

C0. Introduction

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C0.1

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**(C0.1) Give a general description and introduction to your organization.**

U.S. Bancorp, with nearly 70,000 employees and \$553 billion in assets as of March 31, 2021, is the parent company of U.S. Bank National Association. The Minneapolis-based company serves millions of customers locally, nationally and globally through a diversified mix of businesses: Consumer and Business Banking; Payment Services; Corporate & Commercial Banking; and Wealth Management and Investment Services. The company has been recognized for its approach to digital innovation, social responsibility, and customer service, including being named one of the 2021 World's Most Ethical Companies and Fortune's most admired superregional bank. Learn more at [usbank.com/about](https://usbank.com/about).

At U.S. Bank, we care deeply about promoting sustainable business practices while supporting economic growth and we embrace our responsibility to be a good steward of our natural resources. We have implemented a 'continuous improvement' approach by protecting and conserving our natural resources through methods such as: 1) Developing business practices that protect and conserve our natural resources; 2) Embracing opportunities for new products, services and partnerships that improve our environmental sustainability 3) Adopting new technologies, such as renewable resources, that continue to reduce our carbon footprint. Many of these approaches can create long-term value for our stakeholders through increased revenues, reduced costs and reduced risks. But just as importantly, these efforts can help improve the world we all share.

Our environmental strategy is woven into our overall Community Possible corporate giving and engagement platform at U.S. Bank, focused on the areas of Work, Home and Play. The company invests in programs that provide stable employment, a safe place to call home and a community connected through arts, culture, recreation and play. In 2020, U.S. Bank gave over \$67 million to non-profit organizations across the country through its Foundation and corporate contributions. Visit [www.usbank.com/community](https://www.usbank.com/community) to learn more.

C0.2

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**(C0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2020	December 31 2020	Yes	3 years

C0.3

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**(C0.3) Select the countries/areas for which you will be supplying data.**

- Belgium
- Belize
- Canada
- Cayman Islands
- Germany
- Ireland
- Lithuania
- Luxembourg
- Mexico
- Norway
- Poland
- Spain
- Sweden
- United Kingdom of Great Britain and Northern Ireland
- United States of America

C0.4

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**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

USD

C0.5

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**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.**

Operational control

C-FS0.7

**(C-FS0.7) Which organizational activities does your organization undertake?**

Bank lending (Bank)

C1. Governance

C1.1

**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

C1.1a

**(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

Position of individual(s)	Please explain
Board-level committee	The Board's oversight of climate change impacts on the company occurs primarily in the Risk Management Committee and the Public Responsibility Committee. The Risk Management Committee oversees management's execution of our Risk Management Framework, which includes policies to govern the management of credit, operational, compliance and other risks that could be generated by climate change. This framework includes our Risk Appetite Statement. Climate risk is integrated into our emerging risk process and is included as an emerging risk that is assessed and managed. As a way to manage and monitor this identified emerging risk, management updated the Risk Appetite Statement to include Climate Risk considerations, which was ultimately reviewed and approved by the Risk Management Committee of the Board in July 2021. The Public Responsibility Committee oversees policies and programs related to corporate responsibility matters, including environmental sustainability, and reviews company positions and practices that pose reputation risk. To carry out these responsibilities, this committee receives regular updates from management on climate change and other environmental matters to review our strategy, goals, possible risks and risk mitigation initiatives, and major environmental partnerships. The management-level risk oversight structure under the Board's Risk Management Committee is headed up by the Executive Risk Committee (ERC). Senior operating committees support the ERC. We formed a Climate Risk Working Group in 2020 as a centralized, integrated forum for information sharing and discussion on topics related to climate change risk, both financial and reputational. This group meets monthly, is co-chaired by the head of enterprise risk management and the chief risk officer for strategy, transformation and corporate affairs, and includes representatives from the risk management, strategy, finance, economic analysis and legal functions, as well as from business lines offering products and services affected by climate-related risks and opportunities.

C1.1b

**(C1.1b) Provide further details on the board's oversight of climate-related issues.**

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	<ul style="list-style-type: none"> <li>Reviewing and guiding strategy</li> <li>Reviewing and guiding major plans of action</li> <li>Reviewing and guiding risk management policies</li> <li>Monitoring and overseeing progress against goals and targets for addressing climate-related issues</li> </ul>	Climate-related risks and opportunities to our own operations The impact of our own operations on the climate	Environmental updates, including climate-related issues, are presented to the Public Responsibility Committee (PRC) of the Board of Directors regularly. We made the decision in 2019 to increase updates from annually to quarterly, starting in 2020. The purpose of these updates is to review strategy, goals, possible risks, as well as risk mitigation initiatives, and major environmental partnerships/ initiatives. These scheduled presentations ensure accountability as well as allow board members to provide feedback and guidance on current and future work. Board members are also encouraged to share trends they are seeing around climate change. For example, based on a board member's recommendation, the U.S. Bank team researched a growing focus around biodiversity and its potential impact on U.S. Bank's current environmental strategy. Each time environmental information is shared with the PRC, an update on progress towards U.S. Bank's GHG target is provided. This allows members to ask questions and hold employees accountable to meeting the target. As new goals are explored, they are reviewed with the committee to provide feedback and guide our strategy around setting goals and how best to meet those goals.

C1.2

**(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Other C-Suite Officer, please specify (U.S. Bank's Chief Administrative Officer)	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our other products and services Risks and opportunities related to our own operations	Quarterly
Chief Risks Officer (CRO)	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our bank lending activities Risks and opportunities related to our investing activities Risks and opportunities related to our own operations	Quarterly

C1.2a

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

The Chief Administrative Officer (CAO) and the Chief Risk Officer (CRO) have joint responsibility for the leadership of climate risk. As direct reports to the Chief Executive Officer, they have appropriate authority, along with the expertise and organizational structures to address both the reputational risks and the financial risks related to climate change. U.S. Bank's CAO reports directly to the CEO and is responsible for overseeing the management of U.S. Bank's reputational risk, including reputational risk associated with climate change risk. She is also responsible for U.S. Bank's environmental strategy, for example, looking at climate opportunities and weighing the risks managed under the CRO, in terms of setting corporate strategy generally and climate strategy specifically. These responsibilities are included in her annual goal plan. Issues are monitored and reported to the CAO by U.S. Bank's Chief Social Responsibility Officer (CSRO), who reports directly to the CAO, and U.S. Bank's environmental strategy and programs team which is part of the CSRO's team. The CAO evaluates and manages exposure to emerging environmental, social and governance trends that pose reputational risk. Day-to-day climate related matters are monitored and managed by the Environmental Program Manager. This includes quarterly meetings and working with an enterprise wide group of senior leaders (Climate Risk Working Group) to assess and mitigate U.S. Bank's climate related risk. In response to a growing connection between climate related matters and other social and community matters, the decision was made to merge U.S. Bank's Environmental Working Group into a newly formed Corporate Responsibility Working Group. This allows greater integration of climate related risks and opportunities into an overall ESG strategy for the company. Regular updates are provided to the CSRO and included in weekly email updates to the CAO as needed. U.S. Bank's Reputation Risk Oversight Committee (RROC), which is an official subcommittee of the Bank's Executive Risk Committee and includes the CEO, CAO, CRO, CSRO, all business line Chief Risk Officers and all members of U.S. Bank's Managing Committee, receives quarterly updates regarding relevant climate related matters. Regular updates are provided to the Public Responsibility Committee of the board of directors.

The work outlined above fits within the scope of the CAO's role as the C-suite executive tasked with managing U.S. Bank's reputation and environmental strategy. Climate change is a risk we take very seriously and one that our stakeholders are showing an increase in interest around. As such, it can have a significant impact on our reputation. Also, as the C-suite executive tasked with managing the impact on the communities we serve and sharing our company brand and strategy, our impact on the environment is a key piece of that work. "We do the right thing" is central to our brand and our identity as a company and lessening our impact on the environment is the right thing to do.

The Chief Risk Officer manages climate risk through existing risk functions and climate risk is embedded in U.S. Bank's risk management framework. In 2020, we launched a new Climate Risk Working Group with the goal to monitor and manage financial risk related to climate change. This group was formed in response to growing awareness in this area at the request of the Chief Risk Officer, who has joint oversight of this activity, along with the CAO. The purpose of this effort is to further integrate climate risk into U.S. Bancorp's overall enterprise risk process. Furthermore, the Risk Management Committee of the Board approved the addition of climate risk into the Bank's Risk Appetite Statement in April 2021.

C1.3

**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).**

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Other C-Suite Officer	Monetary reward	Emissions reduction target Behavior change related indicator	U.S. Bank's Vice Chairman, Chief Administrative Officer (CAO) has high level oversight of company environmental strategy and policy, including U.S. Bank's GHG emissions reduction target of 40% by 2029 (completed) and 60% by 2044. This includes employee engagement around environmental efforts to reduce corporate emissions, customer engagement and driving internal change towards being more environmentally responsible. The CAO has oversight of strategy and initiatives to drive U.S. Bank's environmental progress, including meeting our target, and this is written into her annual performance goals. Compensation is informed by achieving the goals in annual performance goal plans.
Business unit manager	Monetary reward	Emissions reduction target Behavior change related indicator	U.S. Bank's Chief Social Responsibility Officer (CSRO) is responsible for managing the employees who set U.S. Bank's environmental strategy, including performance targets. The CSRO is also responsible for managing reputational climate change risk in partnership with her team. Management of climate change strategy and risk is part of performance goals and success is incentivized through annual performance awards.
Environment/Sustainability manager	Monetary reward	Emissions reduction target Behavior change related indicator	U.S. Bank's VP - Environmental Program Manager is responsible for coordinating efforts to engage employees and modify behaviors to reduce emissions, as well as working across business lines to coordinate energy/ emissions reduction initiatives. She also reviews pertinent environmental due diligence escalations from the business lines to determine whether further escalation is needed. Success is incentivized through annual performance awards.
Energy manager	Monetary reward	Emissions reduction target Energy reduction project	U.S. Bank's VP - Energy Manager within Corporate Real Estate is responsible for managing and supporting our energy reduction program as well as renewable energy efforts. Success is incentivized through annual performance awards.
Business unit manager	Monetary reward	Portfolio/fund alignment to climate-related objectives	Renewable energy managers within the U.S. Bancorp Community Development Corporation are responsible for tax credit investing of projects within the solar/ renewable energy industry. These projects help customers reduce or avoid GHG emissions. These managers are incentivized by the number of renewable energy projects they facilitate and manage.
All employees	Non-monetary reward	Behavior change related indicator	Development and implementation of sustainability initiatives, including those which have direct impact on emissions reduction, such as energy reduction and transportation initiatives. U.S. Bank employees are encouraged to recognize each other using the Best in US portal - U.S. Bank's employee recognition program.
Chief Risk Officer (CRO)	Monetary reward	Behavior change related indicator Other (please specify) (integrating climate risk into our existing strong risk management framework)	U.S. Bank's Vice Chairman, Chief Risk Officer (CRO) has responsibility to manage the company's high and emerging risks through our risk management framework, including climate risk. At her request, U.S. Bank formed a climate risk working group to monitor, assess, and act on potential climate risk issues facing our company. Integrating climate risk into U.S. Bank's strong enterprise risk management framework falls within her purview and is written into her annual performance goals. Compensation is informed by achieving the goals in annual performance goal plans.
Chief Executive Officer (CEO)	Monetary reward	Emissions reduction target Behavior change related indicator	U.S. Bank's Chairman, President and CEO has responsibility to ensure the company is being prudent in managing climate risk and is meeting climate targets. ESG is a component of company & management committee performance objectives and ultimately progress is considered in the incentive funding and as appropriate in individual executive award decisions along with other financial and non-financial performance outcomes.

**C-FS1.4**

**(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG principles, including climate change?**

	We offer an employment-based retirement scheme that incorporates ESG principles, including climate change.	Comment
Row 1	No	

**C2. Risks and opportunities**

**C2.1**

**(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?**

Yes

**C2.1a**

**(C2.1a) How does your organization define short-, medium- and long-term time horizons?**

	From (years)	To (years)	Comment
Short-term	0	3	
Medium-term	3	10	
Long-term	10	30	

**C2.1b**

## (C2.1b) How does your organization define substantive financial or strategic impact on your business?

U.S. Bank would define substantive as having a significant financial, reputation or social impact, or impacting our business operations and/ or brand, making it difficult to execute our strategy or to meet the needs of our customers and communities. From a qualitative perspective, factors include consideration around: 1) number of business lines and/ or customers affected, 2) potential financial loss and/or revenue as a result of the risk or opportunity, and 3) stakeholder attention around the risk/ opportunity, including potential effect on U.S. Bank's reputation. From a quantitative perspective, potential losses in the \$200+ million range receive additional risk governance and oversight, which aligns with capital planning processes.

## C2.2

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### (C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

#### Value chain stage(s) covered

Direct operations  
Downstream

#### Risk management process

Integrated into multi-disciplinary company-wide risk management process

#### Frequency of assessment

More than once a year

#### Time horizon(s) covered

Short-term  
Medium-term  
Long-term

#### Description of process

We continue to improve our understanding of key risks that climate change poses to our company, customers and communities, and we are making strategic adjustments to our scenario analysis, policies and operational practices accordingly. We also see opportunities in making investments in renewable energy and offering innovative products and services to meet the needs of tomorrow's green economy. For risk Identification, climate-related risks are relevant across many risk categories within our Risk Management Framework. Physical risks can be acute, meaning that they are driven by a specific event such as a hurricane or wildfire, or they can be chronic, meaning that they reflect longer-term shifts in climate patterns. Transition risks arise from the policy, regulatory, technological, consumer preference and reputational impacts of the transition to a lower-carbon economy. The source of these risks is not the transition itself but rather the failure of companies and society to prepare for the transition. These risks can be freestanding, but they can also cross categories to create inter-risk exposure - i.e.: 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 climate change risks 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 of 30+ years are prevalent. We use scenario analysis to understand the potential financial impact on the company of adverse events related to physical risks. Natural disasters have been identified as a risk through our risk identification/ assessment process. This risk was then incorporated into the scenario design and stress testing process in order to quantify the potential impact within the CCAR exercise. The results of this analysis supported our capital planning activities and allowed risk management to focus on the impact of future hurricanes and wildfires from a financial risk viewpoint. With climate change increasing the frequency and/or severity of natural disasters, it is more important than ever that we understand how these occurrences affect our customers and the company. We are monitoring trends in the development and application of scenario analysis to both the physical and transition risks associated with climate change. From a transition risk perspective, we recognize that there are industries in our lending portfolio that we consider more environmentally sensitive, and a case study for how we identify, assess, and respond to these types of risks is in our Oil & Gas and Power (Utilities) industries. We have increased monitoring and oversight of those portfolios as transition risks in the future may impact them to a greater degree than other portfolios. This includes leveraging key elements of our U.S. Bank Risk Management Framework, including risk monitoring, reporting, and trending analysis. As a result, we have quarterly reporting of exposures to all environmentally sensitive industries in the U.S. Bank Climate Risk Dashboard, along with additional risk management with risk limits for several credit portfolios within this designation. The legal, regulatory, political, ethical, environmental and social responsibility activities of a business entity can create elevated risk for the entities they partner with—most notably, their arrangements with banks. To guide our risk evaluation and response to relationships that entail high environmental or social exposures, we maintain an Environmental and Social Risk Policy. This is a key component of an enterprise approach to manage and oversee the risks associated with our relationships based on the type of business conducted by current or potential customers or other aspects of those entities' positioning on environmental and social issues. From a physical risk perspective, climate change has the potential to affect our operations budget through more extreme heating and cooling seasons. In an effort to reduce risk and impact, our Corporate Real Estate group has been tasked with better managing our energy use and as a result, developed an operational strategy that is twofold: continue seeking opportunities to purchase renewable energy for our facilities while also working to reduce energy use at our facilities. Purchasing renewable energy allows us to better manage our energy costs and leaves us less vulnerable to energy fluctuations, while reducing the energy we use allows us to lower risk through increased efficiency, leaving us less vulnerable to extreme weather. This has resulted in opportunities to save money with facilities that are more efficient by following sustainable principles in the design phase and retrofitting. It has also allowed us to increase vendor partnerships, such as purchasing renewable energy through Xcel Energy's Renewable Connect program and participating in PGE's Clean Wind program. From an opportunities perspective, much of our environmental finance activity happens through our Community Development Corporation (USB CDC), including Renewable Energy Tax Credits investments that help provide clean energy options to our nation's homes, towns and businesses. These projects are not only good for the environment, but they also create tens of thousands of jobs in local communities around the country. We commit more than \$1B annually in renewable energy investments, and since 2007, the USB CDC has committed more than \$12B in solar, energy storage, wind, biomass and fuel cell technologies. As part of that commitment, we have financed \$11B in solar, or more than 15% of all solar projects in the United States, over the past 10 years. Our solar portfolio spans a broad customer base, which diversifies risk within our environmental finance activities. We also power the transition to a low-carbon economy with loans to clients in our utilities portfolio who must expend meaningful capital resources to ensure that their operations meet or exceed increasing regulatory mandates for renewable energy and through our green auto lending program. From 2008-2020, U.S. Bank financed \$7.8B in capital to electric vehicle lending and leasing through its equipment finance and auto leasing division. As new opportunities to finance the green economy emerge, we use a value-based prioritization process, balancing a product's net value (considering its alignment with our goals, financial benefits and any multiplier benefits) with ease of implementation (considering resource requirements and conformity with our credit risk framework). We are currently evaluating the landscape of potential environmental finance activities that could help our customers transition to a low-carbon economy.

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## C2.2a

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**(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?**

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	As a financial services company, we are highly regulated, so this is always relevant to our business and included in our ongoing assessment of risks related to climate change. We recognize that our current business footprint does not include substantial business activities in jurisdictions with current regulations related to climate risk. However, we believe our risk management framework is structured in a way to assess all risks the bank may face, include risks related to compliance with climate risk related regulations. These risks could manifest in increased operating costs, operational losses, and decreased revenue if products or business strategy is impacted by changing regulations.
Emerging regulation	Relevant, always included	As a financial services company, we are highly regulated, so this is always relevant to our business and included in our ongoing assessment of risks related to climate change. We monitor the regulatory environment closely through our Regulatory Change Management Group in Compliance Risk Department and our Legal Regulatory Group within the Law Division. These groups are actively engaged in potential climate policy matters and potential regulations, while participating in industry working groups. The Legal Regulatory Group is a key contributor to the Climate Risk Working Group that drives climate related risk management initiatives and our formal risk management process is a detailed review by the compliance team who is well versed in current regulations. We recognize that the regulatory environment is increasing with significant regulatory attention and resources focused on climate risks, and we are making sure we are always aligned with regulatory expectations, while also being proactive on climate risk and not waiting for the regulators to guide us in how to manage the risk. An example of emerging regulation that is being assessed through our risk management process is increased taxes and regulation around energy and fuel. Increased taxes and regulation around fuel and energy would increase the operating cost to run U.S. Bank's over 2,300 locations. It might also affect the type of energy we can purchase, which has the potential to force us into fuel/energy purchasing agreements with a higher cost than previous partnerships. In 2020, U.S. Bank spent approximately \$59 million on energy to operate our over 2,300 locations. If fuel and energy taxes increase, these costs will increase the level of funding needed to operate our facilities.
Technology	Relevant, always included	U.S. Bank offers many online services that reduce emissions by eliminating the need to travel to branches for customers' banking needs, as well as reducing paper use. Data security is paramount to who we are as a company and to our industry in general, so any risks involved with these services are always included in our risk management process. An example would be the fact that U.S. Bank was the first bank to offer banking services on all three major platforms: Amazon Alexa, Google Home and Apple Siri. In order to reduce risk of unauthorized persons accessing customer information through these types of devices, certain banking functions are not allowed when using these platforms. Precautions need to be taken to ensure service to our customers continues in the event a data center is impacted. Higher reliance on technology also presents risk within our operation. As a financial services company, we require multiple data centers that are strategically placed across our footprint to ensure operation resiliency. We also see physical climate change risk associated with our data centers due to increased energy use with more dramatic temperature changes. Data centers also create unique physical security risks, in the event of heightened natural disasters caused by climate change.
Legal	Relevant, sometimes included	We define legal risk as risks associated with legal proceedings or disputes that arise out of activities conducted by Bank business lines and personnel. This risk general results in litigation or regulatory enforcement actions. With mainly office based operations, U.S. Bank's business activities do not generally subject the company to material climate and environmental related litigation claims or regulatory enforcement. We recognize that the law could evolve over time, which may expose U.S. Bank to an increased risk of litigation and regulatory enforcement actions. We further recognize that a failure to comply with laws or regulations relevant to our business activities could result in civil penalties and increased litigation related expenses. Due to this risk, we continue to monitor the legal implications of the changing climate and how they may impact U.S. Bank based on our geographic footprint and business activities.
Market	Relevant, sometimes included	Market shifts do affect our customers, which in turn can affect our bottom line through an increase in write-offs. For example, if the shift to a low carbon economy increases the market for electric vehicles, any automotive industry manufacturers who have not effectively transitioned might see a decrease in revenue, resulting in an inability to meet financial commitments, which would, in turn, affect U.S. Bank's business. When we expect a market shift that would affect a large number of customers, we would then include the risk in our portfolio review and risk assessment. With the shift to a low carbon economy, U.S. Bank is continuing to look at products to assist and/ or encourage our customers with this shift. Examples are the recent approval of a new renewable energy lending product and exploring expanded impact investment offerings. Because of this, we see market shifts as both a risk and an opportunity to expand our business. In addition, as climate risk events increase, we should expect the potential for more frequent market shock events. The bank currently maintains a strong capital structure, non-high risk trading strategies, and a risk management framework that includes stress scenarios to estimate potential loss from a severe market shock.
Reputation	Relevant, always included	Increased expectations from customers, shareholders, communities, and investors regarding disclosure and management of environmental impact have led to more scrutiny and reputation risk. As a financial services provider, U.S. Bank's impact may be lower than some of our customers that operate in industries that generate greater emissions, but we are more frequently being evaluated based on our customers' environmental impact due to our financial relationship with them. A negative evaluation could damage U.S. Bank's reputation and result in a loss of business, so we make sure to take the time to get to know our customers. U.S. Bank has an escalation process in place to review customers posing reputation risk up through the Company Chief Risk Officer and other Managing Committee members, as appropriate. We've also enhanced our approach on assessing climate risk; we have established a Corporate Responsibility Working Group, Relationship Review Working Group, and a Climate Risk Working Group to share, monitor, and report on relevant reputation and financial risks. All three working groups are made up of senior leaders across several business lines.
Acute physical	Relevant, always included	Natural disasters affect U.S. Bank's customers and can lead to their inability to fulfill commitments. If their business is destroyed through flooding or other climate related event, they may be unable to conduct business. This would lead to an inability to repay debt and a decrease in future relationship opportunities. U.S. Bank attempts to evaluate customer relationships in relation to recent trends through our risk management processes. A natural disaster dashboard has been created to track financial impact to our operations and credit portfolios from past events and evaluate the potential impact of additional disasters. Stress Testing scenarios have also been created that incorporate increased frequency and severity of natural disasters and to incorporate these scenarios into capital planning considerations.
Chronic physical	Relevant, always included	Similar to the acute physical occurrences, chronic shifts caused by climate change can also affect our customers and their ability to fulfill commitments, as well as a decrease in future relationship opportunities. Our Capital Management and our Risk Management & Compliance groups have leveraged scenarios to stress test our exposure against various risks, including those related to climate-change. Changes in temperature extremes will also lead to an increase in energy use to heat and cool U.S. Bank's over 2,300 locations. U.S. Bank has several locations in the Western/ Southwestern United States, in cities such as Las Vegas, Phoenix, San Diego and Los Angeles. With temperatures continuing to rise, especially in the desert climates, our locations in these areas will require a continually higher level of cooling. U.S. Bank is headquartered in Minneapolis, a traditionally cool city, and has a large presence in other northern locations, such as Milwaukee. These locations do not usually require a high level of cooling, but with increasingly warmer weather, they now require more use of air conditioning units, resulting in higher costs and emissions. In 2020, U.S. Bank spent approximately \$59 million on energy to operate our over 2,300 locations. If extreme temperatures worsen, these costs will increase the level of capital needed to operate our facilities.

**C-FS2.2b**

**(C-FS2.2b) Do you assess your portfolio's exposure to climate-related risks and opportunities?**

	We assess the portfolio's exposure	Please explain
Bank lending (Bank)	Yes	Credit Risk Management maintains a quarterly report on credit exposure to environmentally sensitive industries based on U.S. Bank's Environmental Responsibility Policy. This process identifies environmentally sensitive industries based on the North American Industry Classification (NAICS) codes. NAICS codes are then aggregated through the reporting process and the total dollar exposure for each environmentally sensitive industry is calculated. Management leverages the report to analyze and monitor trending of environmentally sensitive exposure. We have used publicly available indicators to assess our residential real estate exposure to various types of natural disasters such as hurricanes, wildfires and coastal flooding (down to the census tract level). We are in the process of developing a preliminary heatmap of our commercial portfolio's exposure to various physical and transition risks.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	Primary business activities relate to lending exposure.

**C-FS2.2c**

**(C-FS2.2c) Describe how you assess your portfolio's exposure to climate-related risks and opportunities.**

	Portfolio coverage	Assessment type	Description
Bank lending (Bank)	Majority of the portfolio	Qualitative and quantitative	Credit Risk Management maintains a quarterly report on credit exposure to environmentally sensitive industries based on U.S. Bank's Environmental Responsibility Policy. Tools used to assess the portfolios exposure include portfolio risk limits on the bank's exposure to the Oil and Gas, and Power sectors. In addition, our policy restrictions around environmentally sensitive types of coal mining demonstrate the Bank's strategy to be responsive to a warmer world. We do not have portfolio limits specifically around coal, precisely because the environmental policy prohibits certain forms of coal mining and financing new coal-fired power plants or new coal mines. Because of this, our credit exposure is immaterial. All clients go through robust due diligence and underwriting practices, with the majority of client commitments in industries with higher environmental impact (such as oil and gas, power, forestry, coals/metals and mining) going through additional due diligence to assess environmental risk and are subject to the Bank's policy prohibitions or escalation process. The Risk Identification process for stress testing includes risk events related to increased frequency of physical risks, such as natural disasters, and incorporates those risk events into the stress testing processes.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	<Not Applicable>	<Not Applicable>	<Not Applicable>

**C-FS2.2d**

**(C-FS2.2d) Do you assess your portfolio's exposure to water-related risks and opportunities?**

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	Yes	Majority of the portfolio	U.S. Bank's credit policy on loans for agricultural production does require an assessment of "water rights". In states where real estate values are dependent on water rights, policy states U.S. Bank must ensure compliance with state law regarding water. It's also required that an evaluation be done with respect to production management, including but not limited to, water and environmental issues. We also assess our residential real estate portfolio's exposure to water-related risks such as droughts and river flooding through FEMA geographic risk designations.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	<Not Applicable>	Primary business activities relate to lending exposure.

**C-FS2.2e**

**(C-FS2.2e) Do you assess your portfolio's exposure to forests-related risks and opportunities?**

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	Yes	Majority of the portfolio	We require environmental due diligence for customers in forestry related industries. In addition, quarterly monitoring of credit exposure to environmentally sensitive industries includes credit exposure within the forestry/wood products segment.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	<Not Applicable>	Primary business activities relate to lending exposure.

**C-FS2.2f**

**(C-FS2.2f) Do you request climate-related information from your clients/investees as part of your due diligence and/or risk assessment practices?**

	We request climate-related information	Please explain
Bank lending (Bank)	Yes, for some	Clients in industries with higher environmental impact (e.g. oil and gas, utilities, coals/metals and mining) go through due diligence to assess environmental risk and are subject to prohibitions or the Environmental and Social Risk Policy escalation process. When lending exposure to municipalities is above our internal materiality thresholds, we require an assessment of the municipality entity's operational and financial readiness to withstand acute weather-related events as well as chronic climate change risks.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	Primary business activities relate to lending exposure.

**C2.3**

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

**C2.3a**



**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Risk 1

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Chronic physical	Rising mean temperatures
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**Primary potential financial impact**

Increased indirect (operating) costs

**Climate risk type mapped to traditional financial services industry risk classification**

Operational risk

**Company-specific description**

In 2020, U.S. Bank spent \$59 million on energy to operate our over 2,300 locations. Rising temperatures will mean air conditioners will run more frequently, causing this cost to increase. U.S. Bank has several locations in the Western/ Southwestern United States, in cities such as Las Vegas, Phoenix, San Diego and Los Angeles. With temperatures continuing to rise, especially in the desert climates, our locations in these areas will require a continually higher level of cooling. U.S. Bank is headquartered in Minneapolis, a traditionally cool city on average, and has a large presence in other northern locations, such as Milwaukee. These locations do not usually require a high level of cooling, but with increasingly warmer weather, they now utilize greater levels of air conditioning, resulting in higher emissions and costs. In addition, we monitor operational concentrations in areas with warm climates where we rely on third parties (including India), which is a consideration as we make strategic decisions related to outsourcing.

**Time horizon**

Short-term

**Likelihood**

Virtually certain

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

590000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

We estimate that we could see an annual 1% increase in our energy cost due to increased temperatures across our footprint and an increased need to cool U.S. Bank's over 2,300 buildings. One percent (\$590,000) is an estimate and might vary.

**Cost of response to risk**

2000000

**Description of response and explanation of cost calculation**

In an effort to mitigate this risk, we are working to upgrade our facilities to be more energy efficient. Examples of this are installations of motion sensor lighting, building all new branch locations to energy efficient standards, switching out light bulbs/fixtures to more efficient options, etc. We completed 10 projects in 2020, mostly LED upgrades, including several large buildings in Illinois and Minnesota, where the expected impact is an annual reduction of nearly 1000 MWh of electrical energy. \$2 million is U.S. Bank's annual budget for energy efficient projects. This figure was calculated when we were establishing our GHG reduction target. \$2M was seen as the amount needed annually to cover the energy reduction portion based on past efficiency project performance. The impact of that figure assumes that we continue to see the same energy savings going forward that we have seen in the past. This is considered the "cost of management" because the full amount is dedicated to reducing the energy use of U.S. Bank buildings in an effort to minimize the effect increased energy prices might have on operational costs.

**Comment**

**Identifier**

Risk 2

**Where in the value chain does the risk driver occur?**

Downstream

**Risk type & Primary climate-related risk driver**

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods
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**Primary potential financial impact**

Increased credit risk

**Climate risk type mapped to traditional financial services industry risk classification**

Credit risk

**Company-specific description**

U.S. Bank's Risk Management Team completes a financial impact assessment following climate-related natural disaster events. These events are tracked on a consolidated report, called the U.S. Bank Natural Disaster Dashboard. Examples of recent climate-related events tracked on the dashboard include hurricanes, floods, and fires. Data tracked include operational expenses, credit expenses, impact on revenue, and other expenses from these events - the data points are all pulled from existing

risk management processes that help U.S. Bank manage these risks from all types of emerging and mature risks, including climate risk. Specific examples include past hurricanes in the southeast when we did experience a negative financial impact due to forgiven interest, actual losses and reduced revenue. The forgiven interest was an effort to lighten the stress of our customers following such a devastating loss. This was also done following the devastating fires in California due to increasingly dry conditions in that region. Because U.S. Bank has a larger presence in California than in the southeast portion of the United States, losses seen due to this disaster were greater. Because of U.S. Bank's geographic footprint and location of credit portfolio concentrations, i.e. Midwest vs. Southeast U.S., we are not exposed to significant losses from sea level rising or the increased severity and frequency of hurricanes.

**Time horizon**

Short-term

**Likelihood**

Virtually certain

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

U.S. Bank is currently tracking financial impact of historical climate related events in an effort to inform risk management around future events. We have begun estimating potential future financial impact but are not at a point where we are able to disclose this information.

**Cost of response to risk**

0

**Description of response and explanation of cost calculation**

U.S. Bank attempts to evaluate customer relationships in relation to recent trends through our risk management process. This work is governed by our Environmental & Social Risk Policy. Customer Segments that are more sensitive to flooding and other climate change impacts are evaluated more closely by location and risk management processes are in place to limit impact. Impacts of increased severity and frequency of natural disasters are assessed through our ongoing stress testing processes, including those using the Comprehensive Capital Analysis and Review (CCAR) framework. Data on historical natural disasters and stress testing results have been shared with the Capital Planning Committee of U.S. Bancorp's Board of Directors. Results are used to assess and potentially limit exposure to certain industries or regions based on risk related to climate related events. There is no additional cost for management due to the risk being managed by staff who are employed in roles with a primary focus other than environmental risk. Climate change risk is being integrated into those other roles that are part of the overall risk management structure.

**Comment**

**Identifier**

Risk 3

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Reputation	Increased stakeholder concern or negative stakeholder feedback
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**Primary potential financial impact**

Decreased revenues due to reduced demand for products and services

**Climate risk type mapped to traditional financial services industry risk classification**

Reputational risk

**Company-specific description**

Increased expectations from customers, shareholders, and investors regarding disclosure and management of environmental impact have led to more scrutiny and reputation risk. As a financial services provider, U.S. Bank's emissions may be much lower than those of our customers, but we are more frequently being evaluated based on our customers' impact due to our financial relationship with them. A negative evaluation could damage U.S. Bank's reputation and result in a loss of business, so we make sure to take the time to get to know our customers.

**Time horizon**

Medium-term

**Likelihood**

More likely than not

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

0

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

To date, we have not seen a financial impact based on recent experience and research into the role environment plays in customer choices for doing business. We seek to manage environmental risks associated with our higher impact customers in an effort to reduce risk to U.S. Bank.

**Cost of response to risk**

0

**Description of response and explanation of cost calculation**

U.S. Bank strives to be responsible stewards of the environment, so even though the financial impact of reputation risk is minimal, we work hard to tell our positive story around environmental responsibility and to mitigate any negative exposure risk. With an increase in potential reputation risk appearing with certain customers or industries, it became necessary for us to create a streamlined evaluation process to address this risk. The Bank's Reputation Risk Management program includes a formal escalation process through the Company Chief Risk Officer and other Managing Committee members, as appropriate, and requires relationships that pose significant environmental risk to be escalated for independent decisioning. This has provided a higher level of oversight for environmental reputation risk and has resulted in deeper engagement with customers who are determined to pose a higher reputation risk for U.S. Bank. Cost of management is minimal but increases issue awareness. Because environmental-related escalations occur through the existing Reputation Risk Management framework, additional capital was not needed.

**Comment**

**Identifier**

Risk 4

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Chronic physical	Other, please specify (This risk is driven by all of the options listed)
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**Primary potential financial impact**

Increased credit risk

**Climate risk type mapped to traditional financial services industry risk classification**

Credit risk

**Company-specific description**

Monitoring of environmentally sensitive industries credit exposure occurs through the "Environmentally Sensitive Credit Exposure Report." This allows management to have awareness of exposure levels and to effectively analyze exposure levels if a certain climate / environmental risk emerges. For example, if a significant oil & gas climate risk emerges, we would be able to quickly ascertain our exposure levels and activate enhanced risk management analysis and activities.

**Time horizon**

Medium-term

**Likelihood**

More likely than not

**Magnitude of impact**

Medium-low

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

**Cost of response to risk**

0

**Description of response and explanation of cost calculation**

There is no additional cost for management due to the risk being managed by staff who are employed in roles with a primary focus other than environmental risk. Climate change risk is being integrated into those other roles are part of the overall risk management structure.

**Comment**

**C2.4**

**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

**C2.4a**

**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Opp1

**Where in the value chain does the opportunity occur?**

Downstream

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Development and/or expansion of low emission goods and services

**Primary potential financial impact**

Increased revenues resulting from increased demand for products and services

**Company-specific description**

A shift to a low carbon economy could lead to an increase in programs such as the federal tax credit program and community solar gardens (CSG). Each year, our U.S. Bancorp Community Development Corporation finances about 15 percent of all solar installations in the United States via tax credit financing. Should the federal tax credit program continue, we would see an increase in investment opportunities for this business. One example of a business opportunity tied to this work is a project with the non-profit New Partners Community Solar Corp. The organization's mission is to develop solar on commercial rooftops and distribute the energy to low-income individuals and families to reduce their energy burdens. U.S. Bank's investment helped fund four solar projects around the city. In addition to three rooftop projects, the fourth, at Ludlow-Taylor Elementary School, also included a solar canopy over a portion of its playground, providing a covered space for play and education activities at a facility that doesn't have a dedicated gymnasium.

**Time horizon**

Short-term

**Likelihood**

Unlikely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

360000000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

In 2020, U.S. Bancorp Community Development Corporation invested over \$1.2 billion in renewable energy through tax credits. If these projects are expanded, we would have several more opportunities to significantly increase the dollar amount invested in renewable energy programs, especially community solar gardens. Because U.S. Bank is a leader in this space, we estimate an increase of 30% in our tax credit investment business based on historical activity (\$360,000,000 annually).

**Cost to realize opportunity**

2700000

**Strategy to realize opportunity and explanation of cost calculation**

U.S. Bank is a national leader in financing renewable energy which makes communities more environmentally sustainable as well as more economically resilient through access to affordable energy and the promotion of job growth. At U.S. Bank, we are committed to investing in businesses that are supporting renewable energy efforts and sustainable business practices while supporting job growth. U.S. Bancorp Community Development Corporation (USB CDC) has experts who specialize in renewable energy investing and are seen as leaders in this space. Part of their work includes finding opportunities that drive a clean economy, but also support the communities where we do business. By end of year 2020 we had invested over \$12 billion in solar, energy storage, wind, biomass, and fuel cell technologies. Access to the benefits of renewable energy is often out of reach for many low- and moderate-income (LMI) communities. The New Partners Community Solar Project mentioned above went into service early in 2020 and the energy credits generated by them and New Partners other buildings will support more than 200 low-income households by cutting their energy bills in half. These energy bill credits help make housing costs more affordable in the nation's capital — a city where many are homeless or at high risk of becoming homeless due to some of the highest rents in the nation. Costly energy bills contribute to high housing expenses, impacting low-income households at a proportionately higher rate than the city's median energy burden. These arrays will produce 14,500 megawatt hours of clean electricity over their lifetimes. This is equivalent to offsetting 6,129 metric tons of carbon dioxide from the Pepco electricity grid or taking 1,332 cars off the road for a year. As a result of the direct, indirect and induced impacts – from construction jobs to build the projects to workers grabbing lunch at local restaurants – the 10 gigawatts of solar installations we helped finance suggests an overall economic impact of \$50 billion. Cost of management would be personnel costs associated with the renewable energy group within U.S. Bancorp Community Development Corporation (CDC), totaling approximately \$2.7 million. Because the entire CDC is responsible for the success of our renewable energy tax credit business, we calculate the cost to manage as the personnel costs for each member of that team combined.

**Comment**

---

**Identifier**

Opp2

**Where in the value chain does the opportunity occur?**

Downstream

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Shift in consumer preferences

**Primary potential financial impact**

Increased revenues resulting from increased demand for products and services

**Company-specific description**

Natural disasters caused by climate change can lead to significant losses for U.S. Bank customers. As a financial institution, it is our privilege to be there to assist in the

rebuilding process of those communities where we do business. We do this through lending and investing opportunities. Much of the rebuilding is done with a smaller footprint, such as building a new structure to LEED certified standards or adding new, energy efficient technology to replace damaged equipment. We offer debt products, such as financing for commercial buildings and equity opportunities, such as renewable energy investment tax credit investments. Natural disasters have caused significant hardships on customers throughout our footprint. Whether our customers have questions about their accounts or want to learn about the assistance programs that may be available to them, we're here to help. In the aftermath of large-scale natural disasters, we even take actions to assist affected customers by establishing a special process and procedures to support those in the impacted areas. U.S. Bank has a large footprint in the Western United States and the California wildfires in 2020 added to an already difficult time for our customers.

**Time horizon**

Short-term

**Likelihood**

Likely

**Magnitude of impact**

Medium-low

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

15000000

**Potential financial impact figure – maximum (currency)**

75000000

**Explanation of financial impact figure**

In 2020, U.S. Bank provided over \$1.5 billion in loans and investments for green building or other environmentally beneficial business opportunities. We would estimate an increase in this total, 1%-5% based on location, with an increase in natural disasters, as a portion of these opportunities either directly or indirectly contribute to climate change adaptation.

**Cost to realize opportunity**

450000

**Strategy to realize opportunity and explanation of cost calculation**

U.S. Bank continues to work on meeting the needs of our customers and offering products to assist them as they build and grow following natural disasters. As needs or opportunities for new products are realized, they are evaluated based on risk appetite and feasibility based on current business structure within the appropriate business line. In 2020, U.S. Bank provided over \$4 billion in loans and investments for green building or other environmentally beneficial business opportunities, many which were the result of our customers rebuilding following a physical event caused by climate change, or customers working to mitigate risks of future climate change activities. An example of assisting a new customer build and grow following a natural disaster is an investment made through the federal New Markets Tax Credit (NMTC) program, which provides targeted, low-cost tax incentives for investments that are made in underserved communities. Our U.S. Bancorp Community Development Corporation (USB CDC) is one of the largest investors in the NMTC program, as well as similar programs that help create affordable housing and preserve historic properties. In Puerto Rico, our \$4.2 million investment helped Romark add production capacity, retain 95 jobs and create 59 new ones. The impact of that expansion and those jobs could expand well beyond the U.S. territory. Romark has an investigational new drug currently going through clinical trials for prevention and treatment of viral respiratory illnesses, including COVID-19. If that drug is approved, it is expected to be manufactured at the Puerto Rico facility. Puerto Rico has become a hub for the pharmaceutical industry over the past half century, driven in part by different tax incentives put in place in the 1970s. They were repealed in the early 2000s, however, and many economists say that was the beginning of economic troubles compounded by natural disasters. Cost of management would be dollars associated with personnel costs to process loans and investments for rebuilding efforts (approximately \$450,000). Because rebuilding would primarily be homes and commercial buildings, we estimated the cost to realize based on current mortgage and commercial real estate loan volume and the cost to initiate and manage those loans.

**Comment**

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**Identifier**

Opp3

**Where in the value chain does the opportunity occur?**

Downstream

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Development and/or expansion of low emission goods and services

**Primary potential financial impact**

Increased revenues through access to new and emerging markets

**Company-specific description**

U.S. Bancorp's CDC is a leader in the renewable energy investment tax credit space. In 2020, these investments totaled over \$1.2 billion. Several customers have expressed a desire for U.S. Bank to meet their renewable energy debt needs in combination with the Renewable Energy Investment Tax Credit (REITC) investments. In order to meet customer demand as our customers make the transition to a low carbon economy, U.S. Bank is developing a renewable energy debt product that is expected to go to market in the second half of 2021. To support this environmental finance commitment, the bank has added a Senior Credit Officer specialized in renewable energy.

**Time horizon**

Short-term

**Likelihood**

More likely than not

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

6000000

**Potential financial impact figure – maximum (currency)**

25000000

**Explanation of financial impact figure**

Based on customer demand, if the product is offered, we estimate \$4 million-\$15 million in net interest income and \$2 million-\$10 million in fee revenue. Both fee revenue and net interest income can be generated from making loans to renewable energy projects. This would total between \$6 million and \$25 million potential new revenue.

**Cost to realize opportunity**

2700000

**Strategy to realize opportunity and explanation of cost calculation**

At U.S. Bank, we are committed to investing in businesses that are supporting renewable energy efforts and sustainable business practices while supporting job growth. U.S. Bancorp Community Development Corporation (USBCDC) has experts who specialize in renewable energy investing and are seen as leaders in this space. Part of their work includes finding opportunities that drive a clean economy, but also support the communities where we do business. These efforts have resulted in over \$12B in renewable energy projects enabling the development of more than 10 gigawatts of solar installations. The 10 gigawatts of solar installations are spread throughout communities across the United States. This success in the tax credit space provides a level of expertise and structure that makes a smooth transition as we add a debt product. Having two options within the renewable energy space will allow us to make an even greater impact by supporting our customers more fully. Cost of management would be personnel costs associated with the renewable energy group within USBCDC, totaling approximately \$2.7M. Because the entire CDC is responsible for the success of our tax credit business, as well as any future debt product, should it be approved, we calculate the cost to manage as the personnel costs for each member of that team combined.

**Comment**

**C3. Business Strategy**

**C3.1**

**(C3.1) Have climate-related risks and opportunities influenced your organization’s strategy and/or financial planning?**

Yes

**C3.1b**

**(C3.1b) Does your organization intend to publish a low-carbon transition plan in the next two years?**

	Intention to publish a low-carbon transition plan	Intention to include the transition plan as a scheduled resolution item at Annual General Meetings (AGMs)	Comment
Row 1	Yes, in the next two years	No, we do not intend to include it as a scheduled AGM resolution item	We are currently reviewing our environmental strategy and business model, with plans to set a new GHG emission reduction target that includes financed emissions and is science-based certified. This will help provide a roadmap for moving forward with a focus on transitioning our business to advance a low carbon economy. While we would not likely include this as a scheduled resolution item, we would add this to the agenda of the board committees who provide oversight of this work and ask for discussion and feedback on the plan.

**C3.2**

**(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?**

Yes, qualitative and quantitative

**C3.2a**

**(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.**

Climate-related scenarios and models applied	Details
Other, please specify (CCAR (Comprehensive Capital Analysis and Review))	Scenario analysis has been used at U.S. Bank for several years to understand the potential impact of adverse events. This includes events due to several factors from climate-related events, to economic-related events, and operational-related events. The firm-wide scenario development process is managed by the Economic Scenario and Analytics group within Investor Relations and Economic Analysis. The process is governed by a senior operating committee under the oversight of a Board committee. With climate change resulting in an increase in natural disasters, it is important that we understand how these occurrences will affect customers and the firm. This begins with tracking the financial impact of past climate-related events. These events are tracked on a consolidated report, called a Natural Disaster Dashboard. Examples of recent climate-related events tracked on the dashboard include hurricanes, floods, and fires. Data tracked include operational expenses, credit losses, impact on revenue, and other expenses from these events. These scenarios were included in U.S. Bank’s 2020 capital plan as part of Comprehensive Capital Assessment and Review (CCAR) and Dodd-Frank Stress Test (DFAST) process. Natural Disaster risks are identified as a risk through U.S. Bank’s risk identification and assessment process. The Risk Identification program is where all company risks are identified, including climate related risks (i.e.: increase of natural disasters). Risks are reviewed by management and governance committees, and then inform the design of the stress scenarios. They are then selected by executive management through the CCAR governance process for inclusion in scenarios. Inputs, assumptions & analytics are developed based on historical experience and expectations that similar events will occur in the future. A nine-quarter forecast is used, which is aligned with our capital planning process and CCAR / DFAST stress test requirements. Scenarios are presented to various business partners to protect our business from future climate change effects. Once scenarios are selected, we estimate the potential financial impacts. Results are reviewed by executive management and the board of directors (through the Capital Planning Committee). Results in 2020 included the impact on increased frequency and severity of natural disasters such as hurricanes, floods, and wildfires. The Economic Scenarios and Analytics group has plans to continue building scenarios for climate impacts that have yet to occur. The scenarios may include several events such as impact from floods/ droughts. Plans are in place to refine the process as we learn from past events and results from the scenario analysis process. This is tied to our CCAR / DFAST stress test processes. The framework relies on scenarios designed to stress specific vulnerabilities of the U.S. Bank’s risk profile and operations. We identify scenarios based on events that might have the most significant impact on the bank. For instance, climate related effects in regions of the U.S. where there is a larger customer base or concentration of loans. Another important element is locations where we have significant business operations and personnel. These areas impact our employees and ability to serve our customers in that region or nationally. Results include financial impact and actions taken as a result of the scenarios. The scenario results inform capital planning, which has a direct impact on business decisions related to capital distributions, capital expenditures, and company strategic planning initiatives. Elavon Financial Services (EFS), our wholly owned European subsidiary, analyzed climate-specific scenarios covering physical and transition risk on their organization in 2020. We plan on building off learnings from the EFS experiences and expanding beyond acute physical risks to begin to look at chronic physical risks and transition risks in future climate scenario analysis activities.
Other, please specify (Climate Change Scenarios)	Under the guidance of the Climate Risk Working Group, the Company created a Climate Change Scenario Working Group to work in 2021 on climate change scenarios. The climate change scenarios are based on three Network for Greening the Financial System (NGFS) scenarios. These include Orderly, Disorderly, and Hot House World. Each scenario has assumed chronic climate risk impacts and transition risk impacts. Related to chronic climate impacts, the scenarios include chronic climate change impacts including temperature, precipitation, agriculture yields, and GDP impacts. Related to transition risks, the scenarios include energy demand, energy capacity, investment in energy, energy prices, carbon price, emission trajectories, temperature trajectories, agricultural impacts, and GDP impacts. The scenarios will be used to evaluate the Company’s borrower’s risks and opportunities in the three scenarios. The analysis focuses on industries that are expected to have the largest impact from climate change or government actions in response to climate change (e.g. carbon fees).

**C3.3**

**(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.**

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	U.S. Bancorp’s Community Development Corporation (USBDCDC) is a leader in the renewable energy investment tax credit space. Each year, we finance about 15 percent of all solar installations in the United States via tax credit financing. In 2020, these investments totaled over \$1.2 billion. Several customers have expressed a desire for U.S. Bank to meet their renewable energy debt needs in combination with the Renewable Energy Tax Credit investments. In order to meet customer demand as our customers make the transition to a low carbon economy, U.S. Bank has been pursuing the possibility of offering a renewable energy debt product. The hope with adding this consideration to our renewable energy strategy is that we would be able to further solidify our leadership in this space and attract new customers. We anticipate a medium time horizon for the development of this product as it was recently approved. As new opportunities to invest and lend in the green economy emerge, we evaluate many of these potential products through a value-based prioritization process. Essentially, our process balances a product’s net value to U.S. Bank (considering its alignment with our goals, financial benefits and any multiplier benefits) with ease of implementation (considering resource requirements and conformity with our credit risk framework). We are currently evaluating the landscape of potential environmental finance activities that could help our customers transition to a low-carbon economy.
Supply chain and/or value chain	Yes	We continue to have discussions with U.S. Bank suppliers around partnership opportunities to positively affect climate change. A short-term time horizon example of this is current work with Ricoh, our copy machine vendor, to right-size U.S. Bank’s copier fleet in an effort to reduce energy use and paper use. This was a shift in strategy and involved considerable education for employees as we removed copiers from certain locations, causing employees to evaluate their printing habits. In addition, looking at a long term time horizon, we monitor operational concentrations in areas with warm climates where we rely on third parties (including India), which is a consideration as we make strategic decisions related to outsourcing.
Investment in R&D	No	Because we are a financial services provider, our product offerings and any further development of these offerings are not greatly affected by climate change, due to their non-physical nature.
Operations	Yes	With climate change impacts and the need to better manage our energy use, our strategy is to continue to look for opportunities to purchase renewable energy for our facilities, such as our participation in Xcel Energy’s Renewable Connect Program, as well as utilize \$2 million of the Corporate Real Estate budget to reduce energy use at our facilities. In the long term time horizon, this will help us reach our 2044 GHG reduction target. As part of our strategy to reduce energy consumption, we completed 10 projects in 2020, mostly LED upgrades, including several large buildings in Illinois and Minnesota, where the expected impact is an annual reduction of nearly 1000 MWh of electrical energy. Additionally, we have instituted a program to assess our physical assets with operating costs (including energy) as part of the evaluation. This resulted in the closing/disposition of a number of locations in 2020, which impacts our operating costs.

**C3.4**

**(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

	Financial planning elements that have been influenced	Description of influence
Row 1	Direct costs Capital expenditures Capital allocation Acquisitions and divestments Assets Liabilities	<p>Operating costs: Due to climate change causing fluctuations in energy regulations and prices affecting our operating costs, we are working to upgrade our facilities to be more energy efficient. Examples of this are installations of motion sensor lighting, building all new branch locations to high energy efficiency standards, switching out lights/fixtures to more efficient options, etc. We completed 10 projects in 2020, mostly LED upgrades, including several large buildings in Illinois and Minnesota where the expected impact is an annual reduction of nearly 1000 MWh of electrical energy. Additionally, we have instituted a program to assess our physical assets with operating costs (including energy) as part of the evaluation. This resulted in the closing/disposition of a number of locations in 2020, which impacts our operating costs. We anticipate any future impact will be minimal because of the energy efficiency updates we have made and the fact that financial services, as an industry, are not as energy intensive as others. Capital expenditures / capital allocation: In an effort to better manage climate change impacts to our operations and reputation, U.S. Bank has increased capital towards these efforts. An example of this the added expense of hiring an environmental strategy lead. This hire will allow us to better integrate climate risk across the organization for greater impact. The magnitude of impact for this opportunity is significant in that it will drive resources and support of our environmental efforts.</p> <p>Acquisitions and divestments: Climate risk would be considered and reported through our annual CDP reporting process for new acquisitions and divestments, as part of our overall climate impact as a company. The magnitude of impact for this opportunity is minimal as other factors, such as market fit and strategy alignment are weighted more heavily with this activity. U.S. Bank would be able to address climate change risks at a later date following the acquisition or divestment activity. Assets: In an effort to mitigate climate change risk, we are working to upgrade our facilities to be more energy efficient. Examples of this are installations of motion sensor lighting, building all new branch locations to high energy efficiency standards, switching out lights/fixtures to more efficient options, etc. Additionally, we have instituted a program to assess our physical assets with operating costs (including energy) as part of the evaluation. This resulted in the closing/disposition of a number of locations in 2020, many of them being inefficient with regards to energy performance. Liabilities: By tracking the financial impact of historical natural events caused by climate change, such as the recent hurricanes and fires, we have realized an impact due to increased write-offs and forgiven interest. The magnitude of impact is moderate for this risk due to the diversity of our customer portfolio and the highly regulated nature of our industry.</p>

**C3.4a**

**(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).**

**C-FS3.6**

**(C-FS3.6) Are climate-related issues considered in the policy framework of your organization?**

Yes, both of the above

**C-FS3.6a**

**(C-FS3.6a) In which policies are climate-related issues integrated?**

	Type of policy	Portfolio coverage of policy	Description
Bank lending (Bank)	Credit policy Risk policy Engagement policy	Majority of the portfolio	In addition to bank policy on environmental responsibility and environmental and reputation risk, environmental considerations are also covered in various credit policies, usually as a reminder on the need to comply with the bank's overall environmental policy. The following are particularly notable: U.S. Bancorp General Credit Arrangements, Wholesale Lending, U.S. Bancorp Wood Products, General Lending Policy and Guidelines, U.S. Bancorp Oil & Gas Division, Petroleum Industry Policy and Guidelines. In addition, the U.S. Bancorp Government Banking General Credit Policy and Guidelines requires an assessment of a municipal entity's ability to deal with climate change. We also updated our residential real estate secured lending policy to limit our long-term credit risk exposure on properties (collateral) that is susceptible to coastal flooding.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Please select	Please select	Primary business activities relate to lending exposure.

**C-FS3.6b**



**(C-FS3.6b) Describe your exclusion policies related to industries and/or activities exposed or contributing to climate-related risks.**

Type of exclusion policy	Portfolio	Application	Description
Coal	Bank lending	New business/investment for new projects	U.S. Bank's Environmental and Social Risk Policy encompass financing for certain high-risk activities. Prohibitions include relationship involving the development of new coal mines, project financing of coal-fired power plants, etc. All new business, as well as annual renewals, with clients in the coal industry are subject to the Bank's environmental due diligence and enhanced escalation processes.
Oil & gas	Bank lending	New business/investment for new projects	The company does not provide project financing of oil or natural gas pipelines. All new business, as well as annual reviews, with clients in the oil and gas pipeline industries are subject to the Bank's environmental due diligence and enhanced escalation processes.
Other, please specify (Forestry)	Bank lending	New business/investment for new projects	U.S. Bank's Environmental and Social Risk Policy prohibit financing for certain high-risk activities including forestry that impact indigenous people and or dependent communities without the provision of culturally appropriate representation. All new business, as well as annual reviews, with Forestry customers are subject to environmental due diligence with an escalation process.

**C4. Targets and performance**

**C4.1**

**(C4.1) Did you have an emissions target that was active in the reporting year?**

Absolute target

**C4.1a**

**(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.**

**Target reference number**

Abs 1

**Year target was set**

2016

**Target coverage**

Company-wide

**Scope(s) (or Scope 3 category)**

Scope 1+2 (market-based)

**Base year**

2014

**Covered emissions in base year (metric tons CO<sub>2</sub>e)**

371466

**Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**

100

**Target year**

2029

**Targeted reduction from base year (%)**

40

**Covered emissions in target year (metric tons CO<sub>2</sub>e) [auto-calculated]**

222879.6

**Covered emissions in reporting year (metric tons CO<sub>2</sub>e)**

193138

**% of target achieved [auto-calculated]**

120.016367581421

**Target status in reporting year**

Achieved

**Is this a science-based target?**

Yes, we consider this a science-based target, but it has not been approved by the Science-Based Targets initiative

**Target ambition**

Please select

**Please explain (including target coverage)**

We followed CDP recommendations to set two targets, one pre-2035 and one post-2035. We also followed the CDP guidance for targets to align with the science-based target framework since our industry does not qualify for science-based target certification.

**Target reference number**

Abs 2

**Year target was set**

2016

**Target coverage**

Company-wide

**Scope(s) (or Scope 3 category)**

Scope 1+2 (market-based)

**Base year**

2014

**Covered emissions in base year (metric tons CO2e)**

371446

**Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**

100

**Target year**

2044

**Targeted reduction from base year (%)**

60

**Covered emissions in target year (metric tons CO2e) [auto-calculated]**

148578.4

**Covered emissions in reporting year (metric tons CO2e)**

193138

**% of target achieved [auto-calculated]**

80.0062458607711

**Target status in reporting year**

Underway

**Is this a science-based target?**

Yes, we consider this a science-based target, but it has not been approved by the Science-Based Targets initiative

**Target ambition**

Please select

**Please explain (including target coverage)**

We followed CDP recommendations to set two targets, one pre-2035 and one post-2035. We also followed the CDP guidance for targets to align with the science-based target framework since our industry does not qualify for science-based target certification.

**C4.2**

**(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

No other climate-related targets

**C4.3**

**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

**C4.3a**

**(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	44	2244
To be implemented*	5	160
Implementation commenced*	6	919
Implemented*	61	76566
Not to be implemented	10	2201

**C4.3b**

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

**Initiative category & Initiative type**

Energy efficiency in buildings	Lighting
--------------------------------	----------

**Estimated annual CO2e savings (metric tonnes CO2e)**

1288.6

**Scope(s)**

Scope 2 (market-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

89000

**Investment required (unit currency – as specified in C0.4)**

357000

**Payback period**

4-10 years

**Estimated lifetime of the initiative**

16-20 years

**Comment**

**Initiative category & Initiative type**

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)
--------------------------------	--

**Estimated annual CO2e savings (metric tonnes CO2e)**

2550

**Scope(s)**

Scope 2 (market-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

303000

**Investment required (unit currency – as specified in C0.4)**

10100000

**Payback period**

>25 years

**Estimated lifetime of the initiative**

16-20 years

**Comment**

**Initiative category & Initiative type**

Low-carbon energy generation	Other, please specify (Wind and Solar)
------------------------------	--

**Estimated annual CO2e savings (metric tonnes CO2e)**

72727

**Scope(s)**

Scope 2 (market-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

0

**Investment required (unit currency – as specified in C0.4)**

61605

**Payback period**

<1 year

**Estimated lifetime of the initiative**

<1 year

**Comment**

C4.3c

**(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

Method	Comment
Dedicated budget for energy efficiency	U.S. Bank's Energy and Sustainability Manager within Corporate Real Estate has a dedicated budget for energy efficiency projects. 66 projects were implemented in 2020, including LED lighting and HVAC upgrades with expected total annual reduction of 5.4 million kWh.
Internal incentives/recognition programs	U.S. Bank's facility managers receive reporting for lowest performing locations within their portfolio. They are incentivized and/or recognized for reducing the energy use/ emissions at those low performing locations.
Employee engagement	U.S. Bank's Environmental Program Manager is responsible for employee education and engagement across the enterprise. This includes sharing tips and information via internal collaboration sites and hosting educational calls available to all employees. Employees are encouraged to share ideas via email contacts and employee blog for how we can become more energy efficient as a company. U.S. Bank encourages employee engagement via a network of business resource groups. We have integrated our environmental work into the Development Network by adding a new position to each chapter.

C4.5

**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**

Yes

C4.5a

**(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.**

**Level of aggregation**

Product

**Description of product/Group of products**

Renewable energy investment tax credit (REITC) investing - U.S. Bancorp Community Development Corporation (CDC) is a leader in REITC investments in the United States. In 2020, these investments totaled over \$1.2 billion.

**Are these low-carbon product(s) or do they enable avoided emissions?**

Avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify (U.S. Environmental Protection Agency (EPA) Avoided Emissions and Generation Tool (AVERT))

**% revenue from low carbon product(s) in the reporting year**

0

**% of total portfolio value**

28

**Asset classes/ product types**

Investing	Infrastructure
-----------	----------------

**Comment**

This product generates tax credits for our company and not revenue, therefore the % revenue is 0. In looking at % total portfolio value, we calculated the % of total tax credit portfolio for this product.

**Level of aggregation**

Company-wide

**Description of product/Group of products**

U.S. Bank offers a variety of online banking options for our consumer and commercial customers. These products help customers avoid emissions by eliminating the need to travel to our branch locations and the emissions associated with mailing communications and payments/ deposits. Examples of this is our launch of Zelle's person to person electronic payments for no cost to the user, mobile deposit and online bill pay. As a way of incentivizing use of these electronic options, U.S. Bank switched to making paper statements only available for an extra charge.

**Are these low-carbon product(s) or do they enable avoided emissions?**

Avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify (We use the common knowledge that not driving reduces carbon emissions. )

**% revenue from low carbon product(s) in the reporting year**

0

**% of total portfolio value**

100

**Asset classes/ product types**

Please select

**Comment**

These are free services, so they do not generate revenue.

**Level of aggregation**

Product

**Description of product/Group of products**

U.S. Bank recently launched two new debit cards made with recovered plastic that could have otherwise gone out to sea. The eco-friendly cards feature contactless payment technology and can be added to mobile wallets such as Apple or Google Pay. They are offered in two design options: Diving Turtle and Serene Beach. Customers can learn more about the card designs by going to [www.usbank.com/betterforoceans](http://www.usbank.com/betterforoceans).

**Are these low-carbon product(s) or do they enable avoided emissions?**

Avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Please select

**% revenue from low carbon product(s) in the reporting year**

0

**% of total portfolio value**

0

**Asset classes/ product types**

Please select

**Comment**

The reclaimed ocean-bound plastic is currently only offered in our debit cards, which are offered free to customers, so they do not produce revenue, but they do avoid emissions that would be created through the manufacturing of petroleum based, virgin plastic.

## C5. Emissions methodology

---

### C5.1

---

#### (C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

##### Scope 1

**Base year start**

January 1 2014

**Base year end**

December 31 2014

**Base year emissions (metric tons CO2e)**

60412

**Comment**

To better account for emissions under a new leased site modeling methodology, U.S. Bank recalculated our CY2014 and CY2015 emissions. We have restated our baseline as CY2014 and the revised emissions figures for CY2014 are reported here.

##### Scope 2 (location-based)

**Base year start**

January 1 2014

**Base year end**

December 31 2014

**Base year emissions (metric tons CO2e)**

354799

**Comment**

To better account for emissions under a new leased site modeling methodology, U.S. Bank recalculated our CY2014 and CY2015 emissions. We have restated our baseline as CY2014 and the revised emissions figures for CY2014 are reported here.

##### Scope 2 (market-based)

**Base year start**

January 1 2014

**Base year end**

December 31 2014

**Base year emissions (metric tons CO2e)**

354799

**Comment**

To better account for emissions under a new leased site modeling methodology, U.S. Bank recalculated our CY2014 and CY2015 emissions. We have restated our baseline as CY2014 and the revised emissions figures for CY2014 are reported here.

### C5.2

---

#### (C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019

Energy Information Administration 1605B

ISO 14064-1

The Climate Registry: General Reporting Protocol

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

The Greenhouse Gas Protocol: Scope 2 Guidance

US EPA Center for Corporate Climate Leadership: Direct Fugitive Emissions from Refrigeration, Air Conditioning, Fire Suppression, and Industrial Gases

US EPA Center for Corporate Climate Leadership: Direct Emissions from Stationary Combustion Sources

US EPA Center for Corporate Climate Leadership: Direct Emissions from Mobile Combustion Sources

US EPA Emissions & Generation Resource Integrated Database (eGRID)

Other, please specify (IEA GHG Emissions from Electricity Generation, OECD/IEA, Paris, 2020. (Year 2018 data))

### C5.2a

---

#### (C5.2a) Provide details of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

IEA GHG Emissions from Electricity Generation, OECD/IEA, Paris, 2020. (Year 2018 data)

## C6. Emissions data

---

### C6.1

---

#### (C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

##### Reporting year

###### Gross global Scope 1 emissions (metric tons CO2e)

41461

###### Start date

January 1 2020

###### End date

December 31 2020

###### Comment

##### Past year 1

###### Gross global Scope 1 emissions (metric tons CO2e)

48639

###### Start date

January 1 2019

###### End date

December 31 2019

###### Comment

CY2019 emissions have been recalculated because new data points have become available that allowed for a more accurate estimation for scope 1 natural gas portion of the portfolio.

##### Past year 2

###### Gross global Scope 1 emissions (metric tons CO2e)

51901

###### Start date

January 1 2018

###### End date

December 31 2018

###### Comment

CY2018 emissions have been recalculated because new data points have become available that allowed for a more accurate estimation for scope 1 natural gas portion of the portfolio.

##### Past year 3

###### Gross global Scope 1 emissions (metric tons CO2e)

46364

###### Start date

January 1 2017

###### End date

December 31 2017

###### Comment

CY2017 emissions have been recalculated because new data points have become available that allowed for a more accurate estimation for scope 1 natural gas portion of the portfolio.

### C6.2

---

#### (C6.2) Describe your organization's approach to reporting Scope 2 emissions.

##### Row 1

###### Scope 2, location-based

We are reporting a Scope 2, location-based figure

###### Scope 2, market-based

We are reporting a Scope 2, market-based figure

###### Comment

To improve GHG inventory completeness, accuracy and relevance U.S. Bank reports a Scope 2 market-based figure.

### C6.3

---

**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?**

**Reporting year**

**Scope 2, location-based**  
212620

**Scope 2, market-based (if applicable)**  
151677

**Start date**  
January 1 2020

**End date**  
December 31 2020

**Comment**

**Past year 1**

**Scope 2, location-based**  
255929

**Scope 2, market-based (if applicable)**  
176447

**Start date**  
January 1 2019

**End date**  
December 31 2019

**Comment**

CY2019 emissions have been recalculated because new data points have become available that allowed for a more accurate estimation for scope 1 natural gas portion of the portfolio. Therefore, it does not impact scope 2 emissions.

**Past year 2**

**Scope 2, location-based**  
280854

**Scope 2, market-based (if applicable)**  
225412

**Start date**  
January 1 2018

**End date**  
December 31 2018

**Comment**

CY2018 emissions have been recalculated because new data points have become available that allowed for a more accurate estimation for scope 1 natural gas portion of the portfolio. Therefore, it does not impact scope 2 emissions.

**Past year 3**

**Scope 2, location-based**  
287196

**Scope 2, market-based (if applicable)**  
239367

**Start date**  
January 1 2017

**End date**  
December 31 2017

**Comment**

CY2017 emissions have been recalculated because new data points have become available that allowed for a more accurate estimation for scope 1 natural gas portion of the portfolio. Therefore, it does not impact scope 2 emissions.

**C6.4**

---

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

Yes

**C6.4a**

---



**(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.**

**Source**

ATMs (owned and operated independently of our facilities that are not yet reported)

**Relevance of Scope 1 emissions from this source**

Emissions are not relevant

**Relevance of location-based Scope 2 emissions from this source**

Emissions are not relevant

**Relevance of market-based Scope 2 emissions from this source (if applicable)**

Emissions are not relevant

**Explain why this source is excluded**

There are potentially ATMs with small energy consumption that are not being captured in our existing reporting, the emissions would be minimal and thus not relevant.

---

**C6.5**

---

**(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.**

**Purchased goods and services**

**Evaluation status**

Relevant, not yet calculated

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

U.S. Bank has not yet determined a reliable and accurate methodology for tracking and calculating emissions from purchased goods and services

**Capital goods**

**Evaluation status**

Relevant, not yet calculated

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

U.S. Bank has not yet determined a reliable and accurate methodology for tracking and calculating emissions from capital goods.

**Fuel-and-energy-related activities (not included in Scope 1 or 2)**

**Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

U.S. Bank captures the bulk of fuel and energy related activities within Scope 1 and 2. These emissions would be de minimis in comparison to our Scope 1 and 2 fuel and energy emissions. Furthermore, U.S. Bank has limited ability to influence Scope 3 emissions within this category.

## Upstream transportation and distribution

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

As a financial services company, U.S. Bank produces a limited number of physical products that require upstream transportation. The estimated size of this Scope 3 category is therefore small relative to our total estimated Scope 3 emissions.

## Waste generated in operations

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

7110

### Emissions calculation methodology

U.S. Bank compiles waste data provided by third-party vendors on actual waste streams from serviced locations. We then calculate waste emissions utilizing EPA's CCCL Emission Factors for Greenhouse Gas Inventories (updated March 2020). This calculates emissions based on a lifecycle alternative-to-baseline approach. This represents emissions from landfilled, recycled, and composted waste.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Please explain

## Business travel

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

12856

### Emissions calculation methodology

U.S. Bank captures activity data from several means of business transportation including air, rail, rental car mileage, and hotel stay. For air travel, emissions are calculated using the Defra DECC (2020) 1.0 business travel – air emissions factors for various seating classes and flight segment lengths. Rental car emissions are determined from actual mileage data and EPA CCCL (2020) emissions factors per mile traveled. Actual rail distance traveled is also collected and emissions estimated with the EPA CCCL factors (2020).

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Please explain

## Employee commuting

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

28664

### Emissions calculation methodology

U.S. Bank captures activity data from commuting surveys including mode of transportation, number of travels, distance travelled, etc. The emissions are calculated using the EPA's CCCL factors (2020) for various modes of transportation including passenger cars, light-duty truck, motorcycle, bus, rail, etc. The activity data was collected from a sample size of approximately 4,800 employees and extrapolated to the entire full-time employee headcount. For 2020, 50-90% reduction in commuting was assumed due to site closures.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Please explain

## Upstream leased assets

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

Due to our organizational boundary definition for operational control under Scopes 1 and 2, upstream leased assets are incorporated in our Scopes 1 and 2 emissions inventories.

## Downstream transportation and distribution

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

As a financial services company, U.S. Bank produces a limited number of physical products that require downstream transportation. The estimated size of this Scope 3 category is therefore small relative to our total estimated Scope 3 emissions.

## Processing of sold products

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

As a financial services company, U.S. Bank produces a limited number of physical products that require processing. The estimated size of this Scope 3 category is therefore de minimis and not relevant to our Scope 3 emissions.

## Use of sold products

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

As a financial services company, U.S. Bank produces a limited number of physical products. Furthermore, there is a limited set of actions U.S. Bank could take to influence use of sold products (e.g., online banking portals) within Scope 3. The estimated size of this Scope 3 category is therefore de minimis and not relevant to our Scope 3 emissions.

## End of life treatment of sold products

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

As a financial services company, U.S. Bank produces a limited number of physical products. Furthermore, there is a limited set of actions U.S. Bank could take to influence end of life treatment of sold products within Scope 3. The estimated size of this Scope 3 category is therefore de minimis and not relevant to our Scope 3 emissions.

## Downstream leased assets

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

34854

### Emissions calculation methodology

Emissions from leased office space is estimated in two ways. For sites with invoice data capture, total annual emissions for leased assets were extrapolated from actual consumption data based on the portion of building square feet that is tenant occupied. For sites requiring modeling, building tenant square feet was multiplied by a portfolio energy use intensity factors generated from actual site consumption of electricity and natural gas.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Please explain

**Franchises**

**Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

U.S. Bank does not operate any franchises. Therefore, this category is not relevant.

**Other (upstream)**

**Evaluation status**

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

**Other (downstream)**

**Evaluation status**

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

C6.10

---

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

**Intensity figure**

0.00000828

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

193138

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

2332500000

**Scope 2 figure used**

Market-based

**% change from previous year**

15.4

**Direction of change**

Decreased

**Reason for change**

This decrease is primarily due to a combination of our emissions reduction activities reported in C4.3b and the impact of emissions factor changes, particularly those for electricity. Our emissions reduction initiatives focused on energy retrofits and efficiency upgrades that help decouple GHG emissions from revenue growth.

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**Intensity figure**

0.00684886

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

193138

**Metric denominator**

square foot

**Metric denominator: Unit total**

28200015

**Scope 2 figure used**

Market-based

**% change from previous year**

13.6

**Direction of change**

Please select

**Reason for change**

This decrease is primarily due to a combination of our emissions reduction activities reported in C4.3b and the impact of emissions factor changes, particularly those for electricity. Our emissions reduction initiatives focused on energy retrofits and efficiency upgrades that help decouple GHG emissions from revenue growth.

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## C7. Emissions breakdowns

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### C7.9

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(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

### C7.9a

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**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	6179	Increased	2.75	The gross scope 1 and 2 emissions increased due to 'a change in renewable energy consumption' implemented in the 2020 reporting year. This change reflects additional REC procurement made in 2020. In total, 536 additional MWh of RECs were procured in 2020. While the total amount of RECs procured increased, the net benefits of the RECs decreased as the grid average emission factors have become cleaner. As a result, 6,179 MTCO2e increase compared to the REC quantity purchased in the previous year. Total market-based scope 1 and 2 emissions in the previous year was 225,086 MTCO2e, therefore we arrived at 2.75% through $(6179/225086)*100=2.75\%$ .
Other emissions reduction activities	3839	Decreased	1.71	The gross scope 1 and 2 emissions decreased due to 'other emissions reduction activities' implemented in the reporting year. Such projects include improvements in building operational efficiency including LED lighting retrofits and upgrades to HVAC systems. We estimate that in 2020, 3,839 MTCO2e was reduced by our emissions reduction projects. Total scope 1 and 2 emissions in the previous year was 225,086 MTCO2e, therefore we arrived at 1.71% through $(3839/225086)*100=1.71\%$ .
Divestment		<Not Applicable >		
Acquisitions		<Not Applicable >		
Mergers		<Not Applicable >		
Change in output	31363	Decreased	13.93	In 2020, the total energy consumption from stationary, mobile, and refrigerant emission sources have decreased due to changes in the output. One of the primary drivers was the impacts from temporary branch closures and approximately 75% of employees working from home for most of the year due to COVID-19. The impact was calculated by finding the YOY change in the emission source and the overall emissions decrease attributed from changes physical operating conditions to be 31,363 MTCO2e. Total scope 1 and 2 emissions in the previous year was 225,086 MTCO2e, therefore the percent change in emissions was calculated as $(31363/225086)*100= 13.93\%$
Change in methodology	2249	Decreased	1	For the 2020 inventory, a number of emissions factor updates impacted our overall Scope 1 and 2 emissions including changes in supplier-specific emissions factors, residual mix factors in the United States (Green-e), and international location-based grid emission factors. Net impact was calculated by applying the 2019 emission factors to the 2020 activity data to isolate the difference in emissions from emission factor updates. In total, emissions factor updates decreased emissions by 2,249 MTCO2e. The total scope 1 and 2 emissions in the previous year was 225,086 MTCO2e, resulting in 1.00% from $(2249/225086)*100=1.00\%$ .
Change in boundary		<Not Applicable >		
Change in physical operating conditions		<Not Applicable >		
Unidentified	676	Decreased	0.3	We were unable to identify the exact reasons for the remaining decrease in emissions, however, this is most likely due to variations in the number of sites, YoY consumption for electricity, changes electricity emission factor (supplier-specific, residual mix and eGRID) and other miscellaneous emission sources. $(676/225086)*100=0.30\%$
Other		<Not Applicable >		

## C7.9b

**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Market-based

## C8. Energy

### C8.1

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

### C8.2

**(C8.2) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	Yes

## C8.2a

**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	217935	217935
Consumption of purchased or acquired electricity	<Not Applicable>	137560	305593	443153
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	0	25335	25335
Consumption of purchased or acquired cooling	<Not Applicable>	0	9962	9962
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	26	<Not Applicable>	26
Total energy consumption	<Not Applicable>	137586	558825	696411

## C9. Additional metrics

### C9.1

**(C9.1) Provide any additional climate-related metrics relevant to your business.**

## C10. Verification

### C10.1

**(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

### C10.1a

**(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.**

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

US Bank 2020 CDP Verification Statement\_Final.pdf

**Page/ section reference**

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

### C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

**Scope 2 approach**

Scope 2 location-based

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

US Bank 2020 CDP Verification Statement\_Final.pdf

**Page/ section reference**

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

---

**Scope 2 approach**

Scope 2 market-based

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

US Bank 2020 CDP Verification Statement\_Final.pdf

**Page/ section reference**

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

---

C10.1c

---

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

**Scope 3 category**

Scope 3: Waste generated in operations

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

US Bank 2020 CDP Verification Statement\_Final.pdf

**Page/section reference**

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

---

**Scope 3 category**

Scope 3: Business travel

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

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**Attach the statement**

US Bank 2020 CDP Verification Statement\_Final.pdf

**Page/section reference**

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

**Scope 3 category**

Scope 3: Employee commuting

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

US Bank 2020 CDP Verification Statement\_Final.pdf

**Page/section reference**

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

**Scope 3 category**

Scope 3: Downstream leased assets

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

US Bank 2020 CDP Verification Statement\_Final.pdf

**Page/section reference**

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

**C10.2**

**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

Yes

**C10.2a**

**(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?**

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C4. Targets and performance	Year on year change in emissions (Scope 1)	ISO14064-3	
C4. Targets and performance	Year on year change in emissions (Scope 2)	ISO14064-3	
C4. Targets and performance	Change in Scope 1 emissions against a base year (not target related)	ISO14064-3	
C4. Targets and performance	Change in Scope 2 emissions against a base year (not target related)	ISO14064-3	

**C11. Carbon pricing**

## C11.2

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### (C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

## C11.3

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### (C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

## C12. Engagement

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### C12.1

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#### (C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers

Yes, other partners in the value chain

### C12.1a

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#### (C12.1a) Provide details of your climate-related supplier engagement strategy.

##### Type of engagement

Information collection (understanding supplier behavior)

##### Details of engagement

Collect climate change and carbon information at least annually from suppliers

##### % of suppliers by number

0.15

##### % total procurement spend (direct and indirect)

6

##### % of supplier-related Scope 3 emissions as reported in C6.5

100

##### Rationale for the coverage of your engagement

U.S. Bank Procurement encourages business line consideration of supplier climate change programs, efforts, and actions as part of its overall sourcing program. Procurement is working on process and guidance changes to allow us to engage with a larger number of suppliers. . Because many business lines manage specific supplier relationships outside of this process, engagement efforts have not yet reached those suppliers. We have increased our engagement each year in an effort to better understand our suppliers' environmental programs and leverage available programs to reduce our environmental impact. Additional rationale for engaging with the suppliers included above is materiality. The suppliers with whom we currently engage are ones that provide products or services that have an impact on the environment, such as business travel vendors or copy machine vendors. A large portion of our annual spend is on suppliers who provide a service, such as temporary employees, and therefore, have a much smaller environmental impact. We prioritize engagement based on programs in place that we can leverage in order to reduce our emissions or the emissions of our supplier and customers and based on largest impact to emissions. An example is partnering with our debit card vendor to create two new options for our customers that utilize reclaimed ocean-bound plastic. This lower impact product is part of their sustainability program that we were able to leverage after engaging with them to find out more. We prioritized this vendor because of the large relationship and high number of cards issued annually increasing the positive impact we are having on the environment.

##### Impact of engagement, including measures of success

In certain vendor selection processes, U.S. Bank engages with suppliers to discuss opportunities related to the goods and services being purchased. An example of this is working with our debit card vendor to create two debit card options that utilize reclaimed ocean-bound plastic. These cards have been very popular with customers, with many asking when we will expand the plastic into our other design options. Because of the success of these cards, we are currently evaluating possible next steps to expand the program. We measure success through tracking engagement around communication efforts, as well as cards issued compared to other designs. As we have looked for more ways to engage with suppliers, we have found some suppliers to be very interested in partnering with us to strengthen our sustainability efforts. One of our technology vendors engaged with us to share how the reclaimed ocean-bound plastic that is being used in our new debit cards is also being used in computers we purchase from them. This discussion led to further exploration on how U.S. Bank can leverage their other programs to strengthen our environmental efforts. We measure success quantitatively through number of suppliers with whom we engage and qualitatively through progress made to leverage programs in place by our suppliers within U.S. Bank to strengthen our environmental efforts. Through a focused effort to engage with suppliers around sustainability, we saw success in 2020 by increasing our engaged supplier total spend percentage from 5% to 6% year over year. We expect to see a continued increase in these numbers moving forward.

##### Comment

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### C12.1b

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**(C12.1b) Give details of your climate-related engagement strategy with your customers.**

**Type of engagement**

Education/information sharing

**Details of engagement**

Run an engagement campaign to education customers about your climate change performance and strategy

**% of customers by number**

100

**% of customer - related Scope 3 emissions as reported in C6.5**

0

**Portfolio coverage (total or outstanding)**

Majority of the portfolio

**Please explain the rationale for selecting this group of customers and scope of engagement**

U.S. Bank has taken a wide, more general approach to engage and educate our customers in an effort to encourage customers to bring specific questions to us and seek deeper conversations. We feel this is the most efficient way of sharing our performance and strategy. We target all customers in an effort to reach the largest number possible with our communication and engagement efforts. In 2020, the pandemic and civil unrest took precedence throughout customer communications, but we were able to share news around our partnership with Clean Energy Trust and the impact we are having on the environment through that partnership. We awarded NUMIX the inaugural U.S. Bank Cleantech Inclusion Award which, presented in partnership with Clean Energy Trust, supports female and minority entrepreneurs who are building innovative companies that benefit the environment, create jobs and drive economic development.

**Impact of engagement, including measures of success**

In 2020 we also made the decision to increase our disclosure around climate through our first ever Environmental, Social, Governance (ESG) report. This report shares expanded information around our climate risk management, as well as products and opportunities. We have seen an increase in interest from customers and other stakeholders around our environmental efforts and this provides an educational piece for them to learn more. We measure success quantitatively through the number of views and downloads from our website, as well as qualitatively through engagements with bankers to answer questions from customers. Through U.S. Bank's RFP process, customers are analyzing us in part based on our climate change strategies and environmental initiatives and we have offered to collaborate with them to help meet their needs. We also engage with and educate customers by sharing our environmental initiatives and statistics via our Community Impact Report which is available to all customers and the general public. We draw attention to it on our website and share it on social media to raise awareness. We also have a usbank.com page dedicated to sharing information with our customers around our environmental efforts. We measure success quantitatively through an increase in conversations with customers and new business, as well as qualitatively through expanded relationships with our customers around climate change issues. This has resulted in more frequent and meaningful discussions around U.S. Bank's impact on the environment. We expect this initiative to continue growing over the next couple years. We will measure success for reaching customers and other stakeholders by looking at the number of downloads for each document from our website.

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**C12.1d**

**(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.**

U.S. Bank's Environmental Program Manager engages regularly with industry peers via monthly meetings and other "as needed" group and individual calls and emails. This forum allows us to share best practices to identify and manage climate-related risks and opportunities. It allows us to collaborate and address climate issues as a group for a larger impact. As an industry, we are collaborating on solutions and strategies to keep up with an increase in reporting requirements around climate change. As part of the monthly roundtable we have an opportunity to share candid feedback and hear from industry experts regarding developments around climate. In 2020, the focus of several calls was increased disclosure, particularly around financed emissions. Being able to hear from the Secretariat for the Partnership for Carbon Accounting Financials (PCAF) and talk through what other peers are doing to quantify their scope 3 emissions has been really helpful. As a result, we have been able to share information with U.S. Bank groups working internally to outline a process for how we could move forward with quantifying our financed emissions.

In addition, several U.S. Bankers, including climate risk, environmental strategy, government relations and the legal regulatory group, have engaged as part of industry groups focused on climate matters. Members attend regular calls and provide feedback as a collective in response to particular regulatory inquiries and policies. 2020 provided several opportunities for U.S. Bank to add our voice to industry responses, particularly around climate disclosure.

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**C12.3**

**(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?**

Trade associations

Other

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**C12.3b**

**(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?**

No

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**C12.3e**

**(C12.3e) Provide details of the other engagement activities that you undertake.**

As a member of the Ceres Company Network, their policy team keeps us informed on energy policy, particularly in our major markets, and provides opportunities for us to participate in joint efforts to inform and provide feedback to policy makers at the national and state levels. U.S. Bank's Environmental Program Manager also engages with peers, both within our industry and outside our industry through peer round table engagement opportunities.

**C12.3f**

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**(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

Direct and indirect activities are reviewed and approved by a level of senior management not more than three levels removed from the CEO. Potential engagement opportunities are brought to the attention of U.S. Bank's Environmental Program Manager who reviews them within the context of U.S. Bank's Environmental and Social Risk Policy, as well as U.S. Bank's established environmental strategy. The Environmental Program Manager takes the opportunity to the appropriate business line partners, depending on the focus of the opportunity, for feedback. The ultimate decision is made in collaboration with the Executive Vice President, Chief Social Responsibility Officer and is reflective of U.S. Bank's climate change strategy and policy.

**C12.4**

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**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

**Publication**

In mainstream reports

**Status**

Complete

**Attach the document**

2020 USB Annual Report.pdf

**Page/Section reference**

Page 12

**Content elements**

Strategy  
Emission targets  
Other metrics

**Comment**

**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

CIR Link.docx

**Page/Section reference**

In the "A Look Forward" Letter, in the CEO Letter, and in detail as part of the Environmental Sustainability and Community Engagement section.

**Content elements**

Governance  
Strategy  
Risks & opportunities  
Emission targets  
Other metrics

**Comment**

**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

2020 ESG Report.pdf

**Page/Section reference**

Governance on page 6 and 7; Details pages 39-47

**Content elements**

Governance  
Strategy  
Risks & opportunities  
Emission targets  
Other metrics

**Comment**

**C-FS12.5**

**(C-FS12.5) Are you a signatory of any climate-related collaborative industry frameworks, initiatives and/or commitments?**

	Industry collaboration	Comment
Reporting framework	Please select	
Industry initiative	Other, please specify (Bank Sustainability Roundtable; U.S. Chamber of Commerce Climate Group; American Bankers Association ESG Group; Bank Policy Institute Climate Group )	2020 saw an increase in industry organizations standing up and growing around ESG, particularly climate. Several members of the U.S. Bank team are active participants in these initiatives.
Commitment	Other, please specify (Ceres)	U.S. Bank is a member of the Ceres Company Network and receives communication from their Policy Network as an additional method of engagement.

**C14. Portfolio Impact**

## C-FS14.1

### (C-FS14.1) Do you conduct analysis to understand how your portfolio impacts the climate? (Scope 3 portfolio impact)

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Comment
Bank lending (Bank)	No, but we plan to do so in the next two years	<Not Applicable >	We have identified several industries with high environmental impact, and clients in those industries are subject to an enhanced due diligence questionnaire which addresses their impact on the environment.
Investing (Asset manager)	<Not Applicable>	<Not Applicable >	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable >	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable >	<Not Applicable>
Other products and services, please specify	Not applicable	<Not Applicable >	Primary business activities relate to lending exposure.

## C-FS14.1c

### (C-FS14.1c) Why do you not conduct analysis to understand how your portfolio impacts the climate? (Scope 3 Category 15 "Investments" emissions or alternative carbon footprinting and/or exposure metrics)

We recognize this is a challenging activity due to data limitations and the need to collect sensitive information from our customers. With that being said, we are exploring industry methodologies, such as PCAF, to determine our capabilities and data requirements to calculate financed (scope 3) emissions. We have initiated pilot projects on certain credit portfolios, such as our auto lending portfolio, to enhance our knowledge and understanding of the process and data needs to account for and disclose scope 3 emissions and expect additional progress in 2021.

## C-FS14.3

### (C-FS14.3) Are you taking actions to align your portfolio to a well below 2-degree world?

	We are taking actions to align our portfolio to a well below 2-degree world	Please explain
Bank lending (Bank)	No, but we plan to do so in the next two years	We currently have portfolio risk limits on the bank's exposure to the oil and gas sector and the power sector. We also have policy restrictions around coal that are driven by the bank's strategy to be responsive to a warmer world. We do not have portfolio limits specifically around coal, because the environmental policy prohibits certain forms of coal mining, and coal-fired power, and the fact that our credit exposure is minimal due to these restrictions. We see a progression of this work within the next two years that will result in the development of a plan to align our portfolio to a well below 2 degree world.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	Primary business activities relate to lending exposure.

## C15. Signoff

### C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

## C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Andrew Cecere, Chairman, President and CEO	Chief Executive Officer (CEO)

## SC. Supply chain module

### SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

### SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	23325000000

### SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

Yes

### SC0.2a

(SC0.2a) Please use the table below to share your ISIN.

	ISIN country code (2 letters)	ISIN numeric identifier and single check digit (10 numbers overall)
Row 1	US	90297330

### SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

### SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

### SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Customer base is too large and diverse to accurately track emissions to the customer level	As a very large financial services provider with a large and diverse customer base, the majority of U.S. Bank's emissions result from our ongoing business operations. Our facilities, our technologies, and our employees all support various aspects of the services we provide and are not dedicated to one product or service or to one customer.

### SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

No

### SC1.4b

**(SC1.4b) Explain why you do not plan to develop capabilities to allocate emissions to your customers.**

Due to the structure of U.S. Bank's operations and the nature of the products and services we provide, it is unlikely that there would be any accurate way to allocate emissions to the customer level.

SC2.1

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**(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.**

SC2.2

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**(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?**  
No

SC4.1

---

**(SC4.1) Are you providing product level data for your organization's goods or services?**  
No, I am not providing data

Submit your response

---

**In which language are you submitting your response?**  
English

**Please confirm how your response should be handled by CDP**

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain questions?
I am submitting my response	Investors Customers	Public	Yes, I will submit the Supply Chain questions now

**Please confirm below**

I have read and accept the applicable Terms