



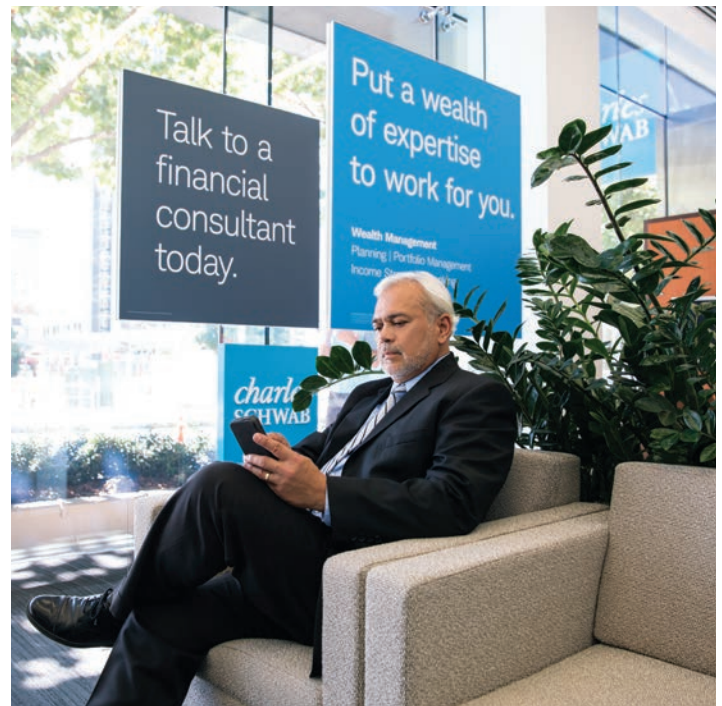
Environmental stewardship

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SCHWAB

Own your tomorrow

Schwab employs environmentally friendly practices in order to leave as small an environmental footprint as possible.

Our objective is to pursue operational practices that are good for the environment, good for our clients and employees, and good for our business. Stakeholders across our organization take appropriate actions to incorporate sustainability into all practical aspects of operations.



Developing sustainable real estate

Schwab operates an energy management program that impacts all corporate real estate, branches, service centers, and data centers.

Our energy management program rests on the principle of continuous improvement—with goals established for each region and progress reported on a regular cycle. Examples of our energy management activities include:

- Each major site benchmarked using the US EPA [Energy Star](#) program

- Regular goal-setting and progress reporting
- Discovering, researching, and implementing energy savings projects that produce favorable return on investment as well as high impact to our energy use and carbon emissions

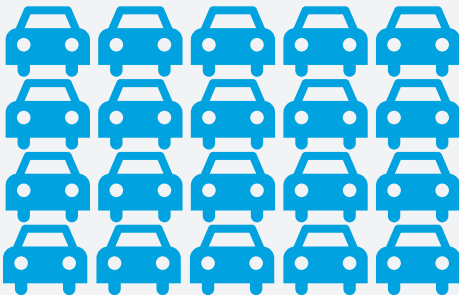
Design and construction of new facilities and branches follow guidelines from the [US Green Building Council](#). The LEED rating system provides strategies for site selection, materials, and technologies that help us create environmentally responsible and healthy places to work and conduct business.

Schwab's carbon and energy trends, 2011-2016

Schwab has reduced its carbon emissions and improved energy efficiency even as our real estate footprint has grown.

Carbon emissions, tonnes CO₂-equivalent:

From 2011 to 2016, we reduced our carbon emissions by 12% while increasing our real estate footprint and employing more people.

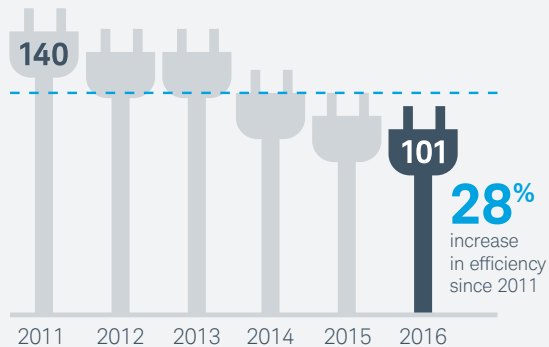


This is roughly equivalent to removing 2,000 passenger cars from our roads, according to EPA estimates.

¹ Scope 1 and Scope 2 emissions

Efficiency—2016: 101 kBtu/square foot

Using the time-tested strategy of measuring energy performance, benchmarking, and making targeted investments in efficiency, we are proud to have reduced our energy use steadily over time.



From 2011-2016, we have increased our energy efficiency by 28%. This efficiency means that we consumed 8% less energy in 2016 compared with 2011, even while our real estate footprint has grown.

Practicing responsible purchasing and recycling

Our vendors provide a number of recycled-content and environmentally preferable products for use in our business.

- Our purchasing practice is to source recycled and environmentally responsible products wherever feasible, including paper stock that contains post-consumer recycled content and/or is FSC (Forest Stewardship Council) certified
- All client, stockholder, and employee communications are printed using products with high recycled content
- All business cards, letterhead and business envelopes, annual reports, and newsletters contain post-consumer recycled paper
- Schwab is aggressive about recycling in our service centers and branches.
- All employees are provided with recycling and compost bins where available
- Cell phones, computers, office equipment, and all other electronic equipment are recycled appropriately through authorized recyclers when they cannot be donated; we also hold electronics recycling drives in which our employees can bring in their personal items and appliances for recycling
- Confidential paper is shredded and recycled

Creating a paperless environment

Schwab continues to pursue a “paperless” work environment for employees.

This reduces costs, saves trees, and increases productivity by eliminating manual tasks, decreasing printing costs and streamlining workflow. It also reduces the need for physical office space since many Schwab employees can gain access to work documents electronically from any location.

We also encourage our clients to go paperless by signing up for electronic trade confirmations, account statements, and tax reporting documents, all of which we archive for 10 years.

Overall paperless adoption continues to trend upward and plays a key role in decreasing mail volume. Not only is this good for the environment but it enables clients to receive important information electronically—even if they’re away from home—and reduces the threat of mailbox theft, which continues to be one of the greatest areas of vulnerability with respect to I.D. theft and fraud.

Supporting alternatives for employee commuting

Schwab offers a Commuter Tax Savings Plan, administered by WageWorks®, which allows employees to pay for public transportation using pre-tax dollars. Other commuting measures include:

- Guaranteed ride home (paid cab ride home for unplanned emergencies)
- Preferential parking for carpools and vanpools
- Bike parking
- Supporting the annual Bike to Work Day
- Employee commuter alternative awareness fairs
- Telecommuting opportunities for qualified employees

Reporting our environmental performance and disclosures

It is Schwab's practice to collect and report environmental performance data on a regular basis.

- Schwab Corporate Real Estate tracks and manages performance data such as carbon emissions, energy and water consumption, Energy Star Scores, and volume of environmentally favorable purchases
- Performance is managed internally using data-based investment and decision strategies
- Environmental performance is disclosed annually to the CDP including carbon footprint, energy management results, and corporate activities that impact carbon emissions
- Schwab is a participant in the Newsweek Green Rankings of the top 500 U.S. firms, and aims for continual improvement of standings

Brokerage Products: Not FDIC Insured ▪ No Bank Guarantee ▪ May Lose Value

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