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Letter from Mary Wenzel, Head of Sustainability and Corporate Responsibility

To all of our stakeholders,

I am pleased to share Wells Fargo’s 2018 Corporate Responsibility Report, Purpose in action, which describes how we are delivering on our commitments to advance diversity and inclusion, create economic opportunity, and promote environmental sustainability to support healthy, equitable, and thriving communities.

Our top priority remains rebuilding trust with all of our stakeholders and building a better Wells Fargo for the future. As part of our commitment to transparency, we issued a comprehensive Business Standards Report in January 2019 detailing the actions we have taken — and continue to take — as we work to make things right and transform our company. The Business Standards Report is referenced throughout this document.

Purpose in action: Making progress against Wells Fargo’s corporate responsibility goals

Every day, we challenge ourselves to integrate corporate responsibility strategies into our business with a focus on social, economic, and environmental priorities. This report reflects an evaluation of our progress as we passed the midway point of our 2016-2020 corporate responsibility commitments (see page 6). This assessment made it clear that, through our strategic focus, corporate responsibility is increasingly being embedded in the way we do business. As we seek to enhance our governance, business practices, and sustainability efforts, business leader comments throughout this report will give you a sense of how we make positive contributions to, and manage the impacts of our business on, our environment and communities.

Every day, we challenge ourselves to integrate corporate responsibility strategies into our business.
Letter from Mary Wenzel, Head of Sustainability and Corporate Responsibility

We have momentum across a complex range of challenges and opportunities facing society.

As you will see, we have momentum across a complex range of challenges and opportunities facing society, including:

- Economic disparity, particularly for lower-income people who lack access to the resources necessary for a sustainable livelihood, adequate housing, or the financial capability to pave a path to stability and success.
- Climate change and its ripple effects on resource scarcity, agriculture and food security, access to clean and affordable energy, and the impacts of extreme weather events on vulnerable communities.
- Access and opportunity with a focus on working to ensure all people feel respected and have equal access to opportunities to succeed regardless of race, gender, gender identity, sexual orientation, work and life status, ethnic origin, culture, spiritual beliefs and practices, age, physical and mental ability, or veteran status.

Addressing emerging areas of concern

Formal engagement with a range of stakeholders informs our overarching corporate responsibility strategy, priorities, and reporting. While we remain focused on striving to achieve our stated goals, we also engage regularly with stakeholders

“At Wells Fargo, we are guided by our vision: to satisfy our customers’ financial needs and help them succeed financially. Our aspiration to be a leader in corporate responsibility is woven into Wells Fargo’s Vision, Values & Goals. Our leadership is committed to making a positive contribution to the communities where we live and do business, and to managing environmental and social risks in a meaningful way. This commitment extends to our team members who continue to demonstrate their significant dedication to our communities.”

C. ALLEN PARKER, INTERIM CEO AND PRESIDENT
In 2018, we committed $200 billion in financing to sustainable businesses and projects by 2030.

through a variety of forums to address emerging issues and opportunities that come to light as a result of changes in our business, and social, economic, and environmental trends.

A concrete example of our willingness to take substantive action is the sustainable finance commitment we announced in April of 2018. We committed $200 billion in financing to sustainable businesses and projects by 2030, with more than 50% focused on clean technology and renewable energy transactions. In addition to the financial pledge, we committed to transparency and more robust reporting as well as increased engagement with others to drive the transition to a low-carbon economy (see page 59).

As another example, in 2018, we began a year-long process to reimagine Wells Fargo’s role in solving societal problems by combining our philanthropy and business expertise to help make a greater community impact. As one of the largest corporate foundations in the U.S. — donating $444 million to 11,000 nonprofits in 2018 — and a leading lender in commercial real estate, home mortgages, and small business loans, we have a tremendous opportunity to spark systemic change and economic development for underserved communities. Beginning in 2019, we are targeting 2% of after-tax profits to philanthropy and will concentrate on three pressing community challenges: housing affordability, small business growth, and financial health.

We are beginning the process of re-examining the most significant social, economic, and environmental topics facing our business and our stakeholders in the next decade through our 2019 materiality assessment, which will inform the next phase of our corporate responsibility journey. Based on the results, we will develop our go-forward strategy, and will continue to pay close attention to how we meaningfully share information with our many stakeholders.

I am proud of the progress we have made – both toward our corporate responsibility goals and in rebuilding trust with our customers, team members, community partners, and other stakeholders. At the same time, we acknowledge we have more work to do. I want to express my gratitude to all of you, especially our partners, for joining us on this journey. I join the entire Wells Fargo team in sharing my commitment to putting purpose in action as we work to address these important issues in our community and society.

Mary Wenzel
Head of Sustainability and Corporate Responsibility, Wells Fargo & Company
Our 2020 goals and progress

Diversity and inclusion

As a leading global financial-services company, we have a significant role to play in delivering practical solutions to social, economic, and environmental challenges. In 2016, we established an integrated, company-wide corporate responsibility strategy to leverage our products and services, culture and operations, and philanthropy to address these global challenges over a five-year period. As part of that effort, Wells Fargo established an ambitious set of goals focused on three priorities: diversity and inclusion, economic empowerment, and environmental sustainability.

The chart below reflects our progress toward each goal. Some goals were met ahead of our 2020 deadline; these goals are marked as “exceeded” and we will continue tracking against them through 2020. We will continue working toward the remaining goals over the next two years. For each goal, the baseline year is reflected in the cumulative results and progress column. All goals are intended to be complete by the end of 2020, unless otherwise noted.

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>GOAL STATEMENT</th>
<th>2018 RESULTS</th>
<th>CUMULATIVE RESULTS AND PROGRESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deliver products and services that meet the needs, values, and preferences of our customers</td>
<td>Invest in emerging technologies and innovative solutions to meet changing customer preferences</td>
<td>In 2018, Wells Fargo launched or announced several products and services to help customers better manage their money and spending in a more convenient, proactive way (see page 37).</td>
<td>In progress</td>
</tr>
<tr>
<td></td>
<td>Enhance human rights risk management and reporting</td>
<td>Enhanced human rights due diligence and started to develop and roll out human rights training</td>
<td>In progress</td>
</tr>
</tbody>
</table>
| Provide $100 million to critical social needs | Provide $100 million to increase our overall giving to critical social needs | $40.3 million allocated as follows:  
• $16.6 million to advance social inclusion  
• $11.0 million to increase financial capability of diverse consumers  
• $12.7 million to develop women and diverse leaders | $102.9 million since 2016  
**Exceeded** |
| | Achieve 8.5 million team member volunteer hours with 40% team member participation | 2.04 million hours  
35.6% participation | 5.8 million hours since 2016  
**In progress** |
| Ensure diversity, inclusion, respect, and engagement are fully woven into the fabric of the Wells Fargo culture and business practices | Increase participation in team member volunteer groups by 30% | 9% increase | 57% increase since 2016  
**Exceeded** |
| | Strive to increase our veteran team member population to 20,000 | 1,502 veterans hired | 8,380 veteran team members employed in 2018  
**In progress** |
| | Strive for 15% of procurement spend with diverse suppliers and build capacity through supplier development | $1.36 billion spent with diverse suppliers, or 11.7% of total procurement spend; surpassing the financial services industry average of 9.3%2 | 11.7% of total 2018 procurement spend  
**In progress** |

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2 Alignment to sub-goal categories is subjective and reflects best available data. We continue to refine this process to reduce overlap; however, some grants may apply across multiple sub-categories.

## Our 2020 goals and progress
### Economic empowerment

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>GOAL STATEMENT</th>
<th>2018 RESULTS</th>
<th>CUMULATIVE RESULTS AND PROGRESS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strengthen the economic sustainability of our communities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Products and services</td>
<td>Help 12 million customers better manage their credit scores</td>
<td>4 million helped</td>
<td>12.3 million since 2016 Exceeded</td>
</tr>
<tr>
<td></td>
<td>Extend $175 million to Community Development Financial Institutions (CDFIs) serving diverse small businesses</td>
<td>$39.7 million¹</td>
<td>$96.5 million since 2015 In progress</td>
</tr>
<tr>
<td></td>
<td>Originate $150 billion in new purchase loans to minority households</td>
<td>$35 billion</td>
<td>$108 billion since 2016 In progress</td>
</tr>
<tr>
<td></td>
<td>Originate $70 billion in new purchase loans to low- and moderate-income households</td>
<td>$15.3 billion</td>
<td>$44 billion since 2016 In progress</td>
</tr>
<tr>
<td></td>
<td>Provide homebuyer education to more than 4,000 lower-income homebuyers</td>
<td>3,665 educated</td>
<td>8,982 educated since 2016 In progress</td>
</tr>
<tr>
<td></td>
<td>Provide down payment assistance to more than 4,000 lower-income homebuyers</td>
<td>3,922 assisted</td>
<td>7,949 assisted since 2016 Exceeded</td>
</tr>
<tr>
<td><strong>Provide $500 million to critical economic needs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Philanthropy²</td>
<td>Provide $500 million to increase our overall giving to critical economic needs</td>
<td>$139.3 million allocated as follows: • $7.3 million to increase the financial capability of underbanked consumers • $25.4 million to empower small businesses • $106.6 million to strengthen communities and families through sustainable housing</td>
<td>$295.3 million since 2016 In progress</td>
</tr>
<tr>
<td><strong>Taking care of our team members and the community</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culture and business practices</td>
<td>Support and administer the WE Care Fund</td>
<td>2,804 grants totaling $4.9 million awarded to team members</td>
<td>6,735 grants totaling $10.2 million awarded since 2017 Ongoing</td>
</tr>
<tr>
<td></td>
<td>Build and improve 1,000 homes for low- and moderate-income households</td>
<td>489 home builds and rehabs supported</td>
<td>1,514 home builds and rehabs supported since 2016 Exceeded</td>
</tr>
</tbody>
</table>

¹ Beginning in 2018, Wells Fargo expanded its CDFI commitment to diverse small businesses to include recovery and resiliency efforts following storms, floods, fires, etc. and also include some philanthropic spend to empower small businesses. Prior years’ progress toward this goal was not restated to reflect this expanded scope.

² Alignment to sub-goal categories is subjective and reflects best available data. We continue to refine this process to reduce overlap; however, some grants may apply across multiple sub-categories.
### Our 2020 goals and progress

#### Environmental sustainability

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>GOAL STATEMENT</th>
<th>2018 RESULTS</th>
<th>CUMULATIVE RESULTS AND PROGRESS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Accelerate the transition to a low-carbon economy</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Products and services</strong></td>
<td>Integrate environmental and social risk management (ESRM) into our business practices</td>
<td>ESRM framework</td>
<td>In progress</td>
</tr>
<tr>
<td></td>
<td>Provide $200 billion in financing to sustainable businesses and projects by 2030; 50% toward low-carbon opportunities(^1)</td>
<td>Approximately $23 billion provided with 63% toward low-carbon opportunities</td>
<td>In progress</td>
</tr>
<tr>
<td><strong>Provide $65 million to critical environmental needs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| **Philanthropy\(^2\)** | Provide $65 million to increase our overall giving to critical environmental needs | $30.1 million allocated as follows:  
- $6.7 million to advance clean technology and innovation  
- $3.4 million to support environmental education  
- $20.0 million to foster resilient communities | $68.3 million since 2016  
**Exceeded** |
| **Enhance the environmental performance of our operations** | | | |
| **Culture and business practices** | Purchase renewable electricity to meet 100% of our global operations needs by the close of 2017 | Purchased renewable energy certificates (RECs) to meet 2018 global electricity needs | Met 100% of our global electricity needs with renewable energy\(^3\)  
**Exceeded** |
| | Transition to long-term agreements that fund new sources of green power by 2020 | Supported Bangalore off-site solar asset and Minnesota Community Solar Garden program through long-term agreements representing 18,000 megawatt hours (MWh) annually of net new capacity to the grid | 1% sources of green power through long-term agreements including 16 properties with on-site solar panels supporting a portion of their electricity needs  
**In progress** |
| | Reduce greenhouse gas emissions 45% | 8,900 MTCO\(_2\)e reduction, equivalent to emissions of 1,890 passenger vehicles driven for one year | 48% reduction since 2008 (940,000 MTCO\(_2\)e)  
**Exceeded** |
| | Reduce energy consumption 40% | 19,900 MWh energy usage reduction, equivalent to 1,600 homes’ annual energy use | 36% reduction since 2008 (1.3 million MWh)  
**In progress** |

---

\(^1\) In 2018, we announced our $200 billion sustainable finance commitment and updated the methodology for how we track progress. The 2018 results are not comparable to previously reported results for the “finance environmentally beneficial business opportunity” progress statement. In addition to the $200 billion commitment, this goal consists of two additional commitments to transparency and engagement see page 59 for details.

\(^2\) Alignment to sub-goal categories is subjective and reflects best available data. We continue to refine this process to reduce overlap; however, some grants may apply across multiple sub-categories.

\(^3\) Renewable energy sources include on-site solar, long-term contracts that fund new sources of offsite renewable energy, and the purchase of renewable energy and renewable energy certificates (RECs).
## Our 2020 goals and progress

### Environmental sustainability

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>GOAL STATEMENT</th>
<th>2018 RESULTS</th>
<th>CUMULATIVE RESULTS AND PROGRESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture and business practices (continued)</td>
<td>Achieve LEED® certification for 35% of buildings (by leased and owned square footage)</td>
<td>Over 470,000 square feet of LEED-certified projects, equivalent to eight football fields</td>
<td>28% LEED-certified square footage (40.9 million square feet of LEED-certified projects)</td>
</tr>
<tr>
<td></td>
<td>Reduce water consumption 65%</td>
<td>23 million gallon reduction, equivalent to giving everyone in Los Angeles six 16-oz water bottles</td>
<td>59% reduction since 2008 (3.1 billion gallons)</td>
</tr>
<tr>
<td></td>
<td>Reduce total waste stream 50%¹</td>
<td>20 million pound reduction, equivalent to 700 full dump trucks worth of trash</td>
<td>40% reduction since 2010 (119 million pounds)</td>
</tr>
<tr>
<td></td>
<td>Enhance sustainability of our supply chain</td>
<td>Recognized as a CDP Supplier Engagement Leader (see page 66)</td>
<td>In progress</td>
</tr>
<tr>
<td></td>
<td>Achieve 250,000 team member commitments to improving sustainability</td>
<td>36,250 new commitments</td>
<td>119,750+ sustainable team member commitments (48% of goal) since 2016</td>
</tr>
</tbody>
</table>

¹ Thanks to learnings associated with our original waste goal which focused on increasing diversion rates, we have determined an overall waste reduction goal is actually a better method of driving behavior change to consume less. Therefore, we have changed the focus of our goal as noted in the table.
How Wells Fargo contributes

Wells Fargo & Company (NYSE: WFC) is a diversified, community-based financial services company with $1.9 trillion in assets. Founded in 1852 and headquartered in San Francisco, California, Wells Fargo provides banking, investment and mortgage products and services, as well as consumer and commercial finance to support customers who conduct business in the global economy. We are committed to making a positive impact by helping people and communities succeed financially – and creating solutions for a stronger, more sustainable future where everyone can grow and prosper. Here is a snapshot of our impact in 2018.

Customers

Largest home loan originator to minority borrowers across the U.S.\(^1\)

<table>
<thead>
<tr>
<th>Largest</th>
<th>lender to small businesses in the U.S.(^2)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>2x</th>
<th>Bank branches in more states, and 2x as many markets, as our peers(^3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>32</td>
<td>Banking offices in 32 countries and territories to support corporate customers who conduct business in the global economy(^4)</td>
</tr>
</tbody>
</table>

Support consumers across the U.S. with more than 7,600 locations and 13,000 ATMs\(^4\)

Serve 1 in 3 U.S. consumer households

Provide corporate banking services to nearly 3 out of 4 Fortune 500 companies\(^5\)

Communities

1,637 branches located in low- and moderate-income census tracts

Second largest corporate cash donor among U.S. companies\(^6\)

No. 1

<table>
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<th>Largest U.S. workplace employee giving campaign for the 10th consecutive year(^7)</th>
</tr>
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</table>

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<tr>
<th>$444m</th>
<th>Team members volunteered more than 2 million hours</th>
</tr>
</thead>
</table>

Contributed $444 million to 11,000 nonprofits
Operations

28% of our leased and owned square footage is Leadership in Energy and Environmental Design™ (LEED®) certified

Reduced greenhouse gas emissions by 48% since 2008

Spent $1.36 billion with diverse suppliers

100%

Met 100% of our global electricity needs with renewable energy

Team Members

Employ 259,000 team members in the U.S. and approximately 1 in 600 working Americans

$13,000

Invest an average of $13,000 per U.S. team member annually in benefits program

100% Corporate Equality Index Perfect score for 15th year

Human Rights Campaign

Employ 8,380 U.S. military veterans

57% of U.S. workforce is female

44% of U.S. workforce is ethnically/racially diverse

Data as of December 31, 2018, unless otherwise noted.

(1) Home Mortgage Disclosure Act data, 2017. (2) Community Reinvestment Act government data, U.S. in dollars, loans under $1 million 2017. (3) U.S. markets defined as the largest Core Based Statistical Areas (CBSAs) by population. Metropolitan and Metropolitan statistical areas (metro and micro areas) are geographic entities delineated by the Office of Management and Budget (OMB). Major Metro internally defined as Metropolitan markets with more than 1 million population. Rural internally defined as counties within unassigned CBSAs. Counts as of June 30, 2017. (4) As of July 2019. (5) Wells Fargo internal analysis, 12 months from March 2017 – February 2018. (6) The Chronicle of Philanthropy (2017 data). (7) United Way Worldwide (based on 2018 donations). (8) A diverse supplier is a business that is at least 51% owned, managed, and controlled by a diverse person or group. Wells Fargo requires that businesses asserting that they are diverse suppliers must be certified by a third-party certification organization. (9) Renewable energy sources include on-site solar, long-term contracts that fund new sources of renewable energy, and the purchase of renewable energy certificates. (10) Based on number of active, full-time equivalent employees in the U.S. (11) Based on Bureau of Labor Statistics data. (12) Based on self-disclosure.
Contributing to the United Nations Sustainable Development Goals

At Wells Fargo, we’re guided by a common purpose to help our customers and communities succeed financially.

We have a responsibility to do our part to help address society’s most pressing and complex challenges. As we continue to strengthen our business for the future, the United Nations (UN) Sustainable Development Goals (SDGs) provide a guide for integrating sustainability more deeply into our business. By taking action in support of our strategic corporate responsibility priorities, Wells Fargo also contributes to advancing the global priorities outlined in the SDGs. Throughout this report, we share examples of our actions which contribute to the SDGs most relevant to our business.

SDG 1: No poverty
End poverty in all its forms everywhere

- Maximizing our community impact
- Empowering those who live and work outside the financial mainstream
- Investing in sustainable housing and homeownership

SDG 5: Gender equality
Achieve gender equality and empower all women and girls

- Investing in our team members
- Accelerating growth for women in STEM

SDG 7: Affordable and clean energy
Ensure access to affordable, reliable, sustainable, and modern energy for all

- Financing a sustainable future
- Supporting tribal communities
SDG 8: Decent work and economic growth
Promote inclusive and sustainable economic growth, employment and decent work for all

- Empowering those who live and work outside the financial mainstream
- Expanding our work with diverse vendors and suppliers

SDG 11: Sustainable cities and communities
Make cities inclusive, safe, resilient, and sustainable

- Supporting our communities and team members in times of need
- Investing in sustainable housing and homeownership

SDG 13: Climate action
Take urgent action to combat climate change and its impacts

- Supporting startups through the Innovation Incubator
- Applying Task Force on Climate-related Financial Disclosures (TCFD) recommendations
Leadership, governance, 
and business practices

Building a better company

Serving customers through trusted relationships and products and services designed to help them succeed financially has long been part of our history. We broke that trust through unacceptable sales practices in our Community Bank and issues in other businesses. Our actions resulted in customer harm and caused significant damage to our reputation. We’ve worked hard to address the root causes of our mistakes, make things right for customers and team members, and lay the foundation for a better company. We understand that we have more work to do, and we’re fully committed to rebuilding trust with all our stakeholders. A detailed timeline and progress report can be found on our Wells Fargo Stories webpage.

Everything Wells Fargo does starts with our vision – to satisfy our customers’ financial needs and help them succeed financially. All of our decisions are driven by our five enduring values and six goals. Because we haven’t always lived up to those values, rebuilding a better Wells Fargo through strong leadership, governance, and business practices continues to be our top priority.

Making sure that we operate responsibly and sustainably – staying fully aligned with our values – is of critical importance. And it starts at the top, with sound, disciplined governance structures and practices designed to ensure that we act with transparency and integrity, hold ourselves accountable, and keep our commitments to our customers, our team members, and the communities we serve. Making that happen requires navigating a complex web of issues, from ethics and integrity to company culture and employee incentives to environmental risk and human rights.

Our company is managed under the direction and oversight of the Wells Fargo Board of Directors (Board), which is committed to sound and effective corporate governance principles and practices. Board members are identified, evaluated, and recommended for election to the Board by the Governance and Nominating Committee.

(continued on page 16)
The vision, values & goals of Wells Fargo

Our vision

We want to satisfy our customers’ financial needs and help them succeed financially.

Our values

- What’s right for customers
- People as a competitive advantage
- Ethics
- Diversity and inclusion
- Leadership

Our goals

We want to become the financial services leader in these areas:

- Customer service and advice
- Corporate citizenship
- Risk management
- Innovation
- Team member engagement
- Shareholder value
Information on our corporate governance framework, the Board’s composition and structure, the overall diversity of our Board, Board committee membership, director independence, the Board’s role in risk oversight, shareholder engagement, and director and executive compensation can be found in our 2019 proxy statement, as well as in each standing Board committee’s charter (copies of which are available on our website).

In 2018, our Board continued to take significant steps to strengthen and enhance its governance oversight and practices, including:

- In February 2018, the Board amended its Corporate Governance Guidelines to more fully articulate its role and the work it is doing to enhance governance and oversight practices. The Corporate Governance Guidelines provide the governance framework for our Board and our company and address, among other things, the role of our Board, its membership criteria, director retirement and resignation policies, director independence standards, and information about Board committees and other Board policies and procedures.

- The Board continued its refreshment process, which began in 2017, including an enhanced Board composition with new members holding additional experience in areas such as financial services, risk management, technology, business process and operations, human capital management, finance and accounting, and corporate responsibility. A majority of the directors have joined the Board since January 2017. Since September 2017, the Board has also refreshed the leadership of six of its seven standing committees with new committee chairs.

- In 2018, the Board enhanced the existing shareholder right to call a special meeting by reducing the required ownership threshold from 25% to 20% of outstanding shares.

In January 2019, we released the Business Standards Report, titled “Learning from the Past, Transforming for the Future,” to provide greater transparency into our business practices and the fundamental changes we are making to transform Wells Fargo. Work on the report began in early 2018 and represents a collaborative effort across Wells Fargo under the guidance of the Board, the company’s CEO, and the Operating Committee (which is comprised of CEO’s direct reports).

We’re committed to the highest standards of integrity, transparency, and principled performance.
“As we do the fundamental work to restore trust and build confidence in our brand and reputation, our priorities include a continuing focus on community reinvestment, how we evaluate and manage environmental and social risks, seeking to increase our spend with diverse suppliers, and continuing to use our philanthropy to address community issues. Our oversight of this work includes ensuring we track and report our progress in a meaningful way and that we continue to challenge each other to further enhance the outcomes.”

CELESTE A. CLARK, CHAIR, CORPORATE RESPONSIBILITY COMMITTEE

The Board’s Corporate Responsibility Committee (CRC) is a standing committee with primary oversight responsibility for our policies, programs, and strategies regarding significant corporate responsibility matters, including our community development and reinvestment activities and performance, fair and responsible lending, support of charitable organizations, and policies and programs related to environmental sustainability and human rights. The CRC also oversees our government relations and public advocacy policies and programs, and monitors our relationships with external stakeholders.

In 2017, the company created an external Stakeholder Advisory Council to provide insight and feedback to the Board and senior management on current and emerging issues. Council members include external experts and thought leaders representing groups focused on consumer rights, fair lending, environment, human rights, civil rights, and governance (see page 92 of the Business Standards Report).

In 2018, we also decided to form an internal Environmental, Social, and Governance (ESG) Disclosure Council comprising senior leaders from the Controller’s Division, the Legal Department, Corporate Risk, and Stakeholder Relations. To deliver on our commitment to transparency, the council provides senior-level accountability related to ESG reporting and disclosures, and endorses approaches to addressing identified gaps and deficiencies. In early 2019, the council evaluated enhanced disclosure in response to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations (see page 62).

Our Sustainability and Corporate Responsibility team resides in Stakeholder Relations. This team is responsible for integrating sustainability considerations – both environmental and social – throughout the enterprise by promoting best practices and purpose-driven initiatives for managing sustainability issues. Through transparent and robust ESG disclosures and reporting, the Sustainability and Corporate Responsibility group engages with internal and external stakeholders to provide insight on the company’s performance and understand stakeholder expectations.
Ethics and integrity

We expect our team members to adhere to the highest possible standards of ethics and business conduct in all their interactions with customers, colleagues, shareholders, and the communities we serve.

Wells Fargo’s Code of Ethics and Business Conduct provides a blueprint of our expectations and policies. In 2018, more than 99% of team members completed required training to reinforce their responsibilities in complying with the Code.

While we launched our Raise Your Hand communications initiative in 2016 and enhanced our Speak Up and Non-retaliation policy in 2017 to encourage team members to identify and report any concerns they may have, we learned through team member feedback that some team members were reluctant to raise concerns because of fear of retaliation. In response, we have been working to enhance our ethics and business conduct programs to help team members feel more comfortable speaking up about ethical issues. We added online information to make them aware of what to expect when contacting our companywide EthicsLine, including a video on how the EthicsLine works and what happens behind the scenes. We also made sure that our Code of Ethics and Business Conduct training prominently features both the expectation to speak up and the assurance of non-retaliation.

For more information around our commitment to ethics and integrity, see pages 21 – 24 of the Business Standards Report.

In 2018, more than 99% of team members completed required training to reinforce their responsibilities in complying with the Code of Ethics.
Our team members are our most valuable resource and a key competitive advantage for Wells Fargo. We want to be the industry’s employer of choice — a place where people feel included, valued, heard, and supported; where everyone is respected; and where we work as a team. We want our team members to have an emotional connection and commitment to Wells Fargo. And we want everyone to support — and care for — one another, our customers, and our communities.

“Team member expectations are always evolving. We are seeking careers that offer not only rewarding professional opportunities but also opportunities to contribute to and impact the communities where we live and serve. This makes corporate responsibility a central element to our recruiting and retention strategies. Being able to demonstrate our commitment to making positive societal impact allows team members and candidates to envision how we can engage with Wells Fargo more holistically.”

DAVID GALLOREESE, HEAD OF HUMAN RESOURCES
Wells Fargo’s top priority continues to be rebuilding trust – including with our own team members. In 2018, we continued to seek more opportunities to obtain their feedback about our culture. After extensive internal research that included surveys and other forms of team member feedback, we determined that Wells Fargo’s culture was experienced in varying ways across the enterprise. Based on these learnings, senior executives took action to create a more consistent culture and improve the overall team member experience. Highlights include:

- We introduced common leadership and risk management accountability objectives that apply to the performance plans of every team member in every geographic location. The leadership objective (introduced in 2018) establishes a shared set of behavioral expectations — aligned with our Vision, Values & Goals — to provide team members with clarity and consistency in putting our principles into practice. For more details, see pages 14 and 15 of the Business Standards Report. The risk management accountability objective (introduced in 2019) seeks to ensure that team members understand and effectively manage the risks present in their areas of responsibility. These expectations are used to manage performance, drive coaching and feedback, and influence team member compensation.

- We increased listening efforts with our team members to obtain their feedback, including holding all-team CEO town hall meetings with our senior leaders every other month, and conducting listening tours in which senior leaders met in person with team members to understand their views, suggestions, and concerns.

- We enhanced our allegations process to address concerns about retaliation.

- We increased our investments in team members through additional training and development (see page 21).

- We launched a new Monitoring Company Culture Report that provides insights into companywide strengths, as well as areas that may need attention. To measure our progress, we share the results each quarter with Wells Fargo’s Operating Committee and the Board.

In 2018, voluntary team member attrition hit its lowest level in six years.
Investing in our team members

Wells Fargo is committed to being an employer of choice — a place where people feel included, valued, and supported.

Wells Fargo has long been committed to market-competitive compensation, career-development opportunities, a broad array of benefits, comprehensive health care coverage, 401(k) matching contributions, parental and critical caregiving leave, and strong work-life programs. Approximately 60% of Wells Fargo’s noninterest expense represents compensation and benefits.

In recent years, we have raised our minimum hourly base pay for U.S.-based team members by 32% – from $11.33/hour in 2013 to $15/hour in March 2018. For certain roles and in some geographies, starting rates can be substantially higher than the minimum base pay level. Wells Fargo’s minimum wage is 206% higher than the federal minimum wage of $7.25 (according to the U.S. Bureau of Labor Statistics) and 113% higher than the highest state minimum wage of $13.25 in Washington, D.C. (according to the Labor Law Center). Nearly 91% of Wells Fargo employees are based in the U.S. Further details are available on page 25 of the Business Standards Report and in the careers section of our website.

Our company values and promotes diversity and inclusion in every aspect of our business and at every level of the organization (see page 48). We’re committed to pay equity, and we regularly engage a third-party consultant to conduct thorough pay equity analyses. The results of our 2018 analysis show that after accounting for factors such as role, tenure, and geography, female team members at Wells Fargo earn more than 99 cents for every $1 earned by their male peers. This analysis was expanded to include certain of our global locations and includes various elements of compensation, including base pay, discretionary cash incentives, and long-term incentive awards. Additionally, our team members who are people of color in the U.S. earn more than 99 cents for every $1 earned by their white peers.

32% In recent years, we have raised our minimum hourly base pay for U.S.-based team members by 32% – from $11.33/hour in 2013 to $15/hour in March 2018.
Investing in our team members  

U.S. team member benefits overview

- Wells Fargo’s annual investment in our benefits programs averages $13,000 per team member.
- Our health care benefits (medical, dental, vision) cover nearly 500,000 individuals.
- 99% of Wells Fargo’s U.S. team members are eligible for benefits, including those in regular and part-time roles.
- Team members can enroll their spouses or domestic partners (regardless of gender) and eligible children in Wells Fargo benefits.
- The cornerstone of our financial benefits is our 401(k) plan, which provides a 100% match for every $1 eligible team members contribute, up to 6% of a team members’ certified compensation. Eligible team members received more than $1 billion in employer matching contributions in 2018. In 2018, we made a profit-sharing contribution equal to 1% of eligible team members’ certified compensation – totaling nearly $190 million – to our team members’ 401(k) plan accounts.
- In 2018, Wells Fargo distributed $21 million in tuition reimbursements to team members.

We continue to transform as we work to become the most customer-focused, efficient, and innovative Wells Fargo ever. To better emphasize customer service, a team approach, and long-term relationships within the retail bank, a revised compensation program for retail bank team members went into effect on January 1, 2017. The revised model eliminates product sales goals for retail bankers in bank branches and call centers, creates a new compensation and performance management plan focused on the customer experience and team performance, and institutes stronger oversight and controls.

In 2018, we also invested heavily in coaching and training for team members and managers because we believe that when our team members feel properly supported, engaged, and confident in their skills, they are more effective leaders and can provide an even better customer experience. We invest approximately $300 million annually into team member learning and development, which includes functional training, leadership and professional development, early talent programs, and tuition reimbursement.

The results of our 2018 analysis show that after accounting for factors such as role, tenure, and geography, female team members at Wells Fargo earn more than 99 cents for every $1 earned by their male peers.
Managing environmental and social risk

We seek to adhere to global best practices for managing environmental and social risk.

As a provider of financial services for customers in nearly every sector of the economy and around the world, we believe we must consider the environmental, social, and human rights impacts of our lending and investments along with traditional financial risk — particularly when it comes to industries and activities that carry inherently high social and environmental risks. Our Environmental and Social Risk Management (ESRM) Framework and policies build on our due diligence requirements and help us identify, evaluate, and manage the environmental and social risks associated with our customers’ activities.

We recognize that business decisions made by our company or by our customers may have adverse impacts on communities and the environment. Details of our ESRM due diligence process and policies are captured in our ESRM Framework, which has been incorporated into our credit, project finance, investment banking, securities, and consumer finance risk policies and procedures. We update the framework as our understanding of the issues evolves, and we seek to adhere to global best practices for managing environmental and social risk.

Based on the evolution of markets and learnings during the ESRM review process, Wells Fargo may seek opportunities to reduce or exit existing customer relationships or refrain from entering new ones. For example, we are decreasing our credit exposure in the coal mining sector, and we do not provide financing to companies involved in mountaintop removal. In addition, we made the risk-based business decision to exit banking relationships with private prison companies when our contracts with those companies expire, and we are steadily reducing our exposure in the sector — declining to provide additional financing for existing private prison customers or take on new ones.

You can find more information about ESRM in our Business Standards Report on pages 42-43 and on the ESRM Framework and Indigenous Peoples Statement pages of our website.

400+

More than 400 transactions were subject to ESRM enhanced due diligence requirements in 2018.

12%

12% of in-scope transactions reviewed in 2018 were identified as high-risk and were escalated as appropriate for senior leadership discussion and determination.
Our commitment to human rights

We recognize the role that corporations play in society, and we embrace our responsibility to respect human rights in our operations and through our business relationships. We publicly acknowledge our responsibility to respect human rights in Wells Fargo’s Human Rights Statement.

Respecting human rights is an ongoing effort, and we regularly assess our practices and approaches. In 2018, we took the following actions to enhance our focus on human rights:

- We joined Business for Social Responsibility’s Human Rights Working Group, a cross-sector, collaborative initiative designed to help more than 40 global companies implement the UN’s Guiding Principles (UNGPs) on Business and Human Rights.
- We joined the Thun Group of Banks, an informal group of bank representatives that work to understand how the UNGPs can be practically implemented within the financial sector. The Thun Group is a learning and exchange platform and does not constitute a formal entity.
- We continue to participate in Shift’s Business Learning Program, an initiative to help companies understand and implement the UNGPs. Shift is a nonprofit organization focused on building an economy where businesses can succeed while respecting human rights.
- We established a cross-functional Modern Slavery Working Group to improve our practices with regard to assessing and addressing this human rights risk, and better coordinate our reporting efforts under the UK Modern Slavery Act.
- We began to develop and deploy human rights training as part of our ESRM training to the larger Wholesale Banking Credit Management Training for new credit analysts and associates.

More than 89% of all U.S. team members completed the first two modules of our diversity and inclusion learning curriculum.
More than 99% of all U.S. team members completed the first two modules of our diversity and inclusion learning curriculum, which includes aspects of human rights related to discrimination.

We enhanced our capacity to identify and manage human rights risk in our lending and investments — including the addition of a social risk specialist with international human rights expertise to our ESRM team. As a result, we’re developing our ability to conduct deeper human rights due diligence for the sectors that fall within the scope of our ESRM review.

We launched a tribal listening tour that is enabling representatives from the ESRM team to hear concerns from tribal members firsthand and informing the implementation of the commitments outlined in our Indigenous Peoples Statement.

We served on the Steering Committee and the Social Risk Working Group of the Equator Principles Association to facilitate dialogue on human rights and other sustainability issues in the financial sector.

For more information about our recent efforts around human rights, see pages 17 – 20 in the Business Standards Report.
Protecting data in a digital age

We are continuously enhancing our security measures against new and emerging threats to help keep our customers’ and employees’ data secure. Every day, we employ a defense strategy that includes continuous monitoring, integrated risk management, identification of human risk factors, enhanced customer awareness, and external engagement on best practices. Additionally, we prepare the enterprise for cyber-attack scenarios through education, training, and simulations.

While advances in banking technology can be highly visible when it affects how customers manage their finances, much of the cybersecurity work we are doing to protect customer data is completed behind the scenes. With every innovation that our customers see, from biometrics to the ability to turn their debit cards on and off, we’re investing in many innovations that most people will never see, including artificial intelligence and machine learning.

Every team member receives training on how to safeguard customer information and is required to abide by our Code of Ethics and Business Conduct as a condition of employment. We also have extensive workplace policies and procedures to help ensure the physical security of equipment and records, and we require the same of third-party contractors.

From malicious software to phishing emails, the prevalence of cyberattacks on the internet has created an urgent need for everyone to increase their cybersecurity awareness. We encourage our more than 29 million digital active customers to help protect their accounts by offering such security options as two-factor authentication and biometrics. We also provide educational materials that encourage customers to create strong passwords, avoid suspicious links, keep their software updated, limit personal information shared online, and use a screen lock on mobile devices.
Beyond our internal efforts, we participate in broader collaboration and awareness efforts to address this critical issue:

- Wells Fargo serves on the board of the National Cyber Security Alliance, which teaches internet users how to protect themselves at home, work, and school.
- We’re an industry partner to The New York University Tandon School of Engineering’s Cyber Fellowship, which is working to address the global cybersecurity talent shortage.
- We conduct realistic cyber exercises with other financial services companies and government agencies to build a stronger, more secure environment for the entire industry.

Through these actions and more, we’re doing right for and by our customers, while helping our entire industry build a stronger, more secure data privacy environment. For more information, visit the How We Protect You pages of our website.
“As part of the global financial services industry, Wells Fargo Asset Management is committed to working collaboratively alongside many public and private sector sustainability initiatives to make substantive impact. Together, we can sharpen the focus on the decarbonization of the global economy, on a just transition to new models, and on facilitating opportunities to create new types of ESG investments and investors’ access to them. We understand that a thriving economy is deeply connected to the stability of global natural resources, and to society, and is dependent upon both.”

HANNAH SKEATES, GLOBAL HEAD OF ESG, WELLS FARGO ASSET MANAGEMENT

Wells Fargo Asset Management (WFAM), part of the Wealth & Investment Management business (WIM) group, understands that the changing world has an impact not only on clients’ investments, but also on how they consider the process of investing. That’s why WFAM’s approach to ESG considerations includes working to ensure that its portfolio managers are equipped to assess new risks from environmental and social change, can analyze the transformational changes taking place, and are able to assist those investors who strive to create new solutions for a sustainable global economy.

WFAM takes its stewardship and active ownership role seriously, it looks to exercise the appropriate level of engagement with the senior management of companies in which it has interests, and to vote on corporate proxy proposals for WFAM’s equity holdings. Increasingly, this requires analyzing ESG elements and companies’ strategic responses to climate change and its business model implications.

1 Wells Fargo Asset Management (WFAM) is a trade name used by the asset management businesses of Wells Fargo & Company. WFAM includes Wells Capital Management and Galliard Capital Management, both registered investment advisers that are PRI signatories in their own right. The content above refers to the PRI activities and performance of Wells Capital Management.
In 2018, WFAM submitted its second UN-supported Principles for Responsible Investing (PRI) report. This report captures our progress toward implementing the six PRI principles. Our scores increased significantly, reflecting our PRI commitment and the progress we have made in the integration of ESG issues. We received the highest available score in areas including:

- The type of ESG information used in investment decisions;
- The implementation of ESG issues within issuer research;
- Processes to ensure ESG integration is based on robust analysis;
- Using information from engagement within investment decision-making; and
- Our proxy voting policy.

A summary of WFAM’s annual PRI assessment report is available on its website.

In early 2019, WFAM appointed a new global head of ESG who is responsible for creating and executing a holistic vision. The WFAM strategy will be implemented in partnership with the rest of Wells Fargo, to help ensure a unified vision throughout WIM and across the organization.
Economic empowerment

“Historically we have had strategies focused around our products. What we needed were strategies focused around our customers. We now clearly have a ‘customer first’ focus and that has changed our culture. As customers move through their lives, we are increasingly interacting with them in ways that more effectively address their unique needs at different points in their life journey.”

MARY MACK, HEAD OF CONSUMER BANKING

Wells Fargo serves 1 in 3 consumer households in the U.S., employs approximately 1 in 600 working Americans, and has team members and offices in more than 30 countries and territories to support customers who conduct business in the global economy. Every day around the world, millions of people use Wells Fargo products and services to achieve their financial goals, and we welcome the responsibility that comes with that.

Through our economic empowerment goals (see page 7), we aim to use our scale, expertise, and deep community partnerships to empower individuals, families, and small businesses, particularly in underserved communities, with the knowledge, skills, and tools needed to achieve financial independence and income mobility. We prioritize areas where we can make the greatest impact: expanding access to financial products, education, and other resources that improve healthy financial habits, address housing affordability, and support small business growth. We believe that focusing our partnerships and philanthropic investments in these areas can help unlock economic stability and prosperity in local neighborhoods, around the U.S., and the globe.

We believe that focusing our partnerships and philanthropic investments in these areas can help unlock economic stability and prosperity in local neighborhoods, around the U.S., and the globe.
We work with a wide range of community organizations and government agencies to improve the financial stability of low- and moderate-income households.

**Empowering those who live and work outside the financial mainstream**

Increasing access and use of quality, affordable financial products and services is essential to inclusive economic growth. According to the Federal Deposit Insurance Corporation (FDIC), approximately 65 million people in the U.S. are underbanked, or otherwise outside of the mainstream financial system — meaning they are not able to access such basic financial resources as savings accounts, credit cards, or even a credit score. Reasons range from adults not having enough money to meet a minimum balance requirement, distrust of financial institutions, or identification or credit problems — making them susceptible to expensive alternative financial services.

We work with a wide range of community organizations and government agencies to help underserved individuals and families gain access to banking, learn to manage their finances, and ultimately become more financially stable. For example, we committed $2 million over four years to help the Cities for Financial Empowerment Fund to launch its Bank On Fellowship program, supporting locally led coalitions in delivering greater access to banking and financial education.

Approximately 65 million people in the U.S. are underbanked, or otherwise outside of the mainstream financial system.
Creating positive change requires trust and effective collaboration among many diverse stakeholders with different needs, experiences, and perspectives. In 2018, we teamed up with the National Community Reinvestment Coalition and 20 other local community organizations in Washington, D.C., (the District) to help revitalize disadvantaged neighborhoods across the District, particularly in Ward 7 and Ward 8.

Working together, we created Where We Live to help unlock economic opportunity by concentrating $1.6 billion in lending and philanthropic resources on the biggest needs identified by community leaders: housing affordability, small business growth, and job skills. Examples of investment actions include:

- Financed expansion of community center and public health services for low-income residents — creating more than 130 jobs through staff services and construction.
- Provided financing and equity for the revitalization of more than 500 units of affordable multi-family housing.
- Funded a program with S.O.M.E. (So Others May Eat) that provides case managers to individuals experiencing homelessness or poverty as they work to reach more stability.

Provided financing and equity for the revitalization of more than 500 units of affordable multi-family housing.
“Where We Live is an important step by Wells Fargo to expand its investment in the District, and to listen and work more closely with community groups. Expanding access to mortgage and small business loans is essential to closing the wealth gap. Lenders need to listen and focus on the needs of the communities where they do business. It’s heartening to see Wells Fargo strengthen its commitment to do just that.”

JOHN TAYLOR, PRESIDENT AND FOUNDER OF NATIONAL COMMUNITY REINVESTMENT COALITION AND MEMBER OF WELLS FARGO STAKEHOLDER ADVISORY COUNCIL
Achieving economic inclusion starts with safe, affordable financial products and services:

- **Wells Fargo Opportunity Checking** gives customers a second chance to re-establish a banking relationship and access convenient tools and services to help them manage day-to-day financial needs.

- **The Wells Fargo EasyPay** Card is a reloadable, pre-paid card that offers a simple, convenient way to manage money, has no overdraft fees, and meets the Bank On National Account Standards.

- **Overdraft Rewind** and automatic zero-balance alerts can help customers avoid potential overdrafts and fees.

Yvonne Green, a fellow with Bank On Houston, who works as a financial health advocate for those in her hometown who live outside the traditional financial system.
We donated $444 million to nearly 11,000 nonprofits in 2018.

With so many Americans working to make ends meet, there’s an increased urgency for immediate assistance as well as strategic, long-term action to address systemic challenges like poverty, housing affordability, and small business growth. We’re taking a problem-solving approach, bringing our expertise and resources together to work with a range of stakeholders on solutions. In addition, Wells Fargo philanthropy is unique because about 40% of it happens at the local level, and our commitment is extended by the volunteerism and dedication of our team members.

Maximizing our community impact

As part of our long legacy of investing in community impact, we’ve increased our philanthropic giving 25 times over the past 28 years. In 2018, we reached a new milestone of donating $444 million to nearly 11,000 nonprofits. As previously announced, beginning in 2019, we are targeting 2% of after-tax profits to philanthropy and will concentrate on housing affordability, small business growth, and financial health. The company, including the Wells Fargo Foundation, will use its resources and expertise to develop and scale new ideas and activate solutions in communities of need in collaboration with public- and private-sector organizations. In particular, the Wells Fargo Foundation will commit $1 billion in philanthropy alone through 2025 to address the U.S. housing affordability crisis, including homelessness, available and affordable rentals, transitional housing, and home ownership. As we evolve our enterprise corporate giving, we will also continue to allocate funding for strategic market priorities at the local level, such as education, disaster relief, and the arts.
Wells Fargo understands that consumers are more likely to achieve financial success if they understand the steps they can take to establish healthy financial habits.

According to a 2018 U.S. financial health pulse survey by the Financial Health Network, millions of Americans are struggling financially. The survey found that only 28% of Americans are financially healthy, while 55% are financially coping and 17% are financially vulnerable, struggling with all, or nearly all, aspects of their financial lives. In addition, 40% say they would not be able to cover a $400 emergency expense without selling something or borrowing money. Wells Fargo understands that consumers are more likely to achieve financial success if they understand the steps they can take to establish healthy financial habits — including simple changes that make a big impact. Wells Fargo provides a variety of resources and products that enable individuals to learn how to manage money responsibly, build and improve credit, plan and save for the future, and reach their financial goals.

For example, the Hands on Banking® program by Wells Fargo is a free online learning program that offers resources for anyone who wants to learn more about responsible money management. For more than 16 years, this program has provided individuals and families with the knowledge they need to take control of their financial future, including educational articles on a variety of topics, classroom resources for educators, and self-directed courses for everyone from seniors and military members to entrepreneurs and kids. In 2018, more than 1.7 million people learned about money management through the Hands on Banking program. Using pre- and post-test measures to understand participant knowledge gain, intention to save, and confidence with managing money, participants reported a 77% increase in knowledge about managing their expenses, a 137% increased intention to save for emergencies, and an increase of 177% in confidence about gaining control of their financial situation.

For more than 16 years, Hands on Banking® has provided individuals and families with the knowledge they need to take control of their financial future.
Investing in emerging technologies

Many people struggle with day-to-day money management. We are continually developing innovative ways to simplify personal finance. We are also proud to incorporate accessibility considerations in our product development efforts, making our digital banking experiences available to individuals with disabilities. A few of the innovations we launched or announced in 2018 include:

- **Control Tower** gives our customers a single view of their Wells Fargo digital financial footprint, including places where their Wells Fargo card or account information is connected (such as recurring payments, third parties, and digital wallets). This ultimately helps customers understand and have greater control over where their Wells Fargo account information is shared. Since launching at the end of 2018, more than 90% of debit card on or off requests were handled digitally through Control Tower.

- **Pay with Wells Fargo** a redesigned interface for the Wells Fargo Mobile® Banking app that, when launched, will bring to the home screen an option for customers to view their balances and conveniently select their most commonly used payment and payment-related features like Zelle®, Bill Pay, mobile wallets, and transfers — without first having to sign into and navigate through the app.

- **Predictive banking** an in-app feature providing consumer and small business deposit and credit card customers personalized insights into their spending and savings, and allowing customers to act to avoid negative outcomes and save more. For example, the service can alert them that their available balance may not cover an upcoming anticipated activity on their account, and then can provide an option to transfer funds to cover the expense.
Darlene Ahmed of Fruitland, Florida, received guidance on improving her credit score from Wells Fargo’s Financial Health Conversations program.

Financial Health Conversations

Whether budgeting, saving, paying down debt, or strengthening credit, many of our customers are looking to make meaningful financial changes in their lives to improve their financial health. One telephone call with a financial health banker can often help these customers gain financial confidence. We’ve helped more than 60,000 customers since we began our Financial Health Conversations program in 2015.

Adrian Simmons is one of 76 financial health bankers in the program, which helps customers who are interested in ways to save more or strengthen their credit. Simmons said: “What I love most about being a financial health banker is being able to provide guidance a lot of people never knew was available from a bank. It could be something as simple as helping people know that there are three national consumer reporting agencies that each issue a consumer credit report, and how to obtain them, or as complex as developing a budget plan to create a sound financial foundation. Whatever the case, I’m here to help.”
Place-based philanthropy: Grier Heights

In some situations, a place-based approach to philanthropy can have more impact and yield more measurable results than investments spread across an entire city. To test our hypothesis, in 2014, we launched a strategic approach to redirect investments specifically to the Grier Heights community of Charlotte, North Carolina. Our goal was to focus our philanthropy within Grier Heights to help revitalize this community and prevent gentrification that could displace current residents. To inform a comprehensive strategy, we developed key community partnerships, and consulted and collaborated through individual meetings and events with people who regularly convene in the area. The strategy included investing in new programs to fill gaps while also leveraging national philanthropy programs to channel additional investments into the community.

Since 2014, our grants that specifically support Grier Heights have totaled close to $1 million, making it one of our larger strategic investments. We could not have achieved the following results without a strong partner, CrossRoads Corporation, which reported:

- A 27% increase in home ownership, with 40 new homes constructed and sold since 2013.
- Decreased crime, thanks in large part to the removal of blighted properties.
- Increased opportunities to meet critical neighborhood needs and promote economic and social mobility for residents, including programs to address job readiness and financial literacy.
Economic mobility and income disparity have become critical issues nationwide.

Safe, stable, affordable housing is foundational to quality of life and financial success, yet the U.S continues to face a multipart housing crisis, which affects all of us. Economic mobility and income disparity have become critical issues nationwide. The Bureau of Labor and Statistics reports that low-income households spend 40% or more of their income on housing — which means they have to sacrifice necessities like food, healthcare, and education in order to afford a place to live.

The U.S. housing situation is complex, and we can benefit from everyone's contribution to new ideas and solutions. In 2018, we continued to work with nonprofits and other community leaders to reduce the cost burden of housing and increase sustainable homeownership in low- and moderate-income communities, including down payment assistance, homebuyer education, and credit counseling.

NeighborhoodLIFT®

Homeownership can serve as a pathway to financial success, a source of stability for communities, and a driver of the U.S. economy. In 2018, the NeighborhoodLIFT program, our signature sustainable housing collaboration with NeighborWorks® America, expanded to nine additional communities with a $75 million philanthropic commitment to boost homeownership and strengthen neighborhoods. We created 3,900 homeowners through the program last year — bringing the total number of homeowners we’ve helped to nearly 20,000 since the LIFT programs (NeighborhoodLIFT, CityLIFT®, and HomeLIFT®) were launched in 2012. During the year, the program added special parameters to enable hundreds of teachers, military service members, veterans, and first responders to achieve homeownership.

NeighborhoodLIFT: Partnership to address Atlanta housing affordability crisis

Problem: Rental costs in the City of Atlanta have increased 48% since 2010, and 80% of Atlanta households spend more than 45% of their yearly income on housing and transportation.

Making an impact: In 2018, Wells Fargo brought the NeighborhoodLIFT program to Atlanta, investing $5 million in down-payment assistance grants to help create 226 homeowners.

Long-term solution: In January 2018, Wells Fargo joined 200 cross-sector civic leaders and 80 organizations in forming HouseATL — an effort to build a comprehensive and coordinated housing affordability action plan for the city of Atlanta.
Homeownership can serve as a pathway to financial success, a source of stability for communities, and a driver of the U.S. economy.

By the numbers: Addressing housing affordability in 2018

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<th>489</th>
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<td>homes built or improved for low- to moderate-income households through the Wells Fargo Builds℠ program.</td>
<td>Team members volunteered 57,000 hours building, renovating, painting, or repairing homes with nonprofit partners such as Habitat for Humanity and Rebuilding Together.</td>
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$117 million to support affordable housing and homeownership, including $75 million in down payment assistance

Financially supported

31,800 affordable rental units.
In January 2018, Wells Fargo joined 200 cross-sector civic leaders and 80 organizations in forming HouseATL — an effort to build a comprehensive and coordinated housing affordability action plan for the city of Atlanta.

Investing in sustainable housing and homeownership

Since 2009, the Wells Fargo Home Lending team has provided more than 12.7 million homeowners with loans to either purchase a home or refinance an existing mortgage. While we are proud to be the largest mortgage lender and servicer in the U.S., our success is measured by the difference we make for our customers and the communities we serve. In 2018, we originated $15.3 billion in new purchase loans to low- and moderate-income households, putting us on track to meet our goal of $70 billion by 2020. We also originated $35 billion in new purchase loans to minority households in 2018, contributing to our goal of $150 billion by 2020.

We are committed to joining others across the housing spectrum to develop and scale new ideas that will help increase the affordable rental inventory in both urban and rural areas, and make homeownership more attainable. In 2018, we provided about $7.3 billion in lending and tax credit equity to finance affordable housing properties, which financed the creation or renovation of nearly 32,000 affordable rental units for families, veterans, seniors, and previously homeless individuals. Our support of affordable housing developments and initiatives has helped improve access to housing and assisted neighborhood revitalization efforts in cities across the country.

In 2018, we originated $15.3 billion in new purchase loans to low- and moderate-income households.
Opening the door to home ownership

For Athena Emerson — a U.S. Army veteran, widow by age 40, and a single mom — the door to homeownership opened with help from Wells Fargo, which allowed her to qualify for and obtain a mortgage guaranteed by the Department of Veterans Affairs. At age 57, Emerson now lives proudly in the first home she’s ever owned. Read more of Emerson’s story at wellsfargo.com.

$7.3b

In 2018, we provided roughly $7.3 billion in lending and tax credit equity to finance affordable housing properties.
Giving small businesses a boost

Our goal is to make it easier for small businesses to access the capital and training needed to grow, manage their finances, and achieve their business objectives.

Small businesses are vital to a vibrant economy, and their optimism reached an all-time high in 2018, according to the quarterly Wells Fargo/Gallup Small Business Index. Still, small businesses face challenges, particularly in rural and diverse communities. Our goal is to make it easier for them to access the capital and training needed to grow, manage their finances, and achieve their business objectives. By working with external organizations to provide technical assistance, access to capital, and other development opportunities, we help support the growth of diverse-owned businesses.

Wells Fargo Works for Small Businesses®: Diverse Community Capital program

The Wells Fargo Works for Small Business: Diverse Community Capital program provides grants and debt capital to Community Development Financial Institutions (CDFIs) that help diverse small businesses that may not qualify for conventional bank loans. During 2018, we exceeded our initial $75 million commitment to grow diverse small businesses and committed to invest an additional $100 million in grant capital by 2020.

Since its inception in 2015, the Diverse Community Capital program has helped small business owners create and retain 45,000 jobs, according to the Opportunity Finance Network. In 2018, 45 CDFIs received grants to provide capital for entrepreneurs in rural and urban markets in 25 states, Washington, D.C., and Puerto Rico.

Since its inception in 2015, the Diverse Community Capital program has helped small business owners create and retain 45,000 jobs.
Supporting tribal communities

In 2018, we provided $13 million in grants to nonprofits addressing the unique economic, environmental, and social needs of American Indian and Alaska Native (AI/AN) communities. Highlights include:

- Establishing the Tribal Solar Accelerator Fund through GRID Alternatives. This program provides job training, as well as solar power to decrease energy bills for 2,000 low-income and tribal households.
- Offering $5,000 down payment assistance grants through First Nations Oweesta Corporation and five Native Community Development Financial Institutions.
- Funding asset-building programs that serve AI/AN communities. For example, $250,000 to the Oklahoma Native Assets Coalition to expand their family financial services that help AI/AN communities accumulate savings.

In addition to philanthropic support, we also hired a uniquely qualified financial services leader to lead our outreach and services to AI/AN governments and tribally owned enterprises. A member of the Rosebud Sioux Tribe of South Dakota with 16 years of banking experience, this business leader works closely with our national tribal advocate and cross-functional advisory council to identify and address challenges within AI/AN communities as they relate to our business, stakeholder engagement, policy, and philanthropy.

$10,000 helped this small business owner’s dreams come true

Celeste Phillips went to Bridgeway Capital with $50 and a dream of opening her own business. Supported by the Wells Fargo Works for Small Business: Diverse Community Capital program, Bridgeway loaned Phillips $10,000, which she used to purchase her first truck and create Big Lulu’s Trucking. Today, Phillips has five trucks and employs six people. Read more of her story at wellsfargo.com.
Supporting our communities and team members in times of need

“The support we’ve received from Wells Fargo as team members has been incredible. The company provided a paid leave of absence for up to two months for me and my team — giving us the time and peace of mind that we had income while taking care of our families over the holidays, as we tried to get our own lives back in order after the devastating wildfire.”

DAVID SHEPLER, BRANCH MANAGER FOR PARADISE, CALIFORNIA OFFICE OF WELLS FARGO

When unexpected emergencies occur, our neighbors, customers, and team members can suffer financial and emotional hardship. Wells Fargo has a long tradition of helping the communities we serve and the people we employ in these times of need.

2018 was another year of extreme weather disasters that affected millions of our customers and team members, leading us to more than double our donations to support disaster relief and recovery efforts. We contributed $9.7 million to the American Red Cross and other local nonprofits to support communities hit by devastating hurricanes, flooding, and wildfires, up from $4.1 million in 2017.

For the 18th time since 2012, Wells Fargo dispatched its Mobile Response Unit and Customer Assistance Recovery Effort (CARE) team of volunteers to set up mobile recovery centers to help customers dealing with property damage and insurance policies, as well as questions about certain fees on auto and other personal loans, credit cards, lines of credit, and other services. Nationwide, we waived $34 million in fees for customers recovering from various disasters in 2018.

We also provided 2,804 emergency grants for team members totaling $4.9 million through our WE Care Fund in 2018. Established in 2001, this fund, through team member and Wells Fargo contributions, helps team members suffering unexpected medical issues, natural disasters, and other life-changing events.

In 2018, we contributed $9.7 million to the American Red Cross and other local nonprofits to support communities hit by devastating hurricanes, flooding, and wildfires.
Helping team members and small businesses in the aftermath of the California wildfires

Wildfires and other natural disasters can have deep, lasting impacts on local businesses. When wildfires ravaged Northern California in 2018, business owners who depended on the outdoor, tourism, and hospitality industries were deeply affected. To help small businesses, Wells Fargo provided $325,000 in grants to five Northern California nonprofits to focus on disaster preparedness, along with immediate relief and recovery for small businesses in the region.

In the town of Paradise, California, where nearly 95% of structures were destroyed, Wells Fargo has committed to donate $3.25 million to the Butte Strong Fund for residents, small businesses, and nonprofit organizations affected by the Camp Fire. Wells Fargo’s donation will focus on housing and small business recovery, two urgent needs identified in concert with community leaders, nonprofits, and Butte Strong Fund administrators. This is in addition to the $2.8 million previously contributed to wildfire disaster relief in the state of California in 2018.

Mobilizing support for Hurricane Michael recovery

When Hurricane Michael made landfall in 2018, Wells Fargo mobilized to support impacted customers in Alabama, Florida, and Georgia. Through a $1 million donation, Wells Fargo supported hurricane relief efforts provided by the American Red Cross and other local nonprofits. In addition, our nationwide ATM network raised more than $270,000 in customer donations for the American Red Cross’ Hurricane Michael recovery efforts.
Diversity and inclusion

We value and promote diversity and inclusion in every aspect of our business and at every level of our organization.

Board Chair Elizabeth A. (Betsy) Duke

Diversity and inclusion, one of our five primary values, is essential to our success. To satisfy our customers’ financial needs and help them succeed financially, our team needs to reflect the diversity of our customer base, which grows more diverse every day.

Our commitment starts with our Board, where we have been an industry leader for decades. Four of our 12 independent directors are women, and Board Chair Elizabeth A. (Betsy) Duke is the first woman to lead the board of a major U.S. bank.

Promoting diversity and inclusion in every aspect of our business

Diversity is the unique combination of dimensions that makes each of us different from, and similar to, others. Those dimensions can include — but are not limited to — age, gender, ethnic heritage, race, physical or mental abilities, sexual orientation, values, religion/spiritual practice, income, family status, education, and geographic location. Our goal is to help people across our workforce, our communities, and our supply chain feel valued and respected, and have equal access to the resources, services, products, and opportunities they need to succeed.
We have a strong record of recruiting, promoting, and rewarding women at all levels of our company. As a result, a large percentage of our team members, officers, and managers are women (see our GRI and SASB Index for additional data).

To drive diversity and inclusion as a business imperative, our Enterprise Diversity & Inclusion Council establishes goals and priorities intended to ensure that all people in our workforce, communities, and supply chain have equal opportunities and feel respected and valued. See progress on these goals on page 6.

Composed of senior leaders identified by Wells Fargo’s Operating Committee, the Enterprise Diversity & Inclusion Council serves as our governing body for diversity and inclusion. The council sets policy, goals, and direction for the company’s diversity and inclusion initiatives. The council measures success on team member, marketing, and advocacy outcomes such as diverse representation at the company, our diverse supplier spend, and reputation-building activities.

To satisfy our customers’ financial needs and help them succeed financially, our team needs to reflect the diversity of our customers, which grows more diverse every day.
Everyone has tangible, measurable accountability for cultivating a diverse and inclusive environment.

Valuing diversity among team members
To accomplish a diverse and inclusive workplace, all Wells Fargo’s team members are responsible for creating a welcoming environment, leveraging our differences to fuel innovation, promoting diversity and inclusion in every aspect of business, and leading by example at every level of the organization. We clearly outline these expectations in our set of behavioral expectations introduced in 2018 (see page 20). This is a first for Wells Fargo, and means that everyone has tangible, measurable accountability for cultivating a diverse and inclusive environment.

We are committed to increasing team member diversity and inclusion through policies and programs that attract, develop, engage, and retain individuals who bring a range of talents, skills, backgrounds, and experiences to serve an increasingly diverse customer base. We continue to focus on building a diverse pipeline of candidates for positions at all levels of the company, including leadership positions, and promoting diversity and inclusion awareness through education and training. In 2018, more than 44% of our U.S. workforce\(^1\) was ethnically/racially diverse, 57% of our U.S. workforce was female, and 8,380 team members self-identified as military veterans.

\(^1\)Based on number of active, full-time equivalent employees in the U.S.
“As our world becomes increasingly diverse and connected, we benefit, both individually and as a company, from collaboration among different perspectives, voices, and backgrounds. We strive to use our team members’ unique experiences and skills to anticipate and meet the needs of our customers and communities, while tapping into the innovation and creativity that also flow from diverse perspectives.”

JIMMIE PASCHALL, HEAD OF DIVERSITY AND INCLUSION

In addition, in 2018:

• Our CEO signed the Statement of Support for the National Guard and Reserve for the 15th year in a row, pledging to develop and promote supportive work environments for service members and ensure their jobs are protected while serving.

• Our diversity and inclusion efforts were recognized externally by the Bloomberg Gender Equality Index, DiversityInc, the Human Rights Campaign, and the National Organization for Disability.

• We increased disclosure about our human capital management and performance management program and compensation practices, including pay equity, minimum wage, and efforts and metrics to promote diversity and inclusion (see page 21).

44%

In 2018, more than 44% of our U.S. workforce was ethnically/racially diverse.
Diversity and inclusion (continued)

Chanty Clay served 10 years in the U.S. Air Force before joining Wells Fargo. She leads team member philanthropy and mentors eight veterans – both inside and outside the company – who are making the transition to life after the military.

Transitions for military veterans

Our support of military service members, veterans, and their families spans more than 165 years. In 2018, Wells Fargo employed more than 8,380 self-identified military members and veterans; more than half of those team members have been with Wells Fargo for more than five years. We are striving to increase the number of military and veteran team members who join the organization to over 20,000. In addition, we have participated in more than 1,050 military job fairs since 2012.

In the fall of 2018, at the recommendation of our Enterprise Diversity & Inclusion Council, 20 dedicated staff were approved to support our military talent initiatives. These new positions will support the military talent sourcing efforts and military programs created to attract, engage, and retain military talent.

8,380

In 2018, Wells Fargo employed more than 8,380 self-identified military members and veterans.
Team member networks

- Asian Connection
- Black/African American Connection
- Diverse Abilities Team Member Network
- Latin Connection
- Middle East Team Member Network
- My Generation Team Member Network
- Native Peoples Team Member Network
- PRIDE Team Member Network
- Veterans’ Team Member Network
- Women’s Team Member Network

Wells Fargo Team Member Networks

Team Member Networks (TMNs) are an important part of our commitment to building a diverse and inclusive environment. Formed around historically under-represented community segments, approximately one-third of our team members receive personal and professional development, mentoring, leadership engagement, and networking and community outreach opportunities from one or more of our 10 TMNs. These employee resource groups serve as a valuable catalyst for fostering business development and innovation, obtaining customer insights, and recruiting and retaining diverse team members.

No Barriers Summit

Since 2014, we’ve been a proud sponsor of No Barriers USA, an organization that works to unleash the power of the human spirit through transformative experiences, tools, and inspiration. At the 2018 No Barriers Summit, Wells Fargo leaders joined peers from other companies to share their diversity journeys and discuss best practices for including people of all abilities in the workplace. We marked this important event by ringing the closing bell at the New York Stock Exchange on October 3, 2018. This coincided with the company’s With, Always marketing campaign, which was created to celebrate the great contributions people with diverse abilities have made to society, highlight the contributions as a platform to show what’s possible, and establish Wells Fargo’s commitment to working with people with disabilities, always.

Approximately one-third of our team members receive personal and professional development, mentoring, leadership engagement, and networking and community outreach opportunities from one or more of our 10 TMNs.
As we focus on the needs of diverse market segments, expanding our work with diverse vendors and suppliers becomes essential.

**Our diversity and inclusion values** — and the environment of respect, openness, and growth they foster — are ingrained in our business decisions and in our community advocacy. As we focus on the needs of diverse market segments, expanding our work with diverse vendors and suppliers becomes essential. We recognize the opportunity that working with diverse business owners presents and that’s why we are working to grow our diverse supplier pipeline. We pursue opportunities to engage the diverse supplier community, increase diverse spend, and build capacity and expertise for high-potential diverse suppliers.

We’re committed to further expanding Wells Fargo’s diverse supplier pipeline, and we’ve set an ambitious goal to achieve 15% of our procurement spend with diverse suppliers. Achieving the 15% aspirational goal will propel us into the range of world-class companies. In 2018, we achieved $1.36 billion in diverse supplier spend, representing 11.7% of our total procurement spend. With this progress, we have surpassed the financial services industry average of 9.3% of total procurement spend. This is the fifth consecutive year we have spent more than $1 billion dollars with certified, diverse-owned businesses.

We also work closely with many local and national organizations and spend more than $3 million a year funding diverse business development programs. Each year, we help more than 500 small diverse businesses to grow.

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1 Financial Services Roundtable for Supplier Diversity supplier diversity benchmarking report, September 2018.

We strive to be a world-class leader in supplier diversity, and our efforts have been recognized by the National Minority Supplier Development Council and the Women’s Business Enterprise National Council.
Helping Latino business owners grow to scale

We collaborate each year with regional and national organizations that share our commitment to diversity. In 2018, we worked with the Stanford Latino Entrepreneurship Initiative (SLEI) to teach scaling strategies that speak directly to the unique challenges faced by Latino small- and medium-sized business owners. According to the university’s 2018 Survey of U.S. Latino Business Owners, just 3% of the estimated 5 million Latino-owned businesses in the U.S. are considered scaled, or generating at least $1 million in annual gross revenue. The SLEI has set a goal of doubling the number of $10 million, $100 million, and $1 billion Latino-owned businesses by 2025. Working with the SLEI’s seven-week business development program, we’ve helped prepare more than 435 graduates grow their organizations, employing more than 45,000 individuals and generating combined annual gross revenues of more than $1.6 billion.

We helped more than 435 SLEI graduates grow their organizations, employing more than 45,000 individuals and generating combined annual gross revenues of more than $1.6 billion.
“Up until last year, my growth strategy was non-existent. The MWM-Ei (Million Women Mentors Entrepreneurship Initiative) program gave me a growth plan, structure, and validation. I did not have the accountability component in my business until I participated in this program.”

MENTEE RASHI KHOSLA, CEO OF MARS SOLUTIONS GROUP

Accelerating growth for women in STEM

Women-owned businesses are one of the fastest-growing segments of small business. To support women aspiring to run science, technology, engineering, and mathematics (STEM) businesses, Wells Fargo teamed up with STEM Connector to fund the Million Women Mentors Entrepreneurship Initiative (MWM-Ei) Mentor Program.

MWM-Ei is a one-year business development program. It pairs female owners of well-established small- and medium-sized businesses with accomplished executives, who serve as mentors to help these female CEOs strengthen and grow their businesses. The focus is to provide mentoring and advice to women-owned firms in the STEM fields.
Community engagement and volunteerism

We’re committed to giving of our time, talents, and resources to lift communities. Wells Fargo offers team members 16 hours of paid volunteer time annually. And in 2018, more than 96,000 team members contributed more than 2 million hours of volunteer time to local schools, food pantries, homes for veterans and underserved families, animal shelters, and more.

As a result of our team members’ generosity, United Way Worldwide recognized Wells Fargo for having the No. 1 team member giving campaign in the U.S. for the 10th consecutive year. This distinction resulted from our team members’ collective pledge of $75.3 million during Wells Fargo’s internal 2018 Community Support Campaign, which aims to give our team members the ability to financially support those causes and charities they are passionate about.

Supporting the causes that matter most to team members

The Volunteer Service Award program recognizes team members’ commitment, dedication, and passion for the organizations they serve. In 2018, the outstanding volunteer contributions of 191 U.S. and international team members were recognized with $1,000 to $25,000 on behalf of the qualifying organization where they volunteer, totaling nearly $500,000. Winning nominations supported a range of organizations such as animal shelters, volunteer fire departments, youth development and sports programs, theater groups, and various organizations dedicated to treating illnesses.
Environmental sustainability

We recognize the imperative of transitioning to a low-carbon economy and promoting environmental sustainability through our products and services, operations and culture, and philanthropic giving.

We recognize the growing concerns about climate change and environmental sustainability, and we’re working to find solutions. At Wells Fargo, we’re committed to supporting the transition to a low-carbon economy, using resources responsibly, advancing cleaner technologies, helping to reduce the effects of climate change, and doing our part to address other environmental challenges facing our planet and communities.

We support the principles of the Paris Agreement regarding climate change, as outlined in our Statement on Climate Change, and have made progress on adopting the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We follow industry best practices in sustainability, and actively engage with the U.S. Green Building Council, e-Stewards®, and the Climate Group’s RE100 to improve our own operational performance and collaborate with multiple stakeholders to advance innovation and sustainability in the built environment. To help guide environmentally responsible financing in our lines of business, we’re signatories of the Equator Principles, the UN-supported Principles for Responsible Investing, and member underwriters of the Green Bond Principles.
In 2018, Wells Fargo announced an ambitious and multi-faceted sustainable finance commitment anchored around a pledge to provide $200 billion in financing to sustainable businesses and projects between 2018 and 2030. We aim to:

- Finance clean technology and renewable energy transactions and invest in environmentally beneficial companies and projects.
- Be transparent in our sustainable finance accounting, including reporting the carbon intensity of our portfolio and following leading practices for carbon-related disclosures.
- Participate in and promote organizations advancing sustainable finance and support leading organizations focused on clean technology development and entrepreneurship.

**Finance and invest**

More than 50% of our $200 billion financing commitment is aimed to support companies and projects that are directly advancing the transition to a low-carbon economy through such means as clean technologies, renewable energy, green bonds, and alternative transportation. The remainder will support efforts focused on sustainable agriculture, conservation, recycling, resource management, and other environmentally beneficial activities. In 2018, we provided approximately $23 billion in sustainable finance, achieving 12% of our 2030 goal in our first year alone. Of this amount, 63% contributed to low-carbon solutions. Additionally, by the close of 2018, Wells Fargo tax equity projects represented 9.5% of total wind and solar generation capacity in the U.S.

**Manage and disclose**

We are committed to transparency in the management and disclosure of our work supporting sustainable finance – that is why we have made our sustainable finance reporting methodology publicly available. Where possible, our taxonomy is guided by Green Bond Principles, Climate Bonds Initiative, and alignment with the UN SDGs.
For the purposes of tracking our progress, current investment categories include:

- Clean transportation
- Energy efficiency
- Green buildings
- Renewable energy
- Sustainable finance bonds
- Circular economy
- Environmentally sustainable management of natural resources and land use
- Pollution prevention and control

Additional categories not listed are under consideration for future inclusion.

Wells Fargo believes that measuring the carbon intensity of our credit portfolio will allow us to provide a more holistic view of the indirect impact we are having through our lending, and in 2018, we launched a project to accomplish this task. While data availability presents challenges in this work, we hope to be able to identify concentrations of high-carbon financing that may not be currently recognized, or otherwise validate our increased attention to customers in industries commonly recognized as carbon intensive (see our ESRM Framework). Ultimately, we aim to quantify our financed emissions and will use this knowledge to aid in committing to and setting science-based reduction targets.

Working with Origis Energy USA to expand the clean energy supply

Financing from Wells Fargo will help Origis Energy USA build a new solar generation facility in Orange County, Florida. The facility will include 500,000 solar panels and the resulting clean energy production will reduce greenhouse gas emissions by more than 57,000 tons per year. That’s the annual equivalent of taking 12,100 automobiles off our roads.
We were a leading sponsor and active participant in the Global Climate Action Summit and the Bloomberg Sustainable Business Summit.

Promote and engage

The final part of our commitment is to collaborate and partner with a variety of stakeholders to advance climate-related discussions and solutions, and contribute to a sector-wide understanding of the goals and practices of sustainable finance. In 2018, we were a leading sponsor and active participant in the Global Climate Action Summit and the Bloomberg Sustainable Business Summit. The Global Climate Action Summit brought together 5,000 leaders from around the world — heads of state, mayors, governors, CEOs, investors, scientists, and advocates — and catalyzed bold new commitments to climate action across sectors.

For each component of our commitment, we will regularly revisit our goals and progress, and adjust based on evolving best practices, and where we have the opportunity to accelerate our work or expand our focus.
Applying TCFD

We recruited a nonprofit thought leader and commissioned a leading vendor to help us measure the carbon intensity of our credit portfolio.

We know our investors and other stakeholders have a keen interest in the disclosure of climate-related risks and opportunities. As part of our sustainable finance commitment, we aim to implement the Task Force on Climate-related Financial Disclosures (TCFD) recommendations which provide a framework for companies and other organizations to develop more effective climate-related financial disclosures through their existing reporting processes. Doing so will help us to further understand and integrate climate risk management into the core of our business and business strategy. Throughout 2018, we made progress toward core elements of the TCFD disclosures.

For 2018, CDP, a nonprofit organization that manages the global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts, incorporated TCFD’s recommendations into its annual questionnaire. Based on climate-related disclosures and performance, CDP awarded Wells Fargo a score of A- for its 2018 response, which highlighted information that was also responsive to the TCFD recommendations.

Wells Fargo will publish its first standalone TCFD report in 2019, while continuing to evaluate whether a standalone TCFD report is required of companies who also provide CDP disclosure. We understand that our commitment to and performance on these issues are important to investors and other stakeholders, and our goal is to demonstrate leadership in sustainability through both actions and disclosure.

Efforts we made in 2018 to begin implementing the TCFD recommendations include:

**Carbon footprinting** – Recruited a nonprofit thought leader and commissioned a leading vendor to help us measure the carbon intensity of our credit portfolio. This will enable us to better evaluate risks and opportunities associated with our Scope 3, financed emissions (emissions associated with our lending and investment activities), run additional scenario analyses, and set a science-based greenhouse gas emissions target.

**Scenario analysis** – Piloted a climate scenario analysis focused on corporate loan portfolios to better understand the impact of climate transition on the credit worthiness of oil and gas companies. This was developed under two scenarios:

Piloted a climate scenario analysis focused on corporate loan portfolios to better understand the impact of climate transition on the credit worthiness of oil and gas companies.
1) The existence of a carbon tax at various amounts, from $25 to $100 per metric ton of CO₂, adopted over a three-year period; and

2) A rapid transition to electric vehicles, including assumptions that electric vehicles will account for 20% of new auto sales over a three-year period. The pilot demonstrated the benefits of integrating climate-related scenarios into credit analyses, and supported an opportunity to expand the scope of climate scenario analysis and integration of climate considerations into other parts of Wells Fargo’s business.

**Physical risks** – Commissioned a third-party resource to measure and understand the physical risks of climate change to our most critical facilities. Learnings based on our own facilities can help inform how we view risks associated with our commercial and residential mortgage lending activities.

**Engagement to propel sustainable finance** – According to the nonprofit sustainability advocacy organization Ceres’ Clean Trillion initiative, an additional $1 trillion per year in clean energy investment is needed to limit global temperature rise to below 2° Celsius and avoid the worst impacts of climate change. We are working with the University of Cambridge Institute for Sustainability Leadership (CISL) to uncover more ways that we can reduce greenhouse gas emissions. The project, called Bank 2030, is a part of the Banking Environment Initiative, which is convened by CISL’s Centre for Sustainable Finance. The Bank 2030 project will showcase innovative thinking and strategic leadership as well as highlight future opportunities to allocate more capital to economic activities that would reduce greenhouse gas emissions. Wells Fargo also collaborates with the U.S. Alliance for Sustainable Finance and, through philanthropy and engagement, we are supporting CDP’s Matchmaker program, which helps cities overcome barriers to financing municipal green infrastructure projects. Our grant supports this work in cities nationwide, helping match cities with financiers, including impact investors.

$1 trillion per year in clean energy investment is needed to limit global temperature rise to below 2° Celsius and avoid the worst impacts of climate change.
Reducing our environmental footprint

Our commitment to environmental sustainability begins at home.

We’re committed to operating with maximum efficiency, and we are always looking for new ways to minimize energy consumption and greenhouse gas emissions, increase water efficiency, and reduce waste. This helps us achieve cost savings, enhance our team member experience, minimize our impact on the environment, manage risks associated with environmental performance, and set a positive example for the business community.

Renewable energy

Again in 2018, we met 100% of our global electricity needs with renewable energy, primarily through the purchase of renewable energy certificates. In recognition of our use of nearly 2 billion kilowatt-hours of renewable energy in 2017, the U.S. Environmental Protection Agency ranked Wells Fargo fourth overall on its Green Power Partnership National Top 100 listing as of February 5, 2019, and first among all banking and financial services organizations. The Green Power Partnership National Top 100 recognizes organizations that take action to maximize the production of renewable energy and minimize the climate impacts associated with their operations, and is based on the amount of renewable energy purchased and produced by each organization.

We spent much of 2018 working to meet the second part of our renewable energy commitment (set in 2016), which is to move into longer-term contracts and projects that support net new sources of renewable energy. We are now working to maximize our on-site solar-generation capabilities within our footprint, and we expect to begin announcing a series of long-term contracts that fund net-new sources of renewable energy near our largest load centers by the end of 2019.

Beyond meeting our electricity needs through renewable sources, we are also focused on reducing our demand all together. Since 2008, we have reduced our energy consumption by 36%.

LEED

Wells Fargo also continues to lead the financial services industry in implementing LEED. At the close of 2018, 28% of our total square footage in leased and owned buildings was LEED-certified, demonstrating our continued progress toward our 2020 goal of achieving LEED certification across 35% of our total footprint.
In 2018, Wells Fargo:

Donated more than $640,000 in furniture, equating to more than 1.5 thousand tons of furniture diverted from landfill.

873

Reduced greenhouse gas emissions equivalent to 873 trips around the Earth.

Installed 10,000 occupancy sensors, 2,000 thermostats, LED lamps in 600 branches, and deployed building analytics in 780 branches, which is expected to save more than $2 million annually.

Reduced paper use equivalent to a stack of paper as tall as 1,605 Washington Monuments.

In recognition of our use of nearly 2 billion kilowatt-hours of renewable energy each year, the U.S. Environmental Protection Agency ranked Wells Fargo fourth overall on its Green Power Partnership National Top 100 listing.
Team members’ impact

We know that sustainability is important to our team members as demonstrated by the actions they take at work, at home, and in the communities we serve. Our team member sustainability initiative is built on the premise that the more we do individually, the bigger impact we will have collectively. We continue to engage team members in a variety of ways by encouraging and facilitating sustainable commitments and actions, educational and volunteer events, and Green Team participation.

One way we create awareness to drive sustainable action is a dedicated, interactive website that offers ideas for team members to make a difference, such as commuting by alternative transportation or reducing energy and water consumption. Team members can make their commitments and track our collective progress through the website. By the close of 2018, we achieved 48% of our goal to reach 250,000 commitments through 2020.

Nearly 10,000 team members participate in more than 30 Green Teams across the U.S. and internationally. Our Green Team members are environmental stewards who volunteer to help lead many of the efforts above to make a significant, positive impact.

Suppliers and CDP leadership

To encourage our suppliers to demonstrate their commitment to environmental sustainability, we invited 210 suppliers, representing 67% of our controllable spend, to participate in the 2018 CDP supply chain questionnaire and we received a 52% response rate. CDP recognized Wells Fargo for leadership in supplier engagement and awarded us a position on its third annual Supplier Engagement Rating leader board. Of the more than 5,000 companies that participated in CDP’s supply chain program in 2018, Wells Fargo ranked in the top 3%. We are in the process of developing customized education support for our suppliers who received a score of B- or less from CDP.

In 2018, our team members logged more than 78,000 volunteer hours (equivalent to $1.9 million1) focused on improving the environment. Some examples include beach and waterway cleanups, improvements to community gardens and local animal habitats, energy education with team members and schools, and efforts around reducing waste and greenhouse gas emissions.

1Based on Independent Sector’s valuation of a volunteer hour.
Supporting startups through the Innovation Incubator

Helping green technologies grow

IN² was recognized at Global Green’s 2018 Annual Pre-Oscar Gala for its work to create sustainable solutions. Lisa Laughner, founder, president, and CEO of Go Electric — one of our current IN² portfolio companies — accepted an award on IN²’s behalf. Read more about Go Electric on wells Fargo.com.

In 2018, we expanded the Wells Fargo Innovation Incubator (IN²) program to advance technologies that address the interconnection of food, water, and energy. To support this new focus area, we added the Donald Danforth Plant Science Center, the world’s largest independent plant science institute, as a strategic partner to help develop and validate promising agricultural technologies that address critical sustainability challenges. Working with the Danforth Center, we are launching our first cohort of startups working at this important intersection in 2019.

Through our IN² Channel Partner Awards Program in 2018, we announced more than $1 million in cleantech grants to 19 organizations to support eight projects aimed at addressing gaps in clean-energy technology development and commercialization. In late 2018, we welcomed the fourth round of clean tech and energy efficiency startup companies into the program. The five startups joined 20 other early-stage companies that have received support to address energy challenges in commercial buildings, which currently account for more than 40% of U.S. energy usage.

Companies selected to participate in the IN² program receive up to $250,000 in non-dilutive funding from Wells Fargo, as well as technical support and validation from experts at the National Renewable Energy Laboratory (NREL) and the Danforth Center, and the opportunity to beta test at a Wells Fargo facility or with a strategic program partner.

“Many companies have sustainability goals, but Wells Fargo is the first large corporation we have worked with that engages with startups in achieving their corporate sustainability goals.”

LISA LAUGHNER, FOUNDER, PRESIDENT, AND CEO OF GO ELECTRIC
About this report

Our 2018 Corporate Responsibility Report is just one of the ways Wells Fargo shares information about our efforts to achieve the corporate responsibility commitments we’ve made for our customers, business, communities, and key stakeholders.

This report covers relevant company activities and related data for our global operations during calendar year 2018, unless otherwise noted. Financial data is presented in U.S. dollars. Our last full report was published in spring 2018, reflecting calendar year 2017 activities. Previous reports can be found on our website.

This report has been prepared in accordance with the Core option of the Global Reporting Initiative (GRI) Standards Sustainability Reporting Guidelines. When available, we have also incorporated elements from the GRI Standards Comprehensive option for added transparency. The report also tracks our efforts to align with the Sustainability Accounting Standards Board standards and the UN SDGs. See our content index for more information, available on our website.

Assessment

Details on our process, priority issues, boundary guidelines, and management approach, as well as specific feedback from stakeholder groups, can be found in the Shaping our CR Priorities supplement available for download on our website. Wells Fargo issues an annual corporate responsibility report.

Wells Fargo’s corporate responsibility priorities are informed by a robust stakeholder engagement process. To prioritize topics that are most relevant to our company and to our stakeholders, we conduct corporate responsibility materiality assessments every three to five years. We conducted our first assessment in 2009, followed by assessments in 2013, and most recently in 2017. The most recent assessment resulted in the prioritization of the following 10 topics:

- Ethical practices & culture
- Corporate governance
- Transparency
- Economic empowerment & community development
- Customer privacy & cyber security
- Employment practices
- Diversity & inclusion
- Environmental sustainability
- Human rights & climate change risk management
- Disruption risk

Third-party assurance

As we seek to continuously improve the quality and consistency of our data, we sought third-party assurance of our environmental data in 2019. For 2018 data, we expanded the scope of assurance beyond greenhouse gas emissions (Scope 1, 2, and 3) to include, for the first time, waste and water data. We did not seek external assurance for the remainder of this report. The complete assurance letter can be found at wellsfargo.com.

Please address any questions or comments about this report to: CorporateResponsibility@wellsfargo.com.
Environmental, social, and governance resources

For additional information about Wells Fargo and our corporate responsibility efforts and priorities, please visit the following resources:

- 2018 Global Reporting Index (GRI) and SASB Index
- Annual Report, Proxy Statement, and Proxy Supplement
- Board Committee charters for each of the Board’s seven standing committees, including the Governance and Nominating Committee, Human Resources Committee, and Corporate Responsibility Committee.
- Business Standards Report
- Code of Ethics and Business Conduct
- Environmental and Social Risk Management Framework
- Environmental, Social, and Governance Guide
- Shaping our CR priorities
- Wells Fargo Corporate Responsibility
Awards and recognition

Top Company for
LGBT employees (2018) DiversityInc

#1 Banking and Financial Services organizations in the U.S. Environmental Protection Agency’s Green Power Partnership National Top 100, and #4 overall (listing as of February 5, 2019).

#1 Banking and Financial Services organizations in the U.S. Environmental Protection Agency’s Green Power Partnership National Top 100, and #4 overall (listing as of February 5, 2019).


Top 50 Best Companies for Diversity (2018) Black Enterprise

Top Military Employer and Top Military Spouse Friendly Employer (2018) Victory Media

Top Military Employer and Top Military Spouse Friendly Employer (2018) Victory Media

Top 50 Most community-minded companies (2018) Points of Light

Top 50 Most community-minded companies (2018) Points of Light

A – CDP awarded Wells Fargo a score of A- for its 2018 response

Perfect Score
100 Corporate Equality Index (2018, 15th year) Human Rights Campaign

100 Disability Equality Index® Best Places to Work™ (2018, 3rd year) American Association of People with Disabilities

Awarded a position on CDP’s third annual Supplier Engagement Rating leader board for leadership in supplier engagement
Forward-looking statements

This Corporate Responsibility Report contains forward-looking statements about the Company’s future activities, plans, objectives and expectations.

Forward-looking statements can be identified by words such as “anticipates,” “intends,” “plans,” “seeks,” “believes,” “estimates,” “expects,” “target,” “projects,” “outlook,” “forecast,” “goal,” “will,” “may,” “could,” “should,” “can” and similar references to future periods. Forward-looking statements are not based on historical facts, but instead represent our current expectations and assumptions regarding our business, the economy, and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. You are urged to not unduly rely on forward-looking statements, as actual results could differ materially from expectations. Forward-looking statements speak only as of the date made, and we do not undertake to update them to reflect changes or events that occur after that date.

For more information about factors that could cause actual results to differ materially from expectations, please refer to the “Forward-Looking Statements” discussion in our most recent Quarterly Report on Form 10-Q, as well as to Wells Fargo’s other reports filed with the Securities and Exchange Commission (SEC), including the discussion under “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2018, as filed with the SEC and available on its website at www.sec.gov.

Securities and Exchange Commission filings

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to these reports are available free of charge on our website as soon as practical after they are electronically filed with or furnished to the SEC. These reports and amendments also are available free of charge on the SEC’s website at www.sec.gov.