

Wells Fargo & Company - Climate Change 2018

CO Introduction

CO.1

Give a general description and introduction to your organization.

Wells Fargo & Company (NYSE: WFC) is a diversified, community-based financial services company with \$1.9 trillion in assets. Wells Fargo's vision is to satisfy our customers' financial needs and help them succeed financially. Founded in 1852 and headquartered in San Francisco, Wells Fargo provides banking, investment and mortgage products and services, as well as consumer and commercial finance, through 8,050 locations, 13,000 ATMs, the internet (wellsfargo.com) and mobile banking, and has offices in 38 countries and territories to support customers who conduct business in the global economy. With approximately 265,000 team members, Wells Fargo serves one in three households in the United States. Wells Fargo & Company was ranked No. 26 on Fortune's 2018 rankings of America's largest corporations. News, insights and perspectives from Wells Fargo are also available at Wells Fargo Stories, <https://stories.wf.com> (As of August 13, 2018) in three households in the United States. Wells Fargo & Company was ranked No. 26 on Fortune's 2018 rankings of America's largest corporations. News, insights and perspectives from Wells Fargo are also available at Wells Fargo Stories, <https://stories.wf.com> (As of August 13, 2018)

CO.2

State the start and end date of the year for which you are reporting data.

	Start Date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Row 1	01/01/2017	12/31/2017	No	Not Applicable

CO.3

Select the countries/regions for which you will be supplying data.

United States of America

Together we'll go far



CO.4

Select the currency used for all financial information disclosed throughout your response.

USD

CO.5

Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.

Operational Control

C1. Governance

C1.1

Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

Identify the position(s) of the individual(s) on the board with responsibility for climate-related issues.

Position of Individual (a)	Please explain
Director on Board	The Chair of the Corporate Responsibility Committee (CRC) of the Board of Directors, has responsibility for climate-related issues. The position also serves as a member of the Board's Risk Committee. Among other responsibilities, the CRC oversees the Company's policies and programs related to environmental sustainability, human rights, and other social and public matters of significance to the Company, including the Company's supplier diversity initiatives. The purpose of the Risk Committee is to assist the Board of Directors in fulfilling its responsibilities to oversee the Company's enterprise-wide risk management framework and Corporate Risk function, including the strategies, policies, procedures, processes, and systems, established by management to identify, assess, measure, monitor, and manage the major risks facing the Company.

C1.1b

Provide further details on the board's oversight of climate-related issues.

➤ **TCFD: Governance recommended disclosure a)** Describe the board's oversight of climate related risks and opportunities.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	Monitoring and overseeing progress against goals and targets for addressing climate-related issues	At least annually the Corporate Responsibility Committee reviews the progress Wells Fargo is making against its Corporate Citizenship goals, including climate actions associated with sustainable finance, Environmental and Social Risk Management (ESRM), and greenhouse gas emission targets. Sustainable finance objectives include measuring, monitoring and disclosing the carbon intensity of our credit and investment portfolios. ESRM includes commitments to increased due diligence associated with financing carbon intensive businesses, which have led, for example, to an 85% decrease in our coal mining commitments since 2012.

C1.2

Below board-level, provide the highest-level management position(s) or committee(s) with responsibility for climate-related issues.

➤ **TCFD: Governance recommended disclosure b)** Describe management's role in assessing and managing climate related risks and opportunities.

FName of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Sustainability Officer (CSO)	Both assessing and managing climate-related risks and opportunities	Annually
Sustainability committee	Both assessing and managing climate-related risks and opportunities	Not reported to the board

C1.2a

Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored.

➤ **TCFD: Governance recommended disclosure b)** Describe management's role in assessing and managing climate related risks and opportunities.

The rationale for assigning climate-related responsibilities to the Chief Sustainable Officer is to have a centralized point of accountability for the topic. The CSO reports to the head of Stakeholder Relations, who reports to the Chief Administrative Officer, who reports to the Chief Executive Officer. The CSO works across the enterprise to help influence respective climate goals. For example, the CSO's team works with supply chain to integrate a climate lens into procurement activities. The CSO's team works with our facilities management team to establish climate-related goals, which has led, for example, to Wells Fargo meeting all of its electricity needs with 100% renewable energy. Additionally, for example, the Environmental and Social Risk Management Team, which is responsible for evaluating transactions in high-carbon industries, reports to the CSO. Together they help ensure transactions are in alignment with company objective to help accelerate a transition to a low-carbon economy.

Do you provide incentives for the management of climate-related issues, including the attainment of targets?

Yes

Provide further details on the incentives provided for the management of climate-related issues.

Who is entitled to benefit from these incentives?

Chief Sustainability Officer (CSO)

Types of incentives

Monetary reward

Activity incentivized

Emissions reduction project

Comment

We are committed to integrating the principles of corporate social responsibility throughout our business with an eye toward advancing the economic prosperity of our communities. This commitment is included among six company goals, which ensure we focus on activities that will build a better bank and strengthen our company for the future. We seek to make a positive contribution to local communities, the economy, and our society through all we do, with a focus on our three strategic priorities: advancing diversity and inclusion, creating economic opportunity, and promoting environmental sustainability. We advance diversity and social inclusion by helping to ensure that people feel valued and respected and have equal access to resources, services, products, and opportunities to succeed. We leverage our deep expertise and resources to strengthen financial self-sufficiency and economic opportunities in underserved communities. We aim to accelerate the transition to a lower-carbon economy and reduce the impacts of climate change on our customers and communities. This includes a commitment to provide \$200 billion in sustainable finance by 2030. Beyond CSO's accountability, corporate citizenship goals are measured and are part of companywide leadership metrics. Incentives are also tied to business objectives of individuals responsible for various activities based on their respective roles within the company.

Who is entitled to benefit from these incentives?

Chief Sustainability Officer (CSO)

Types of incentives

Monetary reward

Activity Incentivized

- ✓ Emissions reduction target
- ✓ Energy reduction project
- ✓ Efficiency project
- ✓ Efficiency target
- ✓ Behavior change related indicator
- ✓ Environmental criteria included in purchases
- ✓ Supply chain engagement
- ✓ Other, please specify (Sustainable finance commitments)

C2. Risks and opportunities

C2.1

Describe what your organization considers to be short-, medium- and long-term horizons.

- **TCFD: Strategy recommended disclosure a)** Describe the climate related risks and opportunities the organization has identified over the short, medium, and long term.

	From (years)	To (years)	Comment
Short-term	0	2	Response to this question is specific to CDP; definition of time horizon can vary.
Medium-term	2	5	Response to this question is specific to CDP; definition of time horizon can vary.
Long-term	5	10	Response to this question is specific to CDP; definition of time horizon can vary.

C2.2

Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.

- **TCFD: Risk Management recommended disclosure c)** Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organization's overall risk management.

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

C2.2a

Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.

	Frequency of monitoring	How far into the future are risks considered?	Comment
1	Annually	>6 years	The Board has ultimate responsibility for overseeing Wells Fargo's risk management structure. The Board carries out its risk oversight responsibilities directly and via its seven standing committees; all report to the full Board. The Board's Risk Committee oversees enterprise-wide risk management. Sustainability and Corporate Responsibility reports to the Corporate Responsibility Committee (CRC) of the Board at least annually regarding risks and opportunities related to climate change within Wells Fargo's operational footprint, culture, supply chain and products and services. The CRC monitors our relationships with external stakeholders regarding significant corporate social responsibility matters, which can include issues related to climate change. Chair of the CRC is also a member of the Risk Committee.

Provide further details on your organization's process(es) for identifying and assessing climate-related risks.

- **TCFD: Strategy recommended disclosure a) Describe the climate related risks and opportunities the organization has identified over the short, medium, and long term. Risk Management recommended disclosure a) Describe the organization's processes for identifying and assessing climate-related risks.**

Risks

At an asset-level, individual Line of Businesses (LOBs) serve as the first line of defence in identifying risks. Managing risk closest to the customer or the operation (e.g. physical assets) is critical to strong risk management for accountability and early issue identification. For example, in adherence to companywide Environmental and Social Risk Management (ESRM) policy, there is an environmental and social risk section in all underwriting memos for mining, and oil and gas, and utilities transactions. Foreexample, LOBs conduct a carbon risk analysis that is included in the primary underwriting memo at least annually for all utility borrowers engaged in the production, generation, transmission and distribution of electricity.

At a company-level, our independent corp. risk group functions as our second line of defence providing oversight of policies, processes, and compliance with regulatory standards. This includes implementation of our ESRM policy which aims to flag reputational, environmental, and social issues for review by our credit team. Where risks are high, enhanced due diligence and credit approval would apply.

Our Corporate Social Responsibility (CSR) materiality assessment, which gains feedback from internal and external stakeholders, helps us identify both asset- and company-level risks. For example, via this process we consider recommendations from Sustainability Accounting Standards Board and the Taskforce on Climate-related Financial Disclosure.

Opportunities

Asset-level opportunities are identified by internal working groups and committees, such as the Sustainable Finance Work Stream, formed to identify and advance opportunities such as a, green bonds, renewable energy procurement, and more. And all team members are encouraged to identify opportunities in their business units or through our idea builder portal.

At a company-level, opportunities are identified via market research including research into opportunities to enhance reputation, as well as via our CSR materiality assessment which gains feedback from internal and external stakeholders. Feedback received covers a wide range of risks and opportunities; in fact contributed to the setting of our 100 % renewable energy goal, and it has triggered greater evaluation of two degrees scenario analysis which can surface both risks and opportunities at both asset- and company-levels.

Which of the following risk types are considered in your organization's climate-related risk assessments?

- **TCFD: Risk Management recommended disclosure a)** Describe the organization's processes for identifying and assessing climate-related risks. **Risk Management recommended disclosure b)** Describe the organization's processes for managing climate related risks

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Current regulation is relevant to our business, which strives to adhere to applicable laws and regulations through our operations as well as our finance activities. Environmental and Social Risk Management assessments include consideration of customer's compliance with current regulations.
Emerging regulation	Relevant, always included	Emerging regulation is relevant to our business, as we strive to continue adhere to applicable laws and regulations. Consideration of emerging regulations helps us anticipate and prepare for risks and opportunities that can occur. For example, France's Article 173 can have implications on disclosures related to Wells Fargo Asset Management business. A policy to account for carbon dioxide and other greenhouse gasses can affect our business and our customers in different ways, depending on the details and variables of the mechanism(s). This includes compliance costs and ability to repay. Such considerations are included in our Environmental Social Risk Management assessments.
Technology	Relevant, always included	Technology innovations are relevant to our business and to our customers. Innovations that support the transition to a low-carbon economy can disrupt existing economic systems and affect demand for existing products and services offered by our customers and by our business. For example, the impact of a sharp shift from fossil fuel to electric vehicles our affect the resell value of fossil fuel vehicles that we've financed and may serve as collateral to those loans. Climate-related technology shifts are assessed by both sustainability team and lines of businesses. Our Innovation Incubator (IN2) program with National Renewable energy Laboratory helps us understand new technologies and innovations.
Legal	Relevant, always included	Litigation risk is relevant to our business. It correlates to the value of loss and damage arising from climate change. Litigation risk increases as losses due to climate change increases. Actual losses are assessed by the operational risk management team, and further evaluation is needed to comprehensively understand potential future losses associated with foreseeable impacts of climate change.
Market	Relevant, always included	Market risks associated with shifts in supply and demand for high-carbon projects, commodities, products and services can be relevant to our business. For example, consideration of risks associated with financing of infrastructure projects that support high-carbon economy, help us avoid losses due to investments becoming obsolete and thereby affect our customers' ability to repay loans. The Environmental and Social Risk Management team helps to assess this risk as part of their due diligence process.

	Relevance & inclusion	Please explain
Reputation	Relevant, always included	Reputational risks associated with financing customers in high-carbon industries are relevant. We have a broad, diversified portfolio of customers representing many industries. This includes customers in oil and gas, transportation, real estate and other industries on which our economy relies. At the same time, we have a significant retail banking business with stakeholders that are concerned about climate change and some of whom may negatively view the financing of high-carbon industries. Reputational risk is assessed by Environmental and Social Risk Management's due diligence process, as well as proprietary marketing and communications surveys. Both our and our customers' reputational risk can decrease with our proactive Environmental and Social Risk Management efforts.
Acute physical	Relevant, always included	Event-driven risks such as hurricane, floods, and fires, are considered as they can affect our team members, customers and delivery channels such as our branches. For example, at Wells Fargo, the allowance for credit losses on Sept. 30, 2017, included \$450 million for coverage of our preliminary estimate of potential hurricane-related losses. Physical risks are assessed by Sustainability and Corporate Responsibility and Business Continuity Planning teams.
Chronic Physical	Relevant, always included	Risks associated with long-term shifts in climate patterns are relevant as we seek to further understand measures that can be taken in advance to help communities adapt to respective changes. For example, our Resilient Communities grant program with the National Fish and Wildlife Foundation, seeks to invest in capacity building and conservation efforts focused on strengthening community resiliency to our changing climate. Chronic physical risks are assessed by Sustainability and Corporate Responsibility and Business Continuity Planning team.
Upstream	Relevant, always included	Upstream risks are relevant to our supply chain. For example, consideration of such climate change-related risk helps us avoid disruption in products and services provided to our company as a result of climate related events, regulations, and more. The Supply Chain and Sustainability and Corporate Responsibility teams work together to assess risks, and have recently joined CDP Supply Chain initiative to encourage top suppliers to disclose climate-related risks and opportunities via CDP. Such disclosure will help us advance our understanding of upstream risks.
Downstream	Relevant, always included	Acute physical risks associated with climate-related risks can affect our team members, customers and facilities in various locations, and are hence relevant to our business. Services can be disrupted and customers' ability to repay on time can be affected. Consumer preferences affect their choice about where and how to bank. This is assessed via LOBs that seek to understand and cater to customer preferences. Offering of online banking services and further achieving energy efficiency in our branches while using 100% renewable energy to meet our electricity needs are company specific examples of how we are affected by downstream risk.

Describe your process(es) for managing climate-related risks and opportunities.

➤ TCFD: Risk Management recommended disclosure b) Describe the organization's processes for managing climate related risks.

The Board has ultimate responsibility for overseeing Wells Fargo's risk management strategy. The Board carries out its risk oversight responsibilities directly and via its seven standing committees; all report to the full Board. The Sustainability and Corporate Responsibility team is tasked with managing climate-related risk and opportunities, and reports to the Corporate Responsibility Committee (CRC) of the Board at least annually.

Risks and opportunities related to climate change are prioritized based on the likelihood and significance of financial, environmental, and social impacts, and reputational risk considerations. We also have engaged in regular sustainability materiality assessments since 2013, including external stakeholder engagements to help refine the company's prioritization of sustainability issues. This has resulted in a climate strategy that prioritizes (i) operational considerations, (ii) community considerations, and (iii) products and services-related issues.

Physical

- Recognition of risks associated with impacts of climate change has led to the validation of our diversified business model. Our company, including team members, customers, facilities and operations are geographically distributed with locations across the United States and worldwide. We also maintain backup systems to ensure business continuation in case one system is impacted. This helps us avoid risks that could occur if we were otherwise located in a singular location that was highly susceptible to acute physical risks of climate change.
- Opportunities to help our customers affected by impacts of climate change have led us to invest in emergency response vehicles, teams and emergency response processes. Wells Fargo has increased capacity for community resiliency, and has established a \$10 million Resilient Communities grant program to address climate adaptation. This generates community goodwill, and also helps to mitigate future impacts.

Transitional

Opportunities associated with the transition to a low-carbon economy has led us to establish a \$200 billion sustainable finance goal, as well as maintain internal teams of expertise that specialize in financing for renewable energy and clean technology. Recognition of transition risks associated with climate change has led us to:

- Establish a stakeholder advisory committee to the board, with climate expertise specifically included.
- Formalize a transaction escalation process, elevating go or no-go decision-making to senior leadership level when significant environmental or social risks, including climate and transitional risks, are potentially present.
- Develop a proprietary environmental and social rating tool to assess companies for their capacity to navigate the low-carbon transition and address climate-related risks and opportunities.
- Enhance our carbon asset risk models to account for changing state renewable standards and cost of carbon.
- Directly engage with customers on financial, social, and environmental risks related to climate issues.
- Reduce our exposure to coal mining commitments by more than 85% since 2012

C2.3

Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

- **TCFD:** Strategy recommended disclosure a) Describe the climate related risks and opportunities the organization has identified over the short, medium, and long term.

Yes

C2.3a

Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

- **TCFD:** Strategy recommended disclosure a) Describe the climate related risks and opportunities the organization has identified over the short, medium, and long term.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Customer

Risk type

Transition risk

Primary climate-related risk driver

Policy and legal: Other

Type of financial impact driver

Policy and legal: Write-offs, asset impairment, and early retirement of existing assets due to policy changes

Company-specific description

Uncertainty surrounding new regulation can affect customers' ability to repay loans if they invest in technologies that become obsolete in unpredictable regulatory environment. Global agreements were established as a result of COP21; however there remains a lack of clear, consistent global and national regulations associated with climate change. Individual cities, states, countries are establishing some varying forms of regulations or policy changes associated with climate change.

Time Horizon

Current

Likelihood

Likely

Magnitude of impact

Low

Potential financial impact

\$170,000,000

Explanation of financial impact

The figure shows “revenue at risk” associated with select companies that may be most directly affected by potential transition risk in the energy sector. We will continue to engage with external stakeholders and key partners to refine our methodology and disclosure. To obtain these figures, we have narrowed the overall energy portfolio to just the relationships that are associated with (i) more ‘sensitive’ types of energy activity, and (ii) higher internal environmental and social risk ratings from our Environmental Social and Risk Management team (ESRM). The higher internal risk ratings serve in part as a proxy for the company’s ability to navigate regulatory uncertainty around climate issues, and help identify the portion of revenue that could most likely be affected over the short and medium time horizons.

Management method

We maintain a diversified portfolio of customers in broad diversity of industries, thereby enabling us to mitigate risks associated with shocks to particular industries. Where some customers may be heavily impacted, others may realize gains. Our ESRM team prioritizes engaging with clients around their environmental and social performance, particularly in sensitive sectors and when greater risks are present. ESRM team reviewed 136 oil and gas customers in 2017, and engaged in direct conversations with 17% of these customers on climate change commitments and related expectations. ESRM also works with industry associations, such as the Association of Oil Pipelines, to directly educate the entire member base on our expectations for performance. Focusing on the ‘higher risk’ names within this subgroup of our portfolio allows us to most efficiently: (i) engage clients that pose the most significant environmental and social risks to communities, (ii) address areas of financing that most directly contribute to reputational risk to Wells Fargo, (iii) strengthen critical areas of our portfolio to improve Wells Fargo resilience to environmental and social risks over medium and longer term time horizons, and (iv) work with clients to improve their performance and increase access to capital/ minimize operational issues due to environmental and social topics.

Cost of management

\$174,000,000

Comment

Cost of management is integrated into existing budgets. It is estimated based on calculating estimate of cost, which is less than .01% of our total salaries, and then multiplying it by total salaries, which were more than \$174 billion in 2017 as reported in our Annual Report.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Physical risk

Primary climate-related risk driver

Acute: Increased severity of extreme weather events such as cyclones and floods

Type of financial impact driver

Increased capital costs (e.g., damage to facilities)

Company- specific description

Our business, financial, accounting, data processing systems or other operating systems and facilities may stop operating properly or become disabled or damaged as a result of severe tropical cyclones or storms. Our business operations may be adversely affected by significant and widespread disruption to our physical infrastructure or operating systems that support our businesses and customers.

Time horizon

Current

Likelihood

About as likely as not

Magnitude of impact

Low

Potential financial impact

\$450,000,000

Explanation of financial impact

Our allowance for credit losses on Sept. 30, 2017, included \$450 million for coverage of our preliminary estimate of potential hurricane-related losses. This figure includes more than direct losses related to our operations; however it is used here to provide context of the size of potential losses due to weather-related events.

Management method

We are currently engaged in a formal study to better understand physical risks of climate change on our properties both now and in the long-term. This information will further improve our current management methods, including:

- 1.) We are reducing our absolute GHG emissions and thereby contributing to the overall reduction needed to address climate change, which is known to add to the frequency and severity of cyclones.
- 2.) We employ experts and have established business units dedicated to supporting a low-carbon economy.
- 3.) We have extensive business continuity plans in place to mitigate damages and associated costs. Through careful planning, we attempt to account for the safety of our team members, reduce operational down time and help customers.
- 4.) The diversity of our business with respect to revenue generation and geography helps us mitigate damages from cyclones. We can maintain “downed” operations from other locations. As a financial services company, we serve as an intermediary. As such, losses are mitigated by opportunities that may arise such as financing rebuilding and adaptation efforts.
- 5.) We are investing in capacity building and conservation projects that can help our communities better prepare for weather-related events.

Cost of management

\$174,000,000

Comment

Cost of management is integrated into existing budgets. It is estimated based on calculating estimate of cost, which is less than .01% of our total salaries, and then multiplying it by total salaries, which were more than \$17.4 billion in 2017 as reported in our Annual Report.

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Customer

Risk type

Physical risk

Primary climate-related risk driver

Chronic: Changes in precipitation patterns and extreme variability in weather patterns

Type of financial impact driver

Reduced revenues from lower sales/output

Company- specific description

Change in precipitation extremes and droughts can impact our customers. For example, droughts can drive up the cost of water and thereby affect our customers' ability to payback their loans, especially if they are in water intensive industries such as agriculture, semiconductors, energy, select tourism, breweries and beverage companies and more.

Time horizon

Current

Likelihood

More likely than not

Magnitude of impact

Low

Potential financial impact

\$110,000,000

Explanation of financial impact

The revenue at risk figure provided is tied to the relationships with companies most directly affected by potential physical climate risk issues, in the energy sector. We have developed a pilot methodology this year to focus our disclosure on energy relationships, and will continue to engage with external stakeholders and key partners to refine our methodology. To obtain these figures, we have narrowed the overall energy portfolio to just the relationships that are associated with (i) the types of energy activity more directly affected by extreme variability in precipitation and weather patterns, and (ii) higher internal environmental and social risk ratings from our Environmental and Social Risk Management (ESRM) team. The higher internal risk ratings serve in part as a proxy for the company's ability to respond to physical climate issues, and help identify the portion of revenue that could most likely be affected over the short and medium time horizons.

Management method

We maintain a diversified portfolio of customers in broad diversity of industries, thereby enabling us to mitigate risks associated with shocks to particular industries. Where some customers may be heavily impacted, other may realize gains. Our ESRM team prioritizes engaging with clients around their environmental and social performance, particularly in sensitive sectors and when greater risks are present. ESRM team reviewed 136 oil and gas customers in 2017, and engaged in direct conversations with 17% of these customers on climate change commitments and related expectations. ESRM also works with industry associations, such as the Association of Oil Pipelines, to directly educate the entire member base on our expectations for performance. Focusing on the 'higher risk' names within this subgroup of our portfolio allows us to most efficiently: (i) engage clients that pose the most significant environmental and social risks to communities, (ii) address areas of financing that most directly contribute to reputational risk to Wells Fargo, (iii) strengthen critical areas of our portfolio to improve Wells Fargo resilience to environmental and social risks over medium and longer term time horizons, and (iv) work with clients to improve their performance and increase access to capital/minimize operational issues due to environmental and social topics.

Cost of management

\$174,750,000

Comment

Cost of management is estimated to be about \$750k in philanthropy specifically aimed at addressing droughts and floods, and helping communities build capacity for adapting to climate change. Initiatives have regional impact that can benefit our communities, which include our customers and team members. Other cost of management is integrated into existing budgets. It is estimated based on calculating estimate of cost, which is less than .01% of our total salaries, and then multiplying it by total salaries, which were more than \$17.4 billion in 2017 as reported in our Annual Report.

C2.4

Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

➤ **TCFD:** Strategy recommended disclosure a) Describe the climate related risks and opportunities the organization has identified over the short, medium, and long term.

Yes

Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

- **TCFD:** Strategy recommended disclosure a) Describe the climate related risks and opportunities the organization has identified over the short, medium, and long term.

Identifier

Opp1

Where in the value chain does the risk driver occur?

Direct operations

Opportunity type

Products and services

Primary climate-related risk driver

Development and/or expansion of low emission goods and services

Type of financial impact driver

Increased revenue through demand for lower emissions products and services

Company-specific description

Regulatory incentives, such as the production tax credit for wind and investment tax credit for solar, have enabled the growth of our renewable tax equity project finance business. State tax credits, performance-based incentives, and Renewable Energy Credits further support the market.

Time Horizon

Current

Likelihood

Likely

Magnitude of impact

Medium-low

Potential financial impact

\$1,200,000,000

Explanation of financial impact

This opportunity increases the amount of financing we provided to clients. Potential financial impact is based on our 6-year average of financing that supports renewable energy and clean technology. Estimate focuses on renewable energy opportunities that can be affected by change in regulation, and not broader sustainable finance initiative.

Strategize to realize opportunity

Via our top company goals, we are committed helping to accelerate a transition to a low-carbon economy. As such, we announced a \$200B sustainable finance goal, which help to raise awareness of our intent and attract customers in this space. We support the opportunity with dedicated staff of more than 25 clean tech and renewable energy finance experts who help customers directly, and indirectly through other lines of businesses as demand for low-carbon products increases.

Cost to realize opportunity

\$5,000,000

Comment

Estimated to be \$5 million annually of costs beyond business as usual.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Customer

Opportunity type

Markets

Primary climate- related opportunity driver

Other

Type of financial impact driver

Other, please specify (Improved competitive positioning)

Company- specific description

As a nationwide, diversified, community-based financial services company with 8,600 locations, 13,000 ATMs, offices in 42 countries and territories (to support customers who conduct business in the global economy) and serving one in three households in the U.S., there is opportunity for us to deepen relationships with customers by supporting them during natural disaster events, especially those with greater intensity due to climate change (e.g. droughts, fires, floods, etc.).

Time horizon

Current

Likelihood

Likely

Magnitude of impact

Low

Potential financial impact

\$5,000,000

Explanation of financial impact

The potential financial impact is difficult to measure and the initial estimate disclosed here needs further assessment. However, it is based on calculating the change in goodwill from 2016 to 2017, and then discounting that number by 90% to recognize this is one of many efforts that can contribute to creation of goodwill.

Strategy to realize opportunity

Through extensive business continuity planning, we attempt to account for the safety of our team members, reduce operational down time and help customers. For example, in the U.S. we maintain disaster-relief vehicles equipped with: ATMs, built-in generators, communication capabilities. The vehicles enhance services to customers after disasters by being able to get just about anywhere to serve them.

Cost to realize opportunity

\$2,000,000

Comment

Cost of management is integrated into existing budgets. It is estimated to be less than .01% of our total salaries, which were more than \$17.4 billion in 2017 as reported in our Annual Report.

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Type of financial impact driver

Other, please specify (Increased demand for products & services)

Company- specific description

Preparation for and response to climate-change induced natural disasters result in greater construction, conservation and other business activities. Wells Fargo has the opportunity to provide financing to support these efforts.

Time horizon

Current

Likelihood

Likely

Magnitude of impact

Medium-low

Potential financial impact

\$14,000,000,000

Explanation of financial impact

This opportunity increases the amount of sustainable financing we provide to clients, which is about \$14 billion per year in finance opportunities based on our 2012-2017 average of environmental finance activities. This is an indicator of estimated financial implications. Projects funded either directly or indirectly contribute to climate adaptation efforts.

Strategy to realize opportunity

We aim to accelerate the transition to a lower-carbon economy by working together with our customers to finance and invest in sustainable opportunities; and by exploring new opportunities to develop products and solutions that advance sustainability. For example, expansion of our environmental finance capabilities include: Environmental Finance, Clean Tech Group, Sustainable Public Finance; as well as these product offerings: renewable energy finance (i.e. PPAs), solar lease products, green bonds, financing for electric and hybrid vehicles and more.

Cost to realize opportunity

\$100,000

Comment

About \$100k for tracking and monitoring of environmental finance goal. Other costs are integrated into existing budgets and are estimated to be less than .01% of our total salaries, which were more than \$17.4 billion in 2017 as reported in our Annual Report.

Describe where and how the identified risks and opportunities have impacted your business.

➤ **TCFD: Strategy recommended disclosure b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.**

	Impact	Description
Products and services	Impacted	We expect the magnitude of the impact to be medium-low. Many of the products and services we offer today can support low-carbon business opportunities. In recognition of customer demand, we continue to innovate and enhance our products and services. We have expanded products and services and increased expertise and capacity to help our customer finance low-carbon solutions, climate adaptation, and recovery efforts. This includes, for example product to support solar projects, support for power purchase agreements, dedicated staff to support clean technology customers, and greater investments in disaster preparedness and recovery. It also includes enhancements to our Wells Fargo Asset Management business, which is increasingly viewing investments from environmental, social and governance perspectives, including considerations associated with climate change.
Supply chain and/or value chain	Impacted	We expect the magnitude of the impact to be low. We increased due diligence in our supply chain to better understand, address risks and opportunities associated with climate change within our supply chain. In addition, we identified 210 suppliers, which represent 67% of our 2017 controllable spend, to join CDP supply chain program beginning in 2018.
Adaptation and mitigation activities	Impacted	We expect the magnitude of the impact to be medium-low. We have invested in mobile disaster relief vehicles and resources. And we are investing \$10MM in our newly established Resilient Communities program to help communities build capacity for resiliency, or implement US-based resiliency projects focused on fire in the west, water in the central region, and sea-level rise on the east coast.
Investment in R&D	Impacted	We expect the magnitude of the impact to be medium-low. Wells Fargo's commitment to, and strategy around, addressing climate related risks and opportunities has led to investments in tools and internal expertise. In partnership with key stakeholders, service providers, and subject matter experts, Wells Fargo has; (i) expanded efforts to develop ESG products within our asset management business; (ii) developed (and continue to refine) the environmental and social risk rating grid to evaluate all mining, energy, and arms and armaments clients for relevant performance; (iii) implemented a proprietary carbon risk assessment tool to evaluate utility clients for climate performance; (iv) created innovative financial products geared specifically to renewable and clean tech clients; (v) expanded our Innovation Incubator (IN2) designed to help clean technology companies advance from the laboratory to the marketplace.
Operations	Impacted	We expect the magnitude of the impact to be medium-low. Sustainability considerations are integrated into our operations and part of business as usual with continual improvement. We have invested in enhancing the efficiency of our operations, and ensuring that our company is well positioned to succeed in a low-carbon economy. Examples include: <ul style="list-style-type: none"> • We meet 100% of our global electricity needs with renewable energy • 28% of our facilities by square footage are Leadership in Energy and Environmental Design (LEED®) certified • We are implementing our Environmental and Social Risk Management policy in our lending and investment decisions • We support a corporate culture that encourages environmental sustainability and have achieved 83,500+ commitments.

Describe where and how the identified risks and opportunities have factored into your financial planning process.

- **TCFD: Strategy recommended disclosure b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning**

	Relevance	Description
Revenues	Impacted	We expect the magnitude of the impact to be medium. We have issued a sustainable finance commitment to provide \$200 billion in sustainable finance from 2018 to 2030. This is our fourth such goal, and Wells Fargo was the first financial institution in the U.S. to issue an environmental finance goal. That trend setting goal was established in 2006. Ability to carry out goal affects associated revenues. At the same time, we have also realized an 85% decrease in our coal mining commitments since 2012. Hence our short-term revenues are impacted in both directions.
Operating costs	Impacted	We expect the magnitude of the impact to be low-medium. Impacted operating costs are expansive. Included are costs associated with risk and opportunities associated with climate change that cover: <ul style="list-style-type: none"> • teams that manage climate change risks (i.e. Chief Sustainability Officer, Environmental Social Risk Management team, etc.) • teams that seize related business opportunities (i.e. Clean Tech Group, Renewable Energy team, etc.), including underwriters and risk managers • legal and compliance teams that reviews associated contracts and disclosures • marketing and communications teams that support sustainability initiatives • technology teams that support reporting and analytics • vendors that help us track greenhouse gas emissions and assess climate risks • rent is impacted as we are making better use of existing office space • utility costs are impacted as we are seeking to maintain our efforts to meet 100 % of electricity needs with renewable energy. Those are just a few examples to illustrate that operating costs are impacted.
Capital expenditures / capital allocation	Impacted	We expect the magnitude of the impact to be low. The allocation of our capital expenditures has shifted. Avoided costs and efficiencies gained through operational sustainability investments have enabled us to delay or avoid capital expenditures, or further support investments in our operations. For example, investments in efficiencies in data centers have helped us avoid the need to build new ones. Investments in shifts in the way we view, use and manage office spaces has led to consolidation of spaces and reduced need for new ones.
Acquisitions and divestments	Not evaluated	
Access to capital	Not evaluated	
Assets	Impacted	We expect the magnitude of the impact to be medium-low. We have provided \$83 billion in lending and investments since 2012, and we seek to provide \$200 billion in sustainable finance from 2018-2030. Hence we are expecting to increase assets that are supportive of low-carbon economy.

	Relevance	Description
Liabilities	Impacted for some suppliers, facilities, or product lines	We expect the magnitude of the impact to be medium-low. As a financial institution, customer deposits are accounted for as liabilities on our balance sheet. Hence our liabilities could be affected if we lose depository customers. Efforts to attract and maintain depository customers that are concerned about climate change, are factored into financial planning decisions such as the establishment of our \$200 billion sustainable finance goal, investments in teams that support that goal, efforts to reduce our operational carbon footprint, and efforts to help communities mitigate and adapt to climate change.

C3. Business Strategy

C3.1

Are climate-related issues integrated into your business strategy?

- **TCFD: Strategy recommended disclosure b)** Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.

Yes

C3.1a

Does your organization use climate-related scenario analysis to inform your business strategy?

- **TCFD: Strategy recommended disclosure c)** Describe the resilience of the organization’s strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.

No, but we anticipate doing so in the next two years

C3.1c

Explain how climate-related issues are integrated into your business objectives and strategy.

- **TCFD: Strategy recommended disclosure b)** Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.

i. We conducted a Corporate Social Responsibility (CSR) materiality assessment to prioritize CSR risks and opportunities that are most relevant to our business value and our stakeholders. This process included interviewing our leaders and stakeholders, reviewing research, and more. It included consideration of forward-looking scenario analyses, including a 2 degree scenario, as well as the Paris Agreement which reflects global stakeholder interest and concerns about climate change. Results of the assessment influenced our business strategy to proactively support business practices that consider environmental/climate change risks and opportunities in all we do.

ii. Our business strategy has been influenced to include the following statement in our top six corporate goals, “We want to..., accelerate the transition to a lower-carboneconomy and healthier planet.” It also includes enhancing our infrastructure to help us integrate environmental stewardship in our operations, products and services, philanthropy, corporate culture, and governance. It drives goal setting including establishment of \$200 billion sustainable finance commitment, commitment to meet 100% of electricity needs with 100% renewable energy, and commitment to disclose the carbon intensity of our lending and investment portfolios.

iii. The most substantial business decision made in 2017 that have been influenced by climate change is: a. We initiated the establishment of a new sustainable finance commitment, which was announced in 2018. It includes a commitment to further invest in sustainable finance with a goal of providing \$200B in finance by 2030, as well as a commitment to measure and monitor the carbon intensity of our credit portfolio, and to make progress on the implementation of Taskforce on Climate-related Financial Disclosure recommendations to further assess climate risks and opportunities

iv. The aspects of climate change that have influenced our strategy include: climate adaptation and mitigation, opportunities and risk, and reputation.

v. Our short term strategy has been influenced by considerations of climate change. Based on the findings of our materiality assessment we set 2016-2020 CSR goals, including goals that will help us advance a transition to a lower carbon economy. This includes a goal to disclose the carbon intensity of our lending and investment portfolios. The most important components of the medium-term strategy that have been influenced by climate change are:

- **Mitigation.** Efforts to lead by example and reduce our own GHG emissions have led to extensive efforts. We meet 100% of our global electricity needs with renewable energy, and have reduced our absolute Scope 1 and Scope 2 GHG emissions by 47% below 2008 levels. Through products and services we also support low/no-carbon projects initiated by us or by our customers.
- **Adaptation.** We have enhanced our business continuity and disaster preparedness efforts to include, for example, emergency vehicles, teams and plans to help team members and customers respond to extreme weather events. We have also implemented a “Resilient Communities” philanthropy program to help our communities adapt to our changing climate.
- **Reputation.** We seek to manage exposure to business activities that may result in reputational risk, including those linked to climate change, through implementation of our environmental and social risk management policy.
- **Opportunities.** Our research indicates 80+% of our customers are concerned about environmental issues and support our strategy and investment in “greener” activities and infrastructure. Plus, our customers are transitioning to a “greener” economy and we are helping them via finance. For instance, we estimate that about 75% of the commercial buildings we finance include environmental attributes such as LEED certification, ENERGY STAR, meet local “green” building codes, etc.

vi. Our long term strategy has also been influenced. In addition to including a desire to accelerate the transition to a lower-carbon economy in our top six corporate goals, we have established business teams and policies to help us implement that goal into the future– e.g. our Environmental and Social Risk Management (risk), and our Clean Tech Finance (opportunities) teams. Our strategy recognizes that climate change cannot be addressed overnight; transition to a lower-carbon economy is needed. During the transition period, we strive to manage risks and opportunities associated with financing a diversity of energy sources, while driving toward a lower-carbon economy.

vii. Our efforts are gaining us a strategic advantage over our competitors as we have become a leading financier for “greener” buildings, renewable energy and clean technology. As such we are positioned and eager to continue to help our customers succeed in the emerging “greener” economy. When our customers and communities do well, we do well.

C3.1g

Why does your organization not use climate-related scenario analysis to inform your business strategy?

- **TCFD: Strategy recommended disclosure c) Describe the resilience of the organization’s strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.**

Per our new sustainable finance commitment, we aim to implement the Taskforce on Climate-related Financial Disclosure (TCFD) recommendations to further assess climate risks and opportunities. This includes conducting climate-related scenario analysis. We are working with our industry peers to develop a methodology for conducting such analysis as it relates to lending and investments. We have also commissioned a third-party to help us more formally assess physical risks of climate change on our properties. Findings can be used to help us understand such risks as they may apply to collateral.

Implementation of TCFD recommendations can help us evaluate if our current risk considerations are sufficient for climate risks, or if enhancements are needed. Current practices cover scenario analysis associated with weather, regulation, reputation, transition and more. Current evaluations can cover climate-related topics, but are not necessarily specific to climate. For example, as part of our current risk management practices, we consider regulatory risks, weather related risks, reputational risk, transition risks and more.

Did you have an emissions target that was active in the reporting year?

- **TCFD: Metrics & Targets recommended disclosure c)** Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.

Absolute target

Yes

Provide details of your absolute emissions target(s) and progress made against those targets.

- **TCFD: Metrics & Targets recommended disclosure c)** Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.

Target reference number

Abs1

Scope

Scope 1+2 (location-based) +3 (upstream)

% emissions in Scope

100

% reduction from base year

45

Base year

2008

Start year

2008

Base year emissions covered by target (metric tons CO₂e)

1,947,162

Target year

2020

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

% achieved (emissions)

100

Target status

Underway

Please explain

Note that the Scope 3 component of our goal only includes air travel from Scope 3: Business travel. We surpassed our 2020 goal in 2017 by reducing our emissions 47% compared to the base year.

Provide details of other key climate-related targets not already reported in question C4.1/a/b.

- **TCFD: Metrics & Targets recommended disclosure a)** Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

Target

Renewable energy consumption

KPI - Metric numerator

Renewable energy purchased

KPI-Metric denominator (intensity targets only)

Base year

2016

Start year

2016

Target year

2017

KPI in baseline year

4.6

KPI in target year

100

% achieved in reporting year

100

Target Status

Underway

Please explain

We commit to purchasing renewable energy to power 100 % of our operations by 2017 with a transition to long-term agreements that fund new sources of green power by 2020.

Is this target part of an overarching initiative?

RE100

Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

Identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	22	60
To be implemented*	746	45,600
Implementation commenced*	753	44,600
Implemented	644	835,545
Not to be implemented	270	1,800

C4.3b

Provide details on the initiatives implemented in the reporting year in the table below.

Activity type

Energy efficiency: Building services

Description of activity

Other, please specify (LEED EBOM and conservation measures)

Estimated annual CO2e savings (metric tonnes CO2e)

7,500

Scope

Scope 1

Scope 2 (location-based)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)

\$1,741,400

Investment required (unit currency – as specified in CC0.4)

\$8,707,200

Payback period

4 - 10 years

Estimated lifetime of the initiative

6-10 years

Comment

Includes of our voluntary efforts to make our buildings more energy efficient via implementation of U.S. Green Building Council's LEED Existing Buildings Operation and Maintenance (EBOM) and systematic energy audits and energy conservation measures. This work affects our Scope 1 and Scope 2 emissions. Activities could include: LED lighting, one time and continuous commissioning, building operations training, defined set points, and energy performance measurement.

Activity type

Energy efficiency: Building services

Description of activity

Other, please specify (LEED New Construction and Commercial Int)

Estimated annual CO2e savings (metric tonnes CO2e)

3300

Scope

Scope 1

Scope 2 (location-based)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency - as specified in CC0.4)

\$720,200

Investment required (unit currency - as specified in CC0.4)

\$300,000

Payback period

< 1 year

Estimated lifetime of the initiative

6-10 years

Comment

Includes of our voluntary efforts to make our buildings more energy efficient via implementation of U.S. Green Building Council's LEED programs including New Construction and Commercial Interiors. This work affects our Scope 1 and Scope 2 emissions. Activities could include: LED lighting, light reflecting roofing materials, energy efficient glazing, increased insulation, active day lighting, highly energy efficient HVAC systems, etc.

Activity type

Other, please specify (Space optimization)

Description of activity

Not Applicable

Estimated annual CO2e savings (metric tonnes CO2e)

19,900

Scope

Scope 1

Scope 2 (location-based)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency - as specified in CC0.4)

\$4,211,600

Investment required (unit currency - as specified in CC0.4)

\$6,637,000

Payback period

1-3 years

Estimated lifetime of the initiative

Ongoing

Comment

Activity type is "space optimization." We consolidated just over two million from our corporate portfolio. This voluntary effort affects our Scope 1 and Scope 2 emissions. Efforts of this particular project have been fully implemented. However, efforts to identify and implement additional space optimization opportunities is ongoing.

Activity type

Low-carbon energy purchase

Description of activity

Other, please specify (Wind RECs)

Estimated annual CO2e savings (metric tonnes CO2e)

\$804,845

Scope

Scope 1

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency - as specified in CC0.4)

0

Investment required (unit currency - as specified in CC0.4)

\$689,000

Payback period

>25 years

Estimated lifetime of the initiative

< 1 year

Comment

We achieved our goal of sourcing 100% of our global electricity consumption from renewable sources in 2017.

C4.3c

What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Employee engagement	Our companywide Corporate Citizenship goal includes a commitment to accelerate a transition to a low-carbon economy. Sustainability and Corporate Responsibility team engages Wells Fargo lines of businesses and decision makers to make investment decisions that support that goal.
Employee engagement	We require our Green Teams to develop business plans so that their local and/or business line environmental initiatives contribute to and support our companywide Corporate Citizenship goal, which includes a commitment to accelerate the transition to a low-carbon economy.
Internal finance mechanisms	We identify emission reduction investments that meet our expected internal rate of return or other internal finance requirements – in other words we are able to make our GHG reduction investments “pencil out.” Investments in a software system that has automated the collection and reporting of energy and GHG information further supports our ability to continue to make financially responsible investment decisions.

C4.5

Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Company-wide

Description of product/Group of products

As a depository institution, we help customers avoid emissions via our operational practices. Customers can be assured that they are keeping their money in an institution that is reducing its greenhouse gas emissions. Our reduction in GHG emissions is reported via CDP, CSR report and on our website.

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (taxonomy is under development)

% revenue from low carbon product(s) in the reporting year

100

Comment

We utilize 100% renewable energy to meet our global electricity needs. We are enhancing the energy efficiency of our operations. Through our Wholesale Bank we lend to a diversity of industries, including high-carbon ones. Those continue to play a critical role in our global economy as the transition to a low-carbon economy takes place. We are working to accelerate that transition via our operational and lending practices. For example, financing clean tech and renewable energy companies while executing on our Environmental and Social Risk Management policy that helps us manage risks associated with lending to high-carbon customers, while seeking to help them make the transition as feasible. The product offering is one of thousands of products and services offered by Wells Fargo.

Level of aggregation

Product

Description of product/Group of products

Green Bonds Green bonds can directly help our customers reduce their Scope 1 and Scope 2 emissions by financing of projects and capital improvements intended to conserve energy or other natural resources. An estimate of emissions avoided is not currently available. Wells Fargo Securities is a member of the Green Bond Principles, a set of voluntary guidelines for the issuance of green bonds. Wells Fargo Securities can help corporate and municipal customers issue green bonds, as well as other such bonds; e.g. sustainability bonds, climate bonds, SDG bonds, and more.

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (Green bonds per Green Bond Principles)

% revenue from low carbon product(s) in the reporting year

0.05

Comment

The product offering is one of thousands of products and services offered by Wells Fargo. Assumes all green bonds support low-carbon initiatives; however more research is needed to understand the net result of various projects considering the lifecycle analysis of all inputs.

Level of aggregation

Product

Description of product/Group of products

Wells Fargo's Environmental Finance can directly help a third party reduce Scope 2 emissions. Through PPA's (Power Purchase Agreements, where Wells Fargo serves as a tax equity investor - i.e. we are directly investing in the project vs. providing a line of credit that can be used for multiple purposes) we reduce the upfront cost of capital needed to invest in solar systems. As such we help make it easier for third parties to take advantage of the benefits of solar energy - including reducing Scope 2 emissions, provided they choose to maintain the Renewable Energy Credits associated with their systems. Otherwise, the purchaser of the Renewable Energy Credits gets to make this claim. For example, across Wells Fargo's lending or investing portfolio, our solar and wind energy projects owned in whole or in part by Wells Fargo generated 7.9 % of wind and solar PV energy produced in the U.S. in 2017.

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product and avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (No existing taxonomy)

% revenue from low carbon product(s) in the reporting year

0.05

Comment

The product offering is one of thousands of products and services offered by Wells Fargo.

C5. Emissions methodology

C5.1

Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1, 2008

Base year end

December 31, 2008

Base year emissions (metric tons CO₂e)

145,684

Comment

Scope 2 (market-based)

Base year start

January 1, 2008

Base year end

December 31, 2008

Base year emissions (metric tons CO₂e)

1,702,450

Scope 2 (location-based)

Base year start

January 1, 2008

Base year end

December 31, 2008

Base year emissions (metric tons CO₂e)

1,702,450

C5.2

Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.

Defra Voluntary 2017 Reporting Guidelines

The Climate Registry: General Reporting Protocol

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

US EPA Climate Leaders: Direct Emissions from Municipal Solid Waste Landfilling

US EPA Climate Leaders: Direct HFC and PFC Emissions from Manufacturing

Refrigeration and Air Conditioning Equipment

US EPA Climate Leaders: Direct HFC and PFC Emissions from Use of Refrigeration and Air Conditioning Equipment

US EPA Climate Leaders: Indirect Emissions from Purchases/ Sales of Electricity and Steam

US EPA Climate Leaders: Direct Emissions from Stationary Combustion

US EPA Climate Leaders: Direct Emissions from Mobile Combustion Sources

C6. Emissions data

C6.1

What were your organization's gross global Scope 1 emissions in metric tons CO₂e?

- **TCFD: Metrics & Targets recommended disclosure b)** Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

Row 1

Gross global Scope 1 emissions (metric tons CO₂e)

85,830

C6.2

Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

Wells Fargo reports both a location based and market-based Scope 2 figure.

C6.3

What were your organization's gross global Scope 2 emissions in metric tons CO₂e?

- **TCFD: Metrics & Targets recommended disclosure b)** Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

Row 1

Scope 2, location-based

848,520

Scope 2, market-based (if applicable)

33,101

End -year of reporting period

Not Applicable

Comment

Per the GHG Protocol Scope 2 Guidance, Wells Fargo's market-based emissions account for Renewable Energy Certificates and supplier specific and residual mix emissions factors where available.

C6.4

Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No.

C6.5

Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.

➤ **TCFD: Metrics & Targets recommended disclosure b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.**

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

2,539,232

Emissions calculation methodology

These emissions are quantified using financial spend data. Enterprise wide financial expenditures for services and non-capital goods are disaggregated according to service sector. Service sectors that are already included in the Scope 1 and Scope 2 inventories, such as energy purchases, are removed to avoid double-counting of emissions. To the remaining financial information, representing Scope 3 purchased goods and services, we apply inflation and exchange rate adjusted emission factors from Annex 13 of Defra's "2012 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting." These emission factors represent cradle-to-gate emissions and use the 100 year GWPs from IPCC's Second Assessment Report.

Capital goods

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

519,977

Emissions calculation methodology

These emissions are quantified using financial spend data. Enterprise wide financial expenditures for capital goods are disaggregated according to service sector. To this financial information, representing Scope 3 capital goods, we apply inflation and exchange rate adjusted emission factors from Annex 13 of Defra's "2012 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting." These emission factors represent cradle-to-gate emissions and use the 100 year GWPs from IPCC's Second Assessment Report.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

155,513

Emissions calculation methodology

We use energy purchase activity data from global operations as the basis for calculating emissions in this category. Upstream emissions from fuel purchases are quantified using activity data and emission factors calculated using lifecycle analysis software. Upstream emissions from purchased electricity within the U.S. are also quantified using activity data and emission factors calculated using lifecycle analysis software. Outside of the U.S., upstream emissions from purchased electricity are quantified using emission factors from Defra's 2014 Guidelines. Within the U.S., Transmission and distribution (T&D) losses are calculated using % loss information and location-based emission factors from EPA's eGRID emission factors. Outside of the U.S., T&D losses are calculated using UK Defra's 2015 Guidelines. We use 100 year GWPs from IPCC's Fourth Assessment Report.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

82

Upstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Explanation

Not relevant: 1) There are limited remaining potential activities that could be under taken or influenced by Wells Fargo to further reduce meaningful Scope 3 emissions from our upstream transportation and distribution. 2) The estimated size of upstream transportation and distribution is limited relative to our total estimated Scope 3 emissions from our downstream transportation and distribution.

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

15,913

Emissions calculation methodology

Wells Fargo's Corporate Property Group compiles actual waste streams from locations serviced by waste haulers directly and estimates the waste stream in locations where the service is not directly managed using intensity factors developed using the actual data. These actual and modeled waste data is combined in order to cover the entire owned/leased portfolio. We then calculate waste emissions utilizing methodologies and emissions factors from Version 14

(updated March 2016) of EPA's Waste Reduction Model (WARM) tool. The WARM tool calculates emissions based on a lifecycle approach. Avoided emissions from recycling, incineration and composting are quantified through the WARM tool's baseline to alternative scenario comparison, but are not included in this Scope 3 emissions figure. We use 100 GWP from the IPCC's Fourth Assessment Report.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

58

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

96,951

Emissions calculation methodology

The Corporate Travel department gathers air travel mileage data (for long, medium and short haul flights) from our centralized corporate travel vendor. Emissions were calculated according to the Greenhouse Gas Protocol developed by the World Resources Institute and the World Business Council for Sustainable Development, using emissions factors from UK Defra's 2017 GHG Guidelines. Air emission factors selected do not incorporate radiative forcing impact and use 100 year GWPs from the IPCC's Fourth Assessment Report.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Employee commuting

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

621,923

Emissions calculation methodology

To calculate these emissions, Wells Fargo conducted surveys at 51 facilities, covering 31,000 team members, distributed geographically across our corporate footprint. The survey inquired about distance traveled by each team member, mode of transport used by each team member as well as how often the employees came to the office (including telecommuting / compressed work week options). The small group of outliers who traveled more than 100 miles to the office were excluded from the dataset. Working from this data, Wells Fargo then created a model to estimate the total GHG impact of team member commuting. Combining the survey data with Human Resource data, the average miles traveled per team member per channel per year were estimated for this population. This overall mileage was then converted to CO₂e using emission factors from EPA's Emission Factor Hub (March 2018) and assumed mileage per vehicle according to U.S. DOT national average statistics. Once CO₂e for the survey population was completed, the emissions were scaled to all employees in the company. The analysis used 100 year GWPs from IPCC's Fourth Assessment Report.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Explanation

Our definition of operational control for the Scope 1 and Scope 2 inventories includes leased assets. Thus, all of our upstream leased assets are included in the Scope 1 and Scope 2 inventories and are not relevant to the Scope 3 inventory.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Explanation

Our definition of operational control for the Scope 1 and Scope 2 inventories includes leased assets. Thus, all of our upstream leased assets are included in the Scope 1 and Scope 2 inventories and are not relevant to the Scope 3 inventory.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Explanation

Not relevant: None of Wells Fargo's sold products require further processing, therefore we do not produce Scope 3 emissions in this category.

Use of sold products

Evaluation status

Not relevant, explanation provided

Explanation

Fargo to further reduce meaningful Scope 3 emissions from our use of sold products (e.g. online banking services). 2) The estimated size of this category is limited relative to our total estimated Scope 3 emissions.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Explanation

We quantified emissions from this source for 2012 and found them to be insignificant in size. This category also does not meet the other criteria for relevance.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Explanation

We include all assets that we own and lease to other entities within the boundaries of our Scope 1 and Scope 2 inventories. Since downstream leased assets are already included in the Scope 1 and Scope 2 inventories, this category is not relevant to the Scope 3 inventory.

Franchises

Evaluation status

Not relevant, explanation provided

Explanation

Wells Fargo do not franchise any of our operations.

Investments

Evaluation status

Relevant, not yet calculated

Explanation

Wells Fargo is committed to tracking and measuring carbon associated with its lending and investments, per its recently announced Sustainable Finance Commitment.

C6.7

Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

C6.10

Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO₂e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.000010594

Metric numerator (Gross global combined Scope 1 and 2 emissions)

934,350

Metric denominator

unit total revenue

Metric denominator: Unit total

88,200,000,000

Scope 2 figure used

Location-based

% change from previous year

12

Direction of change

Decreased

Reason for change

The decrease was due primarily to emissions reduction activities such as energy efficiency efforts including implementation of LEED standard, use of centralized energy management systems, installation of highly energy efficient equipment and lighting systems; installation of low carbon energy: on-site solar, among others. Through a 12% reduction in total Scope 1 and Scope 2 emissions and a 0.1% decrease in revenue, we achieved the reported 12% revenue-normalized decrease in emissions from 2016 to 2017.

Intensity figure

0.009681306

Metric numerator (Gross global combined Scope 1 and 2 emissions)

934,350

Metric denominator

square foot

Metric denominator: Unit total

96,510,734

Scope 2 figure used

Location-based

% change from previous year

10

Direction of change

Decreased

Reason for change

The decrease was due primarily to emissions reduction activities such as energy efficiency efforts including implementation of LEED standard, use of centralized energy management systems, installation of highly energy efficient equipment and lighting systems; installation of low carbon energy: on-site solar, among others. Through a 12% reduction in total Scope 1 and Scope 2 emissions and a 2% decrease insquare footage, we achieved the reported 10% square footage-normalized decrease in emissions from 2016 to 2017.

C7. Emissions breakdowns

C7.1

Does your organization have greenhouse gas emissions other than carbon dioxide?

Yes

C7.1a

Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO ₂ e)	GWP Reference
CO ₂	73,363	IPCC Fourth Assessment Report (AR4 - 100 year)
CH ₄	149	IPCC Fourth Assessment Report (AR4 - 100 year)
N ₂ O	69	IPCC Fourth Assessment Report (AR4 - 100 year)
HFCs	12,249	IPCC Fourth Assessment Report (AR4 - 100 year)

C7.2

Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO ₂ e)
Africa	2
Asia Pacific (or JAPA)	1,581
Europe	159
Middle East	7
North America	84,071
South America	10

C7.3

Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By activity

C7.3c

Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO ₂ e)
Stationary combustion	5,075
Mobile combustion	68,506
Refrigerants and fire suppressants	12,249

C7.5

Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO ₂ e)	Scope 2, market-based (metric tons CO ₂ e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
Africa	31	31	30	0
Asia Pacific (or JAPA)	31,884	30,079	46,050	2,338
Europe	1,213	30	3,325	3,266
Middle East	87	87	134	0
North America	815,252	2,821	1,891,210	1,879,047
South America	53	53	198	0

C7.6

Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By activity

C7.6c

(Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based emissions (metric tons CO ₂ e)	Scope 2, market-based emissions (metric tons CO ₂ e)
Purchased electricity	845,771	30,352
Purchased chilled water	227	227
Purchased steam	2,522	2,522

C7.9

How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO ₂ e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption		Not Applicable		
Other emissions reduction activities	126,259	Decreased	11.9	All of the following emissions reduction activities contributed to the decrease recorded here: Target ed and proactive energy efficiency efforts in our buildings – i.e. implementation of U.S. Green Building Council’s LEED standards, use of centralized energy management systems, installation of highly energy efficient equipment and lighting systems, use of narrow set points and energy efficiency purchasing policies; the continuation of technology energy efficiency programs—i.e. server virtualization,

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Other emissions reduction activities	126,259	Decreased	11.9	(Continued) server decommission, data center facilities efficiency optimization, technology upgrades, data center consolidations and active power management of desktop computers; low carbon installations: on-site solar; and behavioral change programs - i.e. lights out campaigns, use of natural light and turning off computers when not in use. The eGRID2016 emission factors used for the 2017 GHG inventory are on average 7% lower than the eGRID emission factors used in our 2016 inventory. These emissions reduction activities resulted in a 126,529 MTCO2e decrease in Scope 1 and Scope 2 which was equal to a 11.9% decrease when compared to the 2016 Scope 1 and Scope 2 emissions 1,060,609MTCO2e. $(126259/1060609)*100= 11.9\%$

C7.9b

Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertakes this energyrelated activity
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from on-renewable sources	Total MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	393,240	393,240
Consumption of purchased or acquired electricity	Not Applicable	1,928,564	0	928,564
Consumption of purchased or acquired heat	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Consumption of purchased or acquired steam	Not Applicable	0	11,122	11,122
Consumption of purchased or acquired cooling	Not Applicable	0	1,261	1,261
Consumption of self-generated non-fuel renewable energy	Not Applicable	524	Not Applicable	524
Total energy consumption	Not Applicable	1,929,088	405,623	233,4711

C8.2b

Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or trigeneration	No

C8.2c

State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Diesel

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

7,531

MWh fuel consumed for the self-generation of electricity

Not Applicable

MWh fuel consumed for self-generation of heat

Not Applicable

MWh fuel consumed for self-generation of steam

Not Applicable

MWh fuel consumed for self-generation of cooling

Not Applicable

MWh fuel consumed for self- cogeneration or self-trigeneration

Not Applicable

Fuels (excluding feedstocks)

Motor Gasoline

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

8,147

MWh fuel consumed for the self-generation of electricity

Not Applicable

MWh fuel consumed for self-generation of heat

Not Applicable

MWh fuel consumed for self-generation of steam

Not Applicable

MWh fuel consumed for self-generation of cooling

Not Applicable

MWh fuel consumed for self- cogeneration or self-trigeneration

Not Applicable

Fuels (excluding feedstocks)

Jet Kerosene

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

10,855

MWh fuel consumed for the self-generation of electricity

Not Applicable

MWh fuel consumed for self-generation of heat

Not Applicable

MWh fuel consumed for self-generation of steam

Not Applicable

MWh fuel consumed for self-generation of cooling

Not Applicable

MWh fuel consumed for self- cogeneration or self-trigeneration

Not Applicable

Fuels (excluding feedstocks)

Fuel Oil Number 2

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

5,441

MWh fuel consumed for the self-generation of electricity

Not Applicable

MWh fuel consumed for self-generation of heat

Not Applicable

MWh fuel consumed for self-generation of steam

Not Applicable

MWh fuel consumed for self-generation of cooling

Not Applicable

MWh fuel consumed for self- cogeneration or self-trigeneration

Not Applicable

Fuels (excluding feedstocks)

Natural Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

360,511

MWh fuel consumed for the self-generation of electricity

Not Applicable

MWh fuel consumed for self-generation of heat

Not Applicable

MWh fuel consumed for self-generation of steam

Not Applicable

MWh fuel consumed for self-generation of cooling

Not Applicable

MWh fuel consumed for self- cogeneration or self-trigeneration

Not Applicable

Fuels (excluding feedstocks)

Propane Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

755

MWh fuel consumed for the self-generation of electricity

Not Applicable

MWh fuel consumed for self-generation of heat

Not Applicable

MWh fuel consumed for self-generation of steam

Not Applicable

MWh fuel consumed for self-generation of cooling

Not Applicable

MWh fuel consumed for self-cogeneration or self-trigeneration

Not Applicable

C8.2d

List the average emission factors of the fuels reported in C8.2c.

Diesel

Emission factor

22.53

Unit

lb CO₂e per gallon

Emission factor source

2017 Climate Registry Default Emission Factors (March 2017)

Comment

The 'average emissions factor' provided is an average of the lbs CO₂e per gallon of Stationary Diesel and the lbs CO₂ per gallon of Mobile Diesel. Wells Fargo calculates the CH₄ and N₂O associated with mobile fuel use using the CH₄ and N₂O emissions factors for Gasoline and Diesel vehicles provided by the Climate Registry.

Fuel Oil Number 2

Emission factor

22.95

Unit

lb CO₂e per gallon

Emission factor source

2017 Climate Registry Default Emission Factors (March 2017)

Comment

Jet Kerosene

Emission factor

21.7

Unit

lb CO₂e per gallon

Emission factor source

2017 Climate Registry Default Emission Factors (March 2017)

Comment

Motor Gasoline

Emission factor

19.357

Unit

lb CO₂ per gallon

Emission factor source

2017 Climate Registry Default Emission Factors (March 2017)

Comment

This emissions factor only accounts for the CO₂; Wells Fargo calculates the CH₄ and N₂O associated with mobile fuel use using the CH₄ and N₂O emissions factors for Gasoline and Diesel vehicles provided by the Climate Registry.

Natural Gas

Emission factor

127.8

Unit

lb CO₂e per million Btu

Emission factor source

2017 Climate Registry Default Emission Factors (March 2017); IPCC 2006 DEFAULT PER "Emissions Factor Database"; UNFCCC CRF Implied Emission Factor Natural Gas; 2012.

Comment

The 'average emissions factor' provided is an average of the US, all Canada, and all relevant international emissions factors used by Wells Fargo.

Propane Gas

Emission factor

12.56

Unit

lb CO₂e per gallon

Emission factor source

2017 Climate Registry Default Emission Factors (March 2017)

Comment

C8.2e

Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	862	862	862	524
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2f

Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.

Basis for applying a low-carbon emission factor

Energy attribute certificates, Renewable Energy Certificates (RECs)

Low-carbon technology type

Wind

MWh consumed associated with low-carbon electricity, heat, steam or cooling

1,879,047

Emission factor (in units of metric tons CO₂e per MWh)

0

Basis for applying a low-carbon emission factor

Energy attribute certificates, I-RECs

Low-carbon technology type

Wind

MWh consumed associated with low-carbon electricity, heat, steam or cooling

2,338

Emission factor (in units of metric tons CO₂e per MWh)

0

Basis for applying a low-carbon emission factor

Energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Wind

MWh consumed associated with low-carbon electricity, heat, steam or cooling

3,266

Emission factor (in units of metric tons CO2e per MWh)

0

Basis for applying a low-carbon emission factor

Off-grid energy consumption from an on-site installation or through a direct line to an off-site generator owned by another company

Low-carbon technology type

Solar PV

MWh consumed associated with low-carbon electricity, heat, steam or cooling

524

Emission factor (in units of metric tons CO2e per MWh)

0

Comment

Wells Fargo retains the environmental attributes of 524 MWh of the total produced and consumed renewable energy.

C9. Additional metrics

C9.1

Provide any additional climate-related metrics relevant to your business.

Description

Energy use

Metric value

2,331,433

Metric numerator

Total energy usage (MWh)

Metric denominator (intensity metric only)

% change from previous year

5

Direction of change

Decreased

Please explain

All of the following Emissions Reduction Activities contributed to the decrease recorded here: Targeted and proactive energy efficiency efforts in our buildings – i.e. implementation of U.S. Green Building Council’s LEED standards, use of centralized energy management systems, installation of highly energy efficient equipment and lighting systems, use of narrow set points and energy efficiency purchasing policies; the continuation of technology energy efficiency programs—i.e. server virtualization, server decommissions, data center facilities efficiency optimization, technology upgrades, data center consolidations and active power management of desktop computers; and behavioral change programs – i.e., lights out campaigns, use of natural light and turning off computers when not in use.

C10. Verification

C10.1

Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.

Scope

Scope 1

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

[Wells Fargo 2017 GHG emissions verif statement.pdf*](#)

Page/ section reference

Entire document

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

[Wells Fargo 2017 GHG emissions verif statement.pdf*](#)

Page/ section reference

Entire document

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

[Wells Fargo 2017 GHG emissions verif statement.pdf*](#)

Page/ section reference

Entire document

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope

Scope 3- all relevant categories

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

[Wells Fargo 2017 GHG emissions verif statement.pdf*](#)

Page/ section reference

Entire document

Relevant standard

ISO14064-3

C10.2

Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C8. Energy	Renewable energy products	ISO14064-3	Our renewable energy consumption is verified as part of our GHG emissions verification.

C11. Carbon Pricing

C11.1

Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

Does your organization use an internal price on carbon?

Yes

C11.3a

Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price

Other, please specify (Risk management)

GHG Scope

Scope 3

Application

Corporate structure that price is applied to (i.e., business units, corporate divisions, facilities) An annual carbon assessment is completed on our electric utility portfolio.

Actual price(s) used (Currency /metric ton)

36

Variance of price(s) used

\$36/metric ton CO2

Type of internal carbon price

Shadow price

Impact & implication

The price is used to evaluate the risk our customers are taking with their carbon emitting generation. We use \$36 per metric ton of CO2 in our assessment of potential credit commitments to relevant power industry companies. The price is included in assessment of operating costs. The price is based on the US Environmental Protection Agency's "societal cost of carbon" December 2016. That EPA document can be found here: https://www.epa.gov/sites/production/files/2016-12/documents/social_cost_of_carbon_fact_sheet.pdf

C12. Engagement

C12.1

Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers

Yes, other partners in the value chain

C12.1a

Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

% of suppliers by number

100

% total procurement spend (direct and indirect)

67

% Scope 3 emissions as reported in C6.5

67

Rationale for the coverage of your engagement

CDP participants were invited based upon a variety of factors designed to capture the most effective data. Suppliers of many sizes and industries are participating to develop short and long term development opportunities across our wide and diverse footprint.

Impact of engagement, including measures of success

We are anticipating that our suppliers invited to participate in CDP disclosure will begin to participate. Measures of success include number of suppliers that participate and the ability of the newly disclosed information to lead to greater engagement and efficiencies.

Comment

Percentage of suppliers shows the percentage of suppliers that met our selection methodology.

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Run an engagement campaign to educate suppliers about climate change

% of suppliers by number

50

% total procurement spend (direct and indirect)

33.5

% Scope 3 emissions as reported in C6.5

33.5

Rationale for the coverage of your engagement

CDP participants were invited based upon a variety of factors designed to capture the most effective data. Suppliers of many sizes and industries are participating to develop short and long term development opportunities across our wide and diverse footprint. Suppliers that participated in the trainings offered by Wells Fargo accepted the open invitation

Impact of engagement, including measures of success

Suppliers are trained on risks and opportunities associated with climate change, including ways they can help Wells Fargo and other companies reduce their carbon footprint. A measure of success is that a number of suppliers that were reluctant to respond to CDP now plan to participate thereby increasing engagement opportunities.

Comment

Percentage of suppliers shows the percentage of suppliers that met our selection methodology and participated in trainings hosted by Wells Fargo and facilitated by CDP.

C12.1b

Give details of your climate-related engagement strategy with your customers.

Type of engagement

Collaboration & innovation

Details of engagement

Run a campaign to encourage innovation to reduce climate change impacts

Size of engagement

23

% Scope 3 emissions as reported in C6.5

Please explain the rationale for selecting this group of customers and scope of engagement

Environmental and Social Risk Management (ESRM) team reviewed 136 oil and gas customers in 2017, and engaged in direct conversations with 17% of these customers on climate change commitments and related expectations. ESRM worked with industry associations such as Assoc. of Oil Pipelines (AOPL) to directly educate the entire member base on Wells Fargo ESRM expectations. Focusing on the 'higher risk' names within this subgroup of the Wells Fargo portfolio allows Wells Fargo to most efficiently: (i) engage clients that pose the most significant environmental and social risks to communities, (ii) address areas of financing that most directly contribute to reputational risk to Wells Fargo, (iii) strengthen critical areas of our portfolio to improve Wells Fargo resilience to environmental and social risks over medium and longer term time horizons, and (iv) work with clients to improve their performance and increase access to capital/minimize operational issues due to environmental and social topics. We are in the process of refining an approach to reporting on financed emissions and carbon intensity and intend to report on this topic more concretely moving forward.

Impact of engagement, including measures of success

Impact: moving the needle on environmental and social strategy and performance across companies engaged; closer relationships between Wells Fargo and clients; improved working relationships between ESRM and bankers; Wells Fargo positioned as more than just a bank, and the best in customer service tied to environmental and social guidance. Measures of success: # of client trainings/conversations/meetings; improvements in environmental and social risk rating over time; overall percentage of portfolios in high and medium-high reducing; improvements in carbon risk over time

C12.1c

Give details of your climate-related engagement strategy with other partners in the value chain.

Value chain partners included in this response are: team members, Wells Fargo management, nonprofit partners.

Our engagement strategy ensures that we gain a diversity of feedback from our stakeholders. We regularly conduct a CSR materiality analysis that helps us prioritize our efforts. The analysis engages senior management at Wells Fargo, and external stakeholders that represent topics such as environment, human rights, access to capital, and more. The analysis draws upon a broad reach of proprietary and public research, data from Sustainability Accounting Standards Board, Sustainable Development Goals, Taskforce on Climate-related Financial Disclosure and more. Engagement with stakeholders is conducted in person, and via email, phone and net meetings. Engagement helps us prioritize initiatives. Once initiatives are prioritized, we work across the company to set measurable goals. For example, we heard from stakeholders that it was not enough to report on our existing sustainable finance activities, but that a future indicator was needed. Hence, we established a 2030, \$200 billion sustainable finance goal that can be measured and reported over time. Engagement with stakeholders has also led us to commit to implementing Taskforce on Climate-related Financial Disclosure recommendations.

An example of ongoing engagement is the establishment of our Stakeholder Advisory Council to the Board of Directors. The Council surfaces emerging issues that may require greater attention. The Council includes an expert on environmental and climate change issues.

An example of ongoing engagement with team members is the development of an online tool that enables us to educate team members on actions they can take to support sustainability initiatives, as well as quantify the impact of those commitments –e.g. associated avoidance in greenhouse gas emissions. We have also formed an internal Environmental Stakeholder Advisory Council to provide feedback and input on ongoing environmental efforts and priorities.

An example of engagement with a nonprofit organization is our work with the National Fish and Wildlife Foundation. We have developed a \$10 million 2017-2020 program to help communities address issues of wildfires, floods, droughts, sea-level rise and capacity building for resiliency. The program was used as a platform to train Wells Fargo Community Relation team members about the importance of these issues to their communities. The program provides an opportunity for other nonprofits to submit grant requests, and proposals are awarded based on expected measurable outcomes, including social, economic and environmental considerations.

Another example of engagement with a nonprofit organization is our work with National Renewable Energy Laboratory. Companies selected for Innovation Incubator (IN2) participation receive up to \$250,000 in non-dilutive funding from Wells Fargo, technical support, and validation from experts at NREL's facilities in Golden, Colorado, and the opportunity to beta test at a Wells Fargo facility or with a strategic program partner. As of YE 2017, the program has funded 20 early-stage startups from across the country. Beta tests have been conducted within the Wells Fargo footprint, and the program has attracted national and international interest as a unique and successful model for accelerating the commercialization of environmentally beneficial technologies.

Stakeholders are selected based on level of influence and relevancy to our business. These engagements are equally prioritized with other stakeholders in our value chain, and success of engagements is based on our ability to maintain or exceed best practices with respect to integrating corporate social responsibility across our company.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

- Direct engagement with policy makers
- Funding research organizations
- Other

C12.3a

On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Other, please specify (Collaboration for climate solutions)	Support	Wells Fargo joined other financial institutions in a joint statement calling for leadership and cooperation among governments for commitments leading to a strong global climate agreement.	Statement was issued pre COP 21 to encourage a strong global climate agreement to provide greater market certainty, accelerate investment, drive innovation in low carbon energy, and create jobs.
Other, please specify (Collaboration for climate solutions)	Support	A Wells Fargo senior leader sits on the Advisory Board and another served on the Board of Directors of Envision Charlotte	Envision Charlotte serves as global model for public-private collaboration in support of environmental sustainability (which, of course, includes climate change solutions) for measurable community and economic results. http://www.envisioncharlotte.com/ .
Other, please specify (Collaboration for climate solutions)	Support	Executive vice president serves on the board of Cal-Start. A nonprofit organization who is dedicated to expanding and supporting a clean transportation industry.	Cal-Start works with business, fleets, and governments to develop and implement clean, efficient transportation solutions. They achieve this by focusing on technology commercialization, consulting, industry services and policy. For policy specific efforts and outreach, they have launched CalSTEP and also provide and advise on various state policies and incentives. We pay annual board dues.

C12.3d

Do you publicly disclose a list of all research organizations that you fund?

Yes

Provide details of the other engagement activities that you undertake.

We are a founding member of the Business Council on Climate Change's Corporate Climate Change Leadership Circle. We work with other corporations and the City of San Francisco to identify opportunities to work together to meet mutual climate change related goals.

Method of engagement: group

Topic of engagement: climate change

Nature of the engagement: collaboration

Actions that you are advocating as part of that engagement

- 1) collaboration among "Green Team" members of San Francisco-based businesses to accelerate initiatives through sharing of best practices and ideas,
- 2) energy efficiency education for San Francisco businesses and residents,
- 3) collaboration among San Francisco businesses and the City of San Francisco to work together to meet mutual climate change related goals.

Other engagement activities and associations include: We work with nonprofit organizations across the country to help them mitigate and/or adapt to climate change. As part of our 2016-2020 Corporate Social Responsibility effort, we set a goal to provide \$65 million in philanthropic funding to support organizations within our three philanthropic focus areas: 1) clean tech and innovation, 2) environmental education and 3) resilient communities. The first one aims to help speed up the commercialization of clean technologies. Funding has led to the launch of 20 clean tech businesses via our Innovation Incubator (IN2) program, which includes strong collaboration with the National Renewable Energy Laboratory. The second supports environmental education at K-12 schools, colleges and universities. The third works with the National Fish and Wildlife Foundation to foster resilient communities via strategic conservation projects and community capacity building. Importantly, Wells Fargo is a long-time supporter of GRID Alternatives in an effort to deliver the benefits of solar energy to low- to moderate-income households.

In addition:

- Wells Fargo supports and a senior vice president from Environmental Finance is on the Board of Advisors of University California Davis Energy Efficiency Center, which aims to accelerate the development and commercialization of energy efficiency technologies and to train future leaders in energy efficiency.
- Wells Fargo is a member of Sustainably Integrated Buildings and Sites (SIBS), which is a National Science Foundation (NSF) sponsored Industry / University Collaborative Research Center (I/UCRC). Wells Fargo supports SIBS via grants and a senior leader of Wells Fargo's sustainability efforts is the Chair of the Industry Advisory Board (IAB) the governing board for SIBS. SIBS provides research expertise in areas of architectural design, building science, construction, performance verification, and energy and performance modelling as they relate to high performance residential and commercial buildings and to mixed use developments.
- Wells Fargo is a member of the Environmental Bankers Association
- Wells Fargo is a member of American Council on Renewable Energy (ACORE)
- Wells Fargo is a member of American Wind Energy Association (AWEA)
- Wells Fargo is a member of Ceres
- Wells Fargo is a member of Equator Principles
- Wells Fargo is a member of Solar Energy Industry Association (SEIA)
- Wells Fargo is a member of RE100

C12.3f

What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Wells Fargo has a number of processes in place designed to help ensure consistency with respect to supporting activities that may influence climate change policy. Greater work is needed to ensure uniformity across the company. Direct activities related to climate change are limited to working collaboratively with organizations and cities that want to find positive solutions to climate change issues. In such cases, Wells Fargo's Sustainability and Corporate Responsibility team is engaged to help ensure consistency. Importantly, Wells Fargo's corporate values, as articulated in its Vision, Values and Goals and our environmental commitment, guide our decisions and priorities. We value doing what's right for our customers, for our communities and for our environment.

C12.4

Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

- **TCFD:** C12.4 does not align with a specific area, or recommended disclosure provided by the TCFD. However, it does align with the TCFD's primary aim to have climate-related information disclosed in financial filings.

Publication

In mainstream reports

Status

Complete

Attach the document

[2017 Annual Report \(PDF\)](#)

Content elements

Risks & opportunities

Other metrics

Other, please specify (stakeholder engagement)

Publication

In voluntary sustainability report

Status

Complete

Attach the document

[2017 Corporate Social Responsibility Report \(PDF\)](#)

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

Other, please specify (Stakeholder engagement)

Publication

In other regulatory filings

Status

Complete

Attach the document

[2018 Proxy Statement \(PDF\)](#)

Content elements

Governance

Strategy

Emissions figures

Emission targets

Other metrics

Publication

In voluntary communications

Status

Complete

Attach the document

[Environmental footprint of our operations \(PDF\)](#)

Content elements

Emissions figures

Emission targets

Other metrics

Publication

In voluntary communications

Status

Complete

Attach the document

[Sustainable finance commitment](#)

Content elements

Governance

Risks & opportunities

Other metrics

Other, please specify (Stakeholder engagement)

C14. Signoff

CFI

Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C14.1

Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Executive Vice President, Sustainability and Corporate Responsibility	Chief Sustainability Officer (CSO)

SC. Supply chain module

If you would like to do so, please provide a separate introduction to this module.

Wells Fargo is pleased to respond and to be engaged with our customers via the CDP supply chain process. We are also one of approximately 115 CDP supply chain members, and we are therefore asking that a portion of our suppliers also respond to CDP supply chain. Our responses to CDP's supply chain module are available via CDP.

*Available upon request, corporateresponsibility@wellsfargo.com