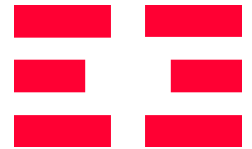




Wells Fargo

Locations: California (HQ)
Industries: Banks, Diversified Financials

RISK LEVEL:



High Risk

DESCRIPTION:

Wells Fargo is High Risk. The company yields to political activism in shaping corporate governance, potentially alienating consumers, dividing employees, and harming shareholders. The company implements race and identity-based policies that replace merit, excellence, and integrity with preferential treatment and outcomes. Wells Fargo embraces corporate initiatives that redirect its central focus from business goals to partisan policies and divisive issues. This approach fails to safeguard free exercise, free speech, and free enterprise.

Corporate Weaponization

Has canceled 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

In July 2022, West Virginia placed Wells Fargo on its Restricted Financial Institutions List for its “boycott of energy companies” according to its ESG policies and publicly available statements. The West Virginia State Treasurer will remove Wells Fargo from the list “if the institution demonstrates that it has ceased all activity that boycotts energy companies according to West Virginia Code §§12-1C-1” (1)(2). On May 3rd, 2023, Wells Fargo was placed on Oklahoma’s Restricted Financial Companies List for its boycott of energy companies as defined in 74 O.S. §12002(A)(I). After being placed on this list, Wells Fargo had 90 days to “cease engaging in the energy company boycott to avoid qualifying for divestment by the state governmental entity”. Wells Fargo has not ceased its boycott and therefore remains on the 2024 list (3)(4). 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 (5). 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 (6)(7). The company has instituted special “due diligence” procedures for the firearms and energy industries (8)(9). 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 (10)(11). 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 (12)(13). 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 (14). 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 (15)(16). Wells Fargo also canceled the accounts of conservative Christians who believe the decision was politically motivated, which the bank denies (17). On March 6th, 2024, a group of 16 Attorneys Generals sent a letter to Wells Fargo inquiring about its debanking policies, discriminatory hiring practices, and ESG policies that potentially discriminate against the energy sector and the bank’s clients who are not aligned with its net zero goals (18)(19). Wells Fargo’s HRC 2023-2024 CEI rating indicates the company recruits employees based on sexual identity. The company discriminates against vendors that do not promote divisive sex and gender policies, indicating it prioritizes sexual issues over merit (20)(21).

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). Wells Fargo's HRC 2023-2024 CEI rating indicates the company will not donate to non-religious charities unless they embrace controversial sexual identity policies (3)(4).

Employment policies fail to protect against viewpoint or other discrimination and/or are ideological in nature. High Risk

Wells Fargo's HRC 2023-2024 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 (1)(2). Wells Fargo requires anti-racism training for all managers, as well as compensation linked to improving (skin color) diversity (3). The company also requires anti-racism training for all managers (4). Wells Fargo does not provide viewpoint protections for its employees (5).

Corporate Governance and Public Policy

Uses corporate reputation to support causes, organizations, or policies hostile to freedom of expression. High Risk

Wells Fargo's HRC 2023-2024 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 LGBTQ Pride flag and transgender flag debit cards (3)(4). It signed an open letter in support of the Equality Act, a controversial bill (5). 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 (6). The company also funded the Boise Pride event, which featured drag shows including children as young as 11 years old (7). Wells Fargo is part of the Net Zero Banking Alliance and a Ceres Network Member, committed to carbon neutrality by 2040 (8)(9)(10). Wells Fargo has published a statement generally opposing state-level election security bills (11). Wells Fargo has signed the OneTen pledge to emphasize race in hiring (12). CEO Charles Scharf is a member of the Business Roundtable, which supports stakeholder capitalism over traditional shareholder obligations (13). 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" (14). Wells Fargo opposed various state and local legislation intended to protect parental rights, girls' sports, bathroom facilities, and gendered spaces (15). Wells Fargo opposed legislation in Iowa intended to protect parental rights, girls' sports, bathroom facilities, and gendered spaces (16). Wells Fargo CEO, Charles W. Scharf, signed the CEO Action for Diversity & Inclusion pledge, which includes a commitment to promote DEI through bias education training in the workplace (17)(18). The company also established "The Diverse Leaders Program" for team members who identify as Asian & Pacific Islander, Black/African American, Latino, or Lesbian/Gay/Bisexual/Transgender (LGBT). The program is a 3-day "leadership curriculum designed for team members to grow their leadership professionally and personally from a culturally relevant and sensitive perspective" (19). Wells Fargo offers LGBTQ Pride cards (20)(21). 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" (22).

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 2023-2024 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). Wells Fargo sponsored a luncheon event titled "From Black Panthers to Black Lives Matter, the Movement Continues" (15). The company is a member of the MCCA, indicating its focus on recruiting, retaining, and promoting employees based on race (16)(17). Wells Fargo is a partner of the HRC's Foundation (18).

Uses corporate political actions and/or financial contributions for ideological, non-business purposes. High Risk

Wells Fargo's HRC 2023-2024 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 donated to the Equality PAC but has not lobbied for ideological purposes (3)(4)(5).

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