Wells Fargo’s positions on select issues and industries with elevated environmental or social risk

Wells Fargo understands and respects that our stakeholders have different perspectives and concerns related to our positions on financing certain industries and companies, projects, or organizations.

Wells Fargo is a provider of financial services for customers in nearly every sector of the economy, and we do not believe it is appropriate that we limit credit or financing to legally operating companies based solely on public opposition to that sector. With that said, risk management is at the core of our business, and we look at the full spectrum of risks and various other factors when considering whether or not to finance any sector, company, or project-specific transaction. These include credit risk, market conditions, reputation risk, social and environmental considerations, and the potential volatility of policy and regulatory positions.

Our Environmental and Social Risk Management (ESRM) framework and policies are a critical part of our due diligence requirements in sensitive industries such as oil and gas, mining, and consumer finance, and they help us identify, evaluate, and manage the environmental and social risks associated with our lending and investments. We update our ESRM requirements as our understanding of these complex issues evolves, and we seek to adhere to global best practices with regard to managing environmental and social risk. We engage with external stakeholders and collaborate with our peers in the financial industry to encourage a deeper understanding of these risks and share best practices for managing them.

Below are Wells Fargo’s positions on select industries and issues that our stakeholders have recently inquired about.

Energy and climate change

Wells Fargo believes that climate change is one of the most urgent environmental and social issues of our time. Numerous scientific assessments including from the UN Intergovernmental Panel on Climate Change have consistently found that large reductions in carbon dioxide emissions are needed to prevent climate-related impacts, including risk to human life, livelihood and long-term viability of communities.

We support the principles of the Paris Agreement, including its goal to keep warming below a two-degree scenario. While we believe that policy action is essential to make meaningful progress against the Agreement’s goals, Wells Fargo is committed to doing our part – as one of the largest financial institutions, and employers in the U.S. – to embed sustainability across the enterprise, to leverage our expertise and market position to accelerate sustainable technology innovation, and to deploy capital and collaborate with a range of stakeholders to advance a low-carbon future and climate-resilient development.

We respect the conversation around conventional energy development — its importance to local economies, its necessity today in our daily lives, concerns about the need to transition to a low-carbon economy, and concerns about the potential
impacts of energy development on communities. Wells Fargo is committed to accelerating the transition to a low-carbon economy, in addition to continuing to support the responsible development of conventional energy.

In April 2018, we announced that Wells Fargo will provide $200 billion in financing to sustainable businesses and projects by 2030, with more than 50% earmarked for renewable energy, clean technology and green-building transactions that directly support the transition to a low-carbon economy, including: clean energy, green buildings (LEED, ENERGY STAR, etc.), green bonds; and alternative transportation. In the first two years of our commitment, Wells Fargo deployed approximately $49 billion in sustainable finance, with 67% supporting low-carbon opportunities.

**Arctic finance**

Wells Fargo does not directly finance oil and gas projects in the Arctic region, including the Arctic National Wildlife Refuge (ANWR) – part of a larger 2018 risk-based decision to forego participation in any project-specific transaction in the region.

**Coal mining**

Since 2015, Wells Fargo has been reducing our credit exposure to the coal mining industry, due to a number of regulatory, environmental, and market factors. Further, we will not extend credit or facilitate capital markets transactions to individual mountain top removal (MTR) mining projects or to coal producers engaged in MTR mining.

Under certain circumstances, we will continue to support our coal mining customers with capital markets expertise and other products to help them manage this changing economic cycle.

**Private prisons**

In 2016, Wells Fargo determined we would no longer provide new funding and will exit lending relationships with private prison companies when our contracts with those companies expire. Since then, we have steadily reduced our exposure and will not provide any additional financing for existing customers or add any additional private prison customers.