



# Community Benefits Plan

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# Year one progress report

The U.S. Bank community benefits plan (CBP) is a five-year, \$100 billion commitment to help people and communities thrive.



This comprehensive commitment reflects and expands upon U.S. Bank and MUFG Union Bank’s combined legacy of community development lending, investment and services aimed at improving the financial well-being of low- to moderate-income (LMI) communities, including communities of color.

The 10 elements of our CBP prioritize areas of focus and actions where we can have the most impact, including increasing access to small-business capital, homeownership, community development financing, supplier development and diversity, and philanthropic support.

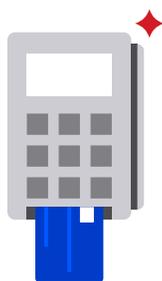
In 2023, we made considerable progress toward the goals and initiatives within our CBP. We invested \$28 billion nationally during the first year, with \$11 billion of those investments focused on California. From the new special purpose credit programs (SPCPs) designed to support underserved communities, to increased access to services for our California clients, to new and enhanced philanthropic programs, we’re leveraging expertise across U.S. Bank to deliver for our communities through the duration of the plan and beyond. This report provides an overview of our progress.

# Boosting small businesses

Small businesses are the heart of every community, and U.S. Bank is committed to supporting these businesses through lending programs, targeted resources and banking experts dedicated to helping entrepreneurs succeed. In 2023, U.S. Bank small-business and small-farm loans totaled \$7.4 billion nationally, with \$1.9 billion specific to California.

## BUSINESS DIVERSITY LENDING PROGRAM

In March 2023, U.S. Bank launched an enhanced **Business Diversity Lending Program**, a special purpose credit program that provides credit and financing to help economically disadvantaged businesses grow and thrive. We used a multifaceted approach to share



information about the program, including leveraging our Business Access Advisors (BAAs), community affairs managers and branch staff, as well as conference sponsorships and speaking engagements.

## BUSINESS ACCESS ADVISORS

The U.S. Bank BAA program launched in 2021 with a focus on helping businesses in underserved communities, including communities of color, gain access to capital. The initial cohort included two California-based BAAs, one in Los Angeles and another in Oakland, and seven serving other U.S. Bank markets.

In 2023, we hired a California-based BAA team leader to support our expansion in that state and other markets. We also conducted preliminary work to hire additional California-based BAAs in Hispanic communities in Los Angeles, San Diego and Riverside. We have five BAAs serving California markets and added a project manager to expand the BAA program in California and across the country, including growing support for the Hispanic market.



# Making homeownership a reality

Our commitment to helping families achieve the dream of homeownership remains steadfast.

Despite a challenging mortgage environment across the country in 2023, more than 35,200 mortgage lending units<sup>1</sup> nationally, which includes more than 13,850 units in California, helped us work toward our goal to increase mortgage lending to LMI borrowers, LMI communities and communities of color. We also saw a proportional increase in percentage of production to minority borrowers both nationally and in California in 2023 compared to 2017-2019.

Given the initiatives we have started and are committed to growing, we believe we are well positioned to provide mortgage lending units to many more aspiring homeowners in the coming years.



## U.S. BANK ACCESS® HOME INITIATIVE EXPANSION

The U.S. Bank Access Home program is a comprehensive approach to advancing homeownership among underserved communities. The program has launched in 11 markets across the country, including six in California, and currently focuses on the Black and Hispanic communities.



## ACCESS® HOME LOAN

In July 2023, U.S. Bank launched [Access Home Loan](#), a mortgage SPCP that provides up to \$12,500 in down payment assistance and up to an additional \$5,000 lender credit. Borrowers can combine Access Home Loan with other down payment assistance grants and programs. We have been actively conducting outreach and will continue to increase marketing efforts to fully engage eligible borrowers in this program in the years to come.

## MORTGAGE LOAN OFFICER PROGRAM

In 2023, U.S. Bank graduated the first cohort of new-to-industry mortgage loan officers (MLOs) serving underserved communities, starting with the Black community. These officers are valued community partners as they help clients navigate the homebuying process. The program is expected to expand in 2024 to include new-to-industry Spanish-speaking MLOs who will participate in a yearlong, comprehensive training and development program and support multilingual communities.

1. Mortgage unit results are derived in accordance with the CBP calculation commitment as discussed and determined in partnership with community advocacy groups.

# Investing in our communities

At U.S. Bank, we strive to build inclusive, sustainable communities, and the community development loans and investments we make help revitalize neighborhoods, preserve affordable housing and support sustainable energy projects. Our community development loans and tax credit investments totaled over \$8 billion nationally in 2023, including \$1.5 billion invested in California.

## IMPACT CAPITAL PROGRAM

In July 2022, U.S. Bank launched its Affordable Housing special purpose credit program, an Impact Capital Program that provides lending capital to emerging developers, including developers of color, who expand access to affordable housing for LMI communities, as well as investment capital. In 2023, we conducted **extensive outreach** to share program information through one-on-one meetings, trade association engagement and conference participation.

Altogether, the Impact Capital Program invested \$85 million nationally in 2023 to address wealth gaps, support LMI communities and small businesses, and increase access to capital for minority-led or -owned affordable housing developers. This program includes the Affordable Housing SPCP, impact loans, patient capital investments, private equity investments and equity investments.



## SUPPORT FOR COMMUNITY DEVELOPMENT ORGANIZATIONS

Through an Access Capital initiative, we worked with community development financial institutions (CDFIs) to help remove historic barriers to capital and support LMI communities in the process. As we continued to invest in the program in 2023, we **awarded** a total of \$300,000 in new grants to five nonprofit organizations that are collaborating with developers, including developers of color, to help them build capacity and capabilities.

We also launched a Minority Depository Institution (MDI) Resource Guide and a curated suite of products and services to address the needs required to grow and sustain MDIs.



## ENVIRONMENTAL STEWARDSHIP

Over the past two years, we've been working toward several commitments we've made to address the impacts of climate change on our business, clients and communities. Recent progress includes:

Building internal processes to understand how to implement and achieve our goal of net zero greenhouse gas emissions by 2050.

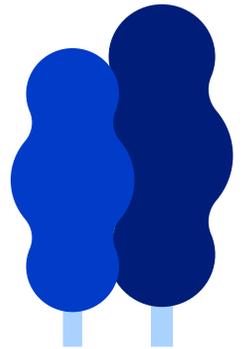
Reaching 98% renewable electricity\* in our operations, as of year-end 2022 (based on the most recent data available).

Investing over \$2.6 billion of renewable energy tax equity and committing \$658 million of debt to finance the development of renewable energy projects across the country through U.S. Bancorp Impact Finance in 2023.

\* Via renewable energy credits (RECs) purchased as part of our renewable energy tax credit investing, energy reduction efforts and purchasing of renewable energy through our utility providers.

We engaged in several large-scale renewable energy tax equity and debt investments, including providing tax credit equity to **Reactivate** for seven community solar projects in Illinois and New York. Expected to be fully operational in 2024, the projects should reduce monthly electricity costs by as much as 20% for thousands of households, along with area nonprofits, businesses and a public school district. We believe approximately 90% of the households will qualify as LMI.

We also provided \$500,000 in grant capital to organizations supporting the energy and financial needs of residents in LMI communities in 2023.



# Thoughtful giving

Giving back to our communities is one way we invest in the future. We provide corporate contributions and U.S. Bank Foundation\* giving throughout the country, supporting organizations that create stable jobs, affordable housing and vibrant communities.

## U.S. BANK FOUNDATION OPPORTUNITY FUND

In October 2023, funds were deployed to the U.S. Bank Foundation to support the creation of the U.S. Bank Foundation Opportunity Fund, a new five-year, \$75 million charitable fund designed to address wealth gaps and increase wealth-building opportunities for LMI communities, including communities of color and rural communities. In its first release, the Opportunity Fund prioritized CDFIs, small-business technical assistance and business incubators, affordable housing development, homeownership and down payment assistance, and economic development and digital infrastructure support for rural and Native American communities. The U.S. Bank Foundation committed \$15 million in 2023.\*\*

U.S. Bank Foundation Opportunity Fund grants were awarded to organizations serving communities across multiple states, such as The Housing Partnership for program support, including facilitation of a high-impact network of more than 100 organizations across the country; The Housing Assistance Council to support affordable housing for underserved rural areas; and NeighborWorks Capital to grow the work and impact of NeighborWorks network organizations.

Many U.S. Bank Foundation Opportunity Fund grants went to locally based organizations, including Women Ventures, which provides lending, consulting and training focused on opening financial pathways, networks and wealth-building opportunities for women, Black, Indigenous, people of color and LGBTQ+ business owners in the Minneapolis region. This grant

is one example of how the new charitable fund is lending support to underrepresented business owners who may be unable to qualify for capital at traditional banks.

## U.S. BANK FOUNDATION GRANTS AND OTHER PHILANTHROPIC FUNDING

The U.S. Bank Foundation drives philanthropic initiatives, including grants, nonprofit donations, and employee giving and volunteerism efforts, through its enterprise-wide Community Possible giving and engagement platform.

Total 2023 Community Possible giving reached almost \$35 million nationally, with grants supporting valuable community programs aligned with the U.S. Bank Foundation's Community Possible focus areas of work, home and play. Charitable contributions to organizations like DreamSpring, an Albuquerque-based CDFI, enable the U.S. Bank Foundation to leverage investments across multiple regions and states. The funding to DreamSpring provides support and capital to underserved entrepreneurs in Arizona, Colorado, Nevada, New Mexico, Utah, Washington and Wyoming.

In California, \$40.9 million in U.S. Bank Foundation grants as well as U.S. Bank corporate contributions were awarded to organizations working to support small-business development, homeownership and affordable housing development, down payment assistance and economic development in rural areas.



\*U.S. Bank Foundation is a tax-exempt private foundation described in section 501(c)(3) of the Internal Revenue Code. The Foundation is funded primarily through contributions from U.S. Bank National Association and its affiliates and subsidiaries. The Foundation's mission is to close the gaps between people and possibility in the areas of work, home and play.

\*\*Application process launched in the fourth quarter of 2023 with budgeted funding released in early 2024.

## RURAL INITIATIVES

We appointed a senior community affairs manager to lead our strategic rural/Native American/digital outreach and grantmaking. The lead works with community affairs managers in each U.S. Bank region to identify and build upon opportunities, and oversees the annual giving aimed at rural/Native American/digital programming nationally (through the U.S. Bank Foundation Opportunity Fund) and in California. Two organizations, Lead For America and the National Association of Latino Community Asset Builders, will each receive \$1 million over the next two years. In California, four organizations – the California Coalition for Rural Housing, Enterprise Community Partners, EveryoneOn and the Rural Community Assistance Corporation – received \$250,000 in corporate contributions each for a total investment of \$1 million in 2023.

## NEW CHARITABLE PARTNERSHIPS

Through corporate contributions and support of the U.S. Bank Foundation, we have provided new philanthropic support to 39 organizations across 10 states since implementing the CBP, including seven in Wisconsin, six in Colorado, five in Ohio and four each in California, Illinois, Missouri and Minnesota. Organizations include:

- **The Ho-Chunk Housing and Community Development Agency in Wisconsin**, which will use a U.S. Bank Foundation Opportunity Fund grant to support the construction and operations of an affordable housing project.
- **Forever Kings**, a Cincinnati-based nonprofit that received a U.S. Bank Foundation Community Possible grant toward academic support programs that help prepare LMI and at-risk high school students for post-secondary education.
- **The California Farmworker Foundation**, which received a U.S. Bank corporate contribution to bring a financial literacy and education program to rural communities in California.



# Creating equitable access

## FOR SUPPLIERS

We believe that working with a broad base of suppliers, including small and/or diverse suppliers, is essential to enabling a sustainable future. In 2023, we directed \$719.2 million to diverse suppliers nationally, with \$79.3 million going to those based in California.

We're continually working to deepen our relationships with minority business enterprises (MBEs), women business enterprises (WBEs) and disadvantaged business enterprises (DBEs), including event and program sponsorships, scholarships and service to organizations that support these businesses, such as the National Minority Supplier Development Council, the National Veteran-Owned Business Association, the Women's Business Enterprise National Council and the U.S. Hispanic Chamber of Commerce, among many others. We're also working with groups such as the National Association of Minority Contractors in California, the Asian Business Association Los Angeles and the Greater Los Angeles African American Chamber of Commerce to certify diverse-owned businesses.

We continue to identify ways to improve our internal purchasing processes and increase opportunities for all small and/or diverse suppliers within our supply chain, thus reinforcing our commitment to making a positive impact on the communities through inclusive procurement practices.

## FOR DIVERSE SEGMENT OUTREACH

We also are on track to double our 2022 percent of media spend with minority-owned and minority-targeted media partners by 2027. In 2023, minority-targeted media investment climbed to 16%, while our investments with minority-owned media increased to 4.5%.

## FOR EMPLOYEES

We are exceeding our aspirational goal that 50% of U.S. Bank leadership, people leaders with at least one

direct report, be made up of underrepresented groups (specifically people of color and/or women). Performance stands at 61.6% as of the end of 2023, and we are working diligently to continue to exceed the five-year goal through a variety of programs and resources, including our Business Resource Groups, leadership development programs and outreach efforts that benefit all employees, including women and people of color.

## FOR STUDENTS

We continued our investment in the student branch program, which began as an MUFG Union Bank initiative to help serve LMI communities and develop future financial services employees, under the U.S. Bank banner during the 2023-2024 school year. Six bank branches, five of which are at California high schools and one at a community college, provide training in and knowledge of the financial services industry and financial education to students, who also lead financial education programs for others in their communities.

## FOR CALIFORNIA CLIENTS



We continue to enhance our branch network to serve communities across California. In 2023, we invested more than \$35 million to upgrade former MUFG Union Bank and legacy U.S. Bank ATMs throughout the state.

We also launched two residencies, at Magnolia Place in downtown Los Angeles and Compton College in Compton, where we work with nonprofits to provide one-to-one financial education and coaching, as well as financial literacy workshops for community members. In 2024, we plan to open two new branches in the LMI areas of El Monte and Commerce in Los Angeles to serve as beacons for financial services and education within those local communities.

# Prioritizing accountability

Named one of the World’s Most Ethical Companies by the Ethisphere Institute for 10 consecutive years, U.S. Bank has established a governance structure for accountability, including executive-level oversight to monitor and track performance of our five-year commitment, and effective engagement with community groups.



We are actively expanding our Community Advisory Committee (CAC), which we established in 2017, to increase representation from California, Oregon and Washington and more accurately reflect the U.S. Bank footprint.

Now at 17 members strong, the CAC offers invaluable perspectives and engages in thoughtful dialogue with our team to help us meaningfully serve our communities through biannual meetings and ongoing conversations. At meetings in fall 2023 and spring 2024, we provided performance updates on our five-year commitment to the CAC. We also held our first annual meeting with community advocacy coalitions to share progress in May 2024.

**WE'RE HONORED THAT OUR EFFORTS TO CREATE A GREAT PLACE TO WORK RECEIVED WIDE RECOGNITION YET AGAIN IN 2024.**



This is the **10th consecutive year** we've received this honor, and we're one of only two U.S.-based banks honored.



U.S. Bank is one of the 2024 Fortune World’s Most Admired Companies and the No. 1 Superregional Bank for the 14th consecutive year.