Wells Fargo’s response re a Rainforest Action Network report raising allegations of environmental and human rights violations.

3 June, 2019

Business & Human Rights Resource Centre invited Wells Fargo to respond to the following item[s]:

• “Banking on Climate Change: Fossil Fuel Finance Report Card 2019” (Executive Summary), Rainforest Action Network, May 2019

• “Banking on Climate Change: Fossil Fuel Finance Report Card 2019” (Full Report), Rainforest Action Network, May 2019

Wells Fargo sent the following response:

Thanks for the opportunity to engage regarding the human rights issues raised in Rainforest Action Network’s 2019 Fossil Fuel Finance Report Card.

Since we last wrote to you, Wells Fargo has issued a Business Standards Report (BSR), which details the changes Wells Fargo has made, and continues to make, since 2016 to address the causes of past issues and provides updates on the company’s businesses, practices, and progress on its six goals – one of which is to be the Financial Services Leader in Corporate Responsibility. A PDF of the BSR can be found here: <https://www08.wellsfargomedia.com/assets/pdf/about/corporate/business-standards-report.pdf>

On pages 17-18 of the BSR is a detailed discussion of our commitment to Human Rights, along with a listing of recent company actions taken to enhance efforts across the enterprise to respect the human rights of all of stakeholder groups, including team members, consumers, and communities.  Of particular note, we established an external Stakeholder Advisory Council, consisting of experts and advocates focused on human rights, consumer rights, fair lending, the environment, civil rights, and governance; nearly doubled the Environmental and Social Risk Management (ESRM) team, including the addition of social issues specialist with global human rights legal expertise; and adopted an Indigenous Peoples Statement to strengthen our due diligence practices for transactions with customers whose operations may adversely impact indigenous communities.

The BSR also includes a detailed case study that discusses how we came to acknowledge the need for, develop, and implement our Indigenous Peoples Statement (p. 19), which requires alignment with the objectives and requirements of International Finance Corporation Performance Standard 7 on Indigenous Peoples -- including with respect to circumstances requiring Free, Prior, and Informed Consent -- for proposed project financing, project bridge loans, and corporate project financing transactions projects where we can identify that the use of proceeds may potentially impact indigenous peoples.  And on p. 42, you’ll find a description of the ESRM due diligence process, where identifying potential impacts to Indigenous Peoples is part of step one in that process.

With regard to the underlying issue of the RAN Report Card, Wells Fargo believes that climate change represents one of the greatest challenges of our time, and we recognize that certain communities, particularly those of low-to-moderate income, may be disproportionately affected by the impacts of climate change. Wells Fargo is committed to accelerating the transition to a low-carbon economy and minimizing the impacts of climate change on our customers and communities, and we bring this commitment to life through our business, our operations and culture, and strategic philanthropic partnerships.  A few examples below:

         In our lending and investing, Wells Fargo is deploying capital to advance climate solutions.  In April 2018, we announced that Wells Fargo will provide [$200 billion in financing to sustainable businesses](https://stories.wf.com/wells-fargo-commits-200-billion-toward-sustainable-financing) and projects by 2030 with more than 50 percent focused on renewable energy, clean technology and green-building transactions that directly support the transition to a low-carbon economy, including clean energy (renewables), green buildings (LEED, ENERGY STAR, etc.), green bonds, and alternative transportation.  The remainder will support companies and projects focused on sustainable agriculture, conservation, recycling, resource management and other environmentally-beneficial activities. In 2018 we deployed $23 billion against this commitment, with 63% of that directly contributing to the transition to a low-carbon future.

         In 2017, Wells Fargo began meeting 100% of our global electricity needs with [renewable energy](https://stories.wf.com/wells-fargo-global-operations-now-powered-100-percent-renewable-energy) and has already met its 2020 carbon-reduction goal of 45 percent from a 2008 baseline – among significant progress against other sustainability goals focused on water and energy efficiency, waste reduction and LEED certification.

       The [Wells Fargo Innovation Incubator](http://www.in2ecosystem.com/) is an award-winning $30 million philanthropic partnership with the U.S. Department of Energy’s National Renewable Energy Laboratory that speeds the path to market for promising clean technologies and entrepreneurs focused on energy efficiency and sustainable agriculture.

Recent recognition we’ve received on these issues include being named number four on the U.S. Environmental Protection Agency’s [Green Power Partnership National Top 100](https://newsroom.wf.com/press-release/corporate-social-responsibility/wells-fargo-recognized-top-green-power-user-us); receiving a perfect score (100) on the Human Rights Campaign’s Corporate Equality Index; being named in the top 10 most transparent S&P companies (and first among financial institutions) in a recent [HIP Investor study](https://newsroom.wf.com/sites/wellsfargo3-e.newshq.businesswire.com/files/doc_library/file/FT_HIP_Investor_ESG_transparency.pdf); and being named the Bank Sector [Tax Equity investor of the year](https://newsroom.wf.com/press-release/awards-and-recognition/wells-fargo-named-bank-sector-tax-equity-investor-year) by *Power and Finance Risk*, in recognition of our leadership in financing renewable energy projects.