



A description of Wells Fargo's sustainable finance reporting methodology and commitment to provide \$200 billion in sustainable financing from 2018 to 2030

# Wells Fargo

## Sustainable finance reporting methodology

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Sustainability and Corporate Responsibility

# Wells Fargo's sustainable finance reporting methodology

## Introduction

Wells Fargo is committed to providing [\\$200 billion from 2018-2030](#) to support environmental sustainability; with 50 percent of our commitment going towards low-carbon opportunities. We are disclosing Wells Fargo's reporting methodology to help stakeholders better understand Wells Fargo's working definition of *sustainable finance* for purposes of measuring the company's progress towards this commitment. There is no agreed-upon industry methodology for what should or should not be included within sustainable finance reporting. To the extent possible, Wells Fargo's sustainable finance reporting is guided by the [Green Bond Principles](#) and [Climate Bonds Initiative](#), and alignment with the [United Nations \(UN\) Sustainable Development Goals](#).

Our progress and reporting metrics supporting our sustainable finance commitment can be found in our most recent [Corporate Responsibility Report](#).

## Sustainable finance reporting methodology

The following table provides a summary of what Wells Fargo counts toward its sustainable finance goal. It also shows the lines of business that provide sustainable finance by financing type, and the reporting methodology used. This applies to all geographic locations in which the lines of business operate worldwide.

This is intended to capture transactions where Wells Fargo provides capital and has direct exposure, e.g. loans or investments, on our balance sheet. Fee-based advisory services and wealth management transactions are therefore, not currently included.

Additional categories, not listed below, are under consideration for future inclusion.

### Clean transportation

Hybrid and electric vehicles, mass transit, commuter rail, and infrastructure for clean energy vehicles

Line of business	Financing type	Reporting methodology
<ul style="list-style-type: none"><li>Asset-backed Finance</li><li>Commercial Banking</li><li>Commercial Capital</li><li>Corporate Banking</li><li>Government &amp; Institutional Banking</li><li>SBA Lending</li><li>Small Business Lending</li></ul>	<ul style="list-style-type: none"><li>Sustainability loan commitments</li></ul>	<p>Includes total amount of commitment during the reporting period</p> <p>For syndicated loans, the total amount includes only Wells Fargo's portion</p>

### Energy efficiency

New and refurbished buildings; district heating; energy storage; fuel cells; and other clean technology

Line of business	Financing type	Reporting methodology
<ul style="list-style-type: none"><li>Commercial Banking</li><li>Commercial Capital</li><li>Corporate Banking</li><li>Small Business Lending</li><li>Wells Fargo Foundation</li></ul>	<ul style="list-style-type: none"><li>Equipment finance</li><li>Philanthropy – Innovation Incubator</li><li>Sustainability loan commitments</li></ul>	<p>Includes total amount of commitment during the reporting period</p> <p>For syndicated loans, the total amount includes only Wells Fargo's portion</p>

## Green buildings

Buildings that meet third-party recognized standards or certifications such as LEED®, ENERGY STAR®, CALGreen, EPA Brownfields Program, etc.

Line of business	Financing type	Reporting methodology
<ul style="list-style-type: none"> <li>Commercial Banking</li> <li>Commercial Real Estate</li> <li>Community Lending and Investments</li> <li>SBA Lending</li> <li>Wealth Management-Commercial</li> </ul>	<ul style="list-style-type: none"> <li>Construction finance</li> <li>Sustainability loan commitments</li> </ul>	<p>Includes total amount of commitment during the reporting period</p> <p>For syndicated loans, the total amount includes only Wells Fargo's portion</p>

## Renewable energy

Financing for renewable energy (wind, solar, geothermal, and select hydropower) including production and transmission. Excludes nuclear power, fossil fuels, and grid infrastructure that support fossil fuels and pipelines

Line of business	Financing type	Reporting methodology
<ul style="list-style-type: none"> <li>Commercial Banking</li> <li>Commercial Capital</li> <li>Commercial Real Estate</li> <li>Corporate Banking</li> <li>Government &amp; Institutional Banking</li> <li>Investment Portfolio</li> <li>SBA Lending</li> <li>Small Business Lending</li> <li>Wealth Management-Commercial</li> </ul>	<ul style="list-style-type: none"> <li>Equipment finance</li> <li>Project finance</li> <li>Solar loan lease</li> <li>Sustainability loan commitments</li> <li>Tax equity investments</li> </ul>	<p>Includes total amount of commitment during the reporting period</p> <p>For syndicated loans, the total amount includes only Wells Fargo's portion</p> <p>Total value of tax equity investment during the reporting period</p>

## Sustainable finance bonds

Corporate and municipal bonds that follow third-party frameworks such as the Green Bond Principles or fall into one of the following categories: buildings/energy efficiency; power/renewable energy; transportation/mass transit; and water, waste, and sewage

Line of business	Financing type	Reporting methodology
<ul style="list-style-type: none"> <li>Government &amp; Institutional Banking</li> <li>Investment Portfolio</li> <li>Wells Fargo Securities</li> </ul>	<ul style="list-style-type: none"> <li>Bond investments</li> <li>Corporate bonds</li> <li>Municipal bonds</li> </ul> <p><i>Advisory and other fee-based services that contribute to sustainable finance categories are currently under consideration for inclusion.</i></p>	<p>When Wells Fargo acts as the buyer, reported amount is equal to bond purchase price paid</p> <p>When Wells Fargo leads or participates in the selling of bonds, reported amount is equal to the percentage that reflects our portion</p> <p>If Wells Fargo acts as both a buyer and seller in the same transaction, total reported amount may not exceed 100% of the transaction's value</p>

## Circular economy

Eco-efficient and/or circular economy adopted products, production technologies and processes, and products with an eco-label or certification (e.g. Green Seal®), resource efficient packaging

Line of business	Financing type	Reporting methodology
<ul style="list-style-type: none"><li>Commercial Banking</li><li>Commercial Real Estate</li><li>Corporate Banking</li><li>Commercial Capital</li></ul>	<ul style="list-style-type: none"><li>Sustainability loan commitments</li></ul>	<p>Includes total amount of commitment during the reporting period</p> <p>For syndicated loans, the total amount includes only Wells Fargo's portion</p>

## Environmentally sustainable management of natural resources and land use

Sustainable agriculture as defined by USDA; environmentally sustainable fishery and aquaculture – e.g. Marine Stewardship Council (MSC); environmentally sustainable forestry – e.g. Forest Stewardship Council (FSC) and Sustainable Forestry Initiative (SFI)

Line of business	Financing type	Reporting methodology
<ul style="list-style-type: none"><li>Commercial Banking</li><li>Commercial Real Estate</li><li>Corporate Banking</li><li>Financial Institutions Group</li><li>Government and Institutional Banking</li><li>SBA Lending</li><li>Small Business Lending</li><li>Wealth Management-Commercial</li><li>Wells Fargo Auto-Commercial</li><li>Wells Fargo Commercial Capital</li></ul>	<ul style="list-style-type: none"><li>Sustainability loan commitments</li></ul>	<p>Includes total amount of commitment during the reporting period</p> <p>For syndicated loans, the total amount includes only Wells Fargo's portion</p>

## Pollution prevention and control

Waste water treatment, reduction of air emissions, greenhouse gas control, soil remediation, waste (prevention, reduction, and recycling), and associated environmental monitoring

Line of business	Financing type	Reporting methodology
<ul style="list-style-type: none"><li>Commercial Banking</li><li>Commercial Real Estate</li><li>Corporate Banking</li><li>SBA Lending</li><li>Small Business Lending</li><li>Wealth Management-Commercial</li><li>Wells Fargo Commercial Capital</li></ul>	<ul style="list-style-type: none"><li>Sustainability loan commitments</li></ul>	<p>Includes total amount of commitment during the reporting period</p> <p>For syndicated loans, the total amount includes only Wells Fargo's portion</p>