U.S. BANCORP
ENVIRONMENTAL SUSTAINABILITY POLICY
Revised September 2010

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I. Environmental Principles and Practices

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

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

The Board of Directors is adopting environmental principles and practices in the following areas where we can have significant impact:

- Environmental Stewardship and Climate Change: by engaging our partners and customers in being more sustainable and offering environmentally beneficial products and services and by implementation of best practices to reduce our environmental footprint throughout our internal operations.
- Forest Protection: through sustainable forest management and reduction of paper consumption.

A. Environmental Stewardship and Climate Change

U.S. Bank acknowledges the international scientific community's position that climate change is a serious problem that poses a risk to both the global economy and to the world's overall environmental sustainability. As a corporation, U.S. Bancorp acknowledges that we have a responsibility to our customers, employees, and investors, as well as to the communities that we serve, to better understand the impact of our operations on global climate change and to help reduce that impact. In addition to ensuring compliance to regulatory requirements, we will proactively approach climate change through the following areas:

- Internal Operations
- Products and Services
- Partners and Customers
- Employees
- Public Policy
1. Internal Operations

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

We have implemented a ‘continuous improvement’ approach to having a positive impact on sustainability by protecting and conserving our natural resources through methods such as: developing less resource-intensive business practices, embracing opportunities for financial products and services that incorporate features or benefits for reduced environmental impact, investing in environmentally beneficial business opportunities, and engaging and educating employees and customers.

a. Energy Conservation

Proper management of energy resources is critical to our long term success. Through our efforts, U.S. Bancorp believes we have the opportunity to benefit our communities, customers, shareholders and the environment. We will continue to evaluate opportunities to invest in products and practices that reduce our dependence on energy in areas such as: facilities, equipment, operations and business travel.

b. Recycling

When the consumption of natural resources cannot be avoided, great care must be taken to ensure the efficient use of the resource and that the disposal of waste byproducts is handled in an environmentally friendly manner, whether through reuse, recycling or final disposal. U.S. Bancorp has many recycling programs in place for paper and other types of recyclable materials, and will continue to review opportunities to expand current programs or implement new programs.

c. Paper

As one of the primary consumables of our industry, we recognize our responsibility to maintain good environmental stewardship in order to protect this valuable resource. It is vital that we educate our employees on how U.S. Bancorp can manage this resource more effectively and to continue to review processes for ways to reduce paper consumption both internally and with our customers. U.S. Bancorp will continually evaluate the type of paper used to maximize the use of certified, such as Forest Stewardship Council (FSC) or other similarly certified, and/or post-consumer content recycled paper to ensure the paper is manufactured in a sustainable way, while continuing to meet feature and performance requirements.

d. Supply Chain

Through our supplier selection processes, U.S. Bancorp will strive to identify supply chain partners who possess high environmental standards. We will work closely with our supply chain partners to:

- Identify environmental friendly product alternatives.
- Develop programs that help us advance toward our environmental objectives.
- Share respective learnings.
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Where appropriate, Corporate Procurement will partner with business lines to explore opportunities to address environmental impacts such as shipping options, delivery channels, best practices, etc.

2. Environmental Investments, Products and Services

As part of U.S. Bancorp’s pledge to a comprehensive and sustainable environmental policy, we will strive to be one of the leading U.S. lenders and investors in initiatives that sustain resources and the environment. These financial commitments – including debt, equity and community partnerships – will have positive impact on the environment and may include wind, solar, geothermal, biomass, LEED or other nationally recognized energy efficient certified real estate, Brownfield redevelopment and reclamation, bio-fuels, waste energy recovery and conservation systems, re-forestation, waste recycling, and co-generation projects.

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

3. Partners and Customers

U.S. Bancorp will continue to heighten our understanding of the potential GHG impact of our partners and the potential risks that are posed from climate change. U.S. Bancorp will endeavor to gain an understanding of which partners and customers are the largest greenhouse gas emitters and work with those partners and customers to better understand their reporting requirements and mitigation plans.

4. Employees

U.S. Bancorp employees are committed to the communities they serve. Our employees donate their time and expertise in support of nonprofit organizations throughout our region. In addition, the U.S. Bancorp Foundation matches employee contributions to community organizations of their choice to further support their community efforts.

U.S. Bancorp is equally committed to providing a culture that inspires and facilitates environmental responsibility and recognizes that our employees are vital to our success. To support employee engagement we will:

- Require all employees to be educated about U.S. Bancorp’s position on sustainability and their role as employees.
- Educate employees about environmental issues, their impact on climate change and internal operations, and how they can make a difference.
- Provide opportunities for employees and their families to become actively involved in environmental initiatives in the communities in which we work.
- Partner with green vendors to provide information and discounts to employees on green products.
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- Create a culture of environmental awareness by setting examples, recognizing results, and communicating the impact that U.S. Bancorp and its employees are having on our environment.

5. Public Policy

U.S. Bancorp understands that public policy and regulation will shape our response to the risks posed by climate change. U.S. Bancorp will look to engage in dialogue with our customers, clients, peers, government, non governmental organizations (NGO’s), and other stakeholders to better understand the impacts of Climate Change and to help identify options for solutions (see External Environmental Initiatives section III below).

B. Forest Protection

U.S. Bancorp is committed to promoting sustainable forest practices in its corporate and commercial lending by providing funds that are used in an environmentally responsible manner. We are implementing practices in the following areas to guide our lending to businesses that have a considerable impact on the world’s forests:

1. Illegal Logging

U.S. Bancorp policy prohibits financing any illegal activities. More specifically, U.S. Bancorp will not knowingly provide financial services for illegal logging or to clients that collude with, or knowingly purchase timber from illegal logging operations. Likewise, U.S. Bancorp will not finance companies that do not have an explicit policy prohibiting uncontrolled fire as part of their forestry practices.

In certain situations, the below practices may also guide our fiduciary programs if co-fiduciaries are receptive to our perspective and beneficial interests and community interests are aligned appropriately.

2. High Conservation Values and Sensitive Habitats

U.S. Bancorp may finance logging, light sustainable harvests or other extractive operations in Large Intact Forests or Primary Forests that hold high conservation values. In such cases, U.S. Bancorp will require certification be provided that these operations are managed using standard sustainable forest management practices and that conservation values are not degraded.

Although U.S. Bancorp does not currently finance any international logging operations, it does not condone, nor will it participate in the financing of logging in No-Go Zones, Temperate or Boreal Regions without appropriate due diligence or certification (see Certification Programs).

3. Dependent Communities and Indigenous People

U.S. Bancorp will not finance forestry operations that negatively impact indigenous people and or dependent communities without the provision of culturally appropriate representation.
4. Certification Programs and Compliance

U.S. Bancorp expects all clients to apply adequate resources to assess and manage their environmental and social impacts and may encourage the adoption of a credible certification program, such as those established by the Forest Stewardship Council (FSC) or other credible program, which motivates best practices in sustainable forest management.

U.S. Bancorp requires compliance with all state and local, national and international environmental, labor and social laws and will verify adherence to such laws through certification or due diligence.

U.S. Bancorp recognizes these statements as the first step toward a growing and developing commitment for environmental sustainability as it pertains to forest protection and our business practices. To facilitate implementation of the policy, U.S. Bancorp will develop practices and procedures to track and evaluate compliance either internally, by customer certification, or by third party verification.

False declarations, of any kind, represent a breach of contract, and may result in the discontinuation of a relationship with a client or vendor. If a client or vendor is not in compliance with any part of this policy, U.S. Bancorp will seek to establish, in cooperation with the customer or vendor, a reasonable time frame in which to cure the breach. If agreement to comply can not be reached, the relationship may be at risk.

II. Implementing and Reporting

A. Implementation

U.S. Bancorp will take all necessary steps to train staff and provide tools, guidance and resources needed to ensure that this policy is communicated and understood and that the policy, practices, and processes are implemented by the business lines. U.S. Bancorp will develop internal programs and procedures to assess the impacts and to track and monitor our progress and assure compliance. U.S. Bancorp will engage external stakeholders including shareholders, NGOs, partners, and policy makers to provide periodic input on the policy.

B. Corporate Sustainability Reporting and Review

U.S. Bancorp will report on our environmental sustainability efforts by publishing an annual Corporate Citizenship Report using the Global Reporting Initiative (GRI) G3 framework as reference. U.S. Bancorp will engage external stakeholders including shareholders, NGOs, partners, and policy makers to provide periodic input on reporting.

C. Governance Structure

The day to day management of U.S. Bancorp’s environmental initiatives will be managed by the Environmental Affairs team as part of the Community Affairs group. The Community Reinvestment and Public Policy Committee of the company’s Board of Directors has formal responsibility for reviewing the company’s sustainability policies and programs, including those related to the environment. In addition, a company wide Environmental Stewardship Council
made up of key business line leaders will meet regularly and lead the development and implementation of the environmental initiatives across the organization.

III. External Environmental Initiatives

U.S. Bancorp continues to be involved in external environmental associations and forums and plans to expand on our involvement in the future in attempt to keep abreast of environmental sustainability issues, to learn more about what others are doing, and to better understand our opportunities.

U.S. Bancorp continues to be a member of and/or sponsor environmental, industry, and banking associations and organizations and will continue to engage in forums that enhance our environmental efforts and knowledge.

i “Illegal Logging”: When timber is harvested in violation of local and national laws intended to prevent such activity. Activities include using corrupt means or fraudulent information to gain access, logging without permission, cutting protected species or logging in excess of permitted limits. Illegal logging is not governed in international law. It is, however, addressed in some treaty agreements.

ii “High Conservation Values”: Include globally, regionally or nationally significant concentrations of biodiversity. Rare, threatened or endangered ecosystems.

iii “Large intact forest”: A contiguous mosaic of natural ecosystems in a forest ecozone, essentially undisturbed by human influence, including treed and naturally treeless areas, large enough to contain and support natural biodiversity and ecological processes, and to provide a buffer against human disturbance from surrounding areas, generally 50,000 hectares or larger and at least 10 kilometers wide.

iv “Primary Forest”: A forest that has never been logged or intentionally burned to alter or clear the land to be managed for human use. These forests have developed following natural disturbances and under natural processes, regardless of age.