WHEREAS: Banks play a critical role in meeting the Paris Agreement's goal of limiting global warming to 1.5 degrees Celsius, requiring net zero greenhouse gas (GHG) emissions by 2050. Limiting global warming at 1.5 versus 2 degrees will save $20 trillion globally by 2100. Yet, as of 2019, the global financial system supports carbon producing activities that will cause global temperature rise greater than 4 degrees Celsius -- over double the limit necessary to avoid catastrophic warming.

This carbon intensive funding creates systemic portfolio risks to the global economy, investors, and banks' profitability. The United States' Commodity Futures Trading Commission recently acknowledged that climate change creates significant risk and could impair the productive capacity of the U.S. economy. Recognizing growing risk, the European Investment Bank, the biggest multilateral lender in the world, will stop funding fossil fuel projects in 2021 (see page 7 of report).

Wells' financing contributes substantially to global climate risk. It is the 2nd largest source of financing to fossil fuel companies globally, averaging over $49 billion annually since the Paris Agreement was signed. Wells is already facing negative impacts from this; a second quarter $2.4 billion loss was attributed in significant part to loan losses in the oil and gas sector.

In contrast, peer U.S. banks are beginning to address their financed GHG contributions. Morgan Stanley committed to reach net zero financed emissions by 2050. JPMorgan made a Paris aligned financing commitment, with interim 2030 targets to be announced. Bloomberg noted the importance of interim targets, challenging banks to pursue 50 percent reductions by 2030. BofA, Citigroup, and Morgan Stanley have joined other global banks in committing to measure and disclose their financed emissions through the Partnership for Carbon Accounting Financials (PCAF).

While Wells has undertaken various climate related activities, including purchasing solar; issuing a climate risk report; creating climate committees; setting a $200 billion sustainable financing goal, including clean energy funding; and a statement of support for "the principles of the Paris Agreement," it has not indicated whether it will measure and disclose its financed GHG emissions or adopt Paris aligned net zero targets for its financed emissions.

BE IT RESOLVED: Shareholders request that Wells Fargo issue a report, at reasonable cost and omitting proprietary information, outlining if and how it intends to reduce the GHG emissions associated with its financing activities in alignment with the Paris Agreement's 1.5 degree goal, requiring net zero emissions.

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

- Whether the bank will join other peers in adopting the global PCAF measurement and reporting tool;
- Any other actions Wells Fargo is taking to measure and publicly disclose the GHG emissions associated with its financing activities;
- Whether the bank is considering setting Paris aligned, net zero targets, such as Science Based or other targets, and on what timeline, to reduce the carbon footprint of its lending activities.