
Wells Fargo UK Modern Slavery Act Statement (FY 2020)

Introduction

As [defined*](#) (PDF) by the UK Government, modern slavery is a term used to encapsulate slavery, servitude, forced or compulsory labor, and human trafficking. With an estimated 40.3 million people worldwide in some form of modern slavery—and forced labor alone generating an estimated USD 150 billion dollars in illicit funds per year—the scale of modern slavery presents a global challenge. With this in mind, Wells Fargo & Company (“Wells Fargo” or “Company”) recognizes our responsibility to respect human rights in general, and consistent with the expectations of the UK Modern Slavery Act 2015 (“UK MSA”), to address modern slavery in our business operations and supply chain. Wells Fargo issues this statement in accordance with Section 54 of the UK MSA, covering our activities from the 2020 financial year. The statement gives an overview of our approach to addressing the issue of modern slavery in our business operations and supply chain.

About Wells Fargo

Wells Fargo & Company (NYSE: WFC) is a leading financial services company that has approximately \$1.9 trillion in assets, proudly serves one in three U.S. households and more than 10% of small businesses in the U.S., and is the leading middle market banking provider in the U.S. We provide a diversified set of banking, investment and mortgage products and services, as well as consumer and commercial finance, through our four reportable operating segments: Consumer Banking and Lending, Commercial Banking, Corporate and Investment Banking, and Wealth & Investment Management. Wells Fargo ranked No. 37 on Fortune’s 2021 rankings of America’s largest corporations. In the communities we serve, the company focuses its social impact on building a sustainable, inclusive future for all by supporting housing affordability, small business growth, financial health, and a low-carbon economy.

Wells Fargo Governance, Policies, and Training Related to Modern Slavery Risks

Governance: Wells Fargo recognizes the role our company has in preventing modern slavery from occurring in our businesses dealings and operations, including in our supply chain. The Wells Fargo Board of Directors’ Corporate Responsibility Committee (CRC) oversees, and our management directs, the Company’s significant strategies, policies, and programs on social and public responsibility matters, which is inclusive of sustainability and human rights.

In late 2020, Wells Fargo engaged a recognized expert in the field of business and human rights to assist us in conducting a corporate-level Human Rights Impact Assessment (HRIA). The HRIA is being conducted to determine the current salient human rights risks across our value chain, includes a specific focus on racial equity, and is being overseen by the Board’s CRC. The HRIA is intended to help identify opportunities for Wells Fargo to improve governance and practices related to managing human rights issues companywide, including those that may be associated with modern slavery and

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human trafficking. Wells Fargo intends to publicly report a summary of the HRIA results and potential actions that may be taken by Wells Fargo to address its findings.

In 2018, Wells Fargo launched an internal enterprise-wide Modern Slavery Working Group (MSWG) to formalize and bolster our efforts addressing the issue of modern slavery in our business operations and supply chain. Departments whose work might be affected by potential modern slavery risks participate in the MSWG. The MSWG mandate is to: 1) look for ways to continuously improve our practices regarding identifying, assessing, and addressing the risk of modern slavery, and 2) foster enhanced enterprise coordination in meeting disclosure requirements under the UK MSA.

Policies and Procedures: Guiding our overall efforts are, among other things, Wells Fargo’s [Human Rights Statement](#) (PDF), our [Code of Ethics and Business Conduct](#) (PDF), and the Business Roundtable’s [Statement on the Purpose of a Corporation](#)* (PDF) to which Wells Fargo is a signatory—all of which reinforce our strongly held belief that everyone has the right to freedom and security, and that no one should be held in servitude. In addition, Wells Fargo policies and/or public statements include the following human rights considerations:

- Our Environmental and Social Risk Management Framework and related policies build on Wells Fargo’s due diligence requirements, and help us identify, evaluate, and manage the environmental and social risks associated with our lending and investing for covered sectors.
- Our Code of Ethics and Business Conduct guides the actions and decisions of all Wells Fargo employees. We require employees to report suspicions or evidence of human rights abuses, and we provide them a confidential channel to do so. We do not tolerate retaliation against employees for providing information about suspected unethical or illegal activities, and/or possible violations of any Wells Fargo policies.
- Our internal reporting channels are designed to allow employees across the enterprise, including the Europe, Middle East and Africa (EMEA) region, to raise concerns without fear of retaliation. Reporting channels include local whistleblowing options. These include our confidential EthicsLine, a service through which concerns and suspected violations, including those related to modern slavery, can be reported anonymously, where permitted by local law, to Wells Fargo through third-party communication specialists. Employees and contingent resources at any location in the world can reach the EthicsLine by phone or online 24 hours per day, seven days per week. We expect employees and contingent resources to speak up and raise concerns via the EthicsLine, to their managers, or to our human resources team. In addition to our EthicsLine, Wells Fargo has in place a Security Response Center, an enterprise-wide service that employees and contingent resources around the world can contact 24/7 to report a range of security incidents.
- Our Financial Crimes Risk Management Program, policies, and procedures include requirements to conduct risk-based customer due diligence and report suspicious activity to appropriate authorities. These documents provide internal guidance that helps Wells Fargo to know our customers and assess the risk of clients carrying out financial crimes. The documents include red flags for identifying modern slavery and human trafficking. Through transactional monitoring and screening and employee referrals, Wells Fargo seeks to detect and report activity potentially linked to modern slavery and human trafficking.
- Our [Supplier Code of Conduct](#) (PDF) sets forth Wells Fargo’s expectations of its suppliers and their operations, including those related to modern slavery. Wells Fargo requires its suppliers and their employees and subcontractors involved in the provision of services to comply with all applicable laws relating to human rights, including those intended to eliminate modern slavery and human trafficking. We expect individuals in our supply chain to speak up, raise concerns, and report any suspicions or evidence of human rights abuses, including those related to modern slavery, via their employer; the Wells Fargo Supply Chain Management Contingent Resource

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Solutions Office; or the EthicsLine referenced above.

Training: All Wells Fargo employees are required to take annual financial crimes awareness training. This course presents basic concepts about fraud, anti-bribery and corruption, economic sanctions, the Bank Secrecy Act, and anti-money laundering, among others.

In the UK, under the Proceeds of Crime Act of 2002, human trafficking is considered an acquisitive crime. Wells Fargo provides training specifically in the EMEA region for all employees, which is designed to raise awareness of the UK MSA, provide high-level statistics about modern slavery and the need for employees to remain vigilant and raise any concerns via the appropriate channels.

Additionally, in 2020, members of the MSWG continued to raise awareness and provide internal MSWG trainings through a speaker series, which included training from Wells Fargo's in-house human rights expert as well as external guest speakers. Internal programs featured practical trainings to dive deeper into specific areas of modern slavery.

External trainings during 2020 included a presentation from Polaris, a leading nonprofit focused on modern slavery and the operator of the U.S. National Trafficking Hotline. The presentation was aimed at helping employees who were new to the topic understand what modern slavery is, providing examples of how modern slavery may be appear in the United States.

Wells Fargo's Financial Crimes Investigations (FCI) team also conducted learning sessions on human trafficking, featuring information collected through public data, non-governmental organizations (NGOs), discussions with the U.S. Department of Homeland Security, and case studies from FCI investigations. The sessions included sections on ways to help identify human trafficking, red flag indicators, and investigative tips using case examples. These learning sessions are provided on an ongoing basis as part of the Anti-Money Laundering (AML) New Hire Continuing Education and Learning Program curriculum, which is offered to AML new hires as well as tenured AML investigators who want a refresher course. FCI conducts this Human Trafficking Investigations course as a separate learning session for the entire division at least once a year. FCI has also discussed human trafficking trends on FCI's biweekly Financial Crimes Topics and Trends Training calls.

To stay current on trends and advances in the field, our Financial Crimes Risk Management (FCRM) team attends, presents, and hosts industry and law enforcement meetings and conferences on human trafficking. FCI also maintains an open line of communication with law enforcement agencies on human trafficking trends.

Wells Fargo continues to explore additional training opportunities aimed at helping employees better understand and respond to modern slavery and human trafficking risks within their functional roles.

Wells Fargo Human Rights Due Diligence and Risk Assessment Approach

Like other financial institutions, we take a risk-based approach in our due diligence activities, as described below.

Employees and Contingent Resources

As indicated above, all employees and contingent resources are encouraged to utilize our EthicsLine and the Security Response Center. As part of our efforts to improve our effectiveness, starting in 2019 and continuing into 2020, we have been working to help ensure that our reporting channels are designed to effectively respond to allegations of modern slavery that may surface across our value chain. Based on our findings, we work towards addressing gaps and increasing awareness among relevant personnel.

Supply Chain and Third-Party Risk

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In 2020, we expanded human rights and modern slavery recognition and mitigation capabilities within our third-party environment. Relevant content is embedded across our sourcing, contracting, and third-party risk programs and procedures, and aims to generally align with components of the United Nations Guiding Principles on Business and Human Rights (UNGP's).

For example, Wells Fargo's standard terms for supplier contracts were updated in August 2020 to help ensure suppliers and their personnel, including employees and subcontractors, comply with all laws relating to modern slavery.

In performing supplier due diligence and lifecycle management, a network of employees within our organization utilize a wide variety of sources and techniques, including publicly available data, internal research and non-public tools, direct supplier interactions, and proposal evaluation. In certain higher-risk scenarios, we engage dedicated human rights experts for evaluations. We are also active in various financial services industry forums to develop shared resources and best practices.

In the supply chain, our contracting approach requires suppliers, their personnel, and their subcontractors to comply with all laws and the provisions of our third-party agreements for products and services. Per our contract templates, suppliers are required to notify us about and remedy non-compliance by their personnel and subcontractors with relevant laws. Consistent with our contracting approach, we have the right to terminate a supplier contract for non-compliance with any provision of the contract. Wells Fargo's standard contract templates specifically obligate suppliers to perform background screening of all personnel and subcontractors involved in the provision of services.

Our contracting approach requires suppliers to conform to new obligations resulting from a change in law. We also generally include contractual rights in our templates to audit and conduct risk assessments of our suppliers, including performance of the services during the term of the engagement. We regularly review our contract templates and work with our suppliers to establish contractually binding terms consistent with our approach on modern slavery.

Corporate Properties

Wells Fargo's Corporate Properties Group (CPG) manages Wells Fargo's real estate footprint across the U.S. and in 31 countries, supporting thousands of Wells Fargo workplaces and bank branches. In 2020, CPG proactively strengthened standard language related to child labor and modern slavery in legal contracts for India and the Philippines (IP) built-to-suit construction projects to allow Wells Fargo greater oversight on these topics. Additionally, a scope of work that includes proactive fact-finding and verification of vendors' worker recruitment experience, legal support, and third-party subject matter expertise is under development for Wells Fargo's international construction management portfolio, which is anticipated to be tested in initial markets. We believe that our proactive approach will help better identify modern slavery risk in a project's supply chain. Wells Fargo aims to take learnings from the initial markets and apply them to future projects across the Wells Fargo portfolio with the goal to better understand and reduce modern slavery risk through process improvements and performance verification best practices.

Customers and Clients

Wells Fargo coordinates business data intelligence to monitor customers, transactions, products, channels, and businesses for involvement in human trafficking. The Company employs both generic and dedicated programs in this space. Generic programs aim to identify unusual behavior, while the dedicated program monitors red flags

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specific to human trafficking. The findings from these programs are reviewed, and if suspicious activity is identified, it is reported to legal authorities. In 2018, Wells Fargo implemented an updated version of the program. This version utilizes feedback from different internal and external resources, including new transactional typologies from external research. Wells Fargo aims to continue this programmatic evolution to capture current risks. Wells Fargo has also been testing ideas for further monitoring and engaging in industry collaborations on this topic. In 2019 and continuing into 2020, the Financial Crimes team took the additional following steps:

- **Super Bowl Human Trafficking Initiative:** For the past four years, Wells Fargo has participated in a joint initiative focusing on identifying and mitigating the rise of human trafficking around the National Football League's Super Bowl. Wells Fargo worked with the law enforcement taskforce assigned to cover the sporting event, as well as a nonprofit intelligence organization dedicated to combating human trafficking. These partners shared a combination of public data to identify any potential suspicious activity related to human trafficking for review.
- **Human Trafficking Suspicious Activity Reports (SARs):** The Financial Crimes Enforcement Network (FinCEN), a bureau of the United States Department of the Treasury that collects and analyzes information about financial transactions to combat financial crimes, released a new SAR form at the end of 2018 that includes a check box specifically for human trafficking. This makes it easier for law enforcement to identify SARs related to human trafficking, helps filers track how many SARs are being filed related to human trafficking, and allows for better trend analysis. FinCEN maintains a SAR Stats website that allows anyone to see how many SARs have been filed with FinCEN that have checked the human trafficking box. Wells Fargo continues to investigate and file SARs, specifically using the human trafficking check box, where appropriate.
- **Global Financial Investigations Unit (GFIU):** Wells Fargo recently became a member of the UK National Economic Crime Centre's Joint Money Laundering Intelligence Taskforce (JMLIT), a public/private partnership between law enforcement and the financial sector in the UK. JMLIT was established to provide for the exchange and analysis of information relating to money laundering and such wider threats as modern slavery and human trafficking.
- **Global Financial Crimes Intelligence Group (GFCIG):** In 2020, Wells Fargo's GFCIG utilized information provided by NGO partners and from negative news to identify Wells Fargo customers and customers of correspondent banks who might be connected to the illicit sex industry. These customers are reviewed for unusual activity and escalated to the appropriate businesses for further action if needed. Although GFCIG and NGOs worked remotely due to the COVID-19 pandemic, they continued to meet virtually to share human trafficking typologies and trends. In 2021, GFCIG expects to continue working with its NGO and financial institution partners to proactively identify typologies and trends that Wells Fargo can leverage to identify customers who may be involved in human trafficking. GFCIG will be a part of a financial crimes working group within Wells Fargo to enhance the Company's anti-human trafficking program.
- **Corporate Due Diligence Investigations (CDDI):** CDDI is the company's customer due diligence and background investigations solution supporting all major lines of business. CDDI supports investigations of new and existing customers and third-party relationships, managed both domestically and internationally, through non-U.S. branches or subsidiaries. In 2020, CDDI enhanced its adverse news screening process by adding additional terms related to modern slavery in order to better capture the risk.
- **Services for Survivors of Modern Slavery and Human Trafficking:** In September 2019, Wells Fargo became one of the original participants to the United Nations (UN) Finance Against Slavery and Trafficking (FAST) Survivor Inclusion Initiative (SII), which provides basic financial services—including checking and savings accounts

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and debit cards—to survivors of modern slavery and human trafficking. Members of our GFCIG team serve as points of contact for the SII. Throughout 2020, GFCIG worked with its Wells Fargo Consumer Banking colleagues to open accounts for survivors. GFCIG is working with survivors and support organizations to develop a program that helps address the special circumstances surrounding survivors and their accounts.

- **Transactional Risk & Intelligence Group (TRIG):** As part of the Commercial Banking business, the TRIG team conducts analyses of Wells Fargo customers operating in sectors with heightened risks of potential forced labor and sex trafficking, such as hotels/motels and personal care services. Activities during 2020 included transactional reviews of service industry customers and assessing for potential forced labor and sex trafficking indicators. In response to modern slavery and forced labor concerns, the group also looked into indirect exposure to companies sanctioned by the U.S. Government due to abuse of the Uyghur minority in China, as well as goods manufacturers subject to Withhold Release Orders issued by U.S. Customs and Border Protection. The TRIG team takes appropriate actions with any identified unusual activity. TRIG also hosted internal stakeholder awareness sessions on human trafficking and modern slavery throughout 2020. For 2021, TRIG intends to maintain a priority focus on these areas through continued examination of known and emerging modern slavery and human trafficking typologies and development of proactive and reactive exposure analyses.

Environmental and Social Risk Management (ESRM): The ESRM team conducts enhanced due diligence for prospective and current corporate customers in selected sensitive industries, as defined by our ESRM Framework and related policies. ESRM policies prohibit Wells Fargo involvement in transactions where we become aware of evidence indicating forced labor, child labor, human trafficking, or any other type of modern slavery.

ESRM engages in continuous improvement efforts to enhance human rights due diligence. If a situation arises in which ESRM, through its due diligence, identifies heightened human rights or modern slavery risks, Wells Fargo takes proper action, which may include reporting activities to proper authorities and exiting existing relationships.

Collaboration with others

Many human rights challenges, including modern slavery, are systemic and cannot be solved by any single actor. We know we must collaborate with multiple stakeholders, both to learn from them and when appropriate, share best practices. In 2020, Wells Fargo participated in Business for Social Responsibility's (BSR) Human Rights Working Group—a cross-sector, collaborative initiative that helps more than 40 global companies implement the UNGPs. We were also part of the Thun Group of Banks, an informal group of bank representatives that works to understand how the UNGPs can be practically implemented within the financial sector.

Specific to modern slavery, we regularly engage with Polaris to stay updated on typologies and trends related to modern slavery in the United States, and we actively work with law enforcement and other financial institutions to combat financial crimes such as money laundering, which is often indicative of a criminal enterprise that also engage in human trafficking.

Wells Fargo is a founding member of the [U.S. Banks Alliance against Human Trafficking \(U.S. Banks Alliance\)](#) * (PDF) which was established in 2013 by The Thomson Reuters Foundation and the New York County District Attorney's Office. In 2014, the U.S. Banks Alliance produced a White Paper identifying a set of red flag indicators of customer behaviors that may indicate a link to human trafficking, and Alliance members committed to use the guidance to analyze their respective data and report suspicious activity. In September 2017, the Thomson Reuters Foundation reconvened the U.S. Banks Alliance—old members and new—to update the original White Paper for 2018. Wells Fargo collaborated with this group to produce a Toolkit of resources designed to support financial institutions in taking action against human trafficking.

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Wells Fargo also supports the Charlotte Triage Pro Bono Partnership (Triage), a collaboration of in-house and law firm lawyers supporting the legal aid needs in Charlotte, North Carolina, and a critical local resource for human trafficking victims. In 2020, 48 Wells Fargo employee volunteers made up more than 20% of the total human trafficking program volunteers. In addition, Wells Fargo co-hosted the organization's annual Triage Human Trafficking program's October 2020 continuing legal education course, training 75 attendees. With increased participation in the volunteer program and rising needs of survivors, Triage saw a doubling of need in 2020 compared to 2019, demonstrating that the pandemic and remote work have not been a barrier to serving this population.

Additionally, in 2020, the Wells Fargo Legal Department participated in a human trafficking pro bono project with a global law firm to create compendia of human trafficking laws across several countries. Over 35 attorneys, paralegals, and staff researched and wrote the compendia, which provides comprehensive information about the human trafficking laws in each country and is intended for use by policy makers, governments, companies involved in international supply chains, law enforcement, international and regional standard-setting organizations, and NGOs to fight trafficking and modern slavery. The Legal Department is also looking forward to continuing the pro bono work related to this project in 2021.

Improving Effectiveness

As we indicate in our Human Rights Statement, respecting human rights is a continuing effort. We are committed to assessing our practices regularly in light of the increasingly complex and difficult nature of this issue. With that in mind, during this next reporting year, Wells Fargo will explore ways to enhance our efforts to address modern slavery, and consistent with the expectations of the UK MSA, report on progress made.

This statement was reviewed and approved by senior leadership at Wells Fargo, then reviewed and approved by the Corporate Responsibility Committee of the Board of Directors on October 13, 2021, and has been signed by our CEO who sits on the Board.



Charles W. Scharf
CEO
Wells Fargo & Company

October 15, 2021

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Forward-Looking Statements

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

For more information about factors that could cause actual results to differ materially from expectations, please refer to our reports filed with the Securities and Exchange Commission (SEC), including the discussion under "Forward-Looking Statements" and "Risk Factors" in our 2020 Annual Report on Form 10-K as filed with the SEC and available on its website at www.sec.gov*.

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