

**WELLS  
FARGO**



*Corporate Responsibility Highlights*

**2019**

# WELLS FARGO



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Our commitment to strengthen Wells Fargo guides our efforts to make our company simpler, more straightforward, and accountable; and empowers us to contribute meaningful solutions to pressing societal challenges such as climate change and housing affordability.

Wells Fargo & Company (NYSE: WFC) is a diversified, community-based financial services company with \$1.9 trillion in assets. Founded in 1852 and headquartered in San Francisco, Wells Fargo ([wellsfargo.com](https://www.wellsfargo.com)) provides banking, investment, and mortgage products and services, as well as consumer and commercial finance.

- 7,400 locations\*
- 13,000 ATMs\*
- 260,000 active, full-time equivalent team members\*
- 32 countries and territories\*
- 70+ million customers
- 10th Largest Public Company in the World\*\* (2019) *Forbes*
- 29th Biggest Company by Revenue in the U.S. (2019) *Fortune*
- Serves one in three U.S. households

\*Approximate totals as of Jan. 14, 2020

\*\*Based on sales, profits, assets, and market value

## LETTER FROM OUR CEO

Our commitment to the people and communities in which we do business is ongoing, and our goal is to combine our resources, expertise, and ingenuity in order to move the needle on social and environmental issues which impact us all.

I was honored to be chosen to lead Wells Fargo because I believe this is an extraordinary company. As we publish this report in the wake of the global COVID-19 health crisis, there has never been a more urgent time than now for us to step up to support our customers, employees, and communities.

As we seek to balance the financial needs of customers with public health, we have taken actions such as implementing new social distancing guidelines across our operations and have instituted temporary closures where needed. For our customers, we have suspended residential property foreclosure sales, evictions, and involuntary auto repossessions. We are also offering fee waivers, payment deferrals, and other expanded assistance for credit card, auto, mortgage, small business, and personal lending customers who contact the company. For our employees, we have made several enhancements to our health care, child care, and time away benefits. We have also temporarily suspended new job displacements and provided a one-time cash award to approximately 170,000 U.S. and international employees and additional cash payments to front-line employees whose roles require they come in to the office to serve customers or other employees. For our communities, the Wells Fargo Foundation is accelerating \$175 million in donations to help address food, shelter, small business, and housing stability, as well as to provide help to public health organizations. A full list of actions can be found on our [website](#).

While it is critical that we respond to this global pandemic, we are also focused on building a stronger foundation for the company. Notably, we became a proud signatory of the Statement on the Purpose of a Corporation that was issued by the Business Roundtable in August of this past year. It's simple and straightforward, and it's a clear statement that businesses are responsible to a broad set of constituents. Like many companies, we are taking an active role in addressing important environmental, social, and governance (ESG) challenges, and we are constantly asking ourselves how we can improve these efforts to drive even more positive impact. For example, we believe we have a responsibility to do our part to support the transition to a low-carbon economy and to work with our customers and communities to address the risks of climate change. We are also dedicated to addressing the U.S. housing affordability crisis and committed \$1 billion in philanthropic capital to this cause.

I firmly believe we have a great future in front of us. We will continue to move with a sense of urgency as we strive to deliver value to all of our stakeholders.

Sincerely,



Charles W. Scharf  
CEO  
Wells Fargo & Company



# \$175m

*to help address food, shelter, small business, and housing stability, as well as to provide help to public health organizations during the COVID-19 crisis*

## DELIVERING VALUE TO OUR CUSTOMERS

Wells Fargo is committed to exceeding customer expectations and providing value to a range of customers across the economic spectrum. We continue to work hard to enhance the customer experience and rebuild trust by delivering the highest level of customer service and innovative product offerings.

### 2019 highlights



Originated \$33.8 billion in new purchase loans to 94,000 minority households as part of our diverse lending commitments

# \$15.6b

Originated \$15.6 billion in new purchase loans to more than 84,000 low- and moderate-income households

# 9.2m

customers provided with free access to their FICO® Score.

# A+

Wells Capital Management is a signatory to the Principles for Responsible Investment (since 2015) and achieved the highest possible score (A+) in strategy and governance in 2019<sup>1</sup>

# 2.7m

Helped 2.7 million customers avoid overdraft charges with Overdraft Rewind®

<sup>1</sup>Galliard Capital Management is also a PRI signatory, and submitted its first assessed report in 2019.



### ***Putting customers at the center of all we do***

Wells Fargo is focused on listening to customers, doing the right thing, and rebuilding trust. Throughout 2019, we undertook the important work of consolidating 18 individual business line complaint offices that included 3,400 team members into one Enterprise Complaints Management Office. This transformation allows us to react and respond to customer complaints more efficiently, and identify trends that reach across the enterprise as well as within

individual business units. Additionally, we began implementing the Net Promoter System® to proactively solicit customer feedback across our entire suite of products and services. Whether we provided exceptional service, or we didn't quite hit the mark, these insightful new programs allow us to improve the customer experience and support their financial success by listening and providing consistent, timely, and effective interactions.

## INVESTING IN OUR EMPLOYEES

Becoming the best company we can be takes employees working together, with a shared understanding of the importance of what we do and the way we go about it. We invest in our employees through meaningful training and education opportunities, and provide competitive pay and comprehensive benefits. We are committed to creating a diverse and inclusive culture that embraces new ideas and dignity and respect for all.

### 2019 highlights

**\$3.11b**

*invested in employee benefits programs, including health care, 401k, tuition reimbursement, and other benefits*

**900+**  
events

*Hosted first Dedicated Day of Service with 22,450 team members volunteering 93,000 hours at more than 900 events*

**16 weeks**

*Provided U.S. employees up to 16 weeks of paid parental leave for self-designated primary caregivers and up to four weeks of paid parental leave for self-designated nonprimary caregivers*

**57%**

*of Wells Fargo's U.S. workforce is female*



*Launched a new learning platform, Develop You, to support the career growth and development of our employees*

**45%**

*of Wells Fargo's U.S. workforce is ethnically/ racially diverse*



### ***Honoring former and current military personnel***

Wells Fargo is a military-friendly employer that recognizes veterans and service members for their leadership, discipline, experience, and skills. More than 8,800 employees self-identify as veterans, and Wells Fargo is committed to increasing its veteran team member population further. In 2019, Wells Fargo supported the Veterans on Wall Street® Symposium in New York. More than 400 military members, corporate and government leaders, and veterans

attended the symposium to learn about ways military veterans can further grow career and business opportunities in the financial services industry. Additionally, to help veterans integrate into careers at Wells Fargo, the North Carolina Veterans Team Member Network established a buddy program to support newly hired veterans - whether it's understanding benefits, acronyms, or culture – the buddy is there to help.

## DEALING FAIRLY AND ETHICALLY WITH OUR SUPPLIERS

Strong relationships with our suppliers enhance the value of the products and services we offer our customers, and create long-lasting collaborative relationships within our communities. We firmly believe our supplier's actions and reputation are an extension of our own. We expect our suppliers to demonstrate strong values and ethical practices and to respect human rights.

### 2019 highlights



*Named to Women's Business Enterprise National Council (WBENC) Top Corporation Hall of Fame for our commitment to women-owned businesses, including \$392 million spent with women-owned businesses*

40%

*Increased capacity building support to small and diverse businesses by 40%, helping more than 700 diverse entrepreneurs*



*Reviewed our sourcing templates to align with our expectations for suppliers related to environmental sustainability and modern slavery concepts*

200

*Engaged more than 200 suppliers on sustainability and climate change through surveys, customized training, and one-on-one debriefs*

\$1b+

*Spent more than \$1 billion with certified, diverse-owned suppliers for the sixth consecutive year*



### ***Hudson Yards construction project showcases supplier diversity***

The historic multi-year, multi-use redevelopment project at Hudson Yards in New York City exemplifies Wells Fargo's commitment to integrating diverse suppliers into our sourcing process. During the build out of nearly a half-million square feet of new office space, Wells Fargo worked with more than 35 local, diverse-owned businesses, spending \$145 million or 45% of the total budget. Once complete, the office, retail, recreational, and residential space

at Hudson Yards is expected to add nearly \$19 billion annually to the city's gross domestic product according to Appleseed, a New York consulting firm that provides economic research to government and other clients.

“Our commitment to the people and communities in which we do business is ongoing, and our goal is to combine our resources, expertise, and ingenuity in order to move the needle on social and environmental issues which impact us all.” — CHARLES W. SCHARF





## SUPPORTING OUR COMMUNITIES

Economic mobility and income disparity have become critical issues worldwide, particularly for lower-income communities and people of color who may lack access to adequate housing, stable jobs, or affordable financial products. Leveraging our resources and business expertise, Wells Fargo collaborates with public- and private-sector organizations to accelerate economic opportunity in underserved communities with a strategic focus on housing affordability, small business growth, financial health, and other local community needs.

### 2019 highlights



Team members volunteered 1.9 million hours to help our neighbors succeed and communities thrive

\$455m

Invested in grants to unlock economic opportunity for people and communities across the U.S. and internationally

1.3m

visitors to Wells Fargo's Hands on Banking® financial education websites

**LIECHTENSTEIN INITIATIVE** | FINANCE AGAINST SLAVERY & TRAFFICKING

Joined the Finance Against Slavery and Trafficking's new Survivor Inclusion Initiative to help survivors of modern slavery access financial services

\$1b

Committed \$1 billion in philanthropic capital to address the U.S. housing affordability crisis through 2025



### ***Growing jobs and the economy with diverse small businesses***

Empowering diverse small businesses is a direct and impactful way to stimulate job growth. Wells Fargo is a leading small business lender for loans under \$1 million, according to Community Reinvestment Act data. In 2019, philanthropic capital for community development financial institutions supported more than 107,000 loans. Through Wells Fargo's Diverse Community Capital (DCC) program, small businesses owned by people of color, immigrants, women,

veterans, and the LGBTQ community, among others, have been empowered to create or sustain more than 79,000 jobs and to rebuild small businesses in places like Puerto Rico, California, Florida, and North Carolina after natural disasters and wildfires.

## PROTECTING THE ENVIRONMENT

Wells Fargo is committed to accelerating the transition to a low-carbon economy, and helping our customers and communities become more resilient in the face of a changing climate. To this end, we are embedding sustainability throughout our business — deploying capital to advance renewable energy, clean technology innovation, and sustainable businesses and projects; enhancing resource efficiency and resiliency in our physical assets; and collaborating with leading institutions and thought leaders to drive climate solutions.

### 2019 highlights

15

Expanded the scope of Wells Fargo Innovation Incubator (IN2) to include sustainable agriculture and housing solutions, adding 15 new companies to the program



Intend to meet 100% of our global electricity needs with renewable energy<sup>1</sup> and entered into our largest long-term renewable energy purchase to date

~\$26b

Provided ~\$26 billion in financing to sustainable businesses and projects to accelerate the transition to a low-carbon economy; bringing our cumulative total to ~\$49 billion of our \$200 billion commitment

42m

Exceeded 42 million square feet of LEED certified projects and enhanced building efficiency with LED lighting upgrades across 400 sites and almost 4,000 programmable thermostats across 900 sites



Wells Fargo Asset Management joined the Climate Action 100+, a coalition of institutional investors that seeks greater company disclosure around climate change risk and company strategy alignment with the Paris Agreement

<sup>1</sup>Renewable energy sources include on-site solar, long-term contracts that support net new sources of offsite renewable energy, and the purchase of renewable energy certificates (RECs).



### ***Wells Fargo Championship embraces sustainability***

Since 2003, Wells Fargo has delighted golf fans, Wells Fargo employees, PGA TOUR players, and the greater Charlotte community with its sponsorship of the Wells Fargo Championship. In 2019, Wells Fargo collaborated with the Wells Fargo Championship and the Champions for Education to redefine what a green sporting event could be. Together, staff, vendors, and volunteers educated more than 189,000 spectators about waste diversion and climate

change. Through recycling, donating, and composting, the team increased waste diversion rates to 41% - up from 6% at the same event in 2018. As an example, Wells Fargo worked with a local customer to recycle single use plastic bottles into sustainable fabric for golf and sporting apparel. In addition to being a success from an environmental standpoint, the event earned the “Players Choice” award for the first time in its history.

## GENERATING LONG-TERM VALUE FOR SHAREHOLDERS

Wells Fargo delivers long-term shareholder value through our diversified business model, solid risk discipline, efficient execution, strong balance sheet, and an exceptional team dedicated to meeting the financial needs of our customers. We continue to focus on enhancing efficiency across the franchise, including further centralization and optimization to create a simpler and more collaborative Wells Fargo, realigning our businesses to more efficiently serve customers, and enhancing our risk management and controls.

### 2019 highlights

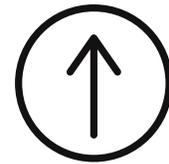
# 0.56%

Nonaccrual loans as a percentage of total loans declined to 0.56% in fourth quarter 2019, the lowest level in over 10 years

# \$30.2b

Returned a record \$30.2 billion to shareholders through common stock dividends and net share repurchases in 2019, while maintaining strong capital

- Reduced common shares outstanding by 10% in 2019
- Increased our quarterly common stock dividend to 51 cents per share, a 19% increase from 4Q18 to 4Q19



Grew both period-end loans and deposits in 2019 – loans up \$9.2 billion and deposits up \$36.5 billion

# \$19.5b

Generated net income of \$19.5 billion in 2019



## ***Shareholder engagement***

Wells Fargo is committed to effective engagement with shareholders. Throughout the year, we participate in active outreach to institutional investors as well as hold engagement meetings with investors and other stakeholders at their request. In 2019, nine different members of the senior management team participated in thirteen industry investor conferences. We continued to look for new ways to engage with the investment community and in 2019

we hosted two On the Road with Wells Fargo events, where members of the leadership teams in Wholesale Banking and Consumer Banking met with and presented to analysts and investors.

## AWARDS

- 13th Top Company For Diversity (2019) *DiversityInc*
- 14th Top Company for LGBT Employees (2019) *DiversityInc*
- 21st best company for Latinas (2019) *LATINA Style*
- 5 Star Company, Corporate Inclusion Index (2019) Hispanic Association on Corporate Responsibility
- GEI member, 2020 Bloomberg Gender-Equality Index
- Leading Disability Employer Seal (2019) National Organization on Disability
- 2019 Military Friendly Employers®
- 2019 Military Spouse Friendly Employer®
- Top 50 most community-minded companies (2019) Points of Light
- Perfect Score – 100 Corporate Equality Index (2020, 17th year) Human Rights Campaign
- NeighborhoodLIFT® received the American Bankers Association Foundation's highest honor with its 2019 Community Commitment Award for Affordable Housing
- Wells Fargo Innovation Incubator (IN2) was part of Bloomberg's New Energy Economy Solutions for 2019 and received a 2019 Citizens Award from the U.S. Chamber of Commerce Foundation for Best Environmental Stewardship Program

For additional information please visit the [Corporate Responsibility](#) section of our website as well as [Wells Fargo Stories](#).

## ***About the report***

In line with our endorsement of the Business Roundtable's Statement on the Purpose of a Corporation, this highlights report provides an introduction to some of the ways in which Wells Fargo is working to address pressing societal challenges across our various stakeholders. Our full 2019, environmental, social, and governance (ESG) report and ESG performance data are expected to be published in the coming months and will provide greater detail on how we integrate ESG across the business.

## ***Forward-looking statements***

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

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

For more information about factors that could cause actual results to differ materially from expectations, please refer to our reports filed with the Securities and Exchange Commission (SEC), including the discussion under "Forward-Looking Statements" and "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2019, as filed with the SEC and available on its website at [www.sec.gov](http://www.sec.gov).

## ***Securities and Exchange Commission filings***

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

# WELLS FARGO

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