WHEREAS: Banks play a critical role in meeting the Paris Agreement's goal of limiting global temperature rise to well below 2 degrees Celsius. The Bank of England notes that the global financial system is currently supporting carbon-producing projects that will cause global temperature rise over 4 degrees Celsius – more than double the limit necessary to avoid catastrophic warming.[1]

The 2018 Intergovernmental Panel report on climate warns that global warming above 1.5 degrees will create devastating impacts, including loss of life, ecosystem destruction, infrastructure damage, and supply chain disruptions. If warming is kept to 1.5 versus 2 degrees, studies report savings of $20 trillion to the global economy by 2100.[2] Recently, 215 global companies reported almost $1 trillion at risk from climate impacts, some within five years.[3]

Wells Fargo's funding contributes to global climate risk. It is the second largest source of financing to fossil fuel companies globally, averaging $50 billion annually since the Paris Agreement was signed.[4] Significantly, its fossil fuel lending has ***increased*** over each of the last three years, creating systemic portfolio risks to investors and the company's own enterprise.

Peer banks are beginning to responsibly manage climate risk by developing carbon measurement tools including the Paris Agreement Capital Transition Assessment and Partnership for Carbon Accounting Financials.[5] HSBC has committed to set a Science-Based Target.[6] ING, BNP Paribas, Standard Chartered, and other banks have committed to measure the climate alignment of their lending portfolios against Paris goals.[7] Some

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[1] https://www.theguardian.com/business/2019/oct/15/bank-of-england-boss-warns-global-finance-it-is-funding-climate-crisis?CMP=Share_iOSApp_Other

[2] https://www.nature.com/articles/s41586-018-0071-9.epdf?referrer_access_token=eELbUpZu30ES9BZ5nW-IO9RgN0jAjWel9jnR3ZoTv0OskypFEzLGji1pAcPpJpRUaGWQE4lx7PFk7egARc69rHFdME6PJOQVMoys1HbEajGubYyh-cFm3MRhg2s_I4sq46QiSTTapLjDvV_ZfQ9KGWA8erEPxeWaOCy4qkvcpBhNc54Z8P42aBjGNCzAlbvv5yke0J5kD-SmaMHFGX5BldaEIsLdP99o9n2q_t7mKL6bo-HzTh6kQ7MsxZ2fBRfoJOUWNOr9sPf0BIa_bvKByEeRaGlJGmvTt7OhAlFSl4IPK9yTGpptmAc2gdnMSzTNYhlU5LjqY5JMkXschCdYMQ%3D%3D&tracking_referrer=www.theguardian.com

[3] https://www.cdp.net/en/articles/media/worlds-biggest-companies-face-1-trillion-in-climate-change-risks

[4] https://www.ran.org/wp-content/uploads/2019/03/Banking_on_Climate_Change_2019_vFINAL1.pdf

[5] http://news.bostoncommonasset.com/wp-content/uploads/2019/11/Banking-on-a-Low-Carbon-Future-2019-11.pdf

[6] https://sciencebasedtargets.org/companies-taking-action/

[7] https://www.ingwb.com/insights/news/2018/banks-join-ing-in-aligning-loan-portfolios-to-fight-climate-change

have abandoned high risk sectors including Arctic drilling and tar sands.[8] Citibank joined the Principles for Responsible Banking, committing to align its business strategy with the Paris Agreement's global climate goals.

While Wells recognizes climate change, has increased its 'sustainable' financing,[9] and is sourcing renewable energy for its operations, its annual $15 billion in sustainable financing over 13 years is substantially outweighed by its fossil fuel funding activities.[10] Wells does not yet measure or disclose its full carbon emissions, nor has it adopted targets to reduce its lending related greenhouse gas (GHG) emissions. Banks that finance carbon intensive fossil fuel activities through their lending are putting themselves and society at risk of catastrophic climate impacts.

BE IT RESOLVED: Shareholders request that Wells Fargo issue a report, at reasonable cost, outlining if and how it intends to reduce the GHG emissions associated with its lending activities in alignment with the Paris Agreement's goal of maintaining global temperature rise below 1.5 degrees Celsius.

SUPPORTING STATEMENT: Shareholders recommend the report disclose, among other issues, at board and management discretion:

- Any actions Wells is taking to measure and disclose its full carbon footprint (Scope 1-3 emissions, including GHG emissions associated with its lending activities);
- Whether the bank is considering setting targets, and on what timeline, to reduce the carbon footprint of its lending activities.
- Any planned reductions in financing of high risk fossil fuels such as tar sands, Arctic drilling.

[8] https://www.environmental-finance.com/content/analysis/banking-on-a-changing-climate.html

[9] https://stories.wf.com/wells-fargo-commits-200-billion-toward-sustainable-financing/

[10] https://www.wri.org/finance/banks-sustainable-finance-commitments/