

Response Wells Fargo on open letter DAPL

Received on: December 10, 2016

Johan Frijns
Director BankTrack

Thank you for your letter to Wells Fargo CEO Tim Sloan regarding the Dakota Access Pipeline (DAPL). We recognize and respect the differing opinions being expressed in this dispute, and we hope all parties involved will work together to reach a positive resolution.

Wells Fargo is one of 17 financial institutions involved in financing the Dakota Access Pipeline. The loans we have provided represent less than five percent of the total for this project, and we are contractually obligated to fulfill our commitments under the credit agreement so long as the customer is meeting all of its terms and conditions.

As one of the financing institutions, we met with the customer shortly after the protests began and urged them to engage with the Standing Rock Sioux and their supporters – through a third-party intermediary if necessary – in order to affect a more positive and productive outcome for all parties. We are also participating with other lenders in the hiring of independent human rights firm, Foley Hoag LLP, to advise the lenders to the project and to review issues related to the DAPL permitting process and consultation with the Standing Rock Sioux. We continue to monitor developments, including the recent decision by the U.S. Army Corps of Engineers.

As an Equator Principles Financial Institution, Wells Fargo required this project to be evaluated by an independent consultant in order to assess compliance with the Equator Principles Environmental and Social Risk Management Framework. However, as a result of what we have learned from the ongoing dispute, we have enhanced our own due diligence in sectors subject to our Environmental and Social Risk Management policy to include more focused research into whether indigenous communities are impacted and have been properly consulted.

Wells Fargo has been serving Native American customers and communities for more than 50 years, and today we provide capital and financial services to more than 200 tribal entities in 27 states, including tribal community development projects. We have completed dozens of Low Income Housing Tax Credit projects in nine states, sponsored Affordable Housing Plan subsidies for tribal housing projects, and provided more than \$11 million in philanthropic support to hundreds of tribal nonprofit organizations nationwide in the last three years alone.

As specified in our Statement on Human Rights, Wells Fargo recognizes that governments have the duty to protect human rights, and companies such as ours have a responsibility to respect human rights. To that end, we strive to respect human rights throughout our operations and our products and services, including consistent treatment among people, employee well-being and security, economic and social freedom, and environmental stewardship. We seek tangible ways to apply these principles through our actions and relationships with our team members, customers, suppliers and communities in which we do business.

Wells Fargo is committed to the responsible development of all forms of energy, and while we maintain a large conventional energy portfolio, we are also a leader in the financing of renewable energy and clean technology. We have supported the evolution of energy markets toward cleaner forms of generation by financing more than \$52 billion in environmentally sustainable businesses

since 2012. In 2015, projects owned in whole or in part by Wells Fargo produced 10 percent of all solar photovoltaic and wind energy generated in the U.S.

Thank you again for reaching out to Wells Fargo. We are closely following the developments around the Dakota Access Pipeline, and we remain hopeful that the concerns associated with this project will be addressed without additional conflict and in a way that allows for a full understanding of all of the issues, perspectives, and facts related to the project.

If you would like more information about our support for the environment and communities, please review our 2015 Corporate Social Responsibility Report on our [website](#).

Sincerely,