks faced by our company, including cybersecurity and climate risk. As part of its responsibility to oversee the management, business and strategy of our company, the board has approved a risk management framework that establishes governance and risk management requirements for all risk-taking activities. This framework includes company-level and business-unit risk appetite

statements that set boundaries for the amount of risk that may be undertaken in pursuing business objectives and initiatives. Our company's risk appetite statement, which includes climate risk, is approved annually by the RMC. Climate risk is integrated into our emerging risk process and is reflected as an emerging risk that is assessed and managed as part of our risk appetite. The RMC receives quarterly reports from management on emerging risks, including climate risk.

Audit Committee

This committee provides assistance to our board with respect to its oversight of the quality and integrity of the company's financial statements and the adequacy and reliability of disclosures to shareholders and bank regulatory agencies, including matters relating to its accounting, financial reporting and internal controls. The Audit Committee provides oversight of management's disclosure controls for key climate disclosures.

Governance Committee

This committee oversees the governance of the board and company, which includes identifying and recommending individuals qualified to become board members to the board, developing and recommending to the board a set of corporate governance guidelines applicable to the company and overseeing succession planning for the company's chief executive officer. In this role, the Governance Committee oversees board composition to make sure its members have the appropriate skills and qualifications to oversee our business, strategy and risks, including sustainability.



Management oversight

U.S. Bancorp management has oversight of three key areas of our climate work, which are in varying stages of maturity. Key management roles and responsibilities for each risk and opportunity area are outlined in the table below, which is followed by descriptions of the primary committees through which they provide oversight.

Chief Risk Officer	Chief Risk Officer	Chief Administration Officer/ Business Line Leaders
Climate risks	Reputation risks	Net zero transition
<ul style="list-style-type: none"> • Loan portfolio exposure • Credit underwriting • Business resiliency plans • Compliance with regulatory requirements • Third-party exposure monitoring • Climate scenario analysis • Market volatility monitoring 	<ul style="list-style-type: none"> • Identify, monitor, assess and mitigate enterprise environmental and social risks • Development and oversight of the Environmental and Social Risk Policy (ESRP) • Greenwashing risk 	<ul style="list-style-type: none"> • Scope 1, 2 and 3 net zero goals • Financed emissions calculations • Incorporation into strategic planning, commercial strategy and balance sheet management • Stakeholder engagement

U.S. Bancorp Managing Committee (MC)

This team of senior leaders, led by our chairman and chief executive officer, is responsible for overseeing the company's prudent management of climate risk and the company's progress toward meeting its climate-related goals. The company incorporates an assessment of performance relative to key strategic initiatives as part of its annual incentive funding and individual executive award decisions. For 2023, these factors incorporated sustainability-related factors, including our environmental goals, along with other financial and non-financial performance outcomes.

Disclosure Committee

This committee, which consists of members of management, oversees the effectiveness of our disclosure controls and procedures and helps to assess the quality of the disclosures that we make in the periodic reports we file with the SEC. The Disclosure Committee also plays an essential role in our climate reporting. Our annual Corporate Responsibility Report and TCFD Report are two reports that fall under the review purview of this committee.

Executive Risk Committee (ERC)

This committee, which is chaired by the chief risk officer and includes the CEO and other members of the

executive management team, oversees execution against the risk management framework and company-level risk appetite statement. The ERC focuses on current and emerging risks, including strategic, reputation and conduct risks, directing timely and comprehensive actions. Senior operating committees have also been established, with each responsible for overseeing a specific category of risk.

The ERC also has oversight of capital expenditures, including financial planning related to the company's climate work, through its subcommittees. The Corporate Responsibility and Reputation Committee, Executive Credit Management Committee, Capital Management Operating Committee, and Strategic Investment Committee are subcommittees of the ERC.

Corporate Responsibility and Reputation Committee (CRRP)

This committee is a senior operating committee under our risk management framework with oversight responsibilities for a range of corporate responsibility, sustainability and reputation risk matters. The CRRP is co-chaired by the company's head of Reputation and Strategic Risk Management and the head of our ESG Program Office and reports to the management-level Executive Risk Committee and the board's Public Responsibility Committee.

Executive Credit Management Committee

Chaired by the chief credit officer, this committee is the primary management-level committee dedicated to credit management at U.S. Bancorp. All credit policy, including changes related to climate risk, must be reviewed by this committee.

Capital Management Operating Committee

Co-chaired by the chief financial officer and the chief risk officer, this committee provides program oversight of the capital management and planning functions of the company. This includes consideration of capital impacts due to climate risk.

Strategic Investment Committee

Chaired by the chief administration officer, this committee acts as the primary management-level committee at U.S. Bancorp authorizing requests for capital expenditures, corporate real estate lease commitments and other multiyear contractual commitments. This includes capital requests related to recognizing and managing climate risks and opportunities.

Net Zero Steering Committee

This committee was formed in 2024 and is comprised of several members of the managing committee and other representatives at U.S. Bancorp. It provides strategic direction and oversight of execution of the company's Net Zero Transition Plan. Additional oversight is provided by the CRRC.



Working groups

Climate Risk Working Group (CRWG)

Led by the climate risk executive, this group is a centralized, integrated forum that provides oversight of the climate risk roadmap status, weighs in on key climate risk program decisions and reviews relevant public disclosures. Periodic meetings are used to facilitate information sharing and discussion on topics related to both financial and reputational climate risk. Key areas of focus for our CRWG are climate risk strategy development, risk analysis and reporting related to climate risk.

Climate Scenario Working Group (CSWG)

Led by the climate risk scenario analysis leader, this group drives climate scenario analysis program activities, performing analyses and approving results. Through periodic meetings, the group facilitates the sharing of climate scenario analysis information, ideas and expertise across the company. Members of the CSWG are expected to support climate scenario analysis projects by providing subject-matter expertise, access to our existing estimation methods and data, guidance and support in completing analyses and interpretation of results.

Environmental and Social Risk Working Group

Led by Environmental and Social Risk Management, this group is responsible for developing and overseeing governance for managing entity-related environmental and social risks, in compliance with the Environmental and Social Risk Policy (ESRP). This includes establishing a company-wide framework on heightened risk relationships, escalating emerging reputation risks, recommending policy changes to mitigate risks, and providing periodic reporting on relationships reviewed and decisioned in relation to policy requirements.

Net Zero Working Group

In 2024, we reformulated and expanded the membership of our existing Climate Strategy Working Group as a new Net Zero Working Group. This working group is led by the ESG Program Office and is responsible for assessing and monitoring the company's environmental goals, and serves as a central forum for driving execution of our net zero goal. This team provides regular updates to the CRRC and management teams, including the Net Zero Steering Committee.

Sustainable Finance Working Group

Led by the Sustainable Finance team, this working group is a collaborative forum for insights about U.S. Bancorp sustainable finance strategy, as well as the design and implementation of the Sustainable Finance Eligibility Guide. The working group has representation from business lines, credit, risk and legal and reports to the CRRC.

ESG Reporting and Disclosure Working Group

Co-led by the ESG Program Office and Global Accounting and Operations, this group provides thought leadership and subject-matter expertise for U.S. Bancorp ESG disclosure strategy, report content and internal controls. From a governance perspective, this working group reports to both the CRRC and Disclosure Committee.

ESG Program Office (ESGPO)

Reporting into our chief social responsibility officer, the ESG Program Office manages our ESG strategy, including directing execution of the enterprise-wide net zero goal. The ESGPO plays a critical role in influencing U.S. Bancorp management of environmental and social topics, responsive to the expectations of its varied stakeholders. The ESGPO also manages enterprise disclosures on environmental, social and governance topics, including the TCFD Report.

PART 2

Strategy

Climate change presents both risks and opportunities for the financial sector to navigate. We believe continually enhancing our ability to manage our business in an environmentally sustainable manner is integral to our long-term success.

We strive to be a responsible steward of the environment. We aim to achieve this by reducing our environmental footprint, implementing environmentally responsible business practices, developing products and services that help our clients reduce their carbon footprints, and investing in new products, services and partnerships.

At this early stage of the world's transition to a net zero economy, we understand that the global economy is still reliant on a fossil fuel-based energy system and innovation is still needed to address the demand for carbon-generated energy and products. In light of this, we are taking a measured approach to the net zero transition that is centered on learning from and partnering with our clients and our other stakeholders – including employees, shareholders, suppliers, community leaders, researchers and environmental groups – to better understand their evolving expectations as we move further through the transformation of the energy system and the broader transition of the economy to net zero. We are working with these stakeholders to support innovations that build a more sustainable future for all of us.

Our journey toward managing climate-related risks and opportunities and developing a more robust approach to the low-carbon transition began in 2022. At that time, we started a discovery process to further develop our climate strategy and outline our priorities and potential challenges. Our goal has been and will continue to be focused on expanding our knowledge, broadening our

operational and product capabilities across the organization, and striving for solution-based approaches with all our partners.

To deliver on our climate strategy, we are focused on three areas of work:

- Reducing our environmental footprint
- Identifying and managing our climate-related risks
- Supporting a balanced transition to a net zero economy through client engagement and sustainable finance

U.S. Bancorp climate strategy is executed through the close coordination of several specialized teams within core business lines and enabling functions:

- ESG Program Office leads the enterprise net zero strategy.
- Climate Risk team leads the climate risk management strategy.
- Sustainable Finance team in Impact Finance leads implementation of our \$50 billion environmental finance goal.
- ESG Advisory team in Global Capital Markets leads client advisory and capital markets-related transactions with sustainable products and services.
- Environmental Finance team in Impact Finance leads renewable energy financing and other environmental tax credit transactions.

Reducing our environmental footprint

100% renewable electricity by 2025

One of the climate-related goals we made in November 2021 was to source 100% renewable electricity in our operations by 2025. As of year-end 2023, we have reached 99% renewable electricity through a mix of strategies, including (a) purchasing renewable energy credits (RECs) from projects financed through our renewable energy tax credit investing, (b) energy reduction efforts within our operational footprint, and (c) purchasing renewable energy through our utility providers.

Operations

As a financial services company, the majority of our operational greenhouse gas emissions are attributable to the operation of our physical facilities. In 2016, we set two GHG emissions reduction targets for our own operations. Using a 2014 baseline, we committed to a 40% reduction by 2029 and a 60% reduction by 2044. We achieved both of these targets ahead of our target dates and have now retired these targets.

To continue to address our environmental footprint, we made organizational changes within our Corporate Real Estate team to consolidate oversight for operational sustainability strategy and governance. Additionally, we are continuing to focus on efforts to reduce our energy usage and increase our resource efficiency.

Some examples include:

- Optimizing our portfolio
- Implementing energy optimizations and solutions (e.g., equipment, roofs, energy-efficient lighting)
- Enhancing building and lighting controls
- Focusing on embodied carbon impact from standard product deployments within our facilities
- Evaluating an electric vehicle (EV) charging pilot program

Employee engagement

We have offered a variety of voluntary trainings and engagement opportunities for employees to build knowledge and awareness of our climate strategy. These opportunities allowed employees to learn more about our sustainability initiatives, and also empower them to incorporate sustainable practices into their lives.

In 2024, we continued working with Ecochallenge to offer opportunities to employees to learn more about sustainability initiatives. We have offered moderated forums for employees to openly discuss the connections between the environment and our communities and ways to take action.



Identifying and managing our climate-related risks

Climate risk is the potential for climate change to create adverse effects that may expose the company to both physical risks and transition risks that could impact business activities, financial conditions, client relationships and long-term shareholder value. We continue to improve our understanding of key risks climate change poses to our company, clients and communities, and we are making strategic adjustments to our scenario analysis, policies and operational practices accordingly.

Climate-related risks are relevant across many risk categories within our risk management framework.

These risks can be freestanding, but they can also cross categories to create inter-risk exposure.

For example, the increased severity and frequency of severe weather events may impact our lending portfolios (credit risk), our ability to conduct business (operational risk) and key third-party relationships (another aspect of operational risk).

We recognize that risks related to climate change are dynamic and present varying degrees of impact over different time horizons. As our strategy and risk management approaches continue to evolve, we will seek to incorporate an analysis of risk time horizons, recognizing that long-term risks are prevalent.

We have identified the following key risks to our company posed by climate change, and we recognize that these risks will manifest over several time horizons:



Risk category	Nature of risk	Description
Credit	Transition and physical	<p>Natural disasters affect our clients and can impact their ability to fulfill their contractual obligations. If a client is adversely impacted by a climate-related event, such as a wildfire or hurricane, they may be unable to conduct business. This could lead to an inability to repay debt and a reduction in future relationship opportunities. Chronic shifts caused by climate change, such as rising sea levels, may also affect our clients in low-lying areas and on coastlines, impacting the value of their property and their ability to fulfill their contractual obligations. Rising costs and reduced availability of insurance can also affect our clients.</p> <p>Companies in certain carbon-intensive industries could be impacted by a shift (or market expectations of a shift) in the marketability of products or changes to regulations, which could impact their creditworthiness.</p>
Market and liquidity	Transition and physical	Climate change impacts may affect funding levels, asset valuations and market prices, impacting the ability to support our businesses and clients under a range of climate-related conditions.
Operational	Physical	Extreme weather events could impact the safety of our employees, critical business operations, processes, third parties and technology.
Compliance	Transition and physical	U.S. Bancorp and other U.S. financial institutions will need to be compliant with any existing or new regulations or laws related to climate change. Failure to do so could result in legal or regulatory sanctions, financial losses and an erosion of trust in our brand.
Strategic	Transition and physical	An inability to proactively adjust our portfolio and business strategies to mitigate increased transition or physical risks across industries could result in higher credit and operational losses.
Reputation	Transition and physical	We provide products and services to clients that engage in activities with environmental impacts. These relationships may create reputation (and other) risks due to varying stakeholder expectations pertaining to the support of the client's activities and the company's management of associated risks.



Scenario analysis

We use climate scenario analysis to evaluate plausible future states of the world and the physical- and transition-related climate risks under these different scenarios. U.S. Bancorp has sought to evaluate these risks through current and prior projects and intends to continue to evaluate them through future, planned projects. We have leveraged a variety of well-known industry climate scenarios, including those developed by the Network for Greening the Financial System (NGFS) and the Intergovernmental Panel on Climate Change (IPCC).

We are monitoring trends in the development and application of scenario analysis to both the physical and transition risks associated with climate change.

While the methodology, science and standards for climate scenario analysis continue to evolve, including as a result of regulatory developments, our Climate Risk team completed a capabilities assessment based on the instructions provided for the 2023 Federal Reserve

Climate Scenario Analysis (CSA) Pilot Exercise. This assessment, which we undertook voluntarily, allowed the company to identify CSA areas where progress has been made, as well as enhancement opportunities to consider for potential future regulatory exercises.

Our ongoing climate scenario analysis activities are being completed through collaboration among teams that focus on climate risk, credit risk management, model risk, economics and business lines to evaluate climate transition and physical risks.

We are continuing to evaluate climate risk data vendors to identify potential solutions that may be used to support future climate scenario analysis projects.

Going forward, we plan to continue exploring climate transition and/or physical risk capabilities.

Environmental and social risk policy

To guide our evaluation of relationships that may present heightened risk, we maintain an Environmental and Social Risk Policy (ESRP).

Our approach begins with providing access to financial services in a way that upholds applicable federal, state and local laws and regulations, and reflects expectations from supervising regulatory agencies. We regularly review our policies for alignment with changes in legislation and regulation. Our policy is designed to create an enterprise-wide approach to managing and overseeing our existing and prospective relationships that may present an elevated risk to the company. Our approach balances the company's overall business strategy with its risk tolerance and accounts for a broad range of risks, including operational, reputational, compliance and credit risks, among others.

Due diligence

For relationships that operate within an industry or are engaged in activity that present heightened risk, additional due diligence is performed to evaluate risks specific to that client. Our environmental and social due diligence requirement applies to all prospective and existing client relationships meeting specific internal exposure thresholds. The additional due diligence includes a review of a variety of risk factors and clients' policies and programs that mitigate the potential for operational, reputation, compliance and credit risks and focuses on:

- Past and present compliance with environmental laws and regulations
- Internal framework related to environmental and social risk management
- Understanding the potential impact on all communities and people, including Indigenous people
- Exposure related to physical and transition climate risks

Escalation and monitoring protocols

The company's risk and business line functions collaborate to monitor, assess and act on external information or events that may have operational, reputation, compliance or credit risk impacts to the company. Impacts are assessed to determine appropriate risk mitigation actions. These activities supplement other activities that identify proposed or current relationships that meet existing ESRP criteria for escalation.

Business lines may be required to document and implement any identified mitigation activities prior to receiving approval to enter or expand a relationship with heightened risk. The risk mitigation activities must specifically address the risk associated with the relationship and could include activities such as enhanced monitoring and periodic reviews. Once due diligence is complete, relationships with heightened risk are escalated through a formal approval process that may require review by business line and risk executives.

Supporting a net zero economy

U.S. Bancorp recognizes that managing our business in an environmentally sustainable manner is important to our clients and communities where we operate. We provide a variety of financial solutions that support a transition to a net zero economy, including through client engagement and sustainable finance.

Investment unlocks first renewable energy-powered Super Bowl

2024 marked the first time in history a Super Bowl was powered entirely by renewable energy. This was made possible by a tax equity investment from U.S. Bancorp Impact Finance in 2022 to help construct the Arrow Canyon solar field battery energy storage system, which powers Allegiant Stadium, home of the Las Vegas Raiders and host of the 2024 Super Bowl. The Arrow Canyon facility – developed by EDF Renewables North America and owned by NV Energy – features 621,000 solar panels located on the Moapa Indian Reservation about 20 miles northeast of Las Vegas. The project created 45 construction jobs for tribal members and will deliver long-term steady income to the Moapa community throughout the project's operating life. The facility illustrates the game-changing potential of solar energy storage to supply large-scale clean energy and generate positive impacts for the local community.

Community solar portfolio helps LMI households save energy costs

In collaboration with Invenergy's Reactivate and Walmart, U.S. Bancorp Impact Finance invested tax equity in a portfolio of community solar projects in Illinois and New York that will benefit low- to moderate-income (LMI) households. Community solar is a powerful tool that helps make solar power more affordable and accessible for everyday energy consumers. The projects are expected to help approximately 5,000 households – along with area nonprofits, businesses and a public school district – save as much as 20% on their monthly electricity costs.

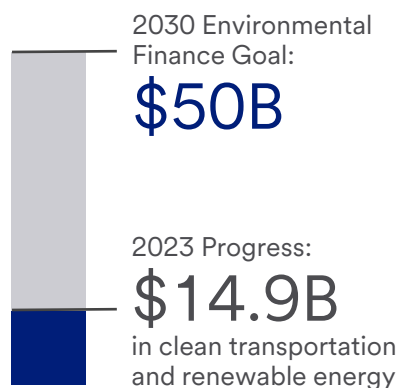
Howard University welcomes solar to its campus

The future is even brighter at Howard University in Washington, D.C. – one of the nation's storied historically Black colleges and universities – now that solar photovoltaic systems are installed throughout campus. The project is led by Volt Energy, a Black-led renewable energy developer and independent power producer. The roof-mounted solar systems, which were partially financed through a tax equity investment by U.S. Bancorp Impact Finance, are expected to generate energy cost savings and lower emissions for the university.



\$50B environmental finance goal

To help reach our goal to achieve net zero greenhouse gas (GHG) emissions by 2050, we plan to continue supporting our clients in their transition to a low-carbon economy.



As part of this work, we have a goal to finance \$50 billion in environmental initiatives by 2030. The activities that are considered eligible for this goal include, but are not limited to, the following categories:

- Renewable energy
- Energy efficiency
- Green buildings
- Clean transportation
- Pollution management and circular economy
- Sustainable water and wastewater management
- Environmentally sustainable management of living and natural resources

Between 2021 and the end of 2023, U.S. Bancorp has invested \$14.9 billion in clean transportation and renewable energy. We are working to expand the scope of activities captured for this goal in accordance with eligible themes.

Environmental finance

U.S. Bancorp Impact Finance is the community investment and tax credit division of U.S. Bank. Our Environmental Finance division in Impact Finance is committed to financing environmental projects that help build thriving communities, drive inclusive economic growth and expand our nation's clean energy infrastructure. We offer a full suite of socially responsible investing solutions to help expand the development of renewable energy projects nationwide, with an emphasis on solar and wind. Examples include, but are not limited to:

- Utility-scale projects that help create a more resilient electric grid
- Large-scale deployments of residential rooftop solar
- Solutions that make clean energy more accessible and affordable for low-income neighborhoods and communities of color
- Battery energy storage systems (BESS)

Renewable energy

We're a national leader in financing renewable energy, committed to investing in businesses that support clean energy efforts and sustainable business practices, while creating jobs in local communities across the United States.

U.S. Bancorp Impact Finance invests tax equity in projects that help provide wind, solar and other clean energy options to our nation's homes, towns and businesses. In 2023, we invested \$2.6 billion in renewable energy tax credit equity across 28 renewable energy projects, which are expected to generate 2.7 gigawatts of power. Our solar portfolio – including utility-scale solar, community solar and funds that support residential solar – spans a broad client base, which diversifies risk within our environmental finance activities.

We expanded our industry leadership in environmental finance, growing our product offerings for clients at the forefront of the clean energy transition. We grew our renewable energy debt platform, closing \$658 million of loans in 2023, more than doubling our 2022 volume. We continued innovating financing structures, including a renewable energy sale-leaseback product that will help clients across the company – from utilities to developers – further transition to a greener economy.

U.S. Bancorp investments are expanding clean energy access in communities that historically have faced barriers to financing renewable energy projects. U.S. Bancorp Impact Finance worked with Indian Energy, the U.S. Department of Energy (DOE) and the Viejas Band of Kumeyaay Indians to provide a tax equity and debt financing package to construct a solar and battery storage system that will provide power to the Viejas Casino and Resort. The project involves the first utilization of the DOE's Tribal Energy Loan Guarantee program, which provides loan guarantees in support of energy-related projects with federally recognized tribes.

In addition to direct investing and lending, we're also expanding our impact by attracting additional capital to socially responsible and environmentally sustainable business activities through our U.S. Bancorp Impact Finance syndications platform. Our syndications business provides qualified investors with customized

state and federal tax credit investment portfolios that provide attractive after-tax returns while also contributing vital capital to projects with positive environmental or social benefits.

Enabled by the Inflation Reduction Act of 2022, we leveraged our industry expertise to offer clients a new, streamlined method of reducing their tax liabilities while also investing in the renewable energy market. In the fourth quarter of 2023, we transferred \$700 million of renewable energy tax credits to a variety of Fortune 1000 companies. Our investments in projects that generate these credits extend the commitment by U.S. Bancorp to sustainability and clean energy projects nationwide.

Additionally, U.S. Bancorp is utilizing other areas of the enterprise to identify and support sustainable solutions. We provide trust services that securitize investments in EVs, solar panels and coal plant retirements. The coal plant retirement securitizations allow our clients to recover costs related to the planned retirement of coal-fired generating units. These securitizations are a positive for our clients' credit quality and eliminates the risk of non-recovery of costs or the risk that the revenue stream for the client will change or cease in the future.

New markets and low-income housing tax credit investing

We look for ways to leverage other types of tax credit programs to invest in enterprises that stimulate economic growth and help support the transition to a net zero economy, while also supporting communities.

U.S. Bancorp Impact Finance is a top investor nationally in Low-Income Housing Tax Credit (LIHTC) and New Markets Tax Credit (NMTC) projects. Both tax credit programs can be used to advance environmental sustainability, directing capital toward the construction of energy-efficient buildings and helping organizations adopt renewable energy technologies. Projects financed through these tax credit programs can help stimulate economic growth while addressing the impacts of climate change in low-income communities.

Lending

We help power the transition to a net zero economy with loans to clients in our power and utilities portfolio who face increasing regulatory requirements to enhance their sustainability initiatives and develop additional renewable energy. U.S. Bancorp also provides loans for Leadership in Energy and Environmental Design (LEED) certified buildings through our commercial real estate group, and EV financing through our auto leasing and lending division. We are also active in a variety of other areas in which the Inflation Reduction Act provides additional tax and other incentives to transition into low- and no-carbon activities, including transportation, energy, construction, industrials, consumer products and manufacturing.

Commercial products ESG Advisory practice

Our clients have access to a wide range of personal and capital markets products and services that support their ambitions to enhance their management of ESG initiatives. We have an ESG Advisory practice that guides them through ESG financing options from ideation to execution. After deal completion, the team then works with clients to implement their ESG reporting. This vertical is the natural evolution of our sustainable financing efforts, which started with our first green bond executed in 2014 in line with the International Capital Markets Association's Green Bond Principles, and has since expanded to cover all of our commercial products, such as fixed income and capital markets activities, supply chain finance, equipment

finance, sponsor finance, subscription finance and asset-backed finance. Our ESG Advisory practice allows us to support investors seeking products with features that align with their sustainability goals and strategies. We also offer sustainability-linked loans that support our clients' achievement of sustainability performance objectives.

A focus on sustainable finance

The Sustainable Finance team brings specialized commercial expertise and market insights to business lines to identify and launch new or enhanced products and services that contribute both directly and indirectly in advancing sustainable business practices and supporting our clients in achieving their sustainability goals. For example, in 2024, the Sustainable Finance team enabled the commercialization of the U.S. Bancorp 45x Advanced Manufacturing Production Credit product, which supports the development of a domestic supply chain for renewable energy facilities and energy storage technology. As opportunities for new products and services are developed, they are evaluated based on risk appetite and potential commercial viability.

We are implementing a Sustainable Finance Eligibility Guide, which, together with the ESRP, sets requirements on categorizing sustainable finance activities and enables us to report on progress toward our public goals, including our \$50 billion environmental finance goal. The Sustainable Finance team is also creating a sustainable finance data warehouse to serve as a central hub for U.S. Bancorp sustainable finance transaction data.

Developing our financed emissions strategy

Since sharing our climate-related goals in 2021, we have been diligently building internal processes to implement and operationalize these goals.

To advance these efforts to align with our broader commercial strategy and embed them in longer-term strategic and operational planning throughout 2024, we worked with a third-party expert to build an initial enterprise-wide Net Zero Transition Plan (the “Transition Plan” or “the Plan”) covering five priority sectors.

We also worked with this expert to conduct a feasibility analysis of potential 2030 interim GHG emissions reduction targets and to provide a holistic evaluation of our financed emissions data processes and reporting approach in preparation for our inaugural disclosures for the Partnership for Carbon Accounting Financials (PCAF).

Development of Enterprise Transition Plan

Our initial Transition Plan outlines the multiple actions we expect to take in the next three years from 2024 to 2026 to work toward our net zero by 2050 goal, focused initially on our Scope 3 Category 15 client emissions.

We looked to emerging industry guidance and best practices for insights into how to approach development of the Plan, including the Glasgow Financial Alliance for Net Zero (GFANZ) framework, which we adapted to fit our corporate culture, strategic priorities, and our present stage of maturity in integrating climate and sustainability considerations into business practices. The focus of the transition planning discussion was on commercially viable strategies to advance our goal of net zero by 2050.

We began by evaluating the highest-emitting sectors in our lending portfolio by approximate emissions intensity and level of financing to determine where to initially focus. We then held a series of workshops with senior management and a variety of operational-level teams that focused on enhancing internal awareness and understanding of the transition planning process and the decarbonization potential and trends for each sector, including:

- Sector growth trajectories and net zero scenarios, key decarbonization technologies and growth trajectories for each technology and how technologies are being financed
- An overview of risk, capital and financial implications of financing growth technologies in different sectors through different financing strategies and products

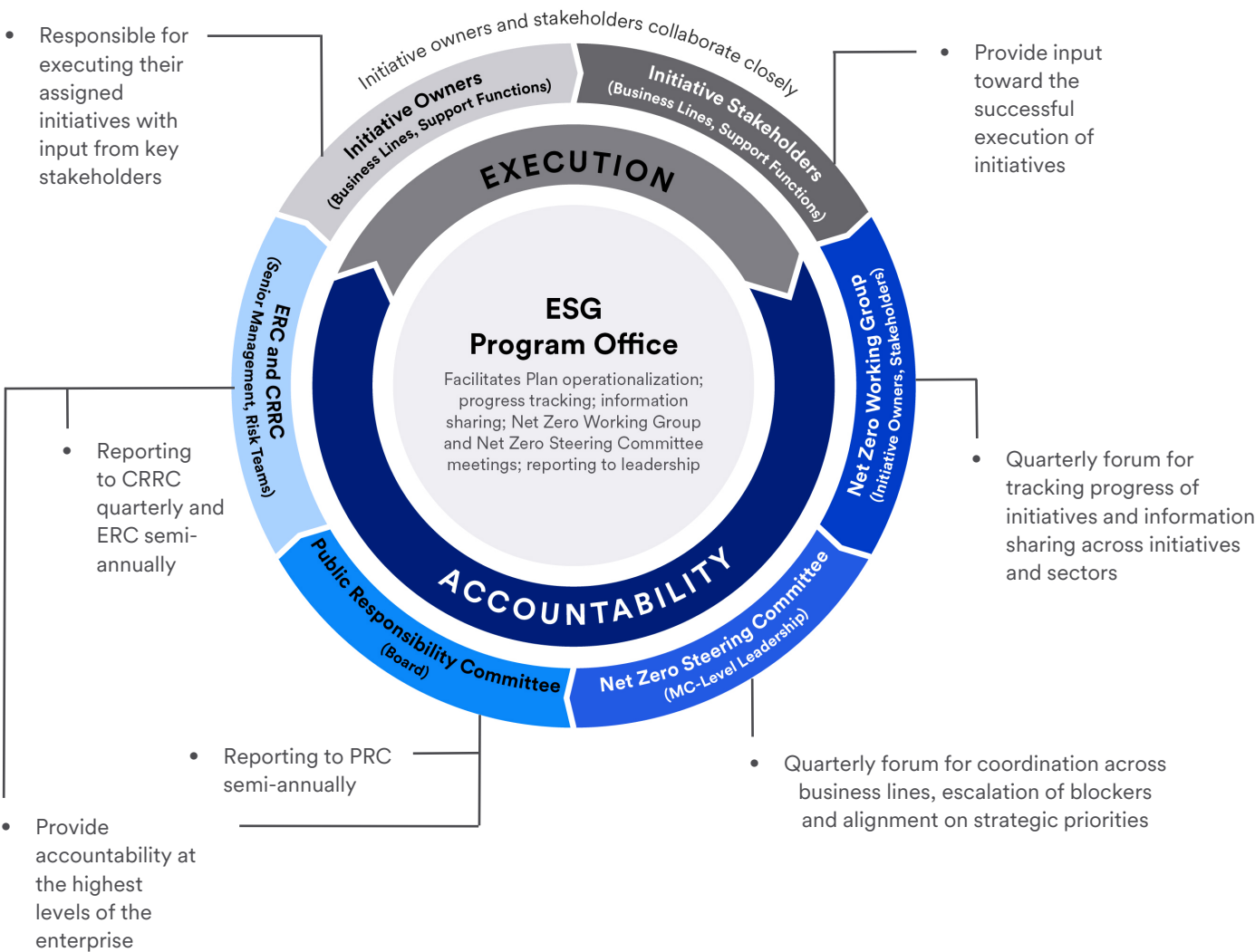
Through these workshops and in close collaboration with teams across the enterprise, including the business lines, Risk, Legal and Strategy, we identified current areas of strengths and existing practices, key areas of growth and institutional barriers to growth and developed a roadmap of initiatives within business lines and at the enterprise level to advance net zero commercial strategies in each priority sector, including identifying specific ownership and timelines for each initiative as well as relevant key internal partners and resources needed to advance progress on each initiative.

Examples of some initiatives include training employees to improve client fluency, establishing champions in the business lines to drive our net zero strategy, refining our net zero data strategy, continuing to evaluate the feasibility of 2030 interim GHG emissions reduction targets for high-emitting sectors, training business lines and risk teams on transition opportunities and new technologies, and identifying new product and commercial opportunities.

Governance of Transition Plan

In 2024, we expanded our existing Net Zero Working Group into a larger cross-functional group formally tasked to provide operational inputs and guidance to drive execution and accountability of our net zero strategy and Transition Plan. The Net Zero Working Group is comprised of initiative owners of different aspects of the Transition Plan and other critical stakeholders in enabling functions, including Risk, Legal, Strategy, and Treasury, among others.

To provide broader strategic oversight, we established a Net Zero Steering Committee comprised of senior leaders, including some members of the Managing Committee. For additional oversight, we also will continue to provide regular updates to the Corporate Responsibility and Reputation Committee and other senior management committees, as needed, along with periodic updates to the Public Responsibility Committee of the board and other board committees, when relevant.



We intend to continue to use the Transition Plan to guide our strategy and to help us monitor our progress toward meeting our net zero by 2050 goal. We will continue to evaluate and refine our strategy and expect the methodology, science, processes and standards relevant to our climate transition planning to continue to evolve, including as a result of industry and regulatory developments.

Current state of transition planning efforts

Category	Component	Progress through Q3 2024
Foundations	Objectives, priorities and strategy	We have a goal to achieve net zero by 2050 and have developed our initial Transition Plan outlining the actions we expect to take to work toward our net zero goal in the next three years from 2024 to 2026, focused on an initial five priority sectors.
Implementation strategy	Products and services	<p>We have a full-service ESG practice within Global Capital Markets that structures products that support a company's ambitions to enhance its strategic sustainability priorities.</p> <hr/> <p>In 2022, we hired an executive to lead a new Sustainable Finance team to help us provide products and services that meet our clients' ESG needs. Our Sustainable Finance team is currently exploring potential environmental finance activities and products and services to support our clients' transitions to a low-carbon economy.</p>
	Activities and decision-making	We have enhanced the governance of our net zero strategy and Transition Plan and provide regular updates to senior management and board committees as needed.
	Policies and conditions	We escalate review for certain transactions and clients with heightened levels of environmental and social risk pursuant to our Environmental and Social Risk Policy.
Engagement strategy	Engagement with clients and portfolio companies	We have existing environmental and social due diligence questionnaires for certain sensitive industries that include questions on key sector-based risks as well as Scope 1, 2 and 3 emissions.
	Engagement with industry	We participate regularly in industry-led discussions and trade association meetings, including the American Bankers Association, Bank Policy Institute, California Bankers Association, Risk Management Association and PCAF Secretariat. U.S. Bancorp employees also currently hold lay leadership positions in important industry associations focused on the net zero transition, including the Solar Industries Association, the American Council on Renewable Energy and the Opportunity Finance Network.
	Engagement with government and public sector	In 2024, U.S. Bancorp engaged with policymakers in Congress individually and through trade associations to discuss the proposed capital charges under the Basel 3 "endgame" proposals, noting the potential risk of disincentivizing investments in renewable energy.
Metrics and targets	Metrics and targets	We have disclosed financed emissions for the energy and power sectors pursuant to the PCAF standards.
Governance	Roles, responsibilities and remuneration	Our Net Zero Transition Plan has identified initiatives for executing on near-term strategic and operational priorities to support our net zero by 2050 goal. The Transition Plan assigns ownership over each initiative, and broader governance and accountability structures have been developed for oversight and further development of the Plan itself, including with regular reporting to the CRRC and the PRC of the Board.
	Skills and culture	Through our Transition Plan development process, we have engaged employees in the business lines, Risk, Legal and Strategy. We have provided training to business line employees on our net zero strategy and how they can effectively engage and support our clients.

Evaluating options for near-term net zero target-setting

We anticipate that the transition to a net zero economy will involve dynamic conditions that present both opportunities and challenges.

We expect that the transition will impact different sectors and technologies in different ways and at different times. By evaluating our financed emissions on a sectoral basis, we believe we can better support our clients in their sector-specific decarbonization goals.

As discussed in our previous TCFD reports, we identified the International Energy Agency (IEA) Net Zero Emissions by 2050 Scenario as a useful framework for evaluating potential sector-based targets as it presents an ambitious transition trajectory that also calls for a stable and affordable supply of energy solutions. As the IEA has updated its net zero roadmap over time due to changes in the global economy and global energy demand, we anticipate our path to net zero may change over time consistent with changes to the IEA scenario. We will continue to assess our trajectory as industries, technologies and public policy evolve.

We also discussed in previous reports that we had started work on evaluating targets for the energy and power sectors. In 2024, working with a third-party expert, we continued to assess the feasibility of defining credible, attainable and pragmatic near-term targets for these sectors that are consistent with our disciplined management and reporting practices, and which will enable us to continue to support our clients as they navigate their own sustainability goals and transition planning efforts. To facilitate this, we analyzed our energy and power clients' public disclosures of transition plans and emissions data to understand the feasibility of setting 1.5°C-aligned 2030 interim GHG emissions reduction targets.

Through this exercise, we observed that the past few years have presented unanticipated developments in the global economy and a related slower rate of progress towards a low-carbon economy. These recent developments, as well as current and future geopolitical uncertainty, continued uncertainty in the pace of policy and technological developments and market conditions in the U.S. and abroad, have complicated our ability to set near-term targets aligned in the short term to a 1.5°C-aligned scenario. For the energy sector, there are considerable data challenges and, particularly for Scope

3 emissions, the delayed pace of development of alternative fuel technologies and the continued aggregate consumptive demand for fossil fuel products has made it challenging to set credible interim GHG emissions reduction targets aligned to a 1.5°C trajectory by 2030. For the power sector, the emergence of load growth projections driven by artificial intelligence data center and other manufacturing demands has also complicated our ability to set credible targets aligned to a 1.5°C trajectory by 2030. As we continue to pursue our net zero by 2050 goal, we will continue to engage with clients to enhance our understanding of their progress in transition planning and emissions reductions.

Partnership for Carbon Accounting Financials (PCAF)

PCAF was launched globally in 2019 to harmonize the accounting methods that enable financial institutions to measure and disclose the GHG emissions attributed to their financial activities. PCAF developed the Global GHG Accounting and Reporting Standard ("the Financed Emissions Standard") that conforms with the requirements set forth by the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard for Category 15 investment activities. The Financed Emissions Standard currently provides methodological guidance to calculate the financed emissions for seven asset classes – listed equity and corporate bonds, business loans and unlisted equity, project finance, commercial real estate, mortgages, motor vehicle loans, and sovereign debt.

Since joining PCAF and through our ongoing participation in asset class user groups, U.S. Bancorp has progressed in developing and enhancing our capabilities and resources to better understand the underlying inputs, and in estimating the GHG emissions of our lending and investment activities in line with the Financed Emissions Standard.

Our initial disclosure represents an estimate of financed emissions associated with lending to the energy and power sectors. We intend to continue updating our approach to financed emissions calculations, which may impact the scope and coverage of future disclosures. We anticipate data quality will improve over time as a result of increased public disclosure by clients and our further client engagement.

Financed emissions data quality and limitations

Data limitations and the lack of reporting standardization across clients and industries pose challenges in the process of calculating financed emissions. However, PCAF encourages financial institutions to continue to make progress and advance their financed emissions capabilities and disclosures.

Where client-specific reported emissions are not available, industry averages or proxy data are used to estimate financed emissions. Consequently, estimates may not accurately reflect the actual GHG emissions of the portfolio analyzed. This challenge is acknowledged by PCAF and recognized among industry participants. The Financed Emissions Standard applies a data quality scoring methodology to help address this complexity.

Additionally, when selecting the best available emission factor for each calculation, we rely on an assigned primary industry code. Clients may be engaged in a variety of economic activities and the industry code assigned for reporting may not fully represent clients' economic contributions, thereby impacting the accuracy of GHG emissions estimates.

The lag between client reporting of financials and GHG emissions presents further challenges related to aligning the reporting period associated with the data components needed. As a result, financed emissions reporting commonly lags other public financial reporting by two years.

Financed emissions industry guidance and practice continue to evolve, and we are also continuing to enhance our internal data and calculation processes. The rapid evolution across methodology and data can result in meaningful changes to calculated values, which may necessitate restating previously reported values to enhance comparability and continually improve financed emissions data quality.

We believe investing in continually improving our financed emissions approach enhances our ability to identify, assess, manage and disclose climate-related risks and opportunities across our lending portfolios, and to identify priority areas for managing portfolio financed emissions.

PART 3

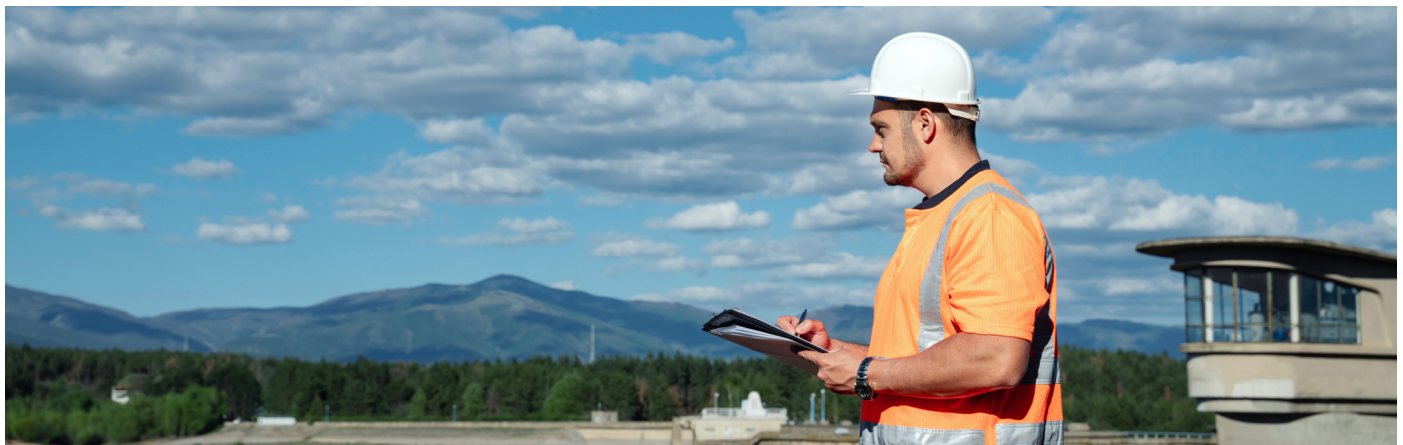
Risk management

The Board of Directors and senior management set the company's values and expectations with respect to risk management. As part of those values, the company is committed to the highest ethical standards and doing the right thing. This requires employees at all levels to play a role in managing risk.

U.S. Bancorp identifies, measures, responds to and monitors risks that could potentially impact our ability to meet strategic objectives, to comply with laws and regulations and to maintain safety and soundness. Our risk management framework is designed to align with regulatory expectations and guides the appropriate processes, programs and procedures to help grow the company in a safe and sound manner.

The company's board and management-level committees are supported by a "three lines of defense" model for establishing effective checks and balances.

- The first line of defense manages risks in conformity with established limits and policy requirements. In turn, business line leaders and their risk officers establish programs that are designed to ensure conformity with these limits and policy requirements.
- The second line of defense, which includes the chief risk officer's organization as well as policy and oversight activities of corporate support functions, translates risk appetite and strategy into actionable risk limits and policies. The second line of defense monitors the first line of defense's compliance with limits and policies, and provides reporting and escalation of emerging risks and other concerns to senior management and the Risk Management Committee of the Board of Directors.
- The third line of defense, internal audit, is responsible for providing the Audit Committee of the board and senior management with independent assessment and assurance regarding the effectiveness of the company's governance, risk management and control processes.



Climate-related risk management

To better manage climate risk in our company, we have a **climate risk management framework**, which describes how we're integrating climate risk into each risk category by leveraging existing risk management processes supplemented by climate risk-related analysis.

We view climate risk as a horizontal risk that impacts each established risk category.

The integration of climate risk into the risk management framework is intended to facilitate the effective management of climate-related risks in a manner consistent with regulatory expectations, as well as risks related to the execution of the company's climate and environmental goals and strategies. We leverage existing processes and risk management activities, which are supplemented by climate risk-specific analysis and data to manage this risk effectively and efficiently.

1

RISK APPETITE

Climate risk appetite statement

2

RISK GOVERNANCE AND RISK ORGANIZATION

Climate risk governance | Climate risk organization

3

RISK AND BUSINESS APPLICATIONS

Incorporation of climate risk in strategic planning | Day-to-day climate risk management | Incorporation of climate risk in financial planning

4

RISK IDENTIFICATION, MEASUREMENTS AND TOOLS

Climate scenario analysis | Incorporation of climate risk in underwriting | Climate risk identification | Climate risks to operations

5

RISK MITIGATION AND MONITORING

Climate-related metrics and limits

6

RISK DATA AGGREGATION AND REPORTING

External climate data | Climate-related external communication | Bottom-up climate data collection

7

RISK CULTURE

Climate Risk team

The Climate Risk team is led by the climate risk executive. The team functions within the Risk Management and Compliance organization, reporting to the chief risk officer, and is part of the second line of defense. This team is responsible for integrating climate risk into the risk management framework.

Specific focus areas include:

- Managing and tracking status of enterprise climate risk initiatives
- Guiding development of the climate scenario analysis activities
- Maintaining the climate risk management framework
- Monitoring climate risk through appropriate metrics
- Engaging in climate-related reporting, regulatory/supervisory guidance reviews and qualitative and quantitative analyses
- Providing leadership and subject-matter expertise for the Climate Risk Working Group and Climate Scenario Working Group
- Providing climate-related support for risk category stakeholders, including capital stress testing participants and international subsidiary activities
- Coordinating across Risk Management and Compliance to ensure integration into the company risk management framework

Integration into risk management processes

Risk management processes are performed on an ongoing basis in accordance with the company's risk management framework. To be effectively managed, risks must first be identified, assessed when possible and monitored. We use a variety of tools and processes to achieve these objectives, including, but not limited to, the climate risk dashboard, climate scenario analysis, climate risk metrics tracker dashboard and the enterprise risk identification and assessment process. Assessed risks are documented in the company's enterprise risk inventory with their materiality determined using defined criteria and reported accordingly. Climate risks that can't yet be assessed are documented and monitored as emerging risks. An approach for identifying material climate-related risks across multiple time horizons is being developed alongside the Enterprise Risk Identification team.

The company's risk response and control processes include the establishment and communication of various risk limits, and requirements and expectations through policies, procedures and other guidance.

These are typically established and overseen by designated operating committees and second line of defense functions for each risk category.

Monitoring and testing are performed to evaluate risk levels and compliance with control processes and procedures, and to ensure ongoing alignment with risk appetite limits and policy requirements. The following information highlights how climate risk considerations are currently embedded into existing risk management processes.

Risk category-specific activities

As we incorporate climate risk into our risk management framework, each specific risk category may require differing levels of precision in implementation. We also recognize that the industry and our company continue to evolve with respect to monitoring climate risk. Risk programs continue to evaluate internal enhancements and learn from industry practices that can help manage this risk over a variety of time horizons. Given the emerging nature of climate risk, the climate-related activities listed in the following pages are in various stages of maturity.



Credit

The organization has risk management activities in place that contribute to addressing climate-related risks in the loan portfolio, including:

- Required evaluation against the ESRP during the underwriting process, including performing environmental and social due diligence in connection with prospective and existing customer relationships meeting specific internal exposure thresholds
- Production of a quarterly climate risk dashboard and monitoring of relationships that operate within industries or are engaged in activities that present heightened risk
- Periodic analysis and monitoring of climate-related portfolio exposures
- Policies and processes related to property insurance given its key role in mitigating physical risks to our borrowers and collateral
- Loss mitigation programs for clients impacted by natural disasters
- Other portfolio-specific risk mitigation requirements

Market, liquidity and interest rate

Market risk, liquidity risk and interest rate risk incorporate climate change via existing risk management activities. Physical and transition risks from climate change act as another driver of market or liquidity events.

Operational

Business resiliency

The Enterprise Resiliency group establishes and maintains guidelines that incorporate industry best practices for the operational resiliency of critical business processes and technology. To achieve operational resiliency, business process and technology owners – in partnership with and under the guidance of the Enterprise Resiliency Group – build and maintain response plans to address threats and risks including natural disasters, severe weather and climate-related events. The Enterprise Resiliency Group’s crisis management department manages and coordinates the enterprise response to adverse events that threaten to harm the company and our stakeholders, employees, assets or reputation. The enterprise response focuses on the safety of all employees, clients and assets of the company; minimizing disruption of service and inconvenience to customers; and returning to a business-as-usual state as quickly as possible and limiting any potential liability to the company.

Third-Party Risk Management (TPRM)

The assessment of climate change is embedded into our existing TPRM lifecycle. Additionally, TPRM has incorporated sustainability as a factor into its country risk rating methodology, which drives third-party controls requirements and risk-based decisions when engaging with a third party. Each third party must also acknowledge a code of conduct that includes criteria for sustainable business practices.

Operational risk scenario analysis

The Operational Risk Scenario Analysis Program develops scenarios for plausible events over a certain threshold. Natural disaster/climate scenarios are developed in accordance with the Operational Risk Scenario Analysis Policy.

Operational Risk produces a quarterly natural disaster dashboard that tracks operational losses as well as credit risk impact of natural disasters.

Compliance

The regulatory change management (RCM) process identifies and evaluates changes in laws and regulations that impact the company’s products and services as well as changes made by certain non-U.S. banking regulators. This includes relevant changes in federal laws, regulatory guidance and certain state laws. Related legal or regulatory changes are considered for incorporation into compliance risk assessment processes as they become effective, including the Enterprise Compliance Risk Assessment and the Fair and Responsible Banking Risk Assessment. The assessments are leveraged to measure the quantity of inherent and residual risk, as well as the effectiveness of controls. Climate risk mitigation activities are reviewed for potential fair lending and/or Community Reinvestment Act compliance risk impacts.

Strategic

Strategic Risk Management coordinates the risk assessment of the U.S. Bancorp annual strategic planning process. Risks generated from the company’s strategic plan, including any climate-related strategies or responses to climate change impacting the external environment, are identified and mitigated in a manner consistent with other risks.

Reputation

For relationships that operate within an industry or are engaged in activity that is deemed to present heightened reputation risk, additional due diligence is performed to evaluate risks specific to that client. See the Environmental and Social Risk Policy section above for more information. There is also an increased risk of greenwashing as environmental strategies and reporting activities increase. Reputation and Strategic Risk Management formalized enterprise greenwashing risk mitigation requirements in the ESRP.

Climate risk exposure

We are using metrics to gain better insight into the impact of physical risks and transition risks on our lending activities. The following table shows U.S. Bancorp loans outstanding, as of December 31, 2023, for industry groups with significant credit exposure that are identified as most likely to be impacted by certain physical risks and/or transition risks under the TCFD recommendations.

Industry group	Loans*	Percent
Agriculture	1,778	1.3%
Automotive	6,678	5.1%
Building materials	3,008	2.3%
Capital goods	5,315	4.0%
Energy	3,744	2.8%
Food and beverages	4,053	3.1%
Metals and mining	3,332	2.5%
Power	3,435	2.6%
Real estate-related	19,108	14.5%
Transportation	4,467	3.4%
Total	54,918	41.6%
Total commercial	131,881	100.0%

*Loans in \$ millions as of December 31, 2023

Commercial real estate	Loans*	Percent
Commercial mortgages	41,934	78.4%
Construction and development	11,521	21.6%
Total commercial real estate	53,455	100.0%

*Loans in \$ millions as of December 31, 2023

We believe this assessment has helped us better understand the potential impacts of climate risks to our loan portfolios and identified potential areas of focus for loan underwriting and monitoring. Loan exposures have declined across these industry groups from the prior year comprising **41.6% of** total commercial and industrial loan exposure at December 31, 2023, compared to **44.3%** at December 31, 2022. These segments may see varying levels of impact from climate risks.

As our understanding of emerging climate risks and maturity of climate risk assessment evolves, we may update our assessment of climate-sensitive industries. The industry groups are generally consistent with TCFD guidance and are based on the North American Industry Classification System (NAICS) and other internal reporting standards. The loans outstanding data are consistent with our 2023 annual report.

PART 4

Metrics and targets

Below is a summary of our past and current environmental goals and initiatives.

Operations



Emissions and energy consumption reporting

In 2016, we set two GHG emissions reduction targets for our own operations. Using a 2014 baseline, we committed to a 40% reduction by 2029 and a 60% reduction by 2044. We have achieved both of these operational GHG emissions reduction goals, as well as reached 99% renewable electricity through a mix of strategies, including (a) purchasing RECs from projects financed through our renewable energy tax credit investing, (b) energy reduction efforts within our operational footprint and (c) purchasing renewable energy through our utility providers.

For further details regarding our operational targets, progress and methodology, please see our most recent CDP report at www.usbank.com/community.

Emissions (metric tonnes CO ₂ e)	2014 (base year)	2020	2021	2022	2023
Scope 1	60,412	41,461	41,335	38,206	36,798
Scope 2 (market-based)	354,799	151,677	97,538	9,902	7,584
Scope 3.5 ^a (waste generated in operations)	26,387	7,110	7,480	6,326	18,293
Scope 3.6 (business travel)	24,629	12,856	7,302	23,206	38,426
Scope 3.7 (employee commuting)	Did not report	28,664	29,239	55,642	56,028
Scope 3.13 (downstream leased assets)	63,399	34,854	38,777	22,912	21,203
Total emissions	529,626	276,622	221,671	156,194	178,331
Scope 2 (location-based)	354,799	212,620	191,919	178,466	167,102
Emissions – Intensity Metrics	2014 (base year)	2020	2021	2022	2023
Scope 1 and 2 (market-based) per \$1 million revenue	20.00	8.28	6.08	1.98	1.58
Scope 1 and 2 (market-based) per 1,000 square feet	14.40	6.85	5.06	1.91	1.70
Energy Use (MWh)	2014 (base year)	2020	2021	2022	2023
Consumption of fuel	249,954	217,935	216,204	193,180	190,857
Consumption of purchased or acquired electricity (non-renewable sources)	527,868	305,593	222,632	6,061	2,402
Consumption of purchased or acquired electricity (renewable sources)	31	137,586	214,800	386,915	380,367
Consumption of purchased or acquired steam	47,580	25,335	24,919	26,472	24,361
Consumption of purchased or acquired cooling	16,829	9,962	9,616	9,482	8,162
Total energy consumption	842,262	696,411	688,171	622,110	606,149

Notes: Scope 1: Direct emissions from owned or controlled sources. Scope 2 (location-based): Indirect emissions from purchased energy based on the local grid area where the electricity usage occurs. Scope 2 (market-based): Indirect emissions from purchased energy that is calculated based on electricity purchased, often spelled out in contracts or instruments like renewable energy certificates (RECs). Our 2023 market-based reduction is, in part, due to a significant amount of RECs obtained through renewable energy tax credit financing. Scope 3: Indirect emissions that are the result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly affects in its value chain. Scope 3 emissions include all sources not within an organization's scope 1 and 2 boundary.

^a The current year 2023 reported emissions include the estimated amounts determined by third parties generated for the portfolio represented. As noted on p. 36 of this Report, the information we present in this report could differ from that included in our prior disclosures as the methodologies, assumptions and estimates underlying our climate-related strategy, analysis and data have evolved and could continue to evolve, including because we incorporate or otherwise rely upon data from third parties, which may have been prepared in ways that are not consistent with prior methodologies or practices and we do not independently verify such third-party information except as required by law.

Financed emissions

By joining PCAF in 2021, U.S. Bancorp committed to measure and disclose our financed emissions following methodological guidance presented in the Financed Emissions Standard. Over the past few years, U.S. Bancorp has progressed in developing our financed emissions capabilities and resources.

Our initial disclosure represents an estimate of financed emissions associated with lending to the energy and power sectors. We intend to continue updating our approach to financed emissions calculations, which may impact the scope and coverage of future disclosures. We anticipate data quality will improve over time as a result of increased public disclosure by clients and our further client engagement.

The following table represents an estimate of financed emissions based on loans outstanding as of December 31, 2022. The calculations are informed by guidance published in the second edition of the Financed Emissions Standard².

Sector	Energy	Power
Loans Outstanding (\$B)	3.8	4.9
Absolute Scope 1 Financed Emissions (MM mtCO ₂ e)	1.0	2.7
Absolute Scope 2 Financed Emissions (MM mtCO ₂ e)	0.2	—
Absolute Scope 3 Downstream Financed Emissions (MM mtCO ₂ e)	10.9	—
Combined Economic Intensity (tCO ₂ e/\$MM)	3,167	541
Scope 1 Data Quality	3.6	2.3
Scope 2 Data Quality	3.6	—
Scope 3 Downstream Data Quality Score	3.3	—

Notes:

Energy sector includes: exploration and production, field service providers, midstream, and refiners sub-sectors.

Power sector includes: alternative power generation, conventional power generation, and distribution sub-sectors.

The Loans Outstanding amount represents on-balance sheet lending activities and may differ from other reporting as portfolio definition for financed emissions reporting is designed to closely match the PCAF standard. The definition may change in future reporting depending on evolving PCAF standards.

Scope 3 Downstream for the energy sector is limited to exploration and production and refiners sub-sectors.

Combined Energy Economic Intensity includes Scope 1, 2 and 3 Downstream for exploration and production and refiners sub-sectors, and Scope 1 and 2 for field service providers and midstream sub-sectors. Combined Power Economic Intensity includes Scope 1 for all power sub-sectors.

² PCAF (2022). The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition.

Financed emissions calculation methodology

Sector definition

In selecting the loan portfolio in scope for our initial PCAF financed emissions reporting, we start with our Form 10-K disclosure definition of loan balances related to the energy and power sectors. We then apply the exclusion guidelines described in the Financed Emissions Standard.

Emission scopes

For the power sector, we include Scope 1 to account for power clients' operational emissions that are within their direct control and comprise the majority of power sector emissions. For the energy sector, we include Scope 1 and 2 emissions for all sub-sectors to account for energy clients' operational emissions. Additionally, for clients within the energy sub-sectors of exploration and production and refiners we include Scope 3 downstream emissions to account for the ultimate combustion of produced fuels.

Absolute financed emissions

Portfolio-level absolute financed emissions are the sum of the financed emissions calculated for each client within the portfolio. Due to limitations in data availability, the Financed Emissions Standard provides a range of options for calculating financed emissions, which are each assigned a data quality score. A score of 1 represents client-specific GHG emissions that have been independently verified (higher quality) whereas a score of 5 represents GHG emissions derived from broad industry averages (lower quality). The associated company-level financed emissions equations are detailed below for each data quality option as applied in our calculations.

PCAF data quality score	Description	Company-level absolute financed emissions				
More certain	1-2 Reported emissions	$\frac{\text{Loans outstanding}}{\text{Company value}}$	X	Reported company emissions		
	3 Production-based estimation	$\frac{\text{Loans outstanding}}{\text{Company value}}$	X	Company production	X	Production emission factor
	4 Sector revenue-based estimation	$\frac{\text{Loans outstanding}}{\text{Company value}}$	X	Company revenue	X	Sector revenue emission factor
Less certain	5 Sector asset-based estimation	$\frac{\text{Loans outstanding}}{\text{Company value}}$	X	Sector asset turnover ratio	X	Sector revenue emission factor

Following PCAF guidance, we use reported emissions to estimate financed emissions where possible. In the absence of reported emissions, we estimate emissions using production or sector average emission factors. Where company-level emissions data is sourced from a third-party data vendor, the associated data quality score is defined by the vendor's methodology.

Attribution

Attribution of client emissions to U.S. Bancorp share of financing is based on the ratio of outstanding amount to company value. Company values and company revenue are sourced from a third-party data vendor where available and from client financial statements.

Emission data

Reported company emissions, sector revenue emission factors and sector asset turnover ratios are sourced from a third-party data vendor. When possible, we use the most recent in-year client disclosure, but in instances where 2022 reporting is unavailable, we leverage 2021 figures.

Client oil and gas production data is sourced from financial statements. Production emission factors are sourced from EPA data.

GHG reporting is often consolidated at the parent company level. If reported emissions are unavailable at the lending entity level but available at the parent company level and deemed an appropriate estimate for the lending entity, we calculate financed emissions using parent company-reported emissions and financial attribution.

Economic financed emissions intensity calculation

$$\text{Economic financed emissions intensity} = \frac{\sum_c \text{Financed emissions}_c}{\sum_c \text{Loans outstanding}_c}$$

Note: “c” denotes client within the portfolio

Economic intensity is the sum of the client absolute financed emissions across all scopes for loans in the reported sector divided by the sum of total sector loans outstanding and expressed as tCO₂e/\$MM.

Data quality score calculation

$$\text{Data quality score, weighted} = \frac{\sum_c (\text{Loans outstanding}_c \times \text{Data quality score}_c)}{\sum_c \text{Loans outstanding}_c}$$

The data quality score across the portfolio is an average weighted by loans outstanding. A separate portfolio-level weighted data quality score is calculated for each financed emissions scope.

Additional information

Resources

- usbank.com/community
 - [Most recent CDP reporting](#)
- usbank.com/sustainability
 - [Environmental and Social Risk Policy Statement](#)
- [2023 Corporate Responsibility Report](#)
- [2023 Annual Report](#)
- [2024 Proxy Statement](#)

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Scope of the report

When we use the terms "U.S. Bancorp," "company," "we," "us" or "our" in this report, we mean U.S. Bancorp and its subsidiaries, including U.S. Bank National Association, on a consolidated bases, unless we state, or the context implies, otherwise. Unless otherwise stated, metrics in this report cover U.S. Bancorp and its subsidiaries listed in U.S. Bancorp 2023 Annual Report filed on form 10-K.

Our approach to the disclosures included in this TCFD Report differs from our approach to the disclosures we include in other reports, including our filings with the Securities and Exchange Commission (SEC), and any disclosures we may make under any other regulatory frameworks. While this report includes information that we believe may be important to us and our stakeholders, neither any importance attributed to such topics nor

their inclusion in this report should be read to mean that they necessarily rise to the level of materiality used for the purposes of complying with applicable securities laws and regulations or other reporting frameworks, even where we use the word "material" or "materiality" in this report. This report is intended to provide information from a different perspective and in some cases in more detail than is required to be included in other reports, including our filings with the SEC or under any other regulatory frameworks.

Although this report may reference certain laws and regulations, words used in this document (including any references to "significance," "importance," "priority," "transition plan," "scenario analysis," "carbon neutral," "ESG," "sustainable finance," "impact," "net zero" or similar terms) should not be read to have the meanings ascribed to them under any U.S. federal securities laws and regulations, or applicable legal requirements in any other jurisdiction. Unless otherwise stated, we use such words in this document to refer to our internal criteria, processes and approaches.

In addition, the methodologies, assumptions and estimates underlying our climate-related strategy, analysis and data have evolved and are likely to continue to change in future periods, including as a result of regulatory, industry, scientific and other developments. Certain information in this report incorporates or otherwise relies upon data from third parties, which may have been prepared in ways that are not consistent with our methodologies or practices. Except as required by law, we do not independently verify such third-party information. As a result of these and other factors, the information we present in this report could differ from that included in our prior disclosures, and information in future disclosures may differ from information contained in this report.

The information provided in this report reflects the company's approach to climate as of the date(s) referenced in this report and is subject to change without notice. None of the content of this report shall be deemed to be incorporated by reference in any documents we have filed or will file with the SEC, and no reports, documents or websites that are cited or referred to in this report shall be deemed to form part of, or to be incorporated by reference into, this report. Additionally, this report may contain statements based on hypothetical scenarios and assumptions. These statements should not necessarily be considered as being indicative of current or actual risk or forecasts of expected risk. Except as required by law, U.S. Bancorp undertakes no obligation to update any statement (including both forward-looking statements and statements regarding historical periods) in this report or future disclosures.

All references to websites, reports, or other documents in this report are for your information only. The content of such websites, reports, or other documents (or any other information they refer to) is not incorporated by reference into this report.

Forward-looking statements

This report contains forward-looking statements about U.S. Bancorp. Statements that are not historical or current facts, including statements about beliefs, expectations, plans, goals, objectives, assumptions and statements about possible future events, conditions, results of operations or performance, are forward-looking statements and are based on the information available to, and assumptions and estimates made by, management as of the date made. These forward-looking statements cover, among other things, priorities and plans for the establishment and achievement of certain environmental and sustainability targets for reductions in GHG emissions and related matters, expected future sustainability impacts or performance, future economic conditions and the anticipated future revenue, expenses, financial condition, asset quality, capital and liquidity levels, goals, initiatives, commitments, projects, targets, aspirations,

approaches, plans, prospects and operations of U.S. Bancorp. Forward-looking statements often use words such as "anticipates," "targets," "expects," "hopes," "estimates," "projects," "forecasts," "intends," "plans," "goals," "believes," "continue" and other similar expressions or future or conditional verbs such as "will," "may," "might," "should," "would" and "could."

Forward-looking statements involve inherent risks and uncertainties that could cause actual results to differ materially from those set forth in forward-looking statements. Factors that could cause actual results or outcomes to differ from those expressed in, or implied by, any of these forward-looking statements include, among others, demographic and economic trends, legislative or regulatory changes, public policies, energy prices, technological innovations, data quality and availability, engagement with clients, suppliers, investors, government officials and other stakeholders, our ability to implement certain initiatives, including emissions targets, scenario analyses, transition plans, risk mitigation strategies and changes to enterprise risk management, and other unforeseen events or conditions. For discussion of the risks and uncertainties that may cause actual results to differ from those described in forward-looking statements, refer to the sections entitled "Risk Factors" and "Forward-looking Statements" of U.S. Bancorp Form 10-K for the year ended December 31, 2023, and subsequent filings with the SEC. In addition, factors other than these risks also could adversely affect U.S. Bancorp results, and the reader should not consider these risks to be a complete set of all potential risks or uncertainties. Readers are cautioned not to place undue reliance on any forward-looking statements. Forward-looking statements speak only as of the date made.



VERIFICATION OPINION DECLARATION GREENHOUSE GAS EMISSIONS

To: The Stakeholders of U.S. Bank

Apex Companies, LLC (Apex) was engaged to conduct an independent verification of the greenhouse gas (GHG) emissions reported by U.S. Bank for the period stated below. This verification opinion declaration applies to the related information included within the scope of work described below.

The determination of the GHG emissions is the sole responsibility of U.S. Bank. U.S. Bank is responsible for the preparation and fair presentation of the GHG emissions statement in accordance with the criteria. Apex's sole responsibility was to provide independent verification on the accuracy of the GHG emissions reported, and on the underlying systems and processes used to collect, analyze and review the information. Apex is responsible for expressing an opinion on the GHG emissions statement based on the verification. Verification activities applied in a limited level of verification are less extensive in nature, timing and extent than in a reasonable level of assurance verification.

Boundaries of the reporting company GHG emissions covered by the verification:

- Operational Control
- United States, Ireland, and Global Leased Spaces

Types of GHGs: CO₂, N₂O, CH₄, Refrigerants

GHG Emissions Statement:

- **Scope 1:** 36,798 metric tons of CO₂ equivalent
- **Scope 2 (Location-Based):** 167,102 metric tons of CO₂ equivalent
- **Scope 2 (Market-Based):** 7,584 metric tons of CO₂ equivalent
- **Scope 3:**
 - Category 5: Waste Generated in Operations: 18,293 metric tons of CO₂ equivalent
 - Category 6: Business Travel: 38,426 metric tons of CO₂ equivalent
 - Category 7: Employee Commuting (USA employees): 56,028 metric tons of CO₂ equivalent
 - Category 13: Downstream Leased Assets: 21,203 metric tons of CO₂ equivalent

Scope 1 – Change year over year from 2022: -3.7%

Scope 2 (market based) – Change year over year from 2022: -23.4%

Scope 1 – Change from baseline year 2014 (baseline not verified): -39.1%

Scope 2 (market-based) – Change from baseline year 2014 (baseline not verified): -97.9%

Data and information supporting the Scope 1 and Scope 2 GHG emissions statement were primarily historical in nature.

Data and information supporting the Scope 3 GHG emissions statement were in some cases estimated rather than historical in nature.

Period covered by GHG emissions verification:

- January 1, 2023 to December 31, 2023

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Criteria against which verification conducted:

- World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard (Scope 1 and 2)
- WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3)

Reference Standard:

- ISO 14064-3 Second edition 2019-04: Greenhouse gases – Part 3: Specification with guidance for the verification and validation of greenhouse gas statements

Level of Assurance and Qualifications:

- Limited
- This verification used a materiality threshold of $\pm 5\%$ for aggregate errors in sampled data for each of the above indicators

GHG Verification Methodology:

Evidence-gathering procedures included but were not limited to:

- Interviews with relevant personnel of U.S. Bank and their consultant;
- Review of documentary evidence produced by U.S. Bank and their consultant;
- Review of U.S. Bank data and information systems and methodology for collection, aggregation, analysis and review of information used to determine GHG emissions; and
- Audit of sample of data used by U.S. Bank to determine GHG emissions.

Verification Opinion:

Based on the process and procedures conducted, there is no evidence that the GHG emissions statement shown above:

- is not materially correct and is not a fair representation of the GHG emissions data and information; and
- has not been prepared in accordance with the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard (Scope 1 and 2), and WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain Accounting and Reporting Standard (Scope 3).

It is our opinion that U.S. Bank has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of these GHG emissions for the stated period and boundaries.

Statement of independence, impartiality and competence

Apex is an independent professional services company that specializes in Health, Safety, Social and Environmental management services including assurance with over 30 years history in providing these services.

No member of the verification team has a business relationship with U.S. Bank, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

Apex has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.



The verification team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over 20 years combined experience in this field and an excellent understanding of Apex's standard methodology for the verification of greenhouse gas emissions data.

Attestation:

A handwritten signature in black ink, appearing to read 'John A. Rohde'.

John A. Rohde, Lead Verifier
Program Manager
Apex Companies, LLC
Lakewood, Colorado

A handwritten signature in black ink, appearing to read 'David Reilly'.

David Reilly, Technical Reviewer
Principal Consultant
Apex Companies, LLC
Santa Ana, California

October 7, 2024

This verification opinion declaration, including the opinion expressed herein, is provided to U.S. Bank and is solely for the benefit of U.S. Bank in accordance with the terms of our agreement. We consent to the release of this declaration to the public or other organizations without accepting or assuming any responsibility or liability on our part to any other party who may have access to this declaration.