



## Wells Fargo

Locations: California (HQ)

Industries: Banks, Diversified Financials

### RISK LEVEL:



High Risk

### DESCRIPTION:

Wells Fargo has canceled clients and cut off financing to some legal industries. The bank quit doing business with a private detention company, halted donations to Florida school scholarships due to religious differences, and cut off partnerships with oil and gas groups. Wells Fargo received a score of 100 on the 2023 Corporate Equality Index (CEI) from the Human Rights Campaign (HRC), a political stakeholder group. By complying with the HRC's controversial demands, Wells Fargo increases the risk of dividing employees, alienating customers and harming shareholders. The company covers transgender-related medical costs for its employees and their children and provides specific sexual orientation and gender identity-based benefits. It also uses sex and gender ideology criteria in employee recruitment, vendor selection, marketing, and philanthropic support. Wells Fargo forces employees to undergo multiple ideological trainings and uses its reputation, corporate funds, and political influence to support controversial sex and gender ideologies, organizations, and legislation. The company provides a benefits package for employees which covers travel/lodging costs for an abortion and transgender medical procedures for covered employees and dependents, including children. Wells Fargo is a member of Glasgow's Net Zero Alliance. The company opposed various state and local legislation intended to protect parental rights, girls' sports, bathroom facilities, and gendered spaces. The company is a member of the MCCA, indicating its focus on recruiting, retaining, and promoting employees based on race. For these reasons, Wells Fargo receives a High Risk rating.

### Corporate Weaponization

**Has denied service to customers, suppliers, or vendors due to their political views or religious beliefs OR corporately boycotts, divests, or sanctions regions, people groups, or industries.** **High Risk**

Wells Fargo has cut off business from the private detention and rehabilitation industry, including companies like GEO Group, after pressure from a leftist coalition angered at the Trump administration's immigration policy (1). Wells Fargo worked with the NRA for years and resisted social pressure to cut off the organization for some time, but Wells Fargo has recently had a "declining" relationship with the NRA (2)(3). Wells Fargo has instituted special "due diligence" procedures for the firearms and energy industries (4)(5). Nonetheless, the office of Texas Attorney General, Ken Paxton, certified in August 2023 that it had "not been able to determine that Wells Fargo has a policy or practice that discriminates against a firearm entity or firearm trade association" and allowed the bank to retain contracts with the state (6)(7). Ruger, a gun manufacturing company, has alleged that Wells Fargo discriminated against them and asked Texas state lawmakers to investigate why the AG's office found no policy of discrimination (8)(9). Moreover, Wells Fargo suddenly terminated a firearms dealer in Florida without a specific reason after 14 years of managing the corporate account, giving the owner one month to find a new bank (10). Wells Fargo received a score of 100 on the 2023 Corporate Equality Index (CEI) from the Human Rights Campaign (HRC), a political stakeholder group. The company recruits employees based on sexual identity issues. The company discriminates against vendors that do not promote divisive sex and gender policies, indicating it prioritizes sexual issues over merit (11)(12). A dozen state agriculture commissioners are investigating Wells Fargo, among other banks, for their ESG practices, particularly the bank's membership in the Net-Zero Banking Alliance (13)(14). Wells Fargo also canceled the accounts of conservative Christians who believe the decision was politically motivated, which the bank denies (15).

**Charitable giving (including employee matching programs) policies or practices discriminate against charitable organizations based on views or religious beliefs. High Risk**

Wells Fargo pulled funding from Florida scholarships over concerns about the religious convictions of schools receiving the funding (1). Wells Fargo will not give grants to religious organizations unless they are engaged in non-sectarian community work under a separate 501(c)(3) status (2). However, the bank gives to ideological groups like the Human Rights Campaign (HRC) (34).

**Employment policies fail to protect against discrimination based on political affiliation/views and/or religion. High Risk**

1). Wells Fargo's HRC 2023 CEI rating indicates the company forces employees to attend multiple, controversial trainings on gender identity, sexual orientation, and transgender issues. The company provides gender transition guidelines for its employees and a specific benefits guide with a comprehensive explanation of transgender services funded by the company (2)(3). Wells Fargo also requires anti-racism training for all managers (4). Wells Fargo has signed the CEO Action for Diversity and Inclusion pledge, which includes a commitment to promote DEI through bias education training in the workplace (5).

## Corporate Governance and Public Policy

**Uses corporate reputation to support ideological causes and/or organizations hostile to freedom of expression. High Risk**

Wells Fargo's HRC 2023 CEI rating indicates the company agrees to allow a controversial stakeholder group focused on sexual identity issues to dictate marketing or advertising strategy (1)(2). By doing so, the company risks dividing employees, alienating customers and harming shareholders. Wells Fargo was the first company to feature a same-sex couple in an ad campaign, and it also offers a transgender flag debit card (3)(4). It also advocates for the Equality Act and transgender participation in youth sports (5)(6). Wells Fargo opposed the Florida Parental Rights in Education Act, which would prohibit teaching gender identity and sexual orientation to kids in K-3rd grade (7). Wells Fargo requires anti-racism training for all managers, as well as compensation linked to improving (skin color) diversity (8). Wells Fargo also funded the Boise Pride event, which featured drag shows including children as young as 11 years old (9). Wells Fargo is part of the Net Zero Banking Alliance and a Ceres Network Member, committed to carbon neutrality by 2040 (10)(11)(12).13. Wells Fargo has signed the OneTen pledge to emphasize race in hiring (14). CEO Charles Scharf is a member of the Business Roundtable but has not supported ideological initiatives (15). Wells Fargo signed Orlando Economic Partnership's DEI pledge, committing themselves to fight systemic racism, prioritize the success of diverse people in its workplace, and ensure DEI "is a strategic imperative with demonstrated commitment and actions" (1617). Wells Fargo is no longer a signatory to the Equator Principles, an industry benchmark for assessing environmental and social risks in project-related finance. A spokesperson for the company said its "due diligence process will incorporate consideration of the Equator Principles for project financing, where we deem appropriate" (18).

**Uses corporate funds to advance ideological causes, organizations, or policies hostile to freedom of expression. High Risk**

Wells Fargo provides a benefits package for employees which covers travel/lodging costs for an abortion and transgender medical procedures for covered employees and dependents, including children (1)(2)(3)(4)(5). The company's HRC 2023 CEI rating indicates the company covers transgender related costs for its employees and their children, including paid short-term leave, puberty blockers, cross-sex hormones, chest surgeries, genital surgeries, medical visits and lab monitoring, travel and lodging. Additionally, the

company has pledged philanthropic support of at least one organization or event that promotes sex and gender ideology (6)(7). By allowing a political stakeholder group to dictate operations, the company increases health care costs and risks dividing employees, alienating customers and harming shareholders. Wells Fargo looks to fund charities that “promote diversity, equity, and inclusion and leverage racial equity/social justice and sustainability best practices and principles” (8). As part of these efforts, Wells Fargo committed \$210 million toward “racial equity in residential lending,” but only for Black clients (9)(10). Wells Fargo has given over a million dollars to the Gay and Lesbian Alliance Against Defamation. and funds other LGBTQ groups including the “HRC, Point Foundation, The Trevor Project, and Out & Equal Workplace Advocates” (11)(12). Wells Fargo is a Silver sponsor of Out and Equal and a founding corporate partner of the National LGBT Chamber of Commerce (13)(14)(15). The company is a member of the MCCA, indicating its focus on recruiting, retaining, and promoting employees based on race (16)(17).

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**Uses corporate political contributions for ideological, non-business purposes.**

**High Risk**

Wells Fargo’s HRC 2023 CEI rating indicates the company publicly advocated for controversial sex and gender ideology through local, state or federal legislation or initiatives (1)(2). By allowing a political stakeholder group to dictate operations, the company risks dividing employees, alienating customers and harming shareholders. Wells Fargo also donated to the Equality PAC (3)(4).

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