

# Wells Fargo: Climate Policy Engagement Overview

An investor briefing on Wells Fargo's climate-related policy engagement to aid shareholder voting decisions at its 2024 Annual General Meeting (AGM)

## Executive Summary

- Context: On April 30, 2024, Wells Fargo investors will vote on a shareholder resolution (see [here](#)) requesting the company's Board of Directors "analyze and report [...] on whether and how it is aligning its lobbying and policy influence activities and positions, both direct and indirect (through trade associations, coalitions, alliances, and other organizations), with its public commitment to achieve net zero emissions by 2050--including the activities and positions analyzed, the criteria used to assess alignment, and involvement of stakeholders, if any, in the analytical process." This briefing provides a summary of InfluenceMap's assessment of Wells Fargo's climate-related policy engagement and related disclosures.
- Direct Climate Policy Engagement: InfluenceMap analysis suggests that Wells Fargo's direct climate-related policy engagement is partially aligned with science-based pathways for achieving the goal of the Paris Agreement to limit warming to 1.5°C. While Wells Fargo has broadly positive top-line messaging on the [need to combat](#) climate change and the [need for government policy](#) to facilitate this, it has outlined objections to specific [climate disclosure](#) and [climate risk management](#) policies. Wells Fargo has however engaged positively on state level "anti-ESG" legislation, [opposing](#) an Iowa bill that would limit state contracts with financial institutions alleged to "boycott" fossil fuel companies.
- Indirect Climate Policy Engagement via Industry Associations: InfluenceMap analysis indicates that Wells Fargo likely holds memberships to 7 industry associations with climate-related policy engagement misaligned with delivering the 1.5°C goal of the Paris Agreement (ranked as a D or below by InfluenceMap's system), and 6 industry associations with partially aligned climate policy engagement (ranked B- to D+). Wells Fargo is a member of several industry associations ([US Chamber of Commerce](#), [Bank Policy Institute](#), [American Bankers Association](#)) that have actively opposed climate disclosure policies in California and at the US Securities and Exchange Commission (SEC). Wells Fargo's banking industry associations have worked to delay and dilute climate-related risk management guidance coming from federal regulators and global standard setters. Additionally, cross-sector associations like the [US Chamber](#), [California Chamber](#), and [Business Roundtable](#) have opposed US policy action on climate and advocated for permitting reform to facilitate the buildout of fossil fuel infrastructure.
- Accuracy of Climate Policy Engagement Disclosure: InfluenceMap analysis suggests that Wells Fargo has not published a complete account of its climate-related policy engagement on specific policies,

both directly and via industry associations. Wells Fargo has published a partial analysis of its direct climate policy engagement. Additionally, while the company has disclosed a list of its “principal” trade associations, it does not disclose details of these groups’ policy positions or engagement activities.

- **Climate Policy Engagement Review:** Wells Fargo has not published a review of its climate policy engagement activities in line with standards put forward by institutional investors as part of the 2022 [Global Standard on Responsible Climate Lobbying](#). The Global Standard highlights the need for companies to publish a detailed annual review to ensure that its climate policy engagement (direct and indirect via industry associations) is consistent with the 1.5°C goal of the Paris Agreement.

### Explainer: Assessing Wells Fargo’s Engagement on Both ‘Climate Policy’ and ‘Sustainable Finance Policy’

For financial sector companies, InfluenceMap considers relevant policy to include both ‘real economy’ climate policy (e.g. carbon taxes, emissions trading, renewable energy targets) and climate-related financial regulation, often called sustainable finance policy (e.g. climate risk disclosure, taxonomies, changes to investor duties). InfluenceMap assesses these two key areas separately, leading to two sets of metrics for financial sector companies. For this briefing, “climate-related policy” refers to both climate change and sustainable finance policy.

## Context: Shareholder Resolution on Climate Policy Engagement

Engagement with companies over their climate policy engagement is now firmly on the investor agenda on climate change. It is an integral part of the [Climate Action 100+](#) (CA100+) investor-engagement process, which now has over 700 investor signatories with a total of \$68 trillion in assets under management.

As a research partner to CA100+, InfluenceMap maintains a global system for tracking, assessing, and scoring companies on their engagement with climate change policy against Paris-aligned benchmarks. This system currently covers around 500 companies along with 250 of their key industry associations.

InfluenceMap refers to the UN's [Guide for Responsible Corporate Engagement in Climate Policy](#) as a guide for what constitutes engagement. This can include advertising, social media, public relations, sponsoring research, direct contact with regulators and elected officials, funding of campaigns and political parties, and participation in policy advisory committees.

This briefing provides an overview of Wells Fargo's direct and indirect climate-related policy engagement, along with its related disclosure and review processes, in advance of the shareholder resolution at its Annual General Meeting (AGM) on April 30th, 2024, summarized in Table 1 below.

**Table 1: Key information for shareholder resolution at Wells Fargo's 2024 AGM**

Resolution: Report on Wells Fargo's direct and indirect policy advocacy and its alignment with the company's goal of net zero by 2050			
Lead Filer:	Seventh Generation Interfaith Coalition for Responsible Investment	AGM Date:	April 30, 2024
Proposal Summary:  The full resolution text is available <a href="#">here</a> .	<p><i>"WFC Shareholders request that the Board of Directors analyze and report annually (at reasonable cost, omitting confidential and proprietary information) on whether and how it is aligning its lobbying and policy influence activities and positions, both direct and indirect (through trade associations, coalitions, alliances, and other organizations), with its public commitment to achieve net zero emissions by 2050--including the activities and positions analyzed, the criteria used to assess alignment, and involvement of stakeholders, if any, in the analytical process."</i></p>		

## Summary of Wells Fargo's Climate-Related Policy Engagement

Analysis of corporate climate policy engagement is a strong indicator of corporate governance and management-level thinking on the transition to a net-zero economy. Therefore, if a company's climate policy engagement is inconsistent with the Paris Agreement's 1.5°C goal, this suggests that the company's business model is not prepared for a low-carbon transition.

InfluenceMap's methodology, available on our website, uses seven publicly available data sources to gather evidence of company and industry association engagement on a range of climate-related policy streams ([climate change](#) and [sustainable finance](#)). Each item of evidence is scored against benchmarks based on the advice of [IPCC science](#) or the stated intentions of governments looking to implement the Paris Agreement. This process can result in hundreds of scored evidence items, providing a robust basis to assess the extent to which a company's climate-related policy engagement, and that of its industry associations, is Paris-aligned.

InfluenceMap's online Climate Change profile of Wells Fargo can be found [here](#) and Sustainable Finance profile can be found [here](#). The analysis of Wells Fargo's industry association relationships, including detailed profiles for each association, can be explored via the "Details of Relationship Score" tab. An overview of this assessment is provided in Table 2 below.

**Table 2: Overview of InfluenceMap's assessment of Wells Fargo**

InfluenceMap Metric	Climate Policy	Sustainable Finance Policy	Explanation
Performance Band	C	D+	Performance Band (A+ to F) is a full measure of a company's climate policy engagement, accounting for both its own engagement and that of its industry associations. A+ indicates full support for Paris-aligned climate policy, with grades from D to F indicating increasingly obstructive climate policy engagement.
Organization Score	68%	57%	Organization Score (0 to 100) expresses how supportive or obstructive the company is towards climate policy aligned with the Paris Agreement is, with scores under 50 indicating misalignment with the Paris Agreement
Relationship Score	45%	46%	Relationship Score (0 to 100) expresses how supportive or obstructive the company's industry associations are towards climate policy aligned with the Paris Agreement, with scores under 50 indicating misalignment with the Paris Agreement.
Engagement Intensity	10%	15%	Engagement Intensity (0 to 100) is a measure of the level of policy engagement by the company, with scores above 12 indicating active engagement, and scores above 25 indicating highly active or strategic engagement.

## Summary of Wells Fargo's Direct Climate-Related Policy Engagement

InfluenceMap's analysis of Wells Fargo's direct climate-related policy engagement is based on 72 independent datapoints, with 33 logged since 2022. Under InfluenceMap's system, recent evidence is heavily weighted in the calculation of metrics, as explained in the [methodology](#).

Wells Fargo's top-line messaging on climate-related policy has been generally positive, supporting action to combat climate change and broadly supporting the need for government policy:

- In Wells Fargo's July 2023 [TCFD Report](#) the company stated support for action to achieve net zero by 2050, and in [testimony](#) to Congress in December 2023 CEO Charlie Scharf stated support for the goals of the Paris Agreement.
- In July 2023 [TCFD Report](#) Wells Fargo also stated the need for "supportive government policies" to achieve net zero by 2050.

State and federal lobbying disclosures show that Wells Fargo's engagement with climate-related policy goes further than what the company has detailed in its own reporting:

- In June 2022 [comments](#) to the US Securities and Exchange Commission (SEC), Wells Fargo supported the Commission's proposed climate disclosure rule with significant exceptions, objecting to proposed financial statement impacts disclosure provisions and encouraging increased flexibility in Scope 3 emissions disclosure. California [lobbying reports](#) show that Wells Fargo also engaged on SB 253 and 261 (climate risk and emissions disclosure bills) during Q1 of 2023, but details of Wells Fargo's engagement are unclear.
- Iowa lobbying reports show that Wells Fargo has engaged on state level "anti-ESG" legislation. In February 2023, Wells Fargo [registered in opposition](#) to Iowa HSB 180, a bill that would limit state contracts with financial institutions that are alleged to "boycott" fossil fuel companies. In January 2024, Wells Fargo [registered as "undecided"](#) on Iowa SSB 3094, a bill that would prohibit financial companies from using ESG factors in risk management.
- According to [federal lobbying reports](#) and Wells Fargo's own [TCFD reports](#), the company has engaged on the Inflation Reduction Act to "encourag[e] effective implementation" of the legislation, but further details of this engagement are unclear.

## Summary of Indirect Climate-Related Policy Engagement via Industry Associations

InfluenceMap's [LobbyMap](#) platform tracks and analyzes the climate policy engagement of over 250 industry associations, and InfluenceMap's [Sustainable Finance](#) platform tracks and analyzes the climate-related financial policy engagement of over 30 industry associations.

This section details InfluenceMap's analysis of some of Wells Fargo's key industry associations. Some industry associations, like the US Chamber and the Business Roundtable, have been scored on both climate change policy engagement and sustainable finance policy engagement. Others have been scored on only one type of engagement. A full ranking table of Wells Fargo's industry associations, including links to each association's online profile, is available in Appendix A.

- InfluenceMap analysis indicates that Wells Fargo likely holds memberships to 7 industry associations with active climate-related policy engagement misaligned with delivering the 1.5°C goal of the Paris Agreement (ranked as a D or below by InfluenceMap's system), and 6 industry associations with active climate-related policy engagement partially aligned with delivering the 1.5°C goal of the Paris Agreement (ranked B- to D+).
- Wells Fargo is a member of several industry associations ([American Bankers Association](#), [Securities Industry and Financial Markets Association](#)) that have actively opposed climate disclosure policies in California and at the US Securities and Exchange Commission (SEC). Wells Fargo's banking industry associations have worked to delay and dilute climate-related risk management guidance from federal regulators and global standard setters. Additionally, cross-sector associations like the [US Chamber](#) and [Business Roundtable](#) have opposed US legislative and regulatory action on climate, and advocated for permitting reform to facilitate the buildout of fossil fuel infrastructure.

Table 3 gives an overview of four key industry associations with examples of recent climate-related policy engagement. Detailed profiles for all of Wells Fargo's industry associations can be explored via the links in the table, Appendix A, or the "Details of Relationship Score" tab on Wells Fargo's climate change [here](#) and sustainable finance profile [here](#).

Table 3: Evidence of recent climate-related policy engagement by a few of Wells Fargo's key industry associations

Industry Association	Performance Band (Climate)	Performance Band (Sustainable Finance)	Examples of recent climate-related policy engagement
US Chamber of Commerce	E	F	<ul style="list-style-type: none"> <li>February 2024: Supporting HR 7176, a <a href="#">bill</a> that would repeal Biden Administration restrictions on liquified natural gas (LNG) export licenses.</li> <li>October 2023: Advocating to <a href="#">reduce the stringency</a> of proposed US Corporate Average Fuel Economy (CAFE) standards.</li> <li>2022-2024: Actively opposing climate disclosure policies at the <a href="#">SEC</a> and in <a href="#">California</a>, including <a href="#">bringing a lawsuit</a> to challenge California's climate disclosure laws.</li> </ul>
Institute of International Finance (IIF)	N/A	D-	<ul style="list-style-type: none"> <li>May 2023: Supporting <a href="#">continued investment</a> in unabated fossil fuels, including suggesting that gas is a "transition" fuel.</li> <li>May 2023: <a href="#">Suggesting</a> that climate-related risks do not present a "near-term material threat" to global financial stability and <a href="#">cautioning</a> insurance supervisors against pursuing "non-prudential objectives in relation to climate" or imposing transition plans on insurers.</li> </ul>
Business Roundtable	D+	E	<ul style="list-style-type: none"> <li>March 2024: Joining the US Chamber and ExxonMobil in <a href="#">pursuing litigation</a> that would limit shareholder rights, <a href="#">asserting</a> that the SEC's stance on shareholder proposals has "encouraged a new surge of ideologically driven proposals".</li> <li>August 2023: Opposing the ambition of the US Environment Protection Agency's <a href="#">proposed</a> power plant rules.</li> <li>July 2023: Supporting <a href="#">congressional efforts</a> to reverse SEC guidance and rulemaking that expands shareholder rights.</li> </ul>

Bank Policy Institute	N/A	C-	<ul style="list-style-type: none"> <li>■ 2022-2023: Not supporting climate disclosure policies in <a href="#">California</a>, at the <a href="#">SEC</a>, and at the <a href="#">International Sustainability Standards Board</a> (ISSB). Specifically opposing Scope 3 emissions disclosures.</li> <li>■ 2022-2024: Advocating for less ambitious climate-related risk management principles at US federal financial regulators, including the <a href="#">Office of the Comptroller of the Currency</a>, <a href="#">Federal Deposit Insurance Corporation</a>, the <a href="#">Federal Reserve</a>, and at the <a href="#">New York</a> State Department of Financial Services. <a href="#">Cautioning</a> against regulation that “gets ahead of the science” and <a href="#">suggesting</a> regulatory efforts to incorporate climate risk into banks’ risk management are unnecessary.</li> </ul>
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## Disclosure and Review of Climate Policy Engagement

The [Global Standard on Responsible Climate Lobbying](#) - instigated by investors and launched in March 2022 - is the leading best practice framework for climate policy engagement disclosure. The Global Standard sets out 14 indicators covering disclosure, governance and oversight processes to ensure alignment between a company’s climate policy engagement and delivering the 1.5°C goal of the Paris Agreement.

In September 2023, InfluenceMap’s methodology to assess corporate disclosures on climate policy engagement was formally updated in line with the Global Standard and stakeholder input. InfluenceMap has two distinct assessments of disclosures:

**Accuracy of Climate-Related Policy Engagement Disclosure:** An assessment of the accuracy of a company’s reporting on its direct and indirect (via industry associations) climate-related policy engagement activities.

- InfluenceMap analysis suggests that Wells Fargo has published a [partial account](#) of its own climate-related policy engagement on specific policies. Wells Fargo has disclosed engagement on the US Securities and Exchange Commission’s (SEC) climate disclosure rule and the Inflation Reduction Act, but has [omitted](#) other instances of climate-related policy engagement including state level climate disclosure ([California](#)) and anti-ESG ([Iowa](#)) bills, and [climate risk management principles](#) proposed by the US Office of the Comptroller of the Currency (OCC).



- InfluenceMap analysis suggests that Wells Fargo has *not published* an account of its industry associations' climate-related policy engagement on specific policies. While Wells Fargo has *disclosed* a list of its "principal" industry associations, the list contains no details of climate-related policy engagement and excludes groups that are engaged on climate-related policy including the *California Chamber of Commerce* and the *Association for Financial Markets in Europe* (AFME).

Corporate Climate Policy Engagement Review: An assessment of the quality and robustness of a company's process to identify, report on, and address specific cases of misalignment between its climate policy engagement activities and delivering the 1.5°C goal of the Paris Agreement.

- Wells Fargo does not appear to have published a review of its climate policy engagement. The Global Standard on Responsible Climate Lobbying highlights the need for companies to publish a detailed annual review to ensure that its climate policy engagement (direct and indirect via industry associations) is consistent with the 1.5°C goal of the Paris Agreement. To date, at least 50 North American companies have *published* such a review.

## Appendix A: Ranking of Wells Fargo's Industry Association Memberships

The table below provides a ranking of Wells Fargo's actively engaged industry associations currently covered by InfluenceMap's database by Performance Band, i.e. a full measure of a company's climate-related policy engagement, accounting for both its own engagement and that of its industry associations. Detailed profiles for all industry associations can be explored via the links in the table.

Industry associations are categorized by InfluenceMap as having climate-related policy engagement that is aligned, partially misaligned or misaligned with delivering the 1.5°C goal of the Paris Agreement by Performance Band:

- Aligned = Performance Band A+ to B
- Partially Misaligned = Performance Band B- to D+
- Misaligned = Performance Band D to F

Industry Association	Performance Band (Climate)	Performance Band (Sustainable Finance)	IM Assessment
Clean Energy Buyers Alliance (CEBA)	B+	N/A	Aligned
UK Finance	N/A	C	Partially Misaligned
Securities Industry and Financial Markets Association (SIFMA)	N/A	C-	Partially Misaligned
Bank Policy Institute	N/A	C-	Partially Misaligned
International Swaps and Derivatives Association (ISDA)	N/A	D+	Partially Misaligned
European Banking Federation (EBF)	N/A	D+	Partially Misaligned
Association for Financial Markets in Europe (AFME)	N/A	D+	Partially Misaligned
Business Roundtable	D+	E	Partially Misaligned and Misaligned
Japanese Bankers Association (JBA)	N/A	D	Misaligned
American Bankers Association (ABA)	N/A	D	Misaligned
Managed Funds Association (MFA)	N/A	D-	Misaligned
Institute of International Finance (IIF)	N/A	D-	Misaligned
US Chamber of Commerce	E	F	Misaligned
California Chamber of Commerce (CalChamber)	F	N/A	Misaligned