



Office of the City Manager

CONSENT CALENDAR
May 23, 2023

To: Honorable Mayor and Members of the City Council
 From: Dee Williams-Ridley, City Manager
 Submitted by: Henry Oyekanmi, Director, Finance
 Subject: Contract No. 9367 Amendment: Banking Services with Wells Fargo Bank

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to continue the work of de-bundling the banking services with Wells Fargo and exercise a four (4)-year extension through May 31, 2027 for Contract No. 9367, in the amount of \$3,000,000, to ensure business continuity as the City completes the next phase of the ERP implementation which includes accounts receivable/general billing (AR/GB) modules. This will also allow adequate time to continue pursuing the effort to determine alternative banking and related services solutions.

FISCAL IMPACTS OF RECOMMENDATION

Executing the contract extension will give the City four additional years of banking services at a cost of \$3,000,000, for a total not-to-exceed amount of \$13,356,000 for the entire term of the agreement.

CURRENT SITUATION AND ITS EFFECTS

On July 14, 2020 the City Council approved a three-year extension of the Wells Fargo Contract No. 9367 for banking and related services. Even though the City has been successful in transferring its custodial services to a new vendor, technical and regulatory issues, including the collateralization of Public Funds requirement, have prevented the de-bundling of other banking services. Also, continued delays to the completion of the City's enterprise resource planning (ERP) software implementation have meant that the solicitation of new alternate vendors for banking services cannot proceed at this time.

BACKGROUND

In the summer of 2017, and upon direction from City Council, Finance department staff began working with the Mayor's Responsible Banking Task Force to begin planning for de-bundling the various individual banking services that Wells Fargo currently provides to the City. The result was a plan to issue requests for proposals (RFPs) for Procurement Credit Card (P-Card), Armored Courier Service, Merchant Services, Custodial Services and General Banking separately, to allow portions of the services to be bid on by other vendors. A major part of this collaboration was to develop submission requirements and

selection criteria against which to assess RFP respondents' history of ethical (or unethical) business practices and social responsibility, and to diversify various elements of the City's banking and related services away from the single incumbent provider (Wells Fargo).

As the analysis of de-bundling options progressed, it became apparent that there were a number of complex issues to be addressed in order to realistically assess the feasibility of de-bundling the various banking and related services.

The selection of alternate vendors for the various individual banking services have been delayed because of the complexity of disentangling related services, the difficulty of ensuring compliance with the social responsibility requirements desired by Council and the Banking Task Force, and delays to the implementation of the City's new ERP software. Additional information about the work of the Banking Task Force and the history of the City's banking services can be found in the attached reports.

POSSIBLE FUTURE ACTION

Once the ERP implementation is completed, issue RFPs for general banking services and a P-Card program. Also, research whether any new companies can meet our requirements for Armored Car services (currently incumbent provider is the only available option).

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

The City by adding the Social Responsibility Banking criteria demonstrates, directly and through its contractors, a commitment to having a positive impact on the environment.

CONTACT PERSON

Henry Oyekanmi, Director, Finance, 981-7326

Attachments:

- 1: Proposed Resolution
- 2: Wells Fargo Staff Report 7/14/2020
- 3: Wells Fargo Staff Report 5/1/2018
- 4: Responsible Banking Task Force Presentation
- 5: Wells Fargo Community Involvement Staff Report 6/28/2022

RESOLUTION NO. ##,###-N.S.

CONTRACT NO. 9367 AMENDMENT: CONTRACT WITH WELLS FARGO BANK, N.A.
FOR BANKING SERVICES

WHEREAS, on May 7, 2013 by Resolution No. 66,106-N.S., City Council authorized the execution of a contract with Wells Fargo Bank for the provision of banking services; and

WHEREAS, on June 17, 2017, the City amended the contract for one additional year for a not to exceed amount of \$5,177,500; and

WHEREAS, on May 25, 2018, the City amended the contract for two additional years for a not to exceed amount of \$7,249,000; and

WHEREAS, on July 14, 2020, the City amended the contract for three additional years for a not to exceed amount of \$10,356,000.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to exercise and execute an amendment to Contract No. 9367 extending the contract for four (4) additional years for a total not to exceed amount of \$13,356,000.



Office of the City Manager

CONSENT CALENDAR
July 14, 2020

To: Honorable Mayor and Members of the City Council
From: Dee Williams-Ridley, City Manager
Submitted by: Henry Oyekanmi, Director, Finance
Subject: Contract No. 9367 Amendment: Banking Services with Wells Fargo Bank

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to continue the work of unbundling the banking services with Wells Fargo and exercise the final three-year option period to extend Contract No. 9367 with Wells Fargo through May 31, 2023, in the amount of \$3,107,500 for a total of ten (10) year contract amount not to exceed \$10,356,000. This is to ensure business continuity and allow adequate time to continue pursuing the effort to determine alternative banking and related services solutions.

CURRENT SITUATION AND ITS EFFECTS

On April 25, 2017 the City Council approved a one-year extension of the Wells Fargo contract number 9367 for banking and related services. Contained in the [Information Report 4/25/17 Banking Services](#) submitted to City Council was a solicitation schedule proposed by staff to address the unbundling of services currently provided by Wells Fargo. The intent was to identify service elements that could be carved-out of the scope, bid out, and quickly transitioned to an alternate financial institution without disrupting the general financial services on which the City relies for its day-to-day financial operations.

As the work of unbundling has progressed, it has become apparent that there are a number of complex issues to be addressed, and the original timeline is not feasible.

In the summer of 2017, and upon direction from City Council, Finance department staff began working with the Mayor's Responsible Banking Task Force to begin planning for the Procurement Credit Card (P-Card), Armored Courier Service, Merchant Services and General Banking requests for proposals (RFP), and to develop submission requirements and selection criteria against which to assess RFP respondents' history of ethical (or unethical) business practices and social responsibility.

Procurement Credit Card/P-Card

Banking Task Force members were provided copies of RFPs for P-Card Services issued by the State of California and Alameda County. The contracts resulting from these RFPs contain cooperative purchasing provisions that would allow the City of Berkeley to "piggyback" to receive services and negotiated prices, terms and conditions without

conducting its own RFP. The Banking Task Force determined that neither the state nor county's RFPs included the specific criteria that council included in its May 2017 resolution and that the social responsibility claims of the company awarded the contracts – US Bank in both cases – could not be verified. It was further determined that the RFP for Armored Courier Services would be issued with the newly developed social responsibility language, submission requirements and selection criteria prior to the RFP for P-Card Services.

The RFP for P-Card services was initially supposed to be released in April 2018 with the social responsibility language, submission requirements and selection criteria developed by the Banking Task Force. Prior to releasing this RFP, the efforts to implement the new financial system ramped up. Phase 1 of this implementation was 'requisition-to-pay', with P-cards being slotted for phase 2. Numerous issues arose with the transition to the new ERP system which impacted the project timeline. The schedule is now revised to: phase 2 - payroll in July 2020, phase 3 - ARGB in July 2021, and phase 4 - P-card in January 2022.

Armored Courier Services

RFP No. 17-11144-C for Armored Courier Services was released to the public on October 23, 2017. Six companies serving the California market were identified and notified of the RFP, but only one company responded. The one response was vetted and evaluated by Staff, with participation of Banking Task Force members, and found lacking in specificity, especially in the area of social responsibility where the company ignored nearly all pertinent questions on the topic.

Staff spent several weeks canvassing non-respondents to determine why they did not participate in the City's RFP process. Feedback included: inability to meet City's service schedule at a competitive price; inability to make same day deposits; and notice did not reach the right person. Staff, with support of Banking Task Force members, decided to reject the one offer received and reissue the RFP for Armored Courier Service in April 2018. The reissued RFP yielded one respondent (Dunbar) who was awarded the contract but was subsequently bought out by Brinks, who was the prior incumbent service provider.

Merchant Services

The City is in the process of finalizing the schedule for phase 3 – ARGB implementation of the ERP system. Implementation is scheduled for July 2021. Once the implementation is completed, the City will commence with an RFP for Merchant services.

General Banking

The City Council previously authorized the implementation of a new Enterprise Resource Planning System ("ERP") system so as to improve business processes, gain efficiencies, simplify, and standardize use of City systems with a comprehensive ERP. The core financial components are projected to be fully functional in Fiscal Year 2022. Core

financial components should be substantially complete prior to the migration of banking services from Wells Fargo to another financial institution since data migration will be required based on the results of the solicitation process. A solicitation process in collaboration with the Banking Task Force is scheduled to begin on or about July 1, 2021. This would allow for sourcing, selection and implementation by the end of calendar year 2022, and outgoing transition requirements (for example, accounts must remain open for 9 to 12 months to allow for all transactions to terminate with the originating bank) through May 31, 2023. Resolution No. 66,106 dated May 7, 2013 authorized the City Manager to enter into a contract (#9367) with Wells Fargo Bank for banking and related services for a period of four (4) years for a not to exceed amount of \$4,142,000 with the option to extend the term for two additional three (3)-year periods, and to expend funds up to the not-to-exceed amount of \$10,356,000 for the entire ten (10) years. This is to exercise the final option of a three-year period of extension in the amount of \$3,107,500.

POSSIBLE FUTURE ACTION

Community Banks/Credit Unions

In furtherance of carving out segments of the City's banking services with Wells Fargo, the City is completing the process of investing in all credit unions located in the City of Berkeley. There are five (5) Credit Unions located in the City of Berkeley. The City is in the process of contacting each of them to conduct an initial assessment of their products that will allow the City to invest in their investment instruments. Prior to COVID-19, the City staff met with First United Credit Union, and staff will resume the meetings with the rest of the credit unions in Berkeley after shelter-in-place is lifted. This effort is to assist the local businesses that are serving the local community, which is one of the goals of the Mayor's Banking Task Force. The City will be investing the maximum FDIC allowable insured amount of \$250,000 in each credit union.

ENVIRONMENTAL SUSTAINABILITY

The City by adding the Social Responsibility Banking criteria demonstrates, directly and through its contractors, a commitment to having a positive impact on the environment.

FISCAL IMPACTS OF POSSIBLE FUTURE ACTION

There are fiscal and operational impacts in implementing a disaggregated approach to banking services. The carving out of services has led to an increase in staff resources and cost. The lump sum price that the City enjoyed for having a complete banking service package with Wells Fargo Bank will increase. The City will need to negotiate rates or look for other options to reduce the fiscal impact. There continues to be additional staff time in order to further disaggregate services and solicit bidders. Once re-solicited, implementation will also require additional resources as the City moves assets to a new Bank that will provide day to day services. The City is considered a level 2 Merchant; level 2 Merchants are merchants with more than one million to six million total credit card transactions annually. This level of activity means the City has extensive financial needs and requirements. These requirements need to be analyzed and all risk mitigated prior to, during and after implementation.

Banking Services with Wells Fargo Bank

ACTION CALENDAR
July 14, 2020

CONTACT PERSON

Henry Oyekanmi, Director, Finance, 981-7326

ATTACHMENT

1. Resolution

RESOLUTION NO. ~~##,###~~-N.S.

CONTRACT NO. 9367 AMENDMENT: BANKING SERVICES CONTRACT WITH
WELLS FARGO BANK, N.A. FOR BANKING SERVICES

WHEREAS, on May 7, 2013 by Resolution No. 66,106-NS, City Council authorized the execution of a contract with Wells Fargo Bank for the provision of banking services; and

WHEREAS, on June 17, 2017, the City amended the contract for one additional year for a not to exceed amount of \$5,177,500; and

WHEREAS, on May 25, 2018, the City amended the contract for two additional years for a not to exceed amount of \$7,249,000.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to exercise and execute the last three (3) year option of the current agreement for a total of ten (10) years contract amount not to exceed \$10,356,000 through May 31, 2023.



Office of the City Manager

ACTION CALENDAR
May 1, 2018

To: Honorable Mayor and Members of the City Council
From: Dee Williams-Ridley, City Manager
Submitted by: Henry Oyekanmi, Director, Finance
Subject: Banking Services with Wells Fargo Bank

RECOMMENDATION

Authorize the City Manager to continue the work of unbundling the banking services with Wells Fargo and exercise the final two years of the first three-year option period to extend Contract No. 9367 with Wells Fargo through May 31, 2020 in order to ensure business continuity and allow adequate time for new solicitation processes and implementation of new Banking Service providers.

CURRENT SITUATION AND ITS EFFECTS

On April 25, 2017 the City Council approved a one-year extension of the Wells Fargo contract #9367 for banking and related services. Contained in the [Information Report 4/25/17 Banking Services](#) submitted to City Council was a solicitation schedule proposed by staff to address the unbundling of services currently provided by Wells Fargo. The intent was to identify service elements that could be carved-out of the scope, bid out, and quickly transitioned to an alternate financial institution without disrupting the general financial services on which the City relies for its day-to-day financial operations.

As the work of unbundling has progressed, it has become apparent that there are a number of complex issues to be addressed, and the original timeline is not feasible.

In the summer of 2017, and upon direction from City Council, Finance department staff began working with the Mayor's Responsible Banking Task Force (Task Force) to begin planning for the Merchant Service/Procurement Credit Card (P-Card) and Armored Courier Service requests for proposals (RFP), and to develop submission requirements and selection criteria against which to assess RFP respondents' history of ethical (or unethical) business practices and social responsibility.

Task Force members were provided copies of RFPs for P-Card Services issued by the State of California and Alameda County. The contracts resulting from these RFPs contain cooperative purchasing provisions that would allow the City of Berkeley to "piggyback" to receive services and negotiated prices, terms and conditions without conducting its own RFP. The Task Force determined that neither the state nor county's

RFPs included the specific criteria that council included in its May 2017 resolution and that the social responsibility claims of the company awarded the contracts – US Bank in both cases – could not be verified. It was further determined that the RFP for Armored Courier Services would be issued with the newly developed social responsibility language, submission requirements and selection criteria prior to the RFP for P-Card Services.

RFP #17-11144-C for Armored Courier Services was released to the public on October 23, 2017. Six companies serving the California market were identified and notified of the RFP, but only one company responded. The one response was vetted and evaluated by Staff, with participation of Task Force members, and found lacking in specificity, especially in the area of social responsibility where the company ignored nearly all pertinent questions on the topic.

Staff spent several weeks canvassing non-respondents to determine why they did not participate in the City's RFP process. Feedback included: inability to meet City's service schedule at a competitive price; inability to make same day deposits; and notice did not reach the right person. The incumbent (whose service is provided under contract with Wells Fargo) has provided no feedback to date. Staff, with support of Task Force members decided to reject the one offer received and reissue the RFP for Armored Courier Service on or about April 16, 2018.

The RFP for P-Card services will be released in April 2018 with the social responsibility language, submission requirements and selection criteria recently developed by the Task Force. The RFP for general banking services will follow to allow the process to be informed by the P-Card services solicitation and evaluation processes.

In 2013 the City went through a rigorous solicitation process which included the several strategic components including: unbundling, outreach, accessibility/market responsiveness, community investment and social responsibility (developed in concert with the Human Welfare and Community Action Commission). Selection criteria was based on a "Best Value Approach" including:

- Financial strength and the ability of the institution to collateralize (California Government Code Section 2257.021) public deposits (20%);
- Demonstrated ability to provide the required services (25%);
- Ability to offer enhanced services, introduce emerging technology (15%);
- Previous, verifiable experience with other public sector clients (15%);
- Offer the services at a fair and reasonable cost (15%);
- Demonstrated commitment to the Berkeley community by investment (including the present of established offices in the City to support day-to-day operations), re-investment and social responsibility (10%).

The City received responses to the RFP from four (4) proposers – Bank of the West, US Bank, Union Bank, and Wells Fargo Bank. A selection panel, consisting of City staff from Finance, City Auditor’s Payroll Unit, and Public Works, and an external technical advisor to the panel reviewed, rated and ranked the four (4) proposals, ultimately selecting Wells Fargo Bank

The current banking services contract was executed with a not to exceed total of \$10,356,000 over a 10-year period. The contract is divided between direct and indirect costs. Direct costs are the actual cost that the City pays Wells Fargo Bank for its services which includes its General Banking and Merchant Service Fees which total approximately 19.51% of the not to exceed amount. The indirect cost which the bank pays on the City’s behalf includes Armored Courier Service Fees and Interchange and Assessment Fees collected by Visa and MasterCard which total approximately 80.45% of the not to exceed amount.

Resolution #66,106 dated May 7, 2013 authorized the City Manager to enter into a contract (#9367) with Wells Fargo Bank for banking and related services for a period of four (4) years (the “initial period”) for a not to exceed amount of \$4,142,000, with the option to extend the term for two (2) additional three-year periods, and to expend funds up to the not-to-exceed amount of \$10,356,000 for the entire ten (10) years.

The contract costs are broken down as follows:

For section I, which are direct cost paid to Wells Fargo Bank, the total contract price is \$808,000 for general banking services (e.g., check processing; wires, ACH and direct deposit; and other deposit activities) and merchant services/credit card processing fees. These are broken down as \$630,000 for general banking and \$178,000 for Merchant Service fees for Credit card. Direct costs represent 19.5% of the contract’s value for the initial period.

For section II, which are indirect costs paid on City behalf, the total cost of \$3,334,000 includes indirect costs of \$2,574,000 in interchange and assessment fees collected by Wells Fargo and passed through to the credit card processors - Visa and MasterCard. The remaining \$580,000 is for Armored Courier Service. Indirect costs represent 80.49% of the contract’s value for the initial period.

POSSIBLE FUTURE ACTION

The City Council previously authorized the implementation of a new ERP system so as to improve business processes, gain efficiencies, simplify, and standardize use of City systems with a comprehensive Enterprise Resource Planning System (“ERP”). The core financial components are projected to be fully functional in Fiscal Year 2019. Core financial components should be substantially complete prior to the migration of banking services from Wells Fargo to another financial institution since data migration will be required based on the results of the solicitation process. A solicitation process beginning on or about July 1, 2018 would allow for sourcing, selection and implementation by the

end of calendar year 2019, and outgoing transition requirements (for example, accounts must remain open for 9 to 12 months to allow for all transactions to terminate with the originating bank) through May 31, 2020.

Taking an approach of carving out and decoupling services from core banking service contracts is also being followed by other public institutions. For example, the University of California reviewed its \$875M portfolio under contract with Wells Fargo and identified \$450M in carve outs. Services identified for carve out will be placed with, possibly multiple, other financial institutions.

ENVIRONMENTAL SUSTAINABILITY

Meeting the Paris Agreement’s target of staying well under a 2° Celsius increase in global temperature — while aiming for no more than 1.5° of change — requires a complete halt to all financing of new extreme fossil fuel extraction and infrastructure. By moving away from financial institutions financing these projects, the City of Berkeley is demonstrating, directly and through its contractors, a commitment to have a positive impact on the environment.

FISCAL IMPACTS OF POSSIBLE FUTURE ACTION

There will be fiscal and operational impacts in implementing a disaggregated approach to banking services. The carving out of services could lead to an increase in cost. The lump sum price that the City enjoyed for having a complete banking service package with Wells Fargo Bank will increase. The City will need to negotiate rates or look for other options to reduce the fiscal impact. There will also be additional staff time to further disaggregate services and solicit bidders. Once re-solicited, implementation will be required as the City moves assets to a new Bank that will provide day to day services. The City is considered a level 2 Merchant; level 2 Merchants are merchants with more than one million to six million total credit card transactions annually. This level of activity means the City has extensive financial needs and requirements. These requirements need to be analyzed and all risk mitigated prior to, during and after implementation.

CONTACT PERSON

Henry Oyekanmi, Director, Finance, 981-7300

Attachment:

Responsible Banking Task Force Background Briefing and Work Status Report

City of Berkeley

RESPONSIBLE BANKING TASK FORCE

Background Briefing and Work Status

January 2017 - March 2018

Breaking up with a bad bank is not easy.

A good bank is hard to find - one that is good enough for Berkeley is even harder.

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1. Introduction and Task Force Background

Against a growing record of corporate ethical failures and illegal acts, the Berkeley City Council took several steps to require social responsibility by its vendors and contractors. The Mayor's Responsible Banking Task Force (Task Force) was formed in 2017 in response to the Berkeley City Council taking policy positions since 2011 to achieve socially responsible banking procurement services, including banking services.

July 2013, the City of Berkeley becomes the first in the nation to adopt official policy to divest current and future funds from 200 fossil fuel-producing companies. Council Resolution 65,436-N.S. includes: "Responsible Investing" that prohibits doing business with and/or divestment from:

- **Oppressive states**
- **Investments in nuclear arms**
- **Gun manufacturers**
- **Tobacco companies**
- **Publicly traded fossil fuel companies**

September of 2016 adopts Council Resolution 67,694-N.S. in support of Standing Rock Sioux Tribe's efforts to stop construction of the **Dakota Access Pipeline**.

2016 to present, City Management, Mayor and Council lead development of [City of Berkeley Strategic Plan and Goals 2018-2019](#).

January 2017¹ Council approval of responsible banking policies calling for the city manager and staff to investigate the process of **moving the City's funds out of Wells Fargo Bank**

March 2017² Council approves resolution denouncing President Trump's executive order to build a wall along the U.S.-Mexico Border and recommends that the City of Berkeley divest from any company involved in the construction of the border wall.

May 2017³ Council approves resolution that the City establish Socially Responsible Investment criteria in conjunction with the Task Force. The council resolves to explicitly exclude any financial institution from bidding that has engaged in:

- Supporting, servicing, or constructing fossil fuel infrastructure projects and other environmentally extractive practices
- Supporting, servicing, or constructing privately owned prisons

¹https://www.cityofberkeley.info/uploadedFiles/Council_3/Level_3_-_General/2017-05-30%20Item%2024%20Establish%20Socially.pdf

² <http://www.berkeleyside.com/wp-content/uploads/2017/03/2017-03-14-Item-16-Denouncing-Presidential-1.pdf>

³https://www.cityofberkeley.info/uploadedFiles/Council_3/Level_3_-_General/2017-05-30%20Item%2024%20Establish%20Socially.pdf

- Discriminatory consumer and small business lending and servicing based on the federally protected classes established under the Civil Rights Act of 1964
- Fraudulent misconduct against clients, investors, debt holders, transactional counterparties, or the broader public.

This includes providing financial support to or investing in the above practices as well as serving as financial conduit or counterparty (swap agreements, escrow) to engaging in these practices.

2017 to present, Mayor and Council establish the City of Berkeley Responsible Banking Task Force. The Task Force is comprised of a broad range of Berkeley residents, many with experience in public sector financial management, city/community development and public advocacy organizations focused on socially responsible business practices.

The Task Force is preparing recommendations for Socially Responsible procurement criteria with a focus on the 2018 RFP for banking services. This document will serve as a report on progress to date, and work will continue, resulting in a complete report to the Council with recommendations for structuring the RFP and defining the selection criteria to select a banking services partner(s).

The Task Force would like to express sincere gratitude to the City Finance Management and Staff for their transparency, thoughtfulness, creativity and consistent collaboration with Task Force members and the Mayor's Office. The work achieved to date would not have happened without this powerful partnership between the Task Force and the Finance Department.

2. Link Banking Services to Strategic Plan Goals

The Task Force Mission is to connect the procurement and performance of service contracts to the City of Berkeley's Strategic Plan goals with an immediate focus on banking services. The Task Force mission focus is to link to and balance Goals 4 - 7:

- Goal 4) social and racial equity* - include social and racial equity in the criteria for selecting banking services.
- Goal 5) a sustainable local economy* - identifying banks or credit unions that could partner with the city to support the cities sustainable economy goals.
- Goal 6) an efficient and financially-healthy City Government*, in collaborating with City Finance Management and staff, empower the capacity to invest, manage and safeguard tax payer dollars while leading Berkeley beyond the dependence on mega banks and, instead, procure banking services from entities that support Berkeley policies and values.
- Goal 7) Be a global leader in addressing climate change and protecting the environment*, defining appropriate criteria to select banks whose business policies,

practices and investments reflect the city of Berkeley's commitments to reducing dependence of fossil fuels and sources of global warming.

3. Work to Date to Achieve Socially Responsible Banking Services

The Task Force is working with City Finance Management and staff to identify best practices of socially responsible (SR) criteria while meeting the legal and technical requirements for the city's banking functions. Berkeley's most recent procurement experience and the procurement policies of peer cities within the last several months were carefully reviewed. Potential candidate banks and credit unions (CUs) that best meet emerging criteria were identified. A summary of the work to date and matrix of findings follows:

A. Moved all Investment Funds out of Wells Fargo

- Since 2013 the City of Berkeley has divested approximately \$50 million of funds issued by Wells Fargo, Goldman Sachs, JP Morgan Chase, Bank of America and Morgan Stanley from its Pooled Investments. The final \$1 million, issued by Wells Fargo, matured in January 2018 and was moved to Fidelity Investments.

B. Identify Best Practices Criteria from Berkeley's Last RFP and from Other Cities

- Outreach to multiple peer cities to identify their new or emerging SR criteria
- Integrate SR criteria that link to the Council's January 2017 resolution while providing adequate flexibility to include future social responsibility issues
- Identify regulatory requirements that may preclude smaller banks and credit unions
- Build on the City of Berkeley's 2012 Banking Services RFP criteria that resulted in selecting Wells Fargo; compare to other jurisdiction's banking services RFPs.
- Identify subject matter that would result in a default selection to a large bank without socially responsible commitments

C. Structure the RFP Process to Fulfil the City's Strategic Goals

- Carve out city credit card services and armored car services separately from the primary banking services RFP.
- Working with City Finance Management, explore finance functions that could facilitate using more than one bank to mitigate the impact of collateralization requirements.
- Collaborated with Greenlining Institute to develop an Equity Score that ranks prospective institutions based on both the percentage of loans given to Low to Moderate Income borrowers (LMI) and the percentage of LMI borrowers of color.
- Consider an RFP scoring system that allows for "probation remediation" – a form of non-penal consideration for banks that do not fully meet all criteria but are taking action to improve business and investment policies and practices, and commit to SR criteria and performance goals. For example, if an institution is moving away from fossil fuel investment, the new scoring system would give credit for that work. The bank would present to the City for approval a timeline for its divestments that would

be documented in the contract, along with the City's right to levy a penalty if the divestment timeline is not followed.

- Weigh the risk, costs and benefits to use community banks and CU's to serve some of the City's financial services.

D. Explore New Approaches That Would Include Credit Unions and Community Banks

Work with City Management and staff to:

- Identify candidate banks and CUs to participate in a request for information (RFI) process to solicit input, interest and concerns before constructing and releasing and RFP.
- Develop appropriate outreach to candidate banks and CUs to explain the new RFP opportunities and explain the City's SR priorities and expectations, RFP scoring systems and compliance monitoring to follow contract award.

E. Monitor Emerging Financial Reform Best Practices Including Public Bank Study

- Monitor the Oakland (Berkeley is an active member of the working group) and San Francisco Public Bank Feasibility Studies and County of Alameda investment efforts
- Monitor the Public Bank studies happening around the country at the state and municipal levels
- Stay connected to and track efforts of other national municipalities and jurisdictions that are exploring socially responsible banking alternatives to optimize Berkeley efforts to make substantive change.

A matrix of findings from interactions with other agencies is attached as Table 1.

4. Challenges to Achieving Socially Responsible Banking Services

The City of Berkeley is one of many cities and jurisdictions that are striving to make a change from their current banking service provider. Berkeley also shares with these other cities the challenge of finding a suitable replacement.

- Due to legislative, legal and technical requirements the pool of candidate banks that can provide government and municipal services is very limited, primarily due to the collateralization requirement.
- Providing general banking services to municipal customers is not a profitable business line for banks, leaving cities at a market disadvantage
- Most banking institutions having the capacity to collateralize at levels that can support municipal banking invest in some form of business that runs contrary to socially responsible policies
- Even absent socially responsible criteria, there are very few responses to RFPs for banking services when issued.
- Community Banks and Credit Unions that meet socially responsible criteria do not meet mandated government capitalization requirements to support the total of Berkeley's banking service needs.

- Cities that historically have been limited to the small number of mega-banks that dominate the financial market find it difficult to “break up with their bank” and find a suitable alternate capable of performing at a level that preserves operational efficiencies.

5. Alternatives and Possible Solutions – Exploring a Berkeley Model of Banking Services

The Task Force is meeting the challenges described above by exploring alternatives to the traditional procurement processes and banking services contracting model.

- Collaborating with City Finance Management and staff, sections of the Berkeley Banking Services RFP are being reviewed to see what can be broken out into distinct services that have traditionally been bundled into an “all in one” banking services contract while maintaining operational efficiencies. This is a first step to finding a new approach to contracting for banking services.
- Socially responsible community banks and credit unions (CU) may be better positioned to respond to the RFP process with this unbundled approach.
- If more than one bank is used for banking services, regional banks or CUs that otherwise could not take on an “all-in-one” city banking services contract might participate for the first time.
- San Francisco is utilizing letters of credit, issued by the Federal Home Loan Bank, as collateral in order to encourage investment in community based banks, credit unions and CDFIs.⁴
- To ensure maximum participation by socially responsible, smaller and “better banks”, the procurement process will need to include significant pre-solicitation outreach and education to help possible candidate banks understand the RFPs new, unbundled services structure and SR focused selection process..
- The Task Force is considering incorporating “probation remediation” as a consideration for to those larger institutions that do not yet meet Berkeley’s SR criteria, but have committed to compliance. If a bank met most of the criteria, “probation remediation” would establish a path with incremental benchmarks toward implementing and improving socially responsible policies and practices. Not meeting those benchmarks may result in penalties or other remedies defined in the negotiated contract. ***It should be noted that partial compliance does not meet the strict criteria in the resolution passed by Berkeley City Council and may require additional legislative action.***

6. Conclusion / Next Steps

The purpose of this briefing is to inform the Council of the work done to date and the challenges that face Berkeley as we move toward more socially responsible banking services. The possibility of using more than one regional bank could also strengthen these

⁴ http://sftreasurer.org/safe_sound

banks. Local commitments to the greater, common good of our city and region and increased community development opportunities, beyond the rhetorical and modest impacts achieved to date with conventional approaches, could be an additional benefit to utilizing local banking services.

All such alternatives and options would equally consider the risk, costs and benefits in both serving the City's financial service needs and meeting policy goals.

In the meantime, and with Council's approval, communication with other jurisdictions that are struggling with the same realities under the current banking service providers will continue. New ideas are constantly emerging and there is a clear movement toward demanding that financial institutions meet socially responsible guidelines. The more all "like-minded" governments, municipalities and businesses push for socially responsible vendors, the greater the likelihood that new providers (or solutions) will emerge to meet these goals. The Task Force will continue to engage and advocate with other cities and institutions to push forward socially responsible banking criteria and apply pressure to institutions to change their behavior. There is hope and promise that Berkeley can be a leader as the desire for social responsibility expands across the nation. The Task Force will continue to work toward that end and thanks the City Council for the opportunity to serve Berkeley in these matters.

We ask for your guidance and approval of the alternative approaches and options now being explored and considered in concert with City Finance Management and staff.

City of Berkeley
Responsible Banking Task Force

Table 1: Cities, Counties and Public Agencies Dropping Wells Fargo
or other Mega-banks, 2016 to Present

Executive Summary

Table 1 below, **Cities, Counties and Public Agencies Dropping Wells Fargo**, presents the status of public sector groups that have dropped Wells Fargo (Wells) financial services, or are preparing procurement processes to remove Wells from managing public funds or have raised removing Wells or other mega-banks from existing contracts. A total of 40 different public-sector organizations are identified and divided into four major groups:

- 1. Cities Similar to Berkeley in Size (13)**
- 2. Cities and Counties Larger than Berkeley (13)**
- 3. States, Public Agencies, Universities and Pension Funds (9)**
- 4. Cities that have raised dropping Wells or other mega-banks (5)**

The table reveals the scale of the public rising against Wells Fargo and other mega banks.

- The size of cities ranges from numerous small towns to many of the largest cities in the country.
- The size of the funds and fees being removed from Wells reveals that one city may be a “drop in the bucket” on the Wells Fargo balance sheet, but the total value of the loss of business below is in the multi billions - enough to show a combined effort can change history.
- Public organizations are dropping Wells because of indigenous-lead opposition to the DAPL/fossil fuel financing AND Wells’ consumer fraud and misdeeds. However, for Eagle County, CO and the Texas Employees Retirement System, the professional finance staffs independently lost confidence in the bank’s business judgement and credibility. For New Haven, the tipping point was Well’s consistent decline in low to moderate income loans.
- Every city studied is seeking an ethical bank or credit union with enough assets to provide collateral for public fund deposits. Across the country similar hopes are in play to avoid using mega banks:
 - Using two banks as well as changing state banking laws to allow the use of smaller banks.
 - Public bank studies, beyond the Bay Area, are underway in Santa Fe, Seattle, Washington, DC, Philadelphia, and St. Louis.
 - Regional banks have replaced Wells in cities similar to Berkeley, such as Davenport, Iowa and Davis, California.
- Of 5 cities listed in Part 4 of the table that have studied dropping their mega banks, the challenge of finding a replacement is a common denominator.

Table 1: Cities, Counties and Public Agencies Dropping Wells Fargo 2016 to Present

Part 1: Small to Medium Size Cities Dropping Wells Fargo
Cities with Populations Equal to or Smaller than Berkeley

	Smaller Cities Alpha Order with 2016 Population	Part 1 Description of Actions to Drop Wells Fargo Links to News Reports of Actions	Yr. of Most Recent Action
1.	Alameda, CA [79,000]	<p>City Council resolution removed Wells Fargo (Wells) from city investments for three years. Removes Wells from managing \$36 million in a general checking account for operating expenses - following an Request for Proposals (RFP) process now underway in 2018. Unanimous City Council vote on resolution.</p> <p><u>Sources:</u> https://www.eastbaytimes.com/2017/02/22/alameda-city-moves-to-divest-from-wells-fargo/</p>	02/2017
2.	Berkeley, CA [121,000]	<p>Since 2013 the City of Berkeley has divested approximately \$50 million of funds issued by Wells Fargo, Goldman Sachs, JP Morgan Chase, Bank of America and Morgan Stanley from its Pooled Investments. The last \$1 million, issued by Wells Fargo, matured in January 2018.</p> <p>The City's Finance Staff is working with the Responsible Banking Task Force to unbundle the city's banking services and move the operational funds into socially responsible institutions by 2020.</p> <p>City is participating in Public Bank Study with Oakland and Richmond.</p> <p><u>Sources:</u> https://www.eastbaytimes.com/2017/06/03/berkeley-council-says-wells-fargo-not-welcome-but-can-see-future-business/ http://www.dailycal.org/2017/05/31/city-council-unanimously-passes-wells-fargo-divestment-plan/</p>	04/2018
3.	Davenport, IA [102,612]	<p>Council approves removing Wells from managing \$100 million of city's primary checking and savings accounts. The Purchasing Card contract will be split out to use a state contract with US Bank. A regional bank replaces Wells, Quad-City Bank & Trust as an alternative to mega-banks. A strong point of the regional bank in the selection process was the potential for customization.</p> <p><u>Sources:</u> http://gctimes.com/news/local/government-and-politics/city-of-davenport-ready-to-move-bank-accounts-from-wells/article_6f2f6627-f9cf-522f-a598-880329e5a391.html</p>	07/2017
4.	Davis, CA [68,000]	<p>Council resolution removed Wells from managing \$124 Million in annual cash flow. Unanimous City Council vote on resolution.</p> <p>A regional, local bank, River City Bank, replaces Wells as an alternative to mega-banks. A strong point of the regional bank in the selection process was the integrity and community investment potentials.</p> <p><u>Sources:</u> https://rivercitybank.com/river-city-bank-adds-city-of-davis/</p>	02/2017

Table 1: Cities, Counties and Public Agencies Dropping Wells Fargo 2016 to Present

5.	<p>Eagle County, CO [53,600]</p>	<p>Staff recommendation removes approximately \$5 million in operating funds and \$80 million in investments from Wells accounts. The County Commission of this small County approved the staff request to remove Wells. The commission approved the staff recommendation to use two banks as replacements: Firstbank, a large state-wide bank and Alpine Bank, an employee-owned, regional bank. Current investments include: <ul style="list-style-type: none"> • \$15.316 million: 15 Treasury notes ranging from \$250,000 to \$2 million. • \$40.126 million: U.S. government agency bonds such as Federal National Mortgage, Federal Home Loan, First Federal Community Bank and other government agencies. • \$26.83 million: Corporate bonds: Chevron, IBM, Apple, Microsoft, Toyota Motor Credit, Berkshire Hathaway. <p><u>Sources:</u> https://www.vaildaily.com/news/county-dumps-wells-fargo-says-firstbank-is-a-better-business-choice/ https://www.alpinebank.com/who-we-are/about-alpine-bank.html</p> </p>	08/2017
6.	<p>East Orange, NJ [64,800]</p>	<p>City Council resolution calls for removing Wells Fargo from city investments. Unanimous City Council vote on resolution. https://www.tapinto.net/towns/east-orange-slash-orange/articles/east-orange-moves-to-divest-from-wells-fargo-join</p>	02/2017
7.	<p>Las Cruces, NM [101,800]</p> <p>Santa Fe, NM [83,875]</p>	<p>Las Cruces City Council approved removing Wells in 2017 at the end of the current contract. Bids received in response to an RFP resulted in a small number of responses by large banks. The city elected to piggy back on Santa Fe's banking services contract until a new RFP process is complete. Santa Fe Council passed a resolution in November 2017 that includes the following: <i>"The City of Santa Fe recognizes the paramount importance of not disturbing, desecrating, or destroying Native American cultural and sacred sites, including ancestral burial grounds, and other significant items important to religious traditions and practices." It calls on local financial institutions "to divest from the Dakota Access Pipeline and invest instead in life-supporting projects and renewable energy projects."</i> The Santa Fe council final vote to extend the Wells contract was a reluctant (6-5 vote) concession and acceptance of the staff concerns that a new RFP process and unwinding from Wells was beyond the city's staffing capacity. <ul style="list-style-type: none"> - Las Cruces has \$90 million in city accounts with Wells, of which \$10 million is operating cash. - Annual transactions are around \$820 million. - An average of \$270 million cash and investments are with Wells. - The City treasurer's office manages the remainder of the investments. - Opposition to the bank's financing of DAPL and fraudulent banking were reasons given to drop Wells. - Santa Fe Council formed a task force in 2017 to study the feasibility of the city forming a public bank. <p><u>Sources:</u> https://www.lcsun-news.com/story/money/2017/09/19/las-cruces-wells-fargo-bank-options/681551001/ http://hot103.fm/city-of-las-cruces-to-begin-divesting-city-funds-from-wells-fargo/ https://www.lcsun-news.com/story/news/2017/04/19/santa-fe-requests-local-proposals-wells-fargo-deposits/100675200/ http://www.santafenewmexican.com/news/local_news/mayor-council-reluctantly-keep-wells-fargo-as-city-s-bank/article_b85268fd-eb19-58d0-9768-d22 https://www.abqjournal.com/926955/we-canshould-find-better-ways-to-manage-funds.html https://www.abqjournal.com/995252/santa-fe-will-have-task-force-to-explore-public-bank-idea.html</p> </p>	12/2017
8.	<p>Missoula, MT [72,370]</p>	<p>Council approved removing \$2.6 million from a Wells investment account. Unanimous City Council vote on resolution. <u>Sources:</u> https://missoulacurrent.com/business/2017/04/missoula-wells-fargo-dapl/</p>	04/2017

Table 1: Cities, Counties and Public Agencies Dropping Wells Fargo 2016 to Present

9.	<p>New Haven, CT [129,800]</p>	<p>Council action removed Wells from managing three accounts in 2018. Funds total \$200 million. Two additional large operational accounts to be removed by RFP process 2018-19. Regional banks are being considered as an alternative to dependence on mega-banks.</p> <p><i>Sources:</i> https://www.nhregister.com/news/article/New-Haven-moving-cash-from-Wells-Fargo-12721484.php https://www.nhregister.com/opinion/article/Editorial-New-Haven-was-right-to-move-its-money-12743842.php</p>	<p>04/2018</p>
10.	<p>Santa Cruz, CA [64,460]</p>	<p>Council action removed Wells Fargo for up to five years from city banking services. Removes Wells Fargo Securities as the City's broker dealer. City will divest from any institution funding DAPL. Unanimous Council vote on resolution. Regional banks are being considered as an alternative to dependence on mega-banks.</p> <p><i>Sources:</i> https://medium.com/@techieshark/santa-cruz-stands-with-standing-rock-chooses-local-banks-over-wells-fargo-16cbba12dd21</p>	<p>04/2017</p>
11.	<p>San Leandro, CA [90,465]</p>	<p>Council action approved selling a \$700,000 Wells Fargo corporate bond. The Council directed staff to carryout an RFP process to remove Wells as the city's primary banking service. The city has about \$5 million in Wells accounts for daily operations. The bank processes about \$1 million to \$2 million debit and credit card transactions annually. Annual fees are approximately \$80,000. Decision was based on opposition to the DAPL financing Wells' consumer fraud and misdeeds. Unanimous Council vote on resolution.</p> <p><i>Sources:</i> http://fossilfreeca.org/2017/12/03/san-leandro-moves-to-divest-from-wells-fargo/ https://www.eastbaytimes.com/2017/12/01/san-leandro-moves-to-cut-ties-with-wells-fargo/</p>	<p>12/2017</p>
12.	<p>Santa Monica, CA 92,480</p>	<p>Removed Wells from city investment. Full divestment will take approximately one-year. Revised city's investment policy to prohibit investing in institutions that finance fossil fuel companies, along with fossil fuel industry.</p> <p><i>Sources:</i> http://smdp.com/city-finalizes-divestment-plans-from-wells-fargo-over-dakota-access-pipeline/159991</p>	<p>02/2017</p>
13.	<p>St Peter, MN [11,700]</p>	<p>Removes Wells from about \$600,000 in city investments beginning this year. Full divestment process will close accounts and invest the money elsewhere as investment funds become due.</p> <p><i>Sources:</i> http://www.mankatofreepress.com/news/st-peter-divesting-from-wells-fargo/article_124c4732-a2e7-11e7-84ea-5fdf8c6c93ef.html</p>	<p>10/2017</p>

Table 1: Cities, Counties and Public Agencies Dropping Wells Fargo 2016 to Present

Part 2: Larger Cities and Counties Dropping Wells Fargo
Cities and Counties Larger than Berkeley in Population

	Larger Cities and Counties Alpha Order with 2016 Population	Part 2 Description of Actions to Drop Wells Fargo Links to News Reports of Actions	Yr. of Most Recent Action
14.	Broward County, FL [1,900,000]	Removes Wells as depository bank for \$11 million in Housing Finance Authority funds. County elected to pay \$1,900 more in annual fees to avoid using Wells. The County's separate and larger primary financial services contract expires at the end of this year <i>Sources:</i> http://www.sun-sentinel.com/local/broward/fl-sb-broward-drops-wells-fargo-plans-20171107-story.html	11/2017
15.	Chicago, IL [2,704,958]	Removed Wells from marketing bonds as part of one-year business moratorium starting in 2017. <i>Sources:</i> https://www.usatoday.com/story/money/markets/2016/10/05/chicago-cuts-off-wells-fargo-year/91615938/	05/2016
16.	Los Angeles, CA [3,976,322]	Removes Wells from managing an average daily balance of \$94 million in funds - following RFP process underway. The new RFP in 2018 will require banks to disclose recent regulatory actions enforced against it. <i>Sources:</i> https://www.kcet.org/news-analysis/la-city-council-moves-toward-divesting-from-wells-fargo http://www.latimes.com/local/lanow/la-me-ln-banking-ordinance-20171212-story.html	12/2017
17.	New York, NY [8,537,673]	<p>\$227 million of city dollars held in 99 Wells Fargo accounts and they act as a trustee to the approximately \$2.6 billion in the New York City Retiree Health Benefits Trust. Agencies prevented from entering into new banking services or related contracts with Wells Fargo and from renewing or extending existing contracts on expiration. The City suspended the use of Wells Fargo as a senior book-running manager for municipal bonds – a position that allows the bank to take the lead on City bond sales – for one year with the one allowable exemption for affordable housing financing. Extricating from Wells Fargo, is a gargantuan task.</p> <p>According to the NYC Banking Commission, Wells Fargo has annually processed 6.7 million individual transactions for tax collection, in excess of \$27 billion dollars in volume. Those transactions include 3.4 million annual real estate tax transactions totaling over \$20 billion. Annually there are 1.8 million parking summons transactions generating approximately \$119 million in revenues.</p> <p>Additionally, NYC and Mayor Bill De Blasio have announced that the city will divest its \$189 billion in pension funds from fossil fuel companies within five years. Currently, New York City's five pension funds have about \$5bn in fossil fuel investments. "New York City is standing up for future generations by becoming the first major US city to divest our pension funds from fossil fuels," said Bill de Blasio, New York's mayor. "At the same time, we're bringing the fight against climate change straight to the fossil fuel companies that knew about its effects and intentionally misled the public to protect their profits. As climate change continues to worsen, it's up to the fossil fuel companies whose greed put us in this position to shoulder the cost of making New York safer and more resilient."</p> <i>Sources:</i> http://www1.nyc.gov/office-of-the-mayor/news/374-17/mayor-de-blasio-comptroller-stringer-plan-cut-ties-wells-fargo-city https://www.theguardian.com/us-news/2018/jan/10/new-york-city-plans-to-divest-5bn-from-fossil-fuels-and-sue-oil-companies	05/2017

Table 1: Cities, Counties and Public Agencies Dropping Wells Fargo 2016 to Present

18.	Oakland, CA [420,000]	<p>City Council officially opposed the DAPL pipeline by passing a resolution against its construction and by encouraging CalPERS, the state's retirement system, to divest from banks that have invested in the pipeline's construction.</p> <p>Sued Wells Fargo in September 2015 for the bank's predatory and racially discriminatory lending practices that violate both the federal Fair Housing Act and California's Fair Employment and Housing Act. Currently uses JP Morgan & Co. and voted in March 2017 to renew contract for one more year.</p> <p>Leading Public Bank Study as possible alternative to mega-bank dependence. City strategy is to study the feasibility of creating a public bank with \$75,000 in city funds approved, with Berkeley contributing \$25,000, \$25,000 from the County of Alameda, and \$5,000 from Richmond. Contract signed Dec 14, 2017 with Global Investment Company; feasibility study completed March 2018.</p> <p><u>Sources:</u> http://www.oaklandcityattorney.org/News/Press%20releases/Wells%20Fargo%20Predatory%20Lending%20Complaint%202015.html https://friendsofpublicbankofokland.org/ https://hoodline.com/2017/03/city-council-dumps-bank-over-pipeline-prisons-then-reverses-course</p>	12/2017
19.	Philadelphia, PA [1,570,870]	<p>Removed Wells from managing \$2 billion in city payroll accounts.</p> <p>Citizens Bank, a major regional bank, will take over at the fiscal year break.</p> <p>In March 2018, Citizens Bank withdrew a \$4 billion line of credit to Energy Transfer Partners, owners of the Dakota Access Pipeline.</p> <p><u>Sources:</u> https://www.cnn.com/2017/05/02/the-city-of-philadelphia-just-gave-wells-fargo-its-walking-papers.html https://www.ecori.org/renewable-energy/2018/3/11/citizens-bank-pulls-back-from-pipeline-funding</p>	03/2018
20.	Portland, OR [640,000]	<p>City Council unanimous vote Apr 5, 2017 to divest from all corporations, in part to avoid the trouble of having to perpetually decide which corporations the city considers bad actors. Currently, \$539 invested in corporations. City to put its money in federal bonds and other non-corporate options. Will cost the city at least \$4.5 million a year. It will take about a year and three months for the city to withdraw from half of its investments and until December 2019 before its final investment, in Wells Fargo, is over. City is working on a proposal to study the feasibility of creating a municipal bank. Attorneys are investigating if establishing a public bank would violate the Oregon State Constitution, which prohibits state banks. Links to news sources:</p> <p>http://www.oregonlive.com/politics/index.ssf/2017/04/portland_to_stop_corporate_inv.html https://nextcity.org/daily/entry/portland-public-banking</p>	04/2017
21.	Sacramento, CA [495,200]	<p>City of Sacramento filed a federal lawsuit against Wells Fargo alleging it steers African American and Latino borrowers into high-risk and high-cost mortgages. Sacramento currently contractor is J.P Morgan & Co.</p> <p><u>Sources:</u> http://www.sacbee.com/news/local/news-columns-blogs/city-beat/article202240114.html</p>	02/2018
22.	Santa Clara County, CA [1,919,402]	<p>Removes Wells from the County's investments, from serving as a broker-dealer and from underwriting debt issuances.</p> <p><u>Sources:</u> http://sanfrancisco.cbslocal.com/2016/10/19/wells-fargo-account-scandal-santa-clara-county-san-francisco/</p>	10/2016

Table 1: Cities, Counties and Public Agencies Dropping Wells Fargo 2016 to Present

23.	<p>San Francisco, CA [870,887]</p>	<p>Board of Supervisors resolution suspended the city’s commercial banking with Wells Fargo for two years. Requires Wells to submit a redress plan for affected San Francisco customers as a condition to resume business.</p> <p>The City Treasurer removed Wells from San Francisco loan program for low income residents.</p> <p>Board of Supervisors unanimously passed a resolution Feb. 2017 directing the city Treasurer to apply a social screen to current and future municipal investments to weed out DAPL profiteers. Companies with ties to DAPL reportedly make up as much as 12 percent, or about \$1.2 billion, of the City’s portfolio.</p> <p>In Feb. 2018 the city assembled a 16-member Municipal Bank Feasibility Task Force to study launching a public bank to fund affordable housing development, low-interest loans for low-income residents and cutting ties with the Wall Street banks that do not live up to The City’s social responsibility principles.</p> <p><u>Sources:</u> https://www.kqed.org/news/11100074/sf-kicks-out-wells-fargo-from-banking-program https://www.courthousenews.com/san-francisco-cuts-ties-to-wells-fargo-amid-scandal/.</p>	02/2018
24.	<p>Santa Rosa, CA [175,200]</p>	<p>Council voted to extend its contract for one year to conduct an RFP process for a new bank.</p> <p>City has \$400 million in assets, and \$6 million in payroll payments twice each month.</p> <p><u>Sources:</u> http://www.pressdemocrat.com/news/7128305-181/santa-rosa-may-sever-ties?view=AMP</p>	06/2017
25.	<p>Seattle, WA [704,000]</p>	<p>Council action removed Wells from managing \$3 billion in annual cash flow when RFP is completed in 2018.</p> <p>Removed Wells this year from issuing any future bonds or brokering investments for the city.</p> <p>Removes Wells from any city investments in Wells securities for at least three years.</p> <p>The Council action was a unanimous vote.</p> <p>Council unanimously voted later to oppose Keystone XL Pipeline and seek to avoid banks backing the project.</p> <p>Council expressed interest in using a credit union or local bank, but that would require a change to state law.</p> <p>City is leading a Public Bank Study as possible alternative to mega bank dependence.</p> <p><u>Sources:</u> https://www.seattletimes.com/seattle-news/environment/seattle-city-council-to-vote-on-pulling-billions-from-wells-fargo/ https://www.seattletimes.com/seattle-news/politics/seattle-city-council-votes-to-not-bank-with-keystone-xl-backers/ https://seattle.legistar.com/LegislationDetail.aspx?ID=2948595&GUID=F2604ED2-C0BC-44AA-9985-F3E338B8FBC9&Options=&Search=&FullText=1</p>	02/2017

Table 1: Cities, Counties and Public Agencies Dropping Wells Fargo 2016 to Present

26.	<p>Washington, DC [681,200]</p>	<p>The District renewed a five-year contract with Wells Fargo, for just over \$12 million, in December of 2015. The new contract expires in 2020. In Jan, 2017 D.C. Reinvest Coalition formed. On Mar 21, 2017 D.C. Councilmembers Grosso, Nadeau, Bonds, Silverman, Allen, and Gray introduced a "Sense of the Council Urging Reassessment with Wells Fargo" resolution urging Mayor Bowser and the city's Chief Financial Officer to reassess D.C.'s relationship with Wells Fargo.</p> <p>In June, 2017 city council approved \$200,000 for a public bank feasibility study in FY2018 budget.</p> <p><i>Sources:</i> http://www.davidgrosso.org/grosso-analysis/2017/3/21/sense-of-the-council-urging-reassessment-of-relationship-with-wells-fargo-resolution-of-2017 https://hubpublicbanking.org/2017/06/17/a-step-forward-on-public-banking-in-washington-dc/ https://www.bizjournals.com/washington/news/2017/03/21/5-council-members-urge-d-c-to-drop-wells-fargo.amp.html https://dcreinvest.org/responding-to-grassroots-pressure-dc-council-takes-step-toward-public-bank/</p>	<p>07/2017</p>
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Part 3: States, Public Agencies, Universities and Pension Funds Dropping Wells Fargo

	<p>Public Agencies, Pension Funds and States</p>	<p>Part 3 Description of Actions to Drop Wells Fargo Links to News of Most Recent Actions</p>	<p>Year of Most Recent Action</p>
1.	<p>State California</p>	<p>Removed Wells from brokering investments or underwriting sales of California bonds as part of a one-year business moratorium; also stops State purchase of more Wells securities.</p> <p><i>Sources:</i> http://money.cnn.com/2016/09/28/investing/wells-fargo-california-treasurer-suspends/index.html?iid=EL https://www.nytimes.com/2016/09/29/business/dealbook/california-wells-fargo-john-stumpf.html</p>	<p>09/2016</p>
2.	<p>State of Illinois</p>	<p>Removed Wells from managing nearly \$30 billion of transactions; part of a one-year business moratorium includes removal from state bill payment and the state investment portfolio.</p> <p><i>Sources:</i> http://money.cnn.com/2016/10/03/investing/wells-fargo-illinois-moratorium/index.html</p>	
3.	<p>Mille Lacs Band of Ojibwe, MN</p>	<p>Assembly unanimously voted in Jan, 2017 to end Wells investment advisory services relationship.</p> <p><i>Sources:</i> https://www.millelacsband.com/news/mille-lacs-band-divests-from-wells-fargo</p>	<p>01/2017</p>
4.	<p>State of New Mexico</p>	<p>Under investigation by Attorney General for over a year. Phase 1 verifying wrongdoing has been completed. In process of assessing damages; phase 3 will be demanding restitution. Wells Fargo is largest bank in NM with 93 branches.</p> <p><i>Sources:</i> https://www.abqjournal.com/1099465/ag-demands-wells-fargo-make-restitution.html</p>	<p>11/2017</p>

Table 1: Cities, Counties and Public Agencies Dropping Wells Fargo 2016 to Present

5.	New York State Pension Fund	<p>Trustee's voted unanimously to divest in May 2017 and was the 1st pension fund in the nation to fully divest from private prisons. As of June, 2017 \$48 million of stocks and bonds had been divested from three companies: GEO Group, CoreCivic, and G4S. Pension investment managers liquidated investments in any company that receives at least 20% of its profit from private prisons, in addition to direct investments. The city's portfolio to be assessed annually to make sure no more companies have been added that surpass the 20% threshold.</p> <p>However, the New York State Common Retirement Fund, the third largest U.S. state pension fund with more than \$200 billion in assets, is a top 50 Wells Fargo shareholder with nearly 14 million shares. NY State Comptroller requested in Dec. 2017 that Wells Fargo's board prepare a report disclosing detailed information about incentive-based pay throughout the bank.</p> <p><u>Sources:</u> http://gothamist.com/2017/06/08/nycs_pension_fund_first_in_the_coun.php https://www.reuters.com/article/us-wells-fargo-accounts-compensation/new-york-pension-fund-seeks-more-pay-disclosure-from-wells-fargo-idUSKBN1E12JJ</p>	06/29017
6.	State of Ohio	<p>Removed Wells from participating in future Ohio state debt offerings and financial services contracts initiated by state agencies for one year. Extended until April 2018.</p>	10/2016
7.	Seattle City Public Utility	<p>Removed Wells from brokering a \$100 million bond sale in separate Council action from above (see larger cities).</p> <p><u>Sources:</u> https://www.seattletimes.com/seattle-news/politics/seattle-drops-wells-fargo-from-bond-deal-to-protest-bank-fraud/</p>	10/2016
8.	TexaSaver Colorado Pipe Industry Trust Fund	<p>Texas Employees Retirement System (TexaSaver) removed more than \$600 million from Wells based on Wells April 2017 policy shift to buy junk bonds, emerging-market stocks and derivatives as part of a more-aggressive stance aimed at boosting returns.</p> <p>TexaSaver, a supplemental retirement program for nearly 240,000 state employees and officials, was stunned by the changes. The retirement plan had fewer than 90 days to accept the revamped product or find an investment option.</p> <p>The Colorado Pipe Industry Annuity & Salary Deferral Trust Fund, a Colorado-based retirement plan for more than 4,000 plumbers and pipe-fitters, also pulled its money from the Wells, citing the "unproven nature and significance" of Wells Fargo's changes.</p> <p><u>Sources:</u> https://www.reuters.com/article/us-wellsfargo-funds-texas/wells-fargo-loses-big-client-after-dialing-up-risk-in-retirement-funds-idUSKBN1FL5L5</p>	02/2018
9.	University of California	<p>Removes Wells from \$475 million in contracts as a credit provider and as a commercial paper dealer beginning with the divestment of a \$150 million interest rate reset contract by April 2017. This will be followed by a \$200 million divestment of the \$300 million credit line — the maximum loan balance agreed upon by both parties — UC has with Wells Fargo by next month. UC will make a final divestment of the remaining \$100 million once a substitute bank is found. The search for a substitute is currently underway.</p> <p><u>Sources:</u> http://www.cityonahillpress.com/2017/02/17/uc-divests-from-wells-fargo/</p>	02/2017

Part 4: Other Cities That Have Studied Dropping Wells Fargo or Other Mega Banks

The governing body of the cities, counties or agencies in Part 4 has publicly raised the issue to drop Wells Fargo or another mega bank.

As of the last reports accessed from news media websites, a formal action to drop Wells is not yet confirmed, the city council decided to not go forward or the bank contract is with a different bank than Wells. For example, Minneapolis elected to not go forward with dropping Wells based on the concerns by city staff. As a compromise the staff proposed to use smaller banks for smaller banking contracts. The Minneapolis news headline states (from the link below), "Minneapolis explores ending its Wells Fargo relationship". Other cities where the City Council has publicly discussed dropping Wells and has had public discussions with staff on options to using a mega bank are San Jose, CA and Providence RI. Of the five cities listed below, the challenge of finding a replacement is a common denominator.

	Other Cities Alpha Order with 2016 population	Part 4 Description of Actions to Study Dropping Wells Fargo Links to News Reports of Actions	Yr. of Most Recent Action
1.	Bellingham, WA [87,500]	DAPL opponents asked the Council to replace U.S. Bank , a major creditor of DAPL and fossil fuel infrastructure. Bellingham deposits up to \$20 million to cover payroll and accounts payable at U.S. Bank. The proposal was a direct result of the Seattle City Council to remove Wells. The city has continued the current contract with U.S. Bank based on staff recommendation. <i>Sources:</i> http://www.bellinghamherald.com/news/local/article133517764.html#storylink=cpy https://lastrealindians.com/coalition-calls-for-pipeline-divestment-from-city-of-bellingham-and-u-s-bank	2017
2.	Minneapolis, MN [413,700]	A city council committee requested staff to look at a "socially responsible" policy for all goods and services procured by the city, including banking services. Following City Council's request to staff earlier last year to specifically look at alternatives to using Wells Fargo, council members approved in June 2017 a staff recommendation to continue using cost and security as the criteria for big financial contracts, while trying to award smaller banking contracts to a more diverse array of firms. <i>Sources:</i> http://www.startribune.com/minneapolis-keeps-business-with-wells-fargo-also-looks-to-contract-with-smaller-banks/430951933/ http://m.startribune.com/minneapolis-explores-ending-its-wells-fargo-relationship-bank-responds/405477726/	06/2017
3.	San Jose, CA [1,000,800]	In response to the actions of Seattle and Davis, the Council approved three directions to staff: - Review whether social responsible criteria should be added to specific RFPs - Update and expand the City's Investment Policy, Section 22, "Social Responsibility-Foreclosure Mitigation," to include language that demonstrates the City's commitment to fair and responsible business practices" - Accept staff's recommendation to make no changes to the investment policy until the staff presents investment policy as part of an annual review. <i>Sources:</i> http://www.sanjoseinside.com/2017/03/06/san-jose-to-discuss-investment-policy-social-responsibility/ http://sanjose.granicus.com/Viewer.php?view_id=52&clip_id=9898&meta_id=652047	03/2017

Table 1: Cities, Counties and Public Agencies Dropping Wells Fargo 2016 to Present

	Other Cities Alpha Order with 2016 population	Part 4 Description of Actions to Study Dropping Wells Fargo Links to News Reports of Actions	Yr. of Most Recent Action
4.	Providence, RI [178,200]	City Council member Seth Yurdin introduced an ordinance to replace Citizens Bank , a major creditor of DAPL and fossil fuel infrastructure. The proposal was a direct result of the Seattle City Council action to remove Wells. Citizens Bank is the largest bank based in Rhode Island. In March 2017, the council deferred the proposed ordinance in recognition of Citizens Bank’s importance to the local economy. In March 2018, Citizens withdrew a \$4 billion line of credit to Energy Transfer Partners, owners of the Dakota Access Pipeline. <i>Sources:</i> http://www.browndailyherald.com/2017/02/24/city-council-considers-ordinance-amendment/ https://www.ecori.org/renewable-energy/2018/3/11/citizens-bank-pulls-back-from-pipeline-funding http://www.rifuture.org/ordinance-kills-divestment/	03/2017
5.	West Hollywood, CA [36,700]	In October 2016, the Council approved directing city staff to research and evaluate options for responding to the Wells Fargo scandal, including suspending future additional business with Wells Fargo for a period of time and releasing a RFP to choose a new bank. More recent reports are not evident online; the results of the staff report back are continuing to be researched. <i>Sources:</i> http://weho.granicus.com/MetaViewer.php?view_id=&event_id=915&meta_id=119566 https://www.wehoville.com/2018/02/20/opinion-weho-needs-cut-ties-wells-fargo/	10/2016

Conclusion

The Wells Fargo Corporation’s recent rise to the center of public discussions is due to the company’s high-profile transgressions in the past few years. However, increased pressure on public agencies to move money out of mega banks is connected to the broader divestment movement strategy. Many other organizations and governments that are not listed are either considering or already have committed to divesting from fossil fuels companies, private prisons, gun manufacturers, and other activities that violate human rights. In the case of fossil fuel divestment, recent announcements include the Rockefeller Foundation and the Norwegian Sovereign Wealth Fund, both of which trace their wealth to the extraction of fossil fuels. The Task Force will continue to track other cities, public agencies and advocates pushing for more responsible banking and financial institutions with an appreciation for the broader movement and include these efforts in future reports.

Table 2: City of Berkeley Finance Services Candidate Banks and Credit Unions - Potential Bidders to 2018 RFP

Socially Responsible Institutions with at least one branch in the Bay Area and evident potential for providing city banking services¹

The criteria used to identify candidate banks and credit unions is shown on page

The City of Berkeley Task Force for Responsible Civic Banking is reaching out to identify as many candidate banks and credit unions as possible to respond to a Request for Proposals for general banking services in 2018.

	Candidate Bank or CU Name Closest East Bay Branch Location	Size / Headquarters / Services ¹	Description / Socially Responsible Evidence ² <small>Text is from the bank or CU's website and Wikipedia</small>	Bay Area Branches ³ Areas Served	Low to Moderate Income (LMI) Loan Ratings⁴
1.	<u>Amalgamated Bank</u> Not currently in East Bay. SF branch: 255 California St. SF, CA 94111 Tel: 415 995-8100	Headquarters: NY City Total assets \$ 4.05 billion (2016) Amalgamated is merging with New Resource Bank based in SF. Credit Card Services: Yes Commercial Services: Yes	Founded in 1923. One the largest union-owned banks (SEIU) and one of the most progressive in the U.S. Operates based on Five Principles for responsible behavior in the banking sector. Highly proactive policies and advocacy for environment, labor, underserved communities and corporate governance.	1 branch: San Francisco, formally the headquarters of New Resource Bank. Branches are primarily in NY and Washington, D.C.	Amalgamated Bank to date has limited home loans in Alameda County: - 1 home loan in 2014-2016.
2.	<u>Self Help Federal Credit Union</u> East Bay Branch: 1432 7th St. Oakland, CA 94607 Tel: 877 369 2828	Headquarters: Durham, NC. Total assets \$1.950 billion (20165) 80,000 customers Credit Card Services: Yes Commercial Services: Yes	Founded in 2008. A progressive credit union that locates branches purposely in underserved communities across U.S. Active in California. Provides a nonprofit loan fund, and advocates for progressive economic policies as a community development financial institution. The institution exists to be a community activist alternative to traditional banks and credit unions. Self Help FCU has 130,000 members.	5 Bay Area branches: Oakland, Vallejo Pittsburg, San Francisco, San Jose. 18 branches across California.	Research to date indicates that SHFCU did not originate enough loans in 2014-16 to be in the top 50 loan sources in Alameda County. See end Note 4.
3.	<u>Beneficial State Bank</u> East Bay Branch: 1438 Webster St. Oakland, 94612 Website: Tel: 888.326.2265	Headquarters: Oakland Total assets \$929 million (2018) Credit Card Services: TBD Commercial Services: Yes	Founded in 2007 by Tom Steyer and Kat Taylor Pursues economic justice and environmental sustainability by focusing on: Affordable Housing, Multi-family and Neighborhood Stabilization, Sustainable Food, Fisheries and Agriculture.	1 branch: in Oakland. Other branches throughout California, Washington and Oregon.	Does not yet offer home loans.
4.	<u>Provident Credit Union</u> East Bay Branch: 1495 Clay St Oakland, CA Website: Tel: 800 448-8181	Headquarters: Redwood City. CA Total assets: \$2.2 billion. 20th largest credit union in CA (2017) Credit Card Services: TBD Commercial Services: Yes	Founded 1950, originally the California Teachers Association credit union. Provident focuses on county and public-sector institutions. Provident is included because of its large scale with over 100,000 members.	12 Bay Area branches including: Oakland, Alameda, San Francisco, San Jose. Branches throughout California.	Provident CU score for loans to LMI borrowers is 5, the highest score possible. POC score is 3.

End Notes below explain each column - Notes 1 to 4. The last column shows loans made to Low to Moderate-Income (LMI) borrowers and LMI People of Color (POC) borrowers in Alameda Co.

Table 2: City of Berkeley Finance Services Candidate Banks and Credit Unions - Potential Bidders to 2018 RFP

Socially Responsible Institutions with at least one branch in the Bay Area and evident potential for providing city banking services¹

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5.	<p><u>Fremont Bank</u> East Bay Branch: 6300 College Avenue Suite 160, Oakland, CA 94618 Tel: (800) 359-2265.</p>	<p>Headquarters: Fremont, CA Total revenue: \$ 17.6 million (2016) Credit Card Services: Yes Commercial Services: Yes</p>	<p>Founded in 1964, FB is the 4th largest home mortgage lender in Alameda county from 2014-2016 (home improvement, home refinance, and home purchase loans.) A large percent of loans serves low-to moderate-income people and people of color. Fremont Bank Foundation and Corporate Giving Program appear active; FB is a family owned and operated bank.</p>	<p>20 Bay Area branches: Oakland, Pleasanton, San Francisco, San Leandro, Walnut Creek, and San Jose</p>	<p>Fremont Bank score for LMI and POC loans is 5, the highest score possible. No other bank has this total score.</p>
6.	<p><u>Bank of the West</u> East Bay Branch: 1480 Shattuck Avenue Berkeley, CA 94709 Tel: (510)-649-9191</p>	<p>Headquarters: San Francisco, CA Total revenue: \$2.62 billion (2008) Credit Card Services: Yes Commercial Services: Yes</p>	<p>Founded as a small bank in San Jose in the 19th century, Bank of the West is owned by the French bank BNP Paribas, one of the largest banks in the world. BNP Paribas announced in October 2017 that it will no longer fund new exploration, production, transportation and export projects related to Tar sands, fracked gas and the Arctic, nor the companies involved in Keystone XL and other pipelines.</p>	<p>12 Bay Area branches: Berkeley (2) Oakland (4), El Cerrito, Orinda, San Francisco, San Leandro, Pinole, and San Jose</p>	<p>Bank of the West score for loans to LMI borrowers is 4, the second highest score possible. The POC score is 2.</p>
7.	<p><u>Umpqua Bank</u> East Bay Branch: 1333 North California Blvd., Walnut Creek CA, 94596 Tel: 925-906-9179</p>	<p>Headquarters: Portland, OR Total assets: \$24 billion (2015) Credit Card Services: Yes Commercial Services: Yes</p>	<p>Founded in 1953 as a credit union for worker's in the lumber industry, the bank has steadily grown through acquisitions. Workforce Diversity is a priority presented in the bank website. In 2014, awarded \$3.4 million to nonprofit organizations that assist low-to-moderate income individuals and families. Gives employees up to 40 hours of paid time each year to volunteer with youth and community development organizations.</p>	<p>10 Bay Area branches: Walnut Creek, Corte Madera, Benicia, Concord, San Rafael, Vallejo, Antioch San Francisco (3), San Jose</p>	<p>The Umpqua Bank score for loans to LMI borrowers is 2, the second lowest score possible. The POC score is 2.</p>
8.	<p><u>Patelco Credit Union</u> East Bay Branch: 2033 Shattuck Avenue Berkeley, CA 94704 Tel: 800.358.8228</p>	<p>Headquarters: Pleasanton, CA Total revenue: \$6.06 billion (2018) Credit Card Services: Yes Commercial Services: TBD</p>	<p>Founded in 1936 to serve Pacific T&T; open membership in 1980s. Now the 6th largest CU in CA with more than 310,000 members primarily in northern CA. 22nd largest lender in Alameda County 2014-2016. Received award for Social Responsibility from CU industry association in 2017.</p>	<p>Numerous Bay Area branches: Berkeley, Oakland, San Leandro, Pleasanton, Walnut Creek, Fremont, San Francisco and San Jose</p>	<p>The Patelco CU score for loans to LMI borrowers is 3. The score for POC borrowers is 4.</p>

End Notes below explain each column - Notes 1 to 4. The last column shows loans made to Low to Moderate-Income (LMI) borrowers and LMI People of Color (POC) borrowers in Alameda Co.

Table 2: City of Berkeley Finance Services Candidate Banks and Credit Unions - Potential Bidders to 2018 RFP

Socially Responsible Institutions with at least one branch in the Bay Area and evident potential for providing city banking services¹

The criteria used to identify candidate banks and credit unions is shown on page

9.	<p>Community Bank of the Bay East Bay Branch: 180 Grand Avenue Oakland 94612 Tel: (510) 433-5400</p>	<p>Headquarters: Oakland, CA Total assets: \$287 million (2017) Credit Card Services: No Commercial Services: Yes</p>	<p>Founded in 1996, the bank is listed as representative of smaller, local banks that may be able to participate. The bank provides a pro-environment investment service, Bay Area Green Fund, to reduce emissions and protect natural resources by offering FDIC-insured bank accounts that support financing of environmentally sustainable projects and businesses.</p>	<p>4 Bay Area branches: Oakland, Danville, San Mateo, and San Jose</p>
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Other Banks with Evidence of Conventional Social Responsibility Initiatives - to consider for RFP Outreach					
	Candidate Bank or CU Name Closest East Bay Branch Location	Size / Headquarters / Services¹	Description / Socially Responsible Evidence² <small>Text is from the bank or CU's website and Wikipedia</small>	Bay Area Branches³ Areas Served	Low to Moderate Income (LMI) Loan Ratings⁴
10.	<p>Union Bank East Bay Branch: 2333 Shattuck Avenue Berkeley, CA 94704 Tel: 510-843-6353</p>	<p>Headquarters: New York, NY Total revenue: \$5.28 billion (2016) Credit Card Services: Yes Commercial Services: Yes</p>	<p>Founded in 1864 as The Bank of California. Formally Union Bank of California, in 2008 it became wholly owned by The Bank of Tokyo-Mitsubishi. In 2016, charitable investment in the community exceeded \$15.8 million.</p>	<p>8 Bay Area branches: Berkeley, Oakland, San Francisco (4), and San Jose</p>	<p>Union Bank's loan activity to LMI or POC borrowers was below the cut off of the top 50 banks in Alameda County 2014-16.</p>
11.	<p>US Bank East Bay Branch: 344 20th St. Oakland, CA 94612 Tel: 510.891.2990</p>	<p>Headquarters: Minneapolis, Minnesota Total revenue: \$445.9 billion (2016) Credit Card Services: Yes Commercial Services: Yes</p>	<p>While the bank website notes beginning from a small bank in Portland in the late 19th century, US Bank is a national conglomerate that has grown through constant acquisitions for the previous 50 years. US Bank has recently replaced Wells Fargo in other cities. Reports in 2017 of a corporate policy change to reduce investments and loans for fossil fuel projects appears to be greenwashing it's on going policy to fund carbon fuel extraction and business responsible for carbon emissions.</p>	<p>12 Bay Area branches: Alameda (3), Oakland (3), El Cerrito, San Francisco (2), and San Jose</p>	<p>The US Bank score for loans to LMI borrowers is 1 The score for POC borrowers is 1.</p>

End Notes below explain each column - Notes 1 to 4. The last column shows loans made to Low to Moderate-Income (LMI) borrowers and LMI People of Color (POC) borrowers in Alameda Co.

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	Candidate Bank or CU Name Closest East Bay Branch Location	Size / Headquarters / Services ¹	Description / Socially Responsible Evidence ² <small>Text is from the bank or CU's website and Wikipedia</small>	Bay Area Branches ³ Areas Served	Low to Moderate Income (LMI) Loan Ratings⁴
12.	First Republic Bank East Bay Branch: 2110 Mountain Blvd, Oakland, CA 94611 (Montclair) Tel: (510) 530-8881	Headquarters: Louisville, Kentucky Total Assets: US\$73.3 billion (2017) Credit Card Services: Yes Commercial Services: Yes	Founded in 1985, First Republic Bank (FRB) website information indicates a focus on private banking, private wealth management, including investment, trust and brokerage services. It is owned largely by two private equity firms, Colony Capital and General Atlantic. The FRB website, under the tab "About Us", includes a link to "Corporate Citizenship at First Republic". This link is to a 24-page brochure, that presents 2017 loan history to low to medium income borrowers and more than a dozen nonprofit support activities and community development partnerships.	Except for a branch in the Montclair area, no bank branches are on the Bay side of the East Bay, e.g., Oakland and Berkeley. Other branches are in Orinda, Pleasanton, Walnut Creek.	Republic Bank's score for loans to LMI borrowers is 1 The score for POC borrowers is 1 . See Note 4.

Criteria Notes to Identify Candidate Banks and Credit Unions for the 2018 Banking Services RFP

Note 1 Internet research of banks and credit unions identified the above list of potential candidates for the City of Berkeley (City) Banking Services 2018 RFP. Three criteria were used to develop the list:

1. The banks or credit unions have an office in the Bay Area and preferably in the East Bay.
2. The banks or credit union have the size and offer banking services that could serve the City of Berkeley.
 This criterion assumes that the 2018 RFP would be structured to allow more than one bank to provide services. The services appear to be at a scale to suggest the potential to provide some level of financial services to the City of Berkeley if more than one bank is involved.
3. The bank or credit unions promote socially responsible policy and community development loans and programs as a corporate priority and have a record of no fraudulent or illegally exploitive banking practices in recent years. - see Note 2.

The Task Force is working to identify as many candidate banks and credit unions as possible that meet the three criteria list above.

End Notes below explain each column - Notes 1 to 4. The last column shows loans made to Low to Moderate-Income (LMI) borrowers and LMI People of Color (POC) borrowers in Alameda Co.

Criteria to Identify Candidate Banks and Credit Unions - continued

The website research was conducted in January and February 2018. The research indicates the above banks or credit unions provide services beyond personal banking for individuals and families. The services provided include Commercial, Business,

Public Sector or Non-Profit services. "Commercial Services" is used in the second column as a proxy that the bank provides services beyond personal banking. Further information is needed to confirm the potential capacity of each of the candidates identified to date to provide the desired finance services to the City. This work will continue in the Task Force

The website information indicates the above banks have assets that are large enough to indicate a potential capacity to respond to the 2018 RFP and provide some financial services.

- Two of the banks fall into the State of California Department of Financial Institutions asset group of \$100 to \$500 million in assets: Beneficial State Bank and Community Bank of the Bay. This size data is expected to be part of the City's 2018 RFP criteria.
- An informal estimate is that all of the above banks have \$50 million to \$75 million in collateral and the capacity to process up to \$50 million in deposits and robust overdraft protection. Community Bank of the Bay, one of the smallest banks listed, may fall below this capacity criteria.

Note 2 In addition to the potential to provide services to the City based on scale, the banks and credit unions identified above expressed purposeful policies and services to actively address environmental protection, community development, and underserved communities.

The institutions are listed in an informal ranking of the progressive policies and actions found on the respective web sites:

- Amalgamated Bank, Self Help Federal Credit Union, and Beneficial State Bank present the most active environmental and community development policies of the candidates identified.
- Umpqua and Community Bank of the Bay provide less activist and more traditional community benefit programs.
- The research here indicates that US Bank and First Federal Republic have somewhat less in community benefit programs, particularly if the percentage of loans to low or medium income borrowers is considered.

Note 3 The column titled, *Bay Area Branches / Areas Served* adds information about the institution's scale and capacity to provide services to the City.

- Two of the candidate banks, Amalgamate and Beneficial State Bank, have two or fewer offices located in the Bay Area's standard metropolitan statistical area. This branch location data is expected to be part of the City's 2018 RFP criteria.

Note 4 The last column reports draft data-based ratings of the candidate financial institutions developed by the Greenlining Institute, based in Oakland for the 50 banks and CUs with the most loans 2014-16: a) for low and moderate income (LMI) borrowers and, b) for low-moderate income people of color (POC) borrowers in Alameda County. The purpose is to rate banks as community resources that promote and achieve race and class fairness in their pursuit of mortgage business.

The Greenlining Institute assigned a score to each bank in the top 50 of loan origins in Alameda County based on the share of home loans the bank extended to low-to moderate-income people from 2014 to 2016.

Banks that originated less than 8.6% of their loans to LMI or POC borrowers received a score of **1**. US Bank is an example.

Banks that originated between 8.6% and 11.4% of their loans to LMI or POC borrowers received a 2, the second lowest score.

Banks that originated between 11.5% and 13.4% of their loans to LMI or POC borrowers received a score of **3**

Banks that originated between 13.5% and 14.8% of their loans received a score of **4**, and

Banks that originated more than 14.8% of their loans to low-to moderate-income borrowers received a score of **5**. Fremont Bank is an example.

Discussion of rating banks: The data is for all HMDA loans in Alameda from 2014-2016 for 1-4 Family Homes and Manufactured Homes, Home Improvement Loans, Refinance, and Home Purchase loans. We looked specifically at loans to low and moderate-income borrowers instead of low to moderate income census tracts because banks are lending to upper income people in low income areas, exacerbating gentrification and displacement pressures in Alameda County.

The race equity score is particularly important due to the history of racial exclusion through deed restrictions, zoning laws and redlining in the region, and the enduring legacy of such practices and policies that can still be seen today. Loan denials to low and moderate-income borrowers is a more important measure of bank policies and this data will be added in May-June 2018.

Finally, the data used here is for Alameda County in recent years, where the price of a home has increased beyond the reach of many Low to Moderate Income potential borrowers. Therefore, record of loans used here may be different if data from the California Central Valley were included-where more loans are made to low income home buyers. Similarly, the record of loans may be different if other than home loans to low income borrowers were included.

Task Force Research/Outreach Note:

Additional candidate banks or credit unions, with socially responsible practices, investment actions and reputations, will be included as candidates based on continued outreach and input to the Socially Responsible Banking Task Force.

Resources: [Greenlining Institute](#). The Greenlining Institute is a policy, research, organizing, and leadership institute working for racial and economic justice.

Table 3: List of Contacts Made to Date

Cities Contacted
<p><u>Alameda</u> Elena Adair Finance Manager Tel: (510) 747-4888 finance@alamedaca.gov</p>
<p><u>Oakland</u> Christina Morales Housing Development Coordinator Led RFP responsible banking update 250 Frank Ogawa Plaza, 5th Floor Tel: (510) 238-6984 cmorales@oaklandnet.com</p>
<p><u>Los Angeles</u> Councilmembers Mitch O'Farrell and Paul Koretz 200 N Spring St, Los Angeles, CA 90012 Tel: (213) 473-3231</p>
<p><u>Portland</u> Janet Storm, City Socially Responsible Investments Committee 1120 SW 5th Avenue, Room 1250 Portland, OR 97204, janet.storm@portlandoregon.gov</p>
<p><u>San Francisco</u> José Cisneros, Treasurer City Hall, Room 140, 1 Dr. Carlton B. Goodlett Place. San Francisco, CA 94102 Tel: (415) 554-4400</p>
<p><u>Santa Monica</u> David Carr, Assistant City Treasurer City of Santa Monica, Revenue Division 1717 Fourth Street, Suite 150, Santa Monica, CA 90401 Tel: (310) 458-8775, David.Carr@SMGOV.NET</p>
<p><u>Seattle</u> Presley Palmer, CPPB City of Seattle, Purchasing & Contracting Tel: (206) 233-7158, presley.palmer@seattle.gov</p>

Banks and Credit Unions Researched
<p><u>Amalgamated Bank</u> SF branch: 255 California St., SF, CA 94111 Website: https://www.amalgamatedbank.com/five-principles Tel: (415) 995-8100</p>

Self Help Federal Credit Union

East Bay Branch: 1432 7th St., Oakland, CA 94607
Website: <https://www.self-helpfcu.org/locations/Oakland-Branch>
Tel: (877) 369-2828

Beneficial State Bank

East Bay Branch: 1438 Webster St., Oakland, 94612
Website: <https://www.beneficialstatebank.com/>
Tel: (888) 326-2265

Provident Credit Union

East Bay Branch: 1495 Clay St., Oakland, CA
Website: <https://www.providentcu.org/index.asp?i=whyProv>
Tel: (800) 448-8181

Fremont Bank

East Bay Branch: 6300 College Avenue, Suite 160, Oakland, CA 94618
Website: www.fremontbank.com
Tel: (800) 359-2265

Bank of the West

East Bay Branch: 1480 Shattuck Avenue, Berkeley, CA 94709
Website: <https://www.bankofthewest.com/>
Tel: (510) 649-9191

Umpqua Bank

East Bay Branch: 1333 North California Blvd., Walnut Creek CA, 94596
Website: <https://www.umpquabank.com/>
Tel: (925) 906-9179

Community Bank of the Bay

East Bay Branch: 180 Grand Avenue, Oakland 94612
Website: <https://www.bankcbb.com/>
Tel: (510) 433-5400

Union Bank

East Bay Branch: 2333 Shattuck Avenue
Berkeley, CA 94704
Website: https://www.unionbank.com/Images/MUFG_Corporate_Profile.pdf
Tel: (510) 843-6353

US Bank

East Bay Branch: 344 20th St., Oakland, CA 94612
Website: <https://www.usbank.com/en/CommGovtHome.cfm>
Tel: (510) 891.2990

Community Organizations and Municipal Finance Resources Consulted

California Reinvestment Coalition

474 Valencia St, Ste 230
San Francisco, CA 94103
Website: <http://www.calreinvest.org/>

The Dellums Institute for Social Justice

Website: <http://www.dellumsinstitute.org/>

Greenlining Institute

360 14th Street
Oakland, CA 94612
Website: <http://greenlining.org/>
Tel: (510) 926.- 4001

Mazaska Talks

Website: <https://mazaskatalks.org/media-contact-us/>

Haas Institute for a Fair and Inclusive Society

University of California, Berkeley
460 Stephens Hall
Berkeley, CA 94720 MC 2330
Website: <https://haasinstitute.berkeley.edu/>
Tel: (510) 642-3342



Background Briefing and Work Status

Responsible Banking Task Force



Task Force Background and Participants



The city of Berkeley took several steps to require social responsibility by its vendors and contractors

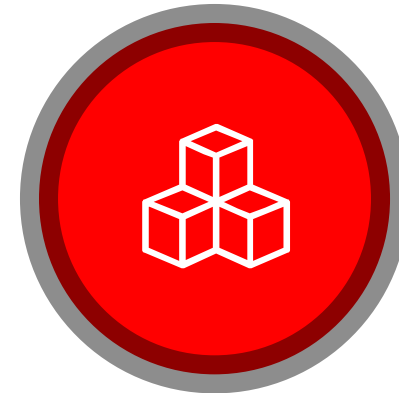
2017: The Mayor and Council Establish the City of Berkeley Responsible Banking Task Force



**Financial
Management**



**Public Advocacy with a
focus on socially
responsible business
practices**

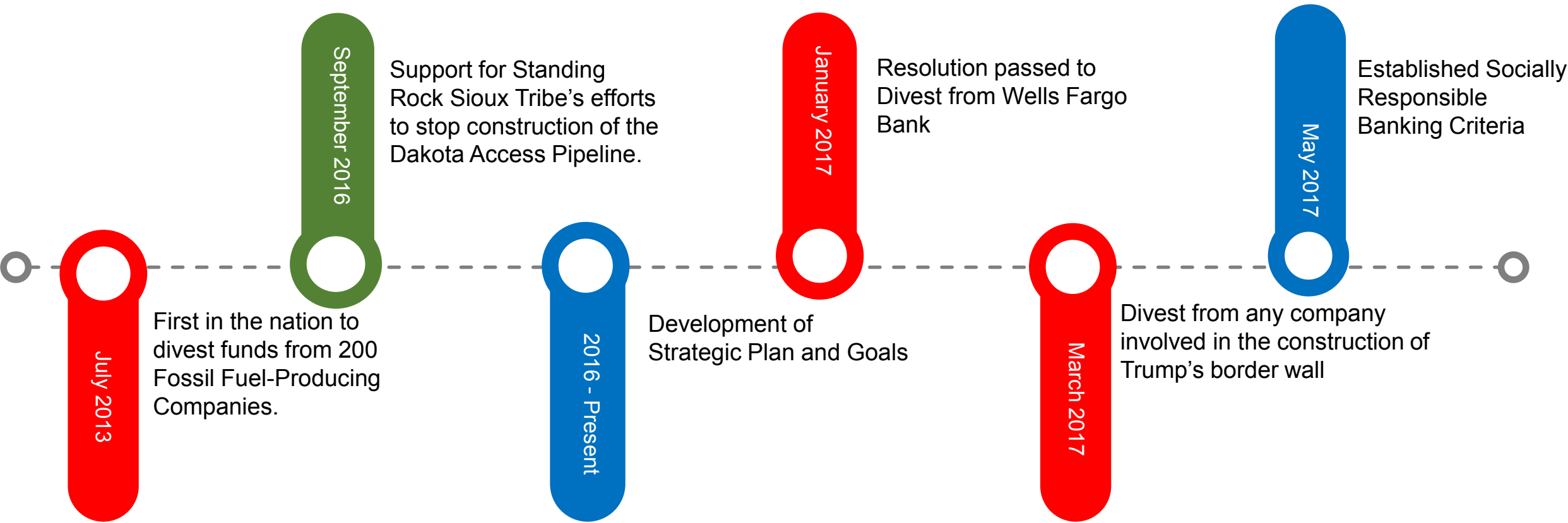


**Community
Development**



City Council Actions

The Task Force was formed in response to Berkeley City Council's policy positions since 2011



Task Force Goals

Evolution of Social Responsibility Criteria for Municipal banking

Socially Responsible
Procurement Practices



Efficient and Effective
Local Government

Linking Strategic Plan Goals to Banking Services



The Task Force will connect service contracts to the City of Berkeley's Strategic Plan Goals

4

**Social and
Racial Equity**

5

**An Efficient
and
Financially
Healthy Local
Government**

6

**A Sustainable
Local
Economy**

7

**Be a Global
Leader in
Addressing
Climate
Change and
Protecting the
Environment**

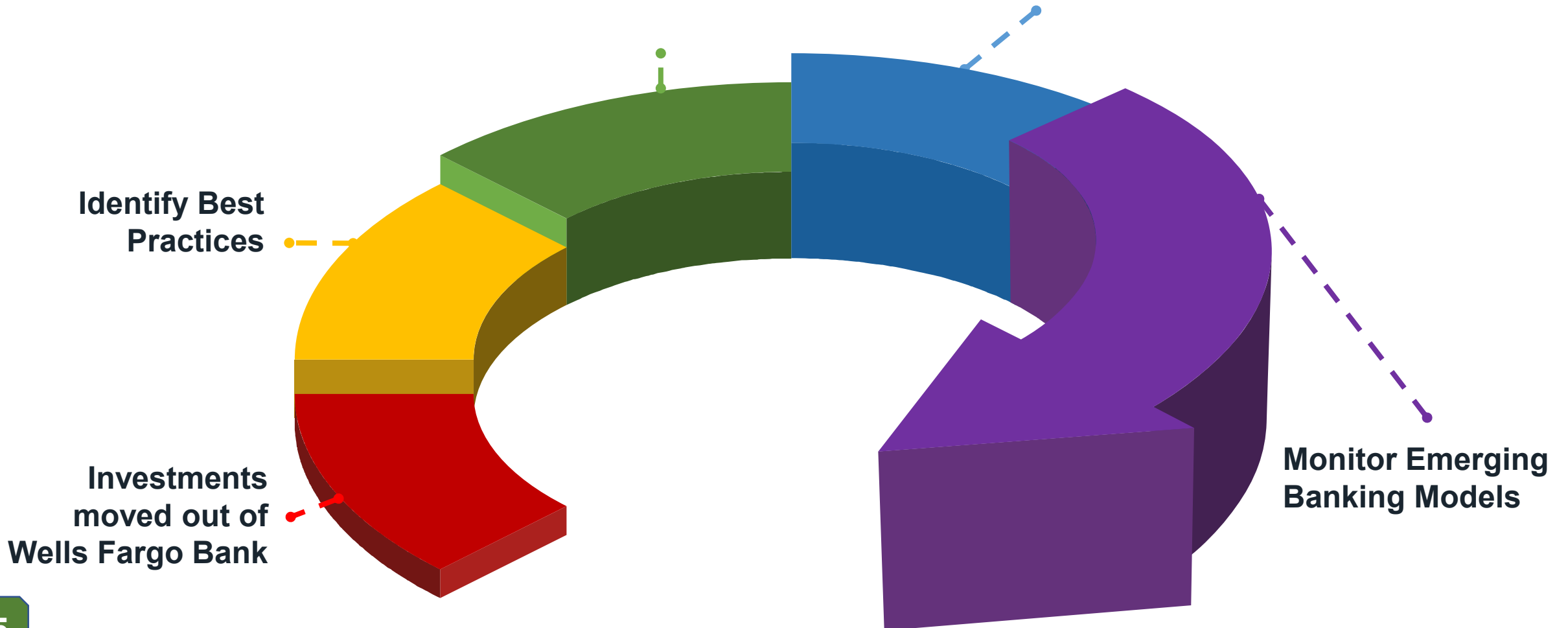
Task Force Process and Progress



The Task Force is working with City Finance to incorporate best practice socially responsible banking

Restructure RFP Process

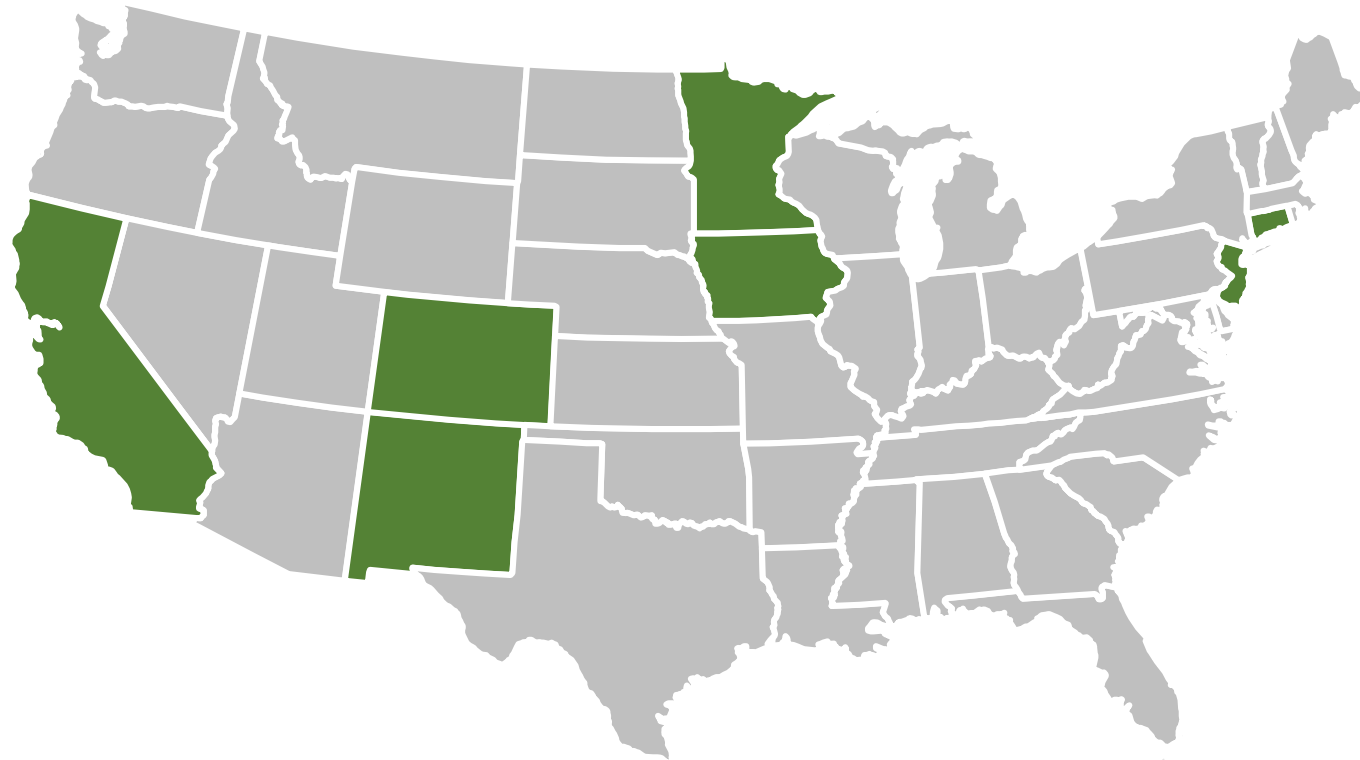
Explore New Approaches





Small to medium size cities similar to Berkeley in population dropping Wells Fargo

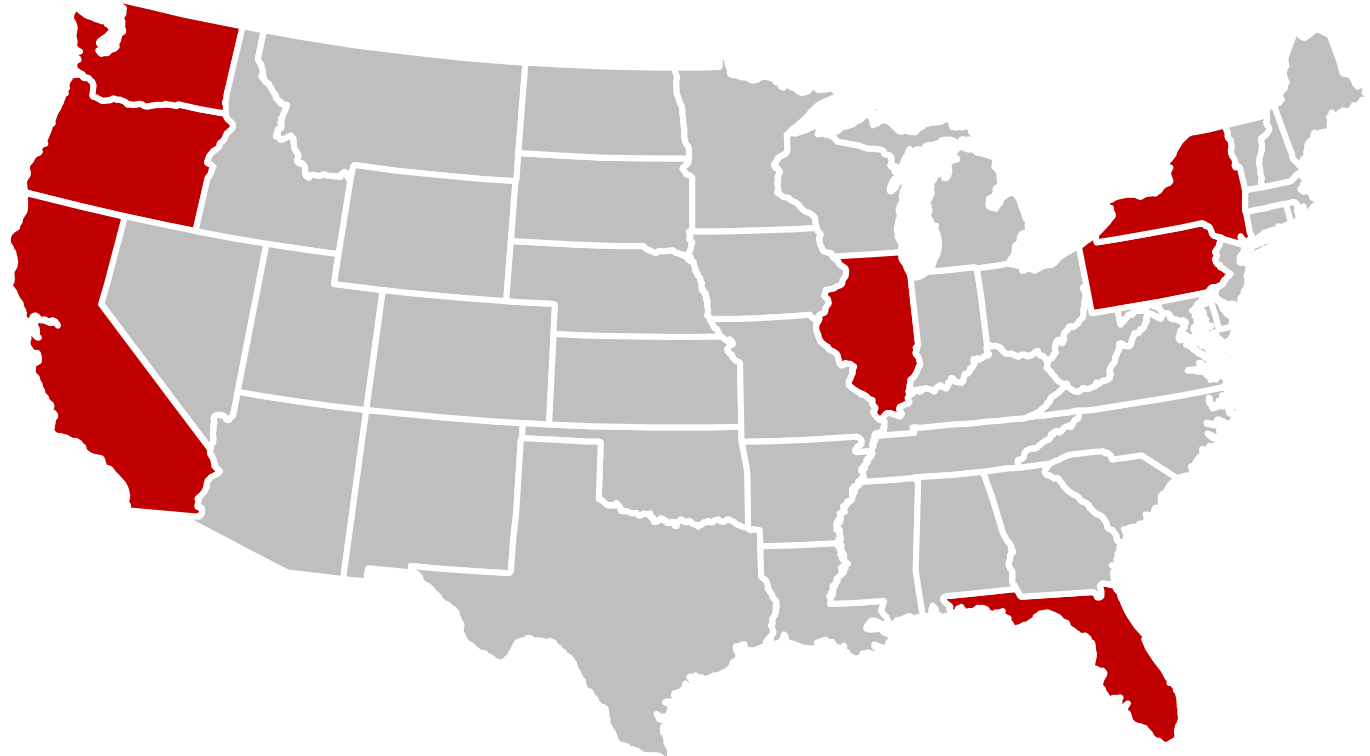
1. Alameda, CA
2. Berkeley, CA
3. Davenport, IA
4. Davis, CA
5. Eagle County, CO
6. East Orange, NJ
7. Las Cruces, NM
8. Santa Fe, NM
9. Missoula, MT
10. New Haven, CT
11. Santa Cruz, CA
12. San Leandro, CA
13. Santa Monica, CA
14. St. Peter, MN



Cities and counties larger than Berkeley in population dropping Wells Fargo and (other mega banks)



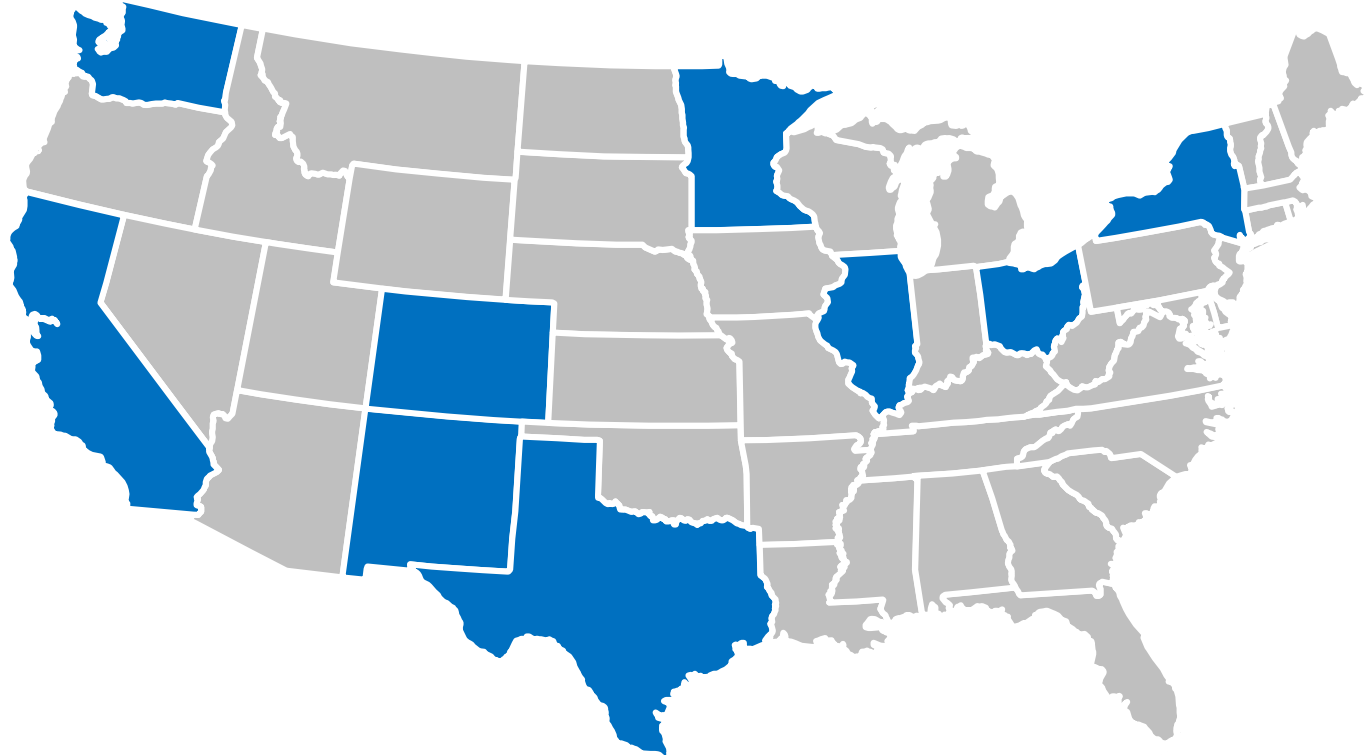
1. Broward County, FL
2. Chicago, IL
3. Los Angeles, CA
4. New York, NY
5. Oakland, CA
6. Philadelphia, PA
7. Portland, OR
8. Sacramento, CA
9. Santa Clara County, CA
10. San Francisco, CA
11. Santa Rosa, CA
12. Seattle, WA
13. Washington, DC



States, public agencies, universities and pension funds dropping Wells Fargo



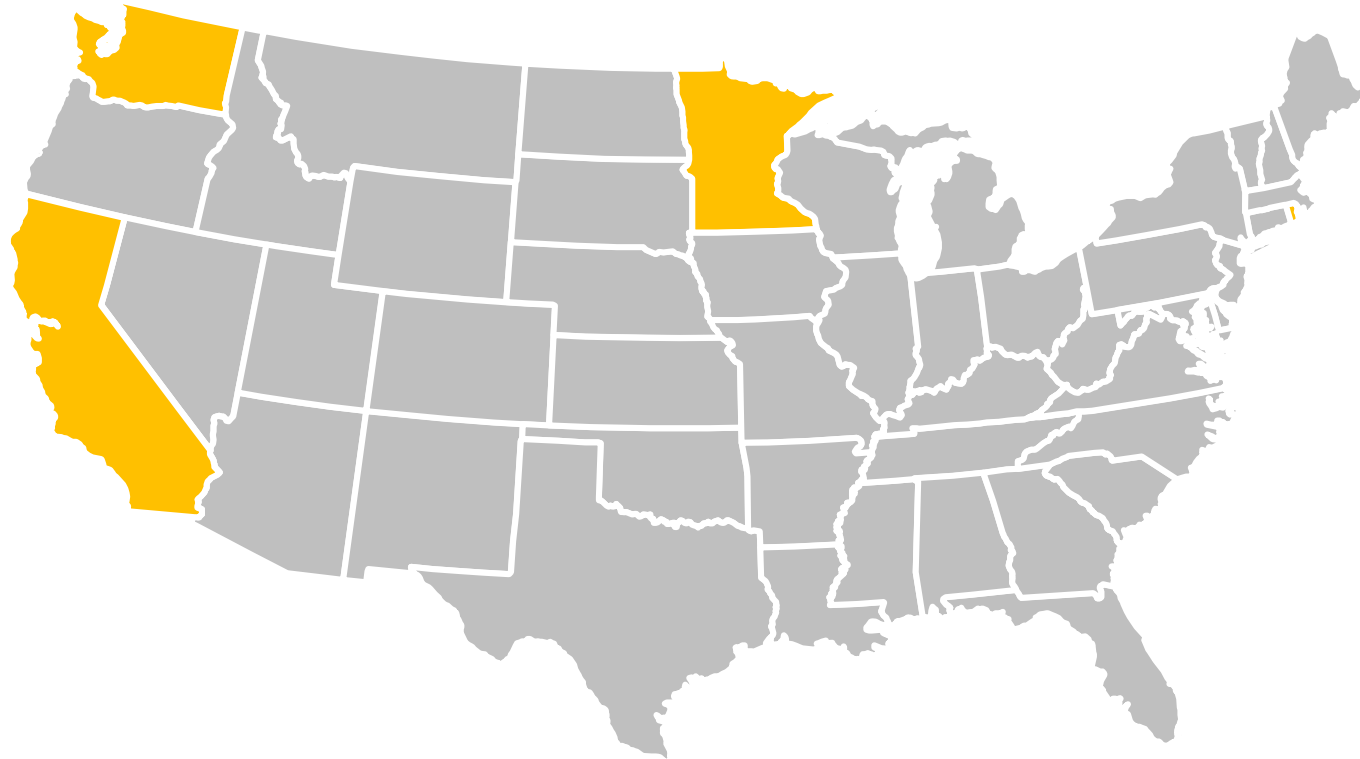
1. State of California
2. State of Illinois
3. Mille Lacs Band of Ojibwe, MN
4. State of New Mexico
5. New York State Pension Fund
6. State of Ohio
7. Seattle City Public Utility
8. TexaSaver
9. Colorado Pipe Industry Trust Fund
10. University of California



Other cities that have studied dropping Wells Fargo or other mega banks



1. Bellingham, WA
2. Minneapolis, MN
3. San Jose, CA
4. Providence, RI
5. West Hollywood, Ca

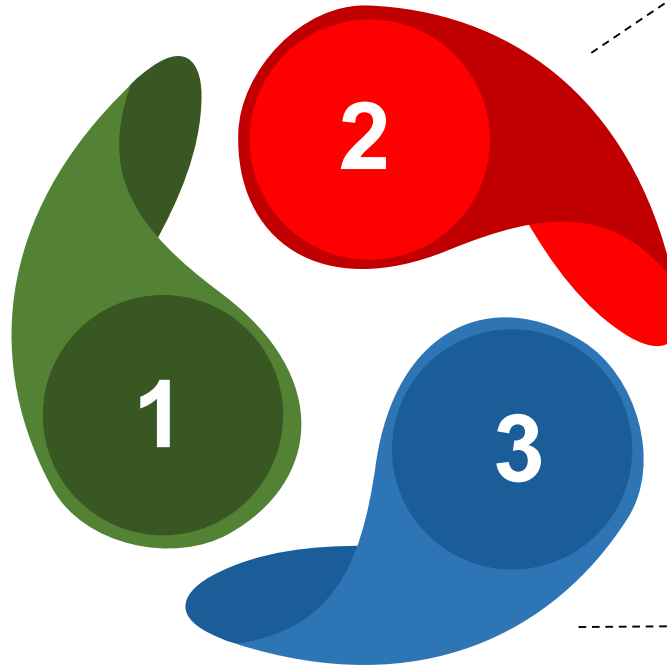


Challenges to Achieving Goals



The City of Berkeley is one of many cities that is striving to make a change from their current bank.

**Current Pool of Banks
Is Limited**



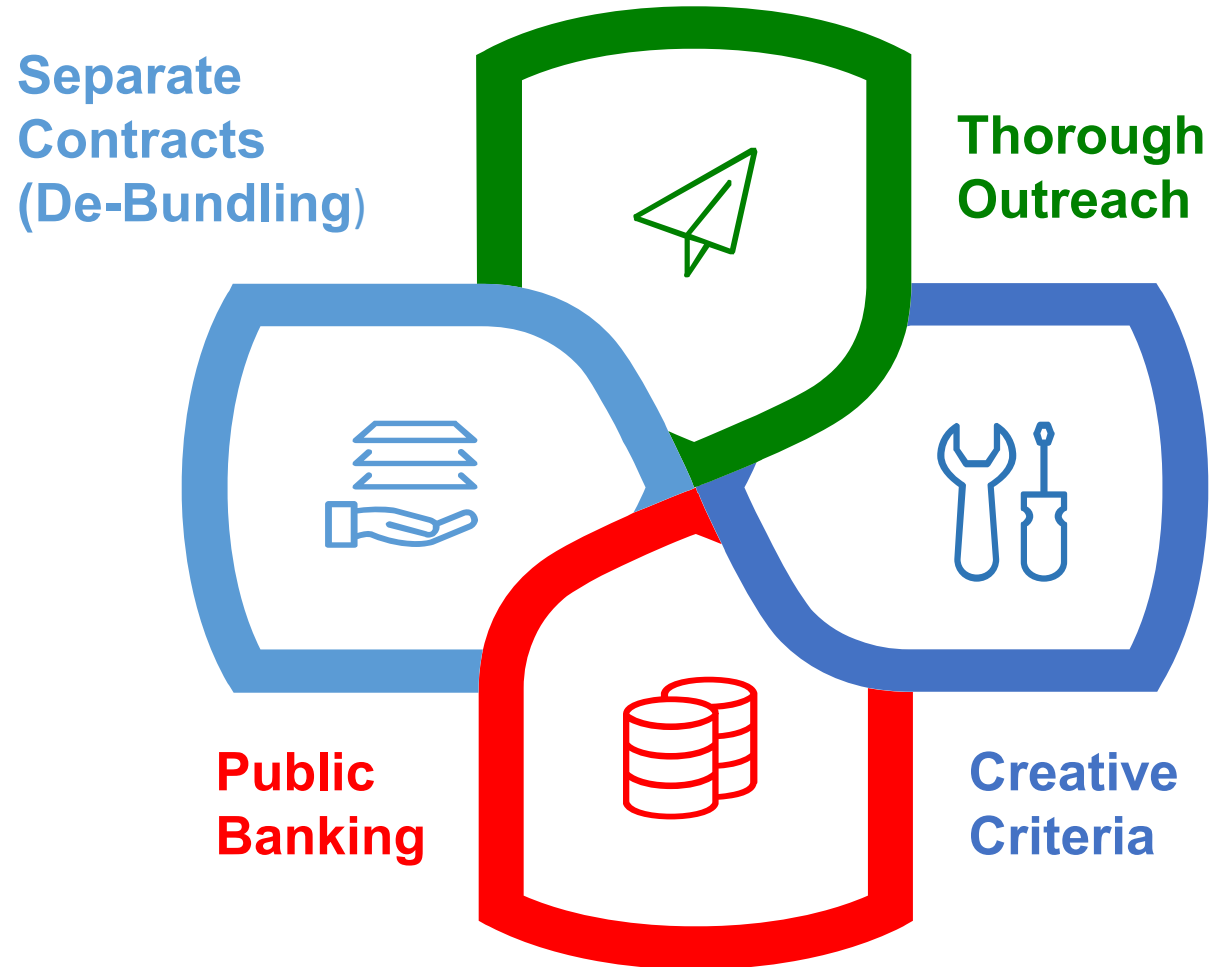
**Legal and Technical
Requirements**

**Social Responsibility vs.
Technical Capacity**

Alternatives & Solutions – Towards a New Model



The Task Force is exploring alternatives to the traditional procurement process and banking services model



Conclusions and Next Steps



Council to give guidance and approval of the alternative approaches and options now being explored

The Task Force supports the staff recommendation and will continue our work to make Berkeley a leader in developing a new model of socially responsible banking.

Thank You



Office of the City Manager

INFORMATION CALENDAR

June 28, 2022

To: Honorable Mayor and Members of the City Council
From: Dee Williams-Ridley, City Manager
Submitted by: Henry Oyekanmi, Director, Finance Department
Subject: Annual Update on Wells Fargo Bank's Community Involvement and Investment in the City of Berkeley

INTRODUCTION

On May 7, 2013, Council adopted Resolution No. 66,106-N.S. authorizing the City Manager to execute a four-year contract with Wells Fargo Bank. The bank provides comprehensive banking services to the City. The contract has subsequently been extended through 2023. Wells Fargo is required to provide an annual report about its community involvement and investments within the City of Berkeley.

CURRENT SITUATION AND ITS EFFECTS

This report is the annual report of Wells Fargo Bank's Community Involvement and Investments within the City of Berkeley. Additionally, Wells Fargo presents a summary of several corporate strategies related to social and environmental responsibility efforts.

Attachments to this report are:

1. *2020 Social Impact and Sustainability Highlights*. This document provides a corporate-wide overview of the following areas: Resiliency and recover amidst the COVID-19 pandemic; Elevating diversity, equity, and inclusion; Supporting the transition to a low-carbon economy.
2. *2022 Berkeley Social Responsibility Report*. This power point slide deck provides some details of Wells Fargo's activity specifically within the city limits of the City of Berkeley, and is quantified by the following subsections:
 - People:
 - 73 team members live in Berkeley
 - 55 team members work in Berkeley
 - Locations:
 - Four (4) locations, one in low to moderate income neighborhoods (LMI)
 - 12 ATMS, six (6) in LMI

- Philanthropy and Volunteerism
 - 197 non-profit grants over the past 5 years = \$7.0 million
 - Ten (10) grants last year = \$530,980
 - Employees volunteered at 31 events totaling 99 volunteer hours
 - 78 employees donated to Berkeley non-profits = \$7,641
 - List of Berkeley non-profits supported by Wells Fargo
- Home Ownership:
 - 1,603 home mortgages over the past five (5) years = \$1.1 billion
 - 307 home mortgages last year = \$226.1MM
 - 17 loans in LMI communities = \$11.6MM
 - 27 to LMI borrowers = \$8.4MM
- Community Development Loans and Investments:
 - 80 community development loans and investments supporting affordable housing over the past 5 years = \$41.0 million
 - Two (2) community development loans last year = \$15.6 MM
 - 12 community development investments last year = \$814,000
- Small Business Lending
 - 3,250 small business loans over the past 5 years = \$186.0 million
 - 781 loans last year = \$45.2MM
 - 117 small business loans in LMI communities = \$7.1MM
- Diversity, Equity, and Inclusion
 - 45% of employees are ethnically/racially diverse
 - 55.2% of employees are female
 - 8,800 employees are veterans
- Environmental Sustainability
 - 100% of the bank's operating energy is met by renewable energy
 - 8.1% of all wind/solar energy in the U.S. was owned or financed by Wells
 - \$75 billion in sustainable financing was provided in the U.S.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

Wells Fargo discusses supporting a transition to a low-carbon economy, which includes, but is not limited to, funding Resilient Communities Programs that work to restore or improve land, protect land, restore wetlands, plant trees, reduce wastewater, and engage community members in these efforts.

CONTACT PERSON

Darryl Sweet, General Services Manager, (510) 981-7329

Attachments:

- 1: 2020 Social Impact and Sustainability Highlights
- 2: 2022 Berkeley Social Responsibility Report



2020 Social Impact and Sustainability Highlights

Published April 2021





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04	Resiliency and recovery amidst the COVID-19 pandemic
13	Elevating diversity, equity, and inclusion
27	Supporting the transition to a low-carbon economy

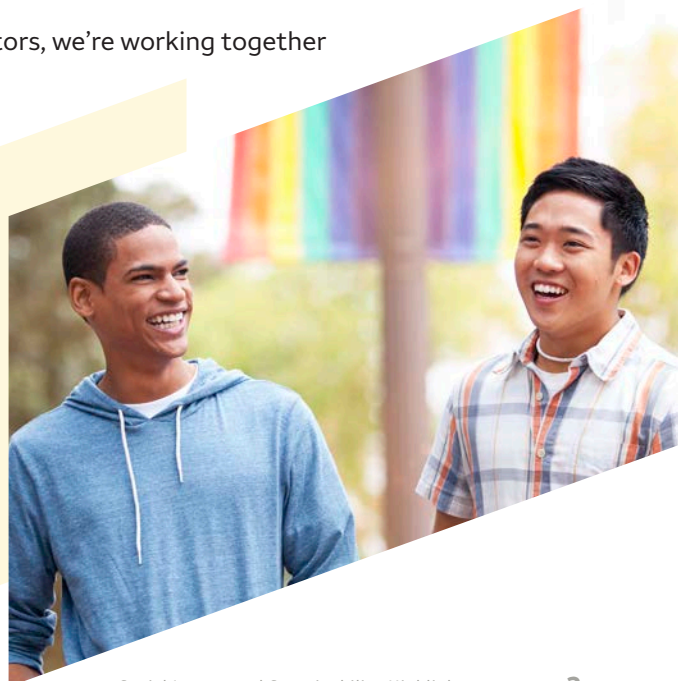
The events of the past year – everything from the COVID-19 pandemic and social unrest to political upheaval and rampant wildfires – have shone a harsh light on the inequities embedded in our social systems. Day after day, we’ve witnessed the inspirational courage of grocery clerks and first responders ... activists and scientists ... teachers and students, as they fight the pandemic and climate change and raise their voices against discrimination and injustice. Their stories have both inspired us and awakened us to the hard work we all must do to better understand and take action on these interconnected crises.

Wells Fargo is dedicated to making meaningful, inclusive, and enduring contributions as our communities address and recover from these challenges. We’re focused on addressing systemic issues and supporting an inclusive recovery as we aim to break down barriers to enable a better future.

More than ever, the world needs thoughtful, well-informed, fact-driven leadership. As a leader in our industry, Wells Fargo is:

- **Practicing active listening:** We’re listening to the advice of experts and to feedback from our customers, employees, investors, and community partners.
- **Leveraging innovation and technology:** Technology has played a vital role in keeping people more connected during the pandemic. We’re investing in technology and innovation to deliver fast and secure services that make doing business with us easier, more accessible, and more convenient.
- **Emphasizing collaboration:** Both within and across sectors, we’re working together on innovations that serve the greater good.
- **Operating with empathy:** The challenges facing us have made life overwhelming for many. So, it’s increasingly important that we lead with empathy, kindness, and compassion.

By any measure, 2020 was one of the most challenging years we’ve faced in decades, as a society and as a company.



***Resiliency and recovery amidst
the COVID-19 pandemic***



Letter from the Chief Operating Officer

Since the COVID-19 pandemic began, Wells Fargo's priority has been protecting the safety and well-being of our employees and customers and supporting the communities we serve.

For our employees, we've been deliberate in our workplace decisions. We've been able to equip approximately 83% of our workforce to work from home. For employees whose roles require them to be at a Wells Fargo location, we've taken numerous steps to help protect their health and safety, including requiring face coverings in our facilities, configuring office space for social distancing, and enhancing our cleaning protocols.

We've provided frequent, transparent communications to our employees and listened for areas where we could offer support. For example, after many daycare facilities and schools closed, we temporarily reimbursed childcare expenses of \$100 per day for eligible employees during the first three months of the pandemic. We also aided more than 23,000 employees through the WE Care employee relief fund.

Our support for customers has been multifaceted. In 2020, we helped 3.6 million consumer and small business customers by deferring payments and waiving fees. We've helped customers through relief programs as a participant in the Paycheck Protection Program (PPP). As for our physical locations, global research firm Ipsos recognized us as leading the major banks in maintaining cleanliness and providing health and safety signage in our bank branches.

We also engaged with our community partners, who identified food insecurity as one of their greatest needs. In response, we provided 82 million meals to families in need, through a combination of food bank events and a \$10 million donation to Feeding America. We've also committed to distributing about \$420 million in grants through the Open for Business Fund to nonprofits that support small businesses. We project that grant awards from August 2020 through February 2021 will help entrepreneurs to protect more than 63,000 jobs.

We look forward to the day when we can return to a more normal operating model. Until then, we will continue to do all we can to support our employees, customers, and communities.



– **Scott Powell**, COO





In 2020, we shipped **80,000** safety kits to employees, with priority for individuals still working at Wells Fargo locations. In 2021, this program will expand to the rest of the enterprise.

Reimagining the Wells Fargo workforce

When it comes to our people, safety is our top priority. We're taking action every day to support our employees so they can continue to safely serve our customers.

Over just a couple of weeks in March 2020, our working habits shifted profoundly. In response to the COVID-19 pandemic, we supported our team by enhancing employee benefits, including time-away policies and childcare and healthcare benefits.

- Since spring 2020, we've enabled more than 220,000 employees to work remotely full-time
- We made a one-time cash award to approximately 165,000 employees who make less than \$100,000 per year, and we made additional special payments to recognize the unique contributions of those working on the front lines
- More than 22,000 eligible U.S. employees took advantage of enhanced childcare benefits in early 2020
- In the U.S., we adjusted the short-term disability program to provide full pay, without a waiting period, to employees who needed to take a COVID-related medical leave
- Enhanced telehealth benefits for employees and their families enrolled in health plans
- Offering free, voluntary on-site or self-administered COVID-19 testing for employees currently working at a Wells Fargo location in the United States



The safety of our employees and customers is our priority. We've made many important changes across our offices and branches:

- Enhanced air filtration
- Physical barriers
- Increased sanitation
- Expanded drive-up services
- Face coverings
- Capacity and physical distancing

Wells Fargo is a Founding Partner of The Ad Council and COVID Collaborative's COVID-19 Vaccine Education Initiative, "It's Up to You", launched in February 2021. This initiative represents one of the largest public education efforts in U.S. history and is focused on addressing American's top questions, understanding their concerns and working to educate and empower people across the country – particularly communities of color who have been disproportionately impacted by the pandemic – so they can make an informed choice about vaccination for themselves and their families. The campaign urges audiences to visit [GetVaccineAnswers.org](https://www.getvaccineanswers.org)* ([DeTiDepende.org](https://www.detiendepende.org)* in Spanish) to get the latest information about COVID-19 vaccines.

COVID-19 vaccines

COVID-19 vaccines are now being distributed in most of the countries where we operate. While we understand that choosing to be vaccinated is a personal decision, we encourage all employees to be educated and make well-informed decisions about the vaccine based on the guidance of medical experts. We are providing all employees globally who choose to get vaccinated with up to eight hours additional paid time off for COVID-19 vaccine appointments.

Providing services customers can count on in challenging times

Wells Fargo is dedicated to the highest standards of service, integrity, and accountability. We listen to our customers, and we're committed to exceeding their expectations and putting them first. As we rise to meet the challenges of our current environment, we're working to meet our customers' needs by providing them with financial access and guidance via an easy and convenient digital banking experience, in addition to support by phone and in person.

In 2020, Wells Fargo helped 3.6 million consumers and small businesses with payment assistance, including deferrals and fee waivers.

Digital as an essential service

The COVID-19 pandemic has accelerated the adoption of digital banking and payment options at a staggering pace. Through increased system capacity, enhanced automation, and the creation of new features, digital banking has become one of the primary connection points for our customers.

Amid the height of pandemic-driven restrictions in mid-April, approximately 51% of American workers were working from home ([Gallup](#)*). With many people unable to access their workplaces and financial institutions, individuals and businesses struggled with such routine activities as processing payments, cashing checks, and accessing accounts.

* We do not control the website. Wells Fargo has provided this link for your convenience, but does not endorse and is not responsible for the content, links, privacy policy, or security policy of this website.



Distributing CARES Act funds to students

After the COVID-19 pandemic upended life on campus, Stillman College worked to quickly distribute part of its Coronavirus Aid, Relief, and Economic Security CARES Act funds to its scattered student population. Given that 80% of its students qualify for Pell Grants – which means their household income is \$30,000 or less – the College wanted to get funds directly into the hands of its students before their May rent payments were

due. Once the Stillman COVID-19 Leadership Task Force decided to give \$500 grants to all eligible students, they quickly realized that tracking down current addresses, and printing and mailing checks, would take too long. Working with Wells Fargo, they identified disbursements via Zelle® as the optimal solution for immediately sending money to students’ bank accounts using only their email address or mobile phone number. Thanks to this digital solution, the funds arrived at a critical time and were easier to access.

At Wells Fargo, we saw increased digital engagement with customers, including adoption of our mobile and online banking offerings by customers who haven’t historically used them – all in response to the pandemic’s impacts on branch hours and availability. Notably, in fourth quarter 2020:

- **Digital banking logins rose 11.2%** from the prior year to 1.7 billion, and 1.5 billion of those came through a mobile device
- **Mobile deposit dollar volume was up 108.4%** year over year. And 33.4 million checks were deposited using mobile devices – a 36.1% increase from the prior year

We supported commercial customers’ continued ability to access banking services through the secure mobile functionality of our [Commercial Electronic Office®](#) (CEO®), which saw:

- **A 76% increase in CEO® Mobile app downloads** during the first five months of 2020 compared with the same period in 2019
- **A 43% increase in mobile check deposits** from 2019 to 2020

“The speed at which companies have pivoted their business models to provide life-altering products and services has been awe-inspiring.”

– **Charlie Scharf**, Wells Fargo CEO

Merchant Services supports business adaptations

Whether establishing an online presence, taking mobile or contactless payments, or reaching new customers, business owners faced many challenges in 2020. Wells Fargo Merchant Services worked with our customers to help them pivot their business operations and remain open through stay-at-home orders and social-distancing requirements. No matter how they serve customers – curbside, in-store, online, by phone, or on the go – Wells Fargo Merchant Services offers flexible, scalable, and reliable solutions to help meet health and safety guidelines while adopting new payment methods.

When most restaurants began shutting down at the onset of the pandemic, one West Coast-based seafood distributor, that primarily caters to the restaurant industry, had to quickly pivot their business model to stay open. The company began serving consumers directly with family meal kits, fresh shellfish, new appetizers, and more. To capitalize on these additional revenue streams, they needed to set up a merchant account/payment gateway as quickly as possible. We provided guidance and a roadmap for the most appropriate gateway and the simplest setup options, and in just two days we helped the company get up and running with their new business model.

Paycheck Protection Program (PPP)

Small businesses are the heartbeat of our communities – and they are the key to millions of local jobs. Wells Fargo is committed to helping small businesses impacted by COVID-19 stay open and get back to growth.

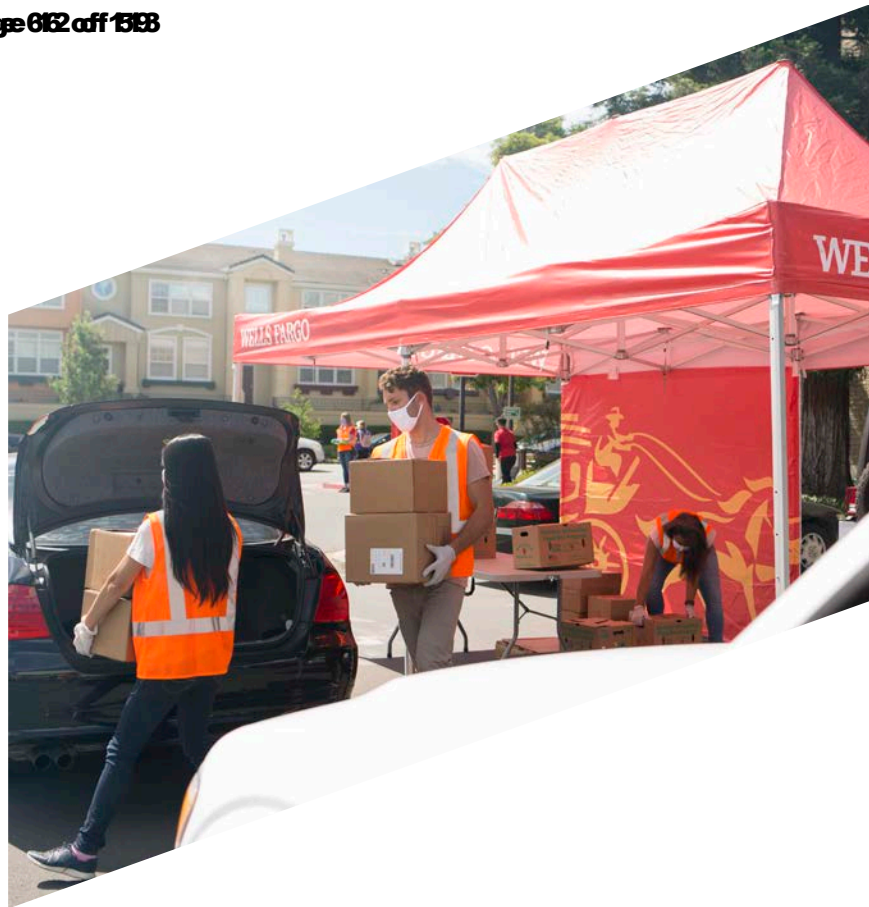
Through the initial phase of PPP, we:

- Approved lending to companies representing a total of **1.3 million jobs**
- **Submitted 259,000 PPP applications** to the U.S. Small Business Association (SBA)
- **Funded approximately 194,000 loans** totaling more than \$10.5 billion:
 - **61%** were for loan amounts of \$25,000 or less
 - **84%** were for companies that have fewer than 10 employees
 - **78%** were for \$50,000 or less
 - The average loan amount was **\$54,000**
 - **90%** of applicants have \$2 million or less in annual revenue
 - **41%** of the loans originated in low- and moderate-income communities, or those with at least a 50% minority census track



Contributing to an inclusive recovery in our communities

We will continue to be there for customers and communities during the COVID-19 pandemic and its aftermath as we work toward an inclusive recovery. As we do that, we're evolving our social impact efforts to focus more deeply on racial and economic inequities and environmental justice, as well as on building more resilient and inclusive communities. To learn more, visit our [Impact page](#).



Drive-up food banks

Millions of Americans are struggling to put meals on the table, creating extraordinarily long lines at food banks and stretching limited family resources thinner than ever. From July to October 2020, we teamed up with Feeding America® member food banks to transform many branch and corporate parking lots into a network of Drive-Up Food Banks.

- **211 events** coordinated in 35 cities
- **82 million+** meals¹ provided

Open for Business Fund

The COVID-19 pandemic has created unprecedented economic challenges for our small business customers. We're working to foster an inclusive recovery and to strengthen the small business sector for the long term. In July 2020, Wells Fargo established the [Open for Business Fund](#), voluntarily committing to donate all of the gross processing fees received in 2020 from funding Paycheck Protection Program loans – approximately \$420 million – to nonprofits supporting struggling small businesses impacted by COVID-19. The Fund provides grants for Community Development Financial Institutions (CDFIs) and other nonprofit organizations that serve diverse small businesses, including Black, African American, Hispanic, Asian, Native American, and other entrepreneurs. Through our Open for Business Fund, we're providing capital, technical support, and long-term resiliency programs to nonprofits that serve small businesses. The first \$250 million will go to nonprofit lenders or CDFIs who focus on minority-owned businesses that have been disproportionately affected by the pandemic.

1. 82 million meals calculation is based on 1) Actual number of meals distributed through Wells Fargo Drive-Up Food Bank events and 2) Wells Fargo's financial contributions to support Feeding America food banks 7/20/20-12/31/20.

From August 2020 through February 2021, the Open for Business Fund deployed more than \$112 million to CDFIs to help a projected 22,000 small businesses maintain more than 63,000 jobs.

Opening doors to a safe and affordable home

Wells Fargo and the Wells Fargo Foundation donated more than \$80 million in 2020 to support housing affordability initiatives, including efforts to help provide or maintain housing for more than 200,000 people affected by the COVID-19 economic downturn. We helped people to have a quality place to call home through support for housing counseling, rent relief, legal assistance to mitigate eviction, and other initiatives. The grants also indirectly assisted millions through efforts to advance racial equity, spark innovation, and fund technical assistance aligned with housing affordability solutions in communities across the U.S. Additional housing affordability philanthropy initiatives include:

- **Helping to narrow the racial equity gap by expanding pathways to homeownership for people of color**, including support for NeighborhoodLIFT and other LIFT programs that have assisted more than 24,600 people with down payment assistance since 2012.
- **Supporting initiatives that increase the supply of affordable homes**, including grants in 2020 to help nonprofits Habitat for Humanity and Rebuilding Together build and repair more than 400 homes, as well as additional support for veterans housing organizations.
- **Advancing innovation and transformation in local communities**, including the [Housing Affordability Breakthrough Challenge*](#), which – in collaboration with Enterprise Community Partners – provides catalytic funding to support scalable housing affordability solutions across the U.S.



NeighborhoodLIFT and other LIFT programs that have assisted more than

24.6k

people with down payment assistance since 2012.

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“When COVID-19 presented an unprecedented need for communities across the country, the more than 240 network organizations that make up NeighborWorks Network quickly pivoted to answer the need. Because of Wells Fargo’s investment, we were able to provide critical funds for thousands of vulnerable families immediately. From keeping families housed to addressing food deserts and healthcare deficiencies to educating and protecting consumers from scams, the generosity and flexibility of Wells Fargo made a significant difference across our network. Our ability to immediately respond to the needs of our network would not have been possible without the Wells Fargo Foundation.”

– **Marietta Rodriguez**, President and CEO of NeighborWorks America



***Elevating diversity, equity,
and inclusion***



Letter from the head of Diverse Segments, Representation & Inclusion

At Wells Fargo, we are deeply dedicated to diversity and inclusion. Over the past year, the company has focused on accelerating our progress in this essential area through several new commitments. While we have much work to do, the progress we are making is captured throughout this report. A few highlights include:

- Building a diversity-focused development program for high-potential employees that includes a sponsorship program
- Engaging an external firm to propose specific solutions to help attract, advance, and retain Black and African American and other underrepresented employees
- Every member of our Operating Committee now serves as an executive sponsor for one of our Team Member Networks
- Added a new DE&I Performance Management Objective, focused solely on representation, for our Operating Committee members and their direct reports
- Created the role that I now lead as head of Diverse Segments, Representation & Inclusion, reporting to the CEO and sitting on the Operating Committee

In my role, I am focused on increasing diverse representation at all levels of the company, creating a more inclusive workplace environment, and better serving and growing our diverse customer segments and diverse suppliers across all lines of business.

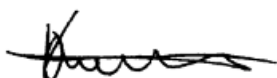
Society expects companies to have their executive ranks reflect the customers they serve and the U.S. population more broadly. They also expect financial institutions to provide affordable, easy-to-use products and services, to enable the dream of homeownership, and to help in the formation and growth of small businesses in diverse communities. We share these expectations and we want to meet them.

We have a tremendous opportunity to make a positive impact — at perhaps the most pivotal time in our society — in the communities where we work, live, and serve. We are developing and implementing a comprehensive diversity agenda that focuses on sustainable progress and lasting impact.

It is important that our employees see and feel that they are being represented across all levels of the company and we want to create a culture of inclusion and belonging so they can bring their full selves to work. To do this, we are focused on creating programs that support career mobility and building a sustainable talent pipeline to provide career opportunities for underrepresented employees — including in our management positions.

We also want to develop a much deeper understanding of the needs of our diverse customer base so we can better serve and equip them with the products and services they need. We plan to work with our lines of business to identify opportunities that may help remove barriers contributing to the wealth gap that still persists in our society. In addition, we will work to increase our procurement spend with diverse suppliers and help nurture and grow minority-owned businesses.

The changes we are committed to make will not be achieved overnight. I am confident that with a focused and enduring effort, we will make the positive impact that we, our customers, and our communities expect as we continue this work of a lifetime.



– **Kleber Santos**, Head of Diverse Segments, Representation & Inclusion

Diversity, equity, and inclusion awards and recognition

Wells Fargo earned a spot on the **Civic 50's Most Generous Companies in America** list for 2020.

Wells Fargo received the **Employers Seal** from the **National Organization on Disability's 2020 Employment Tracker.**

LatinaStyle ranked Wells Fargo #12 on its **Top Companies for Latinas** for 2020.

Wells Fargo earned a **100 percent** rating and was designated a **"Best Place to Work for LGBTQ Equality"** on the 2021 Human Rights Campaign Corporate Equality index.

Wells Fargo is among the **2021 GEI Members** in the **Bloomberg Gender Equality Index.**

Wells Fargo ranked **#11** on DiversityInc's 2020 Top 50 Companies for Diversity. The company is also recognized on a number of specialty lists including:

#1
Top Companies for People with Disabilities

#2
Top Companies for Philanthropy

#7
Top Companies for Employee Resources

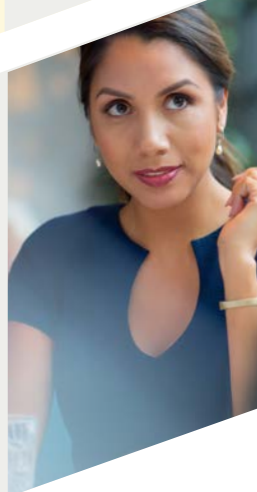
#8
Top Companies for Supplier Diversity

#14
Top Companies for Mentoring
Top Companies for LGBT Employees

Wells Fargo has been designated a **Top Military Friendly Employer, Top Military Friendly Spouse Employer, and Top Supplier Diversity Program by Viqtory Media** for 2021.



Wells Fargo received top scores from the **Hispanic Association Corporate Responsibility Inclusion Index.**



Chief Risk Officer Mandy Norton was named to the **2020 OUTstanding 100 LGBT+ Executives.**

Wells Fargo ranked **#34** on the **Military Times Best for Vets** list.

See [Wells Fargo Stories](#) for more examples of diversity and inclusion at Wells Fargo.

Building a diverse talent pipeline

2020 Global workforce



54%
female and
46%
male

We continue to work toward more transparency in our reporting of diversity metrics. Please see the [ESG goals and performance data table](#) (PDF) for more information.

2020 U.S. workforce



56%
female and
44%
male

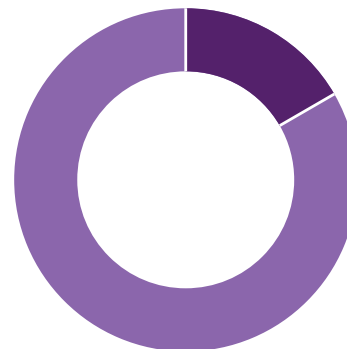


55%
Caucasian/white
45%
racially/ethnically
diverse

2020 Operating Committee members self-identify as



22.2%
female
77.8%
male



16.7%
racially diverse

“Marketplace shifts, changing demographics, and disruption across industries are challenging all businesses. It’s challenging us to be more innovative — to think and lead in new ways. For Wells Fargo to be successful, we must create a truly diverse and inclusive workforce that brings a diversity of insight and perspective to all levels of our company. I firmly believe that our diversity will drive us to the best ideas and outcomes possible.”

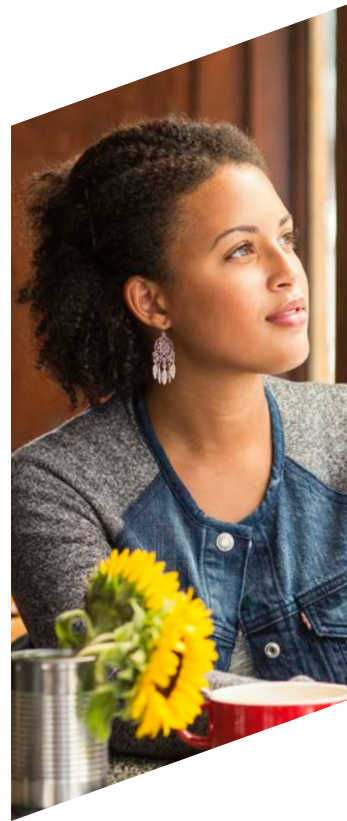
– **Charlie Scharf**, CEO and President



Diverse Search Requirements

To be successful, we must continue to create a truly diverse and inclusive workforce that brings a wide range of insights and perspectives to all levels of our company. Our Diverse Search Requirement requires that for most U.S. roles with total direct compensation greater than \$100,000, at least 50% of interview candidates must be diverse with respect to at least one diversity dimension. Further, at least one interviewer on the hiring panel must represent at least one diversity dimension. For these purposes, our definition of diversity includes race/ethnicity, gender, LGBTQ, veterans, and people with disabilities. We’re expanding this program internationally. As of December 31, 2020, the Diverse Search Requirement:

- **Applied to approximately 95%** of all U.S. roles with total direct compensation greater than \$100,000; and
- **Applied to approximately 48%** of all active U.S. employees irrespective of their total direct compensation
- **91% of applicable requisitions** had a diverse interview slate
- **94% of applicable requisitions** had a diverse interview team



Attracting and investing in diverse young leaders

Historically Black colleges and universities (HBCUs) continue to empower students to be civic-minded leaders and to take control of their destinies. We work in partnership with HBCUs to provide students the resources they need to gain real-world exposure that supplements their academic pursuits. We also work with Hispanic-serving institutions to identify talent, build engagement, and grow diverse representation at Wells Fargo.

Since 2011, we've provided more than \$87.3 million to support programming and scholarships to organizations that include the Hispanic Scholarship Fund (HSF), the Thurgood Marshall College Fund (TMCf), and the United Negro College Fund (UNCF).

Wells Fargo provides scholarship and emergency grants to offset the costs of tuition, fees, room and board, and books for students who are attending HBCUs. In 2020, we also provided direct support for students experiencing academic displacement related to COVID-19, including \$512,000 in emergency grants to help students with critical housing, food insecurity, and technology needs.

In 2020, our Supply Chain Management group awarded \$50,000 in scholarships to 10 HBCU students enrolled in supply chain management programs at Tennessee State University, Howard University, North Carolina A&T State University, Florida A&M University, and Clark Atlanta University.

“Wells Fargo’s commitment to HBCUs has provided opportunities for individuals such as myself to pursue and achieve our goals. Attending an HBCU instills in you the importance of culture, community, and achievement. These values are what I sought after for my post-undergraduate career. I have since made it my mission, in tandem with Wells Fargo, to afford other HBCU graduates the same opportunity. Wells Fargo views HBCUs as a vital part of our strategy and I’m excited for the continued investment by us to pave the way for the future leaders of our firm.”

– **Shirlethia Evans**, Wells Fargo employee



Helping employees reenter the workforce

The GLIDE program provides an opportunity for professionals to reenter the workforce after a career break and helps lay the foundation for a proper transition back into the workforce. Typically, these are people with at least seven years of experience who have taken a two-year minimum voluntary career break. GLIDE-relaunch “interns” participate in an eight-week program that includes a skills refresh, training curriculum, and senior networking opportunities.



“Relaunching a career after a 13-year break is hard, but in the middle of a pandemic, nearly impossible. The Glide-Relaunch program made the impossible not just achievable, but enjoyable – a feat for which I’m very grateful to my fellow Gliders, whose impressive backgrounds and amazing attitudes continue to inspire me.”

– Rebecca Hogenhuis, GLIDE participant



2020 GLIDE program at a glance:

836 applications received

34 interns accepted

56% of interns were racially/ethnically diverse

85% were women

6% were veterans

88% of GLIDE participants converted into full time roles

Diversity, equity, and inclusion training and engagement

Our DE&I curriculum provides the learning tools necessary to establish a core and common Wells Fargo approach to DE&I. Promoting diversity and inclusion in all aspects of business isn't a choice — it's an expectation of every employee. We encourage all employees to challenge assumptions, encourage diversity of experience, opinion, and expression, and strive to be more inclusive.

We encourage employees and managers to complete training on unconscious bias, understanding and appreciating differences, and leading inclusively. We offer experiential learning programs (done virtually during COVID-19) to provide deeper learning and collaboration on key diversity, equity, and inclusion initiatives and topics. We're also developing anti-racism training that will be mandatory for managers in 2021.

Team member networks

Our team member networks are devoted to professional growth and education, community outreach, recruiting and retention, business development, and customer insight. The networks are organized by employees who share a common background, experience, or other affinity, and they're open to all employees. They promote cultural competence and provide a place where employees can connect, learn, build and leverage their skills, and impact business outcomes.

We deliver DE&I trainings on:

- DE&I Foundations
- Understanding Unconscious Bias: Influencers
- Appreciating Difference
- Managers Leading Inclusively

We have 10 team member networks representing diversity dimensions including:

- Asian
- Black and African American
- Diverse Abilities
- Latin
- Middle East
- My Generation
- Native Peoples
- PRIDE
- Veterans'
- Women's



Creating a more inclusive future

Wells Fargo is taking steps to create and sustain a more inclusive future by helping to address issues and remove barriers that have impacted the ability of diverse customers and communities to achieve economic empowerment and build wealth.

Diverse customer segments

According to the U.S. Census Bureau, in the coming decades, the U.S. population is projected to grow slowly, to age considerably, and to become more racially and ethnically diverse. Americans identifying as two or more races will be the fastest-growing ethnic group, projected to grow some 200% by 2060. The Asian population is projected to double, and the Hispanic population will nearly double within the next four decades¹. These individuals will represent the full economic spectrum of customers. We seek to understand the needs of our diverse customers – leveraging customer feedback, data, analytics, and insights to guide our strategies and help to improve their financial well-being.

“Our Diverse Segments group is focused on growing and maximizing positive outcomes for our clients in all that they do with us and in the community. My team is focused on creating greater and deeper access within the capital markets and our corresponding businesses. With 22 years of experience delivering client solutions within the Corporate & Investment Bank, I am extremely excited and proud to lead our increased and intentional focus on advancing our Diverse Corporate & Investment Banking clients.”

– **Danielle M. Squires**, Managing Director, CIB Head of Diverse Segments



1. U.S. Census Bureau. Demographic Turning Points for the United States: Population Projections for 2020 to 2060.



“When millions faced evictions and foreclosures due to the pandemic, Wells Fargo supported housing initiatives and entrepreneurs who faced challenges securing funding to keep their businesses open. We are grateful for their strong partnership and efforts to embrace diversity, equity and inclusion as we chart a course for the future.”

– **Marc Morial**, President and CEO, National Urban League

Housing affordability

We’re working to increase access to safe, stable, affordable places to live, including transitional housing, rentals, and home ownership, especially for individuals and families historically shut out of the market.

- Wells Fargo has made two significant commitments to increase Hispanic and Black homeownership over 10 years by making \$185 billion in home purchase loans to Hispanic and Black borrowers, increasing the diversity of our mortgage sales team, and providing \$25 million in homebuyer education and counseling.
 - In 2016, we committed to increasing Hispanic homeownership over 10 years through \$125 billion in home purchase loans to Hispanic borrowers. Through 2020, we helped 188,460 Hispanic families and individuals become homeowners through \$48.7 billion in mortgage financing.
 - In 2017, we pledged to create at least 250,000 Black homeowners in 10 years through lending \$60 billion for home purchases to Black borrowers. Through 2020, we helped 72,759 Black families and individuals become homeowners through \$18.6 billion in mortgage financing.

Wells Fargo is the largest lender in low- and moderate-income communities and the largest affordable housing lender in America¹.

Hispanic representation within our mortgage production team is currently **15.7%**

Black representation within our mortgage production team is currently **4.6%**

1. According to the Mortgage Bankers Association, 2020.

- **Dream. Plan. Home.** In November of 2020, Wells Fargo Home Lending launched a new program called “Dream. Plan. Home.”, which provides a closing cost credit on a limited basis in five metropolitan areas. The program will address one of the key barriers facing first-time homebuyers by providing up to \$5,000 toward closing costs to make it easier for low- and moderate-income families to purchase a home. This program aligns with our efforts to help drive economic growth, sustainable homeownership, and neighborhood stability in low- and moderate-income communities.

Adding an equity lens to charitable giving

Wells Fargo’s Social Impact and Sustainability team is working to understand and overcome revenue disparities for diverse-led organizations. Revenues of Black-led organizations are on average 24% smaller than the revenues of white-led organizations, according to [research by the nonprofits*](#) Echoing Green and The Bridgespan Group. According to a [2020 report by Exponent Philanthropy*](#), 74% of participating foundations had no board members of color and 78% had no staff members of color. Learn more about how Wells Fargo is adding an equity lens to personal and charitable giving and service [here](#).

“The COVID-19 pandemic has impacted the financial lives of all Americans, but its impact on renters and communities of color has been especially devastating. Wells Fargo funding for programs like [Virtual Financial Coaching](#)* and our partnership with the [Housing Partnership Network](#)* (HPN) to create [Renter Advantage](#)* are examples of how they are making a difference to support nonprofit organizations dedicated to directly assisting in areas of greatest need while improving financial inclusion for African American and Hispanic populations.”

– **Rebecca Steele**, President and Chief Executive Officer of the National Foundation for Credit Counseling (NFCC)



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What is an MDI?

MDIs are FDIC-insured depository institutions in which either minority individuals represent at least 51% of voting stock or a majority of the

board of directors is minority and the community that the institution serves is predominantly minority. Historically, there were more than 100 African American MDIs in the U.S., only about 20 still exist now.

Small business growth

We help small businesses thrive by investing in underserved small-business owners and entrepreneurs through access to capital, capacity building, and growth opportunities.

Minority Depository Institutions (MDIs) serve a vital role in the U.S. financial ecosystem by providing ready access to capital and credit in minority and underserved communities, supporting neighborhood revitalization, and driving economic opportunity. Wells Fargo is proud to build on our [recent commitment of up to \\$50 million to African American MDIs](#) by signing the Project REACH MDI Pledge. We're working to enhance our relationships with MDIs by contributing capital, connections, and expertise to help them grow, so that the communities they serve can prosper. We've announced equity investments in six Black owned MDIs.

Diverse Community Capital (DCC) program: The DCC program is a five-year, \$175 million grant program to empower diverse small-business owners with greater access to capital and technical assistance so they can grow and sustain local jobs. Approximately 75% of awardees in the DCC program have diverse leaders. The DCC program is a collaboration with Opportunity Finance Network (OFN) and CDFIs across the country. In 2020, the DCC program¹:

- Made more than 91,000 loans to diverse small businesses
- Delivered more than 546,000 hours of technical assistance to diverse small businesses
- Enabled diverse small-business owners to retain and create more than 100,000 jobs

Our approximately \$420 million [Open for Business Fund](#) helps small businesses navigate the pandemic, with an emphasis on those with Black and racially diverse owners.

1. As reported by Opportunity Finance Network (OFN) based on preliminary results for fiscal year 2020.

Financial health services include:

- Understanding and improving credit scores
- Establishing new bank accounts
- Financial counseling and coaching
- Savings planning
- Retirement planning
- Budgeting and debt management

Financial health

We're focused on opening pathways to economic advancement for individuals in low- and moderate-income and underserved communities by challenging systemic barriers and supporting innovation that puts more individuals on a path to wealth creation.

- In 2020, we launched Clear Access Banking, a new low-cost and checkless bank account with no overdraft or insufficient funds fees to make it easier for customers to manage their money, make payments, and save. Clear Access Banking meets the [Cities for Financial Empowerment Fund's Bank On National Account Standards*](#) for safe and appropriate financial products that can help people enter or reenter the financial system.
- In 2020, we expanded [free financial counseling and coaching services](#) and access to other emergency financial recovery resources through grants to nonprofits serving vulnerable populations facing financial hardships.
- We have partnered with SAGE to develop a digital tool to address economic stability and stress in the aging LGBTQ population. The SAGECents app is a financial wellness tool offering financial planning tools and resources geared toward LGBTQ Americans over the age of 50.
- We worked with Mission Asset Fund to aid immigrant and diverse communities to move from poverty to living financially secure lives. The Lending Circles program offers zero-interest, credit building loans and tools to enable lower-income people to establish credit and build credit scores.
- Since 2018, our company and the Wells Fargo Foundation have provided more than \$50 million in philanthropic funding to Native-focused nonprofits, working to address economic, social, and environmental issues.

Learn more by visiting [Wells Fargo Stories](#)

“For over 50 years, UnidosUS has been dedicated to dismantling systemic barriers preventing Latinos from achieving our full potential and achieving our dreams. As we strive to make social and economic advancement a reality for our community, we count on partners like Wells Fargo. Working together, we’re building a stronger financial future for Latinos and for generations to come.”

– Janet Murguía, President and CEO, UnidosUS



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Expanding supplier diversity outreach

Through our supplier diversity program we seek to close the racial wealth gap, ensure inclusive procurement, and create opportunity. A key part of our commitment to diversity, equity, and inclusion is developing and engaging certified minority, women, LGBTQ, veteran, disabled, and small businesses. Supplier diversity adds value to our organization by ensuring that our supplier base mirrors the customers and communities we serve. Our Supply Chain Management group works to ensure that we integrate diversity into our strategic sourcing and procurement processes by establishing and supporting relationships with the diverse business community, developing these businesses for growth, and engaging with community organizations that share our commitment.

We have steadily increased our **annual spending with diverse suppliers** from \$824 million in 2013 to nearly **\$1.4 billion in 2020**, representing 12% of our total controllable spending, and surpassing the financial services industry average of 9.3%¹.

In addition to direct spending with diverse suppliers, in 2020 we invested \$1 million in funding diverse business development and capacity building programs.

Wells Fargo Supplier Diversity received three prestigious recognitions:

- 2020 Top Corporation for Disability-Owned Businesses by Disability:IN
- America's Top Corporations for Women's Business Enterprises presented by the Women's Business Enterprise National Council
- 2020 Best Corporations for Veteran's Business Enterprises from the National Veteran-Owned Business Association

1. As reported by Financial Services Roundtable for Supplier Diversity.

*Supporting the transition to
a low-carbon economy*



Letter from the Head of Social Impact and Sustainability

Over the past year, we have seen the effects of climate change in yet another unprecedented fire season, along with devastating storms, deep freezes, and ruinous flooding, all while facing the spread of a global pandemic.

COVID-19 has laid bare the challenges that race and income disparity inflict on hard-working people who are simply trying to stay safe, feed their families, and remain housed – challenges that are and will continue to be exacerbated by climate change.

Despite the many challenges 2020 presented, Wells Fargo made tremendous progress in further embedding sustainability across the enterprise. As you will read in more detail below, we deployed significant capital in support of sustainable businesses and projects, hit milestones in renewable energy financing and operational sustainability, and implemented a robust ESG disclosure program to elevate our transparency on nonfinancial metrics. The Wells Fargo Innovation Incubator achieved great success in supporting cleantech innovation and startups struggling through the pandemic, and our Resilient Communities program continued to help communities better prepare for and respond to the impacts of climate change. We also laid the groundwork for a major step in our enterprise climate strategy.

In early 2021, Wells Fargo announced an ambitious goal — to align our business activities with the goals of the Paris Climate Agreement and achieve net-zero greenhouse emissions by 2050, including our financed emissions. In announcing this goal, our CEO Charlie Scharf stated, “the risks of not taking action are too great to ignore, and collective action is needed to avoid the significant impact on our most vulnerable communities.”



The journey to net-zero is a complex one, and we’ve identified concrete first steps, which include measuring, disclosing, and setting targets for emissions in high-carbon sectors; accelerating the deployment of capital to support low-carbon opportunities; and innovation in climate finance. We have a responsibility to work closely with our clients in how they address these issues and align their own business models to a low-carbon economy. We place great value on being a trusted partner and believe that engagement rather than divestment is the fastest pathway to achieving economywide net zero ambitions. Of course we will also continue to build on the tremendous progress we are making in our operational sustainability and supporting national and local nonprofit organizations focused on community resiliency and environmental justice.

Climate change is one of the most significant environmental and social issues of our time. We are committed to leveraging our expertise and market position across our value chain and our stakeholder relationships to accelerate a just transition to a low-carbon future.

Nathan Hurst

– **Nate Hurst**, Head of Social Impact & Sustainability

Wells Fargo's climate commitment

In March 2021, Wells Fargo set an ambitious climate goal to achieve net-zero greenhouse emissions by 2050 — including our financed emissions. While we build on a strong foundation, we know the pathway to net-zero will be complex. Near-term priorities for Wells Fargo include the following:

- Measure and disclose financed emissions for select carbon-intensive portfolios, and set interim emission reduction targets by the close of 2022

- Launch an Institute for Sustainable Finance to deploy \$500 billion to sustainable businesses and projects by 2030, support innovation in climate finance and clean technologies, and advance community resiliency
- Support clients' efforts in their low-carbon transitions, including quantifying their emissions
- Advocate for policy initiatives that support clients' low-carbon transitions, as well as those that advance the goals of the Paris Agreement
- Integrate climate considerations into Wells Fargo's Risk Management Framework

Supporting a just transition to a low-carbon economy

Trillions of dollars of sustainable capital flows will be required to adequately avoid, sequester, and redirect greenhouse gas (GHG) emissions. Deploying capital to accelerate and scale the next generation of financial products and services gives us an opportunity to integrate climate, environmental, and social factors into our lending, securities, and investing products and services. We are positioned to play a central role in providing sustainable finance capital and information to the marketplace and supporting a just transition to a low-carbon economy. One example of how we're engaging on this topic is our sponsorship of and contributions to the [Climate Finance Markets and the Real Economy Report*](#) (PDF) by the Global Financial Markets Association (GFMA) and Boston Consulting Group (BCG), which outlines the global need and market structure required to accelerate the mobilization of capital.

Sustainable finance

In 2018, we announced that Wells Fargo would provide \$200 billion in financing to sustainable businesses and projects by 2030, with at least 50% of that focused on transactions that directly support the transition to a low-carbon economy, including renewable energy, clean technology, and green-building. Since then, we have **provided approximately \$74.6 billion in financing to sustainable businesses and projects**. And 71% of that was allocated towards low-carbon opportunities.

We established the Sustainable Finance Center of Excellence (SFCOE) in 2020 to guide our environmental and social finance business activities, particularly those focused on accelerating climate-aligned, sustainable finance. The SFCOE brings business intelligence to internal partners throughout Wells Fargo and supports product innovation and engagements that help advance collective action on such issues as climate adaptation, resiliency, environmental justice, and climate mitigation (e.g., deployment of clean technology).

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Engaging climate experts

Wells Fargo is proud to collaborate with leading scientists and organizations to advance a low-carbon economy and accelerate sustainable finance more broadly.



Evaluating our financed emissions

We recognize that the direct and indirect emissions of our customers — referred to as financed emissions — represent a far larger source of emissions than those from our own operations. In 2020, we developed a preliminary model of our Scope 3, financed emissions. Ultimately, we aim to cultivate repeatable, consistent metrics for financed emissions that inform the complex undertaking of setting a science-based GHG reduction target. For more information, see our [Task Force for Climate-Related Financial Disclosures Report](#) (PDF).

Understanding environmental and social impacts

Wells Fargo’s [Environmental and Social Risk Management](#) (ESRM) team continues to work to strengthen policies and processes related to how our company seeks to manage and govern our environmental and social risk. [ESRM Framework](#) (PDF) provides information and transparency on the company’s approach to managing environmental and social risks, including those related to climate change.

Climate Impact Risk Forum

In 2020, we established an enterprise Climate Impact Risk Forum to oversee the company’s approach to managing climate-related risks. The Forum is a cross-functional group that includes senior leaders from across the company.

Addressing climate resilience, adaptation, and mitigation in vulnerable communities

We're working across our business and with our partners to help build a more sustainable, inclusive future for all. Minority and low-income neighborhoods and Tribal lands are often disproportionately affected by pollution due to decades of potential environmental degradation that may result from industrial siting, operations, waste and emissions, or the impacts of climate change (drought, longer fire and hurricane seasons, flooding, etc.).

See [Wells Fargo Stories](#) for more examples of our environmental impact.



Resilient communities program

In 2017, the Wells Fargo Foundation and the National Fish and Wildlife Foundation launched the Resilient Communities Program — a four-year initiative designed to help communities better prepare for and respond to the impacts of climate change by investing in such natural features as wetlands, resilient shorelines, urban tree canopies, natural forests, and healthy upstream watersheds and by providing conservation and resilience training for community leaders.

The program places special emphasis on helping traditionally low- and moderate-income communities build capacity, and also supports American Indian, Alaskan Native, and other Indigenous communities whose livelihoods and economies rely on their self-determined management of water, land, and other natural resources.

With a \$12.4 million investment by Wells Fargo, the program was able to attract additional private and public funds and grantee matching contributions to generate a total conservation impact of more than \$45 million.

Projects funded across the U.S. between 2017 and 2020 are working to:

- **Restore and/or improve 180,000 acres** of land through land management
- **Protect 26,000 acres of land** under conservation easements
- **Restore 13,000 acres** of wetlands
- **Plant 71,000 trees**
- **Eliminate 3 million gallons** of storm water annually
- **Engage 137,000 community members** in community resilience efforts



GRID Alternatives Tribal Solar Accelerator Fund

With help from Wells Fargo, GRID Alternatives has grown into a national leader in making renewable energy technology and job training accessible to underserved communities and helping low-income homeowners save on energy and housing costs. In 2018, GRID and Wells Fargo launched the [Tribal Solar Accelerator Fund \(TSAF\)](#) to catalyze the growth of solar energy and expand solar job opportunities in Tribal communities across the U.S. The TSAF is helping Tribes across the country achieve energy sovereignty.

The Spokane Tribe’s Children of the Sun Solar Initiative was the first project selected for TSAF funding. This 650-kilowatt solar initiative was born in response to the 2016 Cayuse Mountain Fire, which burned 18,000 acres on the Spokane reservation and cut power to the tribe’s main administrative buildings and water supply. For the Spokane Tribe, solar represents a way to save money, create new economic opportunity, and strengthen community resilience.

Supporting clean technology innovation

The Wells Fargo [Innovation Incubator*](#) (IN²), a collaboration with U.S. Department of Energy National Renewable Energy Laboratory (NREL) and the Donald Danforth Plant Science Center (Danforth Center), is a proven model for accelerating the path to market for clean technology and agriculture companies. The Wells Fargo Foundation funded IN² with an additional \$20 million to extend the award-winning program through 2024.

In 2020, IN²:

- Made \$900,000 in grants to help clean technology and sustainable agriculture startups retain staff and bring their solutions to market
- Added six new startups, bringing the total portfolio of companies to 46 at year-end
- Opened referrals for two new technology incubation rounds
- Saw three portfolio companies be acquired by more established companies, which means that innovative climate solutions addressing air conditioning and climate-friendly refrigerants, microgrid management and energy storage, as well as multifamily housing technologies that decrease energy use, are now available in the larger economy

Wells Fargo Innovation Incubator was named a finalist for the [Corporate Social Responsibility Award-Diversified*](#).

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“BRITE Energy Innovators is the state of Ohio’s Energy Incubator. In 2020, our country saw its fair share of change, but we are no strangers to the roads less traveled. Due to our partnership with Wells Fargo and IN² we were able to provide critical services to help more founders create new energy technologies than any year before. Our founders were more diverse and were able to pivot products through the pandemic to meet the world’s needs. We even had the world’s first electric truck and a battery Gigafactory land in our back yard. With partners like Wells Fargo, the Midwest’s future is BRITE.”

– Rick Stockburger, President and CEO, BRITE Energy



Climate disclosures

Wells Fargo is a signatory of the Task Force on Climate-Related Financial Disclosures (TCFD) and has published our inaugural [TCFD](#)

[Report](#) (PDF). Please also refer to our [ESG Report](#) (PDF) and [ESG Goals and Performance Data](#) (PDF) for additional information on our environmental metrics.

Driving operational sustainability

We’re working toward more energy and resource efficiency in our own operations to help our company be more resilient to climate change. We strive to provide environmentally responsible, safe, and healthy spaces for all of our stakeholders. Over the years, we’ve set a number of [goals](#) (PDF) related to operational sustainability and, despite a highly irregular year for occupancy of our properties due to COVID-19, we were able to make great strides on our operational sustainability journey. We continue to leverage industry best practices and set challenging goals to improve our full portfolio.

Goal	2020 results
Reduce energy consumption 40% from 2008 baseline	Achieved
Purchase renewable electricity to meet 100% of our global operations needs by the close of 2017	Achieved
Reduce greenhouse gas emissions 45% from 2008 baseline	Achieved
Achieve LEED® certification for 35% of buildings (by leased and owned square footage)	Goal not achieved ¹
Reduce water consumption 65% from 2008 baseline	Achieved
Reduce total waste stream 50% from 2010 baseline	Achieved

1. Wells Fargo has completed 900 LEED certified projects totaling more than 44 million square feet. This stretch goal has enabled Wells Fargo to drive green building requirements into design, construction, and operations thereby improving all buildings in the portfolio, not just the newest buildings.

Wells Fargo has been **carbon neutral** in our operations since 2019.

Renewable Energy at Wells Fargo

Wells Fargo has been meeting 100% of its global electricity needs with renewable energy since 2017¹. In support of the second phase of our renewable energy commitment — transition to long-term agreements that fund new sources of renewable energy — Wells Fargo entered into a number of long-term contracts supporting development of more than 750 megawatts of net-new renewable energy assets². Nearly 200 megawatts of allocated capacity from these assets is expected to meet 25% of Wells Fargo’s global electricity needs, while supporting the job creation, tax revenue, and carbon reduction in communities where our customers and employees live and work.

Since its inception in 2005 through November 2020, the Wells Fargo Renewable Energy and Environmental Finance (REEF) team provided financing to 13% of the utility scale wind and solar investments in the U.S. Since 2006, REEF has provided more than \$10 billion in tax equity financing in support of more than 500 renewable energy projects across the country.

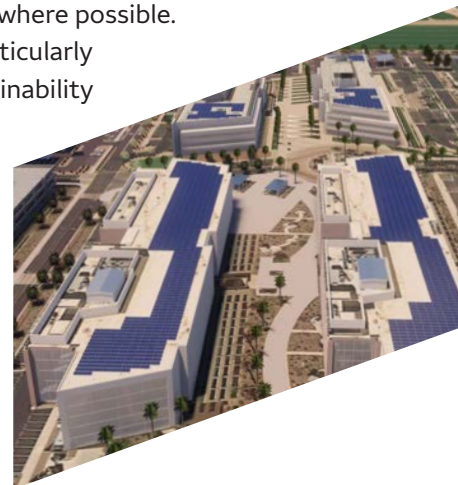
Wells Fargo’s 2020 CDP Supplier Engagement Ranking is

A-

Supply chain sustainability

We’re engaging our suppliers on our sustainability journey, and we continue to participate in the CDP Supply Chain program, which encourages our suppliers to demonstrate their commitment to environmental sustainability and take measures to improve where possible. In 2020, the response rate was 72%, up from 64% in 2019. We see this as particularly noteworthy, given the impact of COVID-19 on so many businesses and sustainability teams.

Wells Fargo’s 2020 CDP Supplier Engagement Ranking (SER) is A-. The SER assesses performance on governance, targets, Scope 3 emissions, and value chain engagement in the CDP climate change questionnaire. Of the more than 5,000 companies that participated, Wells Fargo ranked in the top 15%. We’re in the final stages of completing customized education support for our suppliers who received a score of B- or less from CDP. In 2020, we augmented the training to address COVID-19’s impact and the importance of business continuity planning for small and diverse-certified companies.



1. Renewable energy sources include onsite solar, long-term contracts that fund net-new sources of offsite renewable energy, and the purchase of renewable energy and renewable energy certificates (RECs).
 2. Construction of new assets will occur in 2021 and 2022.

Environmental awards and recognition



#1 FOR ENVIRONMENT
IN BANKS

Forbes 2021

For the first time, Wells Fargo ranked #1 in the financial sector for Environment and Communities on the [Forbes Just 100 list*](#).



Wells Fargo was awarded the top prize for Sustained Excellence by S&P Global Platts at its [2020 Global Energy Awards*](#). The Sustained Excellence category recognizes companies that embrace efficient and renewable energy in their operations in order to reduce their environmental impact and help foster a low-carbon future.

Wells Fargo was awarded the **2021 Fitwel Promise Award: Most Registrations of All-Time**, as well as the **Tenant with the Most Fitwel Registrations in 2020**

award by the Center for Active Design in recognition of the company's industry-leading use of the Fitwel platform to drive continuous improvement in building occupant health and well-being.

Curt Radkin, strategic planning manager within our Corporate Properties Group, was named an **[Environment + Energy Leader 100 honoree*](#)**.

This annual recognition goes to those who have broken new ground or advanced best practices to help their companies — or the industry as a whole — achieve great success in commercial and industrial environment and energy management.

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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*.

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*.

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Commitment to Social Responsibility in Berkeley, California



Our people



- 73 team members live here
- 55 team members work here

Our locations



- 4 banking locations, including 1 in LMI* community
- 21 ATMs, 6 in LMI communities

Credit ratings

Wells Fargo continues to be among the highest credit-rated U.S. banks

Bank	Moody's	S&P	Fitch
Wells Fargo Bank, NA	Aa1(cr)	A+	AA-
JP Morgan Chase Bank	Aa1(cr)	A+	AA
Bank of America	Aa2(cr)	A+	AA-
US Bank	Aa2(cr)	AA-	AA-
Citibank	Aa3(cr)	A+	A+

(cr) – Reflects Moody's Counterparty Risk Assessment
Source: Bloomberg as of January 21, 2021

FDIC deposit market share

Deposit share	Rank #	Total deposits (\$000)
32.43%	#1	\$2,077,121

Source: FDIC Deposit Market Share Report as of June 30, 2021

*LMI = low to moderate income
Our people and location information as of March 2022

Creating solutions to pressing societal challenges.

Wells Fargo is dedicated to making meaningful, inclusive, and enduring contributions as our communities address and recover from these challenges. We're focused on addressing systemic issues and supporting an inclusive recovery as we aim to break down barriers to enable a better future.



Philanthropy and Volunteerism
Create meaningful change by supporting the communities that we live and work in.



Economic Empowerment
Strengthen financial education and economic opportunities in underserved communities



Diversity and Social Inclusion
Make sure all people feel respected and have equal access to resources and opportunities to succeed.



Environmental Sustainability
Accelerate the transition to a low- carbon economy and help reduce climate change impacts.

See [Corporate Responsibility — Wells Fargo](#) for additional information.

Philanthropy and Volunteerism

Charitable Contributions¹ in the City of Berkeley

Charitable giving	Total grants	\$ Amount
2016 Giving	63	\$790,875
2017 Giving	114	\$1,829,025
2018 Giving	190	\$1,503,561
2019 Giving	94	\$1,492,304
2020 Giving	26	\$1,407,137
TOTAL CHARITABLE GIVING	197	\$7,022,902



2020 Employee volunteer hours		2020 Employee giving	
Volunteer hrs = 99	Events = 31	Participants = 78	Amount = \$7,641

\$475MM Donated Nationally
 Through our businesses and the Wells Fargo Foundation, our charitable contributions totaled \$475 million in 2020

\$52.3MM Donated in California
 Wells Fargo businesses and foundation charitable contributions in California totaled \$52.3 million.
 1,769 employees volunteered 59,004 hours to non-profit organizations.
 1,960 employees donated \$2,427,608 in California.

¹Community Impact and CRA reflects 2020 data

Berkeley non-profits supported by Wells Fargo

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Housing Affordability

- California Community Builders Inc.: Wells Fargo funds support three projects:
 - Policy research related to increased mortgage capital access for low- and moderate-income communities of color;
 - Policy research and convenings related to increased multi-family homeownership production;
 - Research and dissemination related to increasing support for small BIPOC developers.
- Resources for Community Development:
 - Supporting pre-development for affordable housing in the Bay Area.
- Berkeley Student Cooperative Inc.
 - Student run affordable housing provider that helped keep 1,260 students stay in college.
- Disability Rights Advocates
 - Wells Fargo has served on the Board for the past 9 years and we celebrate Kathy Martinez (former Wells Fargo SVP of Accessibility Strategy) as the new CEO of Disability Rights Advocates.
- University of California Berkeley Foundation
- Berkeley Food and Housing Project
- Bay Area Council Foundation Berkeley
- Satellite Affordable Housing Associates



Job Training

- We Care Solar
- 1951 Coffee Company
- Multicultural Institute



Social Services

- Earth Island Institute Inc.
- Hospital De La Familia Foundation



Arts & Culture

- Regents of the University of California at Berkeley
- Berkeley Repertory Theatre



Small Business Growth

- Regents of the University of California at Berkeley
- Small Business Growth: Data For Social Good Foundation



Civic Engagement

- National Interscholastic Cycling Association



Environment

- Center For Creative Land Recycling
- Bay Nature Institute
- Rose Foundation For Communities and the Environment



Wells Fargo provided general operating support to BFHP as they faced its greatest challenge ever in responding to the pandemic. Housing the homeless both increases their safety and that of the wider population; a housed person is less likely to contract and spread COVID-19. During the COVID-19 outbreak and SIP order, Wells provided additional funding for:

1. 24/7 Operations of Dwight Way Shelters to allow 81 clients to shelter in place.
2. Implementation of programming for 18 trailers for homeless clients at 2 sites in Berkeley and a single-family home for the duration of the outbreak.
3. Continuation of the Meals Program, providing 300+ meals daily to those in need.
4. Team Hope outreach to those living on the street and providing them hotel rooms during SIP.
5. Roads Home outreach to veterans experiencing homelessness to secure safe shelter in hotel rooms.
6. Referring and transitioning shelter clients to Operation Comfort (at the Oakland Comfort) or to Safer Ground, which houses clients 65+ with pre-existing medical conditions at the Radisson.
7. Completing daily Wellness Checks for clients in shelters, hotels and transitional housing. Checks include COVID-19 screening following CDC guidelines.
8. Disinfecting all areas shelters and transitional housing facilities frequently.
9. Ensuring clients follow COVID-19 hygiene practices (daily showering, frequent handwashing, etc).



Satellite Affordable Housing Associates: Wells Fargo grant funds support SAHA's Clifton Hall creating 40 new units of permanent supportive housing for 40 homeless, COVID-vulnerable seniors. The Hall was formerly a college dormitory and in addition to the permanent supportive housing on floors 3 and 4, will include a family shelter on floors 1 and 2. This is new model of transforming hotels into housing for the homeless was an innovation from the State as a result of the COVID pandemic and the need to transition homeless vulnerable residents into a safe place to avoid worsening the pandemic and to address the homeless crises in our cities.



Turner Housing Innovation Labs announced a three-year partnership with Wells Fargo to support solutions at the intersection of housing affordability, equity, and sustainability. This partnership will help the Housing Lab, Turner's accelerator program, continue to support housing affordability and equity innovations, while adding a focus on the planet. Environmental sustainability broadly includes carbon reduction, materials innovations, and building for climate resilience.

Home Ownership

Home mortgage lending from 2016-2020 in Berkeley¹

	Total loans	\$ Amount
Home purchases	499	\$441,967,000
Home improvement	161	\$56,639,000
Home refinance	856	\$539,939,000
Other mortgage	87	\$50,106,000
TOTAL HOME MORTGAGE	1,603	\$1,055,651,000



In 2020, Wells Fargo provided 2 community development loans totaling \$15.6 million and 12 community development investments totaling \$814,461

2016-2020 Community Development support in Berkeley¹

	Total	\$ Amount
Affordable Housing Loans	12	\$26,740,000
Community Services Loans	3	\$8,082,000
Community Development Investments	65	\$6,191,000
TOTAL COMMUNITY DEVELOPMENT	80	\$41,013,000

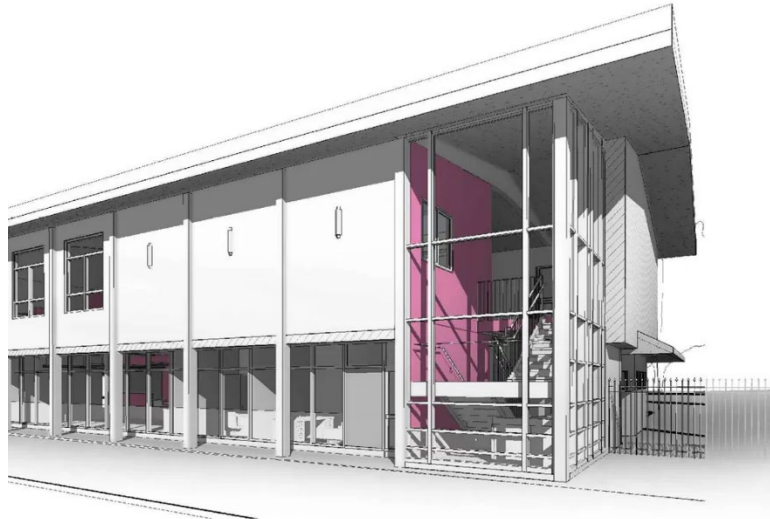
¹Community Impact and CRA reflects 2020 data

Wells Fargo Community Lending & Investment



Grayson Apartments:
Wells Fargo provided funding to support a 23-unit development on San Pablo Avenue at the corner of Grayson Street that includes 18 one-bedroom apartments and 5 two-bedroom apartments. Funding includes commitments from the City of Berkeley, Alameda County and State HCD and 17 project-based Section 8 vouchers provided by the Berkeley Housing Authority. Thirteen units will be set aside for people with special needs including nine units for youth transitioning out of the foster system, three units for people living with HIV/AIDS, and one unit for a generally disabled person.

YMCA of the East Bay:
Wells Fargo provided \$9.5MM investment to help purchase and renovate a 9,017 sq/ft two-story building in Alameda County. The 50-year-old building will become the new Cherryland Early Learning Center (ELC), a vibrant new facility for YMCA of the East Bay, providing high quality early childhood education and wraparound services for 80 low-income children ages 0-5. The Cherryland neighborhood has one of the highest needs for early learning sites, yet it is among the least served neighborhoods per capita in Alameda County. The renovated building will include six classrooms (two preschool rooms and four infant/toddler rooms), a meeting room, kitchen, restrooms, reception area, and offices. Cherryland ELC will provide free, year-round, full-day care for 80 children, ages 0-5. All 80 seats will be Early Head Start or Head Start seats, and 100% of the families are expected to meet federal poverty guidelines for income or other categorical eligibility requirements such as homelessness. The project is expected to create or retain 20 FTE permanent jobs.



Economic Empowerment

Financial success for our customers and our business starts with the success of local communities. We're strengthening economic opportunities in underserved communities by empowering individuals and small businesses with the products, services, knowledge, and tools needed to ensure financial self-sufficiency, income mobility, and ultimately, improved well-being and quality of life

Our 2020 Commitments

- Expand access to high-quality, affordable, and responsible financial products and services to help underserved consumers enter the financial mainstream, increase savings, improve credit, and build assets
- Strengthen the financial capabilities of underbanked consumers and our own team members
- Stabilize local economies and low- to moderate-income neighborhoods through affordable housing, philanthropy, community development investments, and other critical community services
- Empower small businesses with access to the capital and financial services needed to start, operate, and grow

\$400 Million To Help Entrepreneurs stay 'Open for Business'

To help small businesses impacted by the ongoing COVID-19 pandemic keep their doors open, retain employees, and rebuild, Wells Fargo is making an industry-leading commitment by donating approximately \$400 million in gross processing fees from the Paycheck Protection Program. Through a new Open for Business Fund, Wells Fargo will provide support for nonprofit organizations who serve small businesses, particularly businesses owned by underrepresented individuals — a group disproportionately affected by the pandemic — to provide needed capital, offer technical support, and develop long-term resiliency programs.

The program launched with an initial \$28 million aimed at supporting Black- and African American-owned small businesses, which are closing at nearly twice the rate of the industry, according to the National Bureau of Economic Research (PDF). The first grantees are:

- *Expanding Black Business Credit to support the launch of the Black Vision Fund, which will increase capital to Black-focused Community Development Financial Institutions, also known as nonprofit or community lenders, to close the racial wealth gap in African American communities.*
- *LISC (Local Initiatives Support Corporation) will team up with social impact platform Kiva to provide grants and low-cost capital to more than 2,800 entrepreneurs with a focus on preventing loss in revenue, sustaining employment, and averting vacancies among vulnerable small business owners in urban and rural markets nationwide*



Source: <https://www.wellsfargo.com/about/corporate-responsibility/economic-empowerment/>

Small Business Lending

Support for Berkeley small businesses last year

781 small business loans extending \$45.2 million in credit ▶ Of that, 117 were in LMI communities totaling \$7.1 million in credit

Small business loans in Berkeley from 2016-2020

Small Business Loans by Size	# of loans	\$ Amount
\$100,000 or less	3,011	\$121,696,000
\$100,000 to \$250,000	165	\$23,779,000
\$250,000 to \$1,000,000	190	\$1,503,561
TOTAL SMALL BUSINESS LOANS	3,250	\$185,993,000

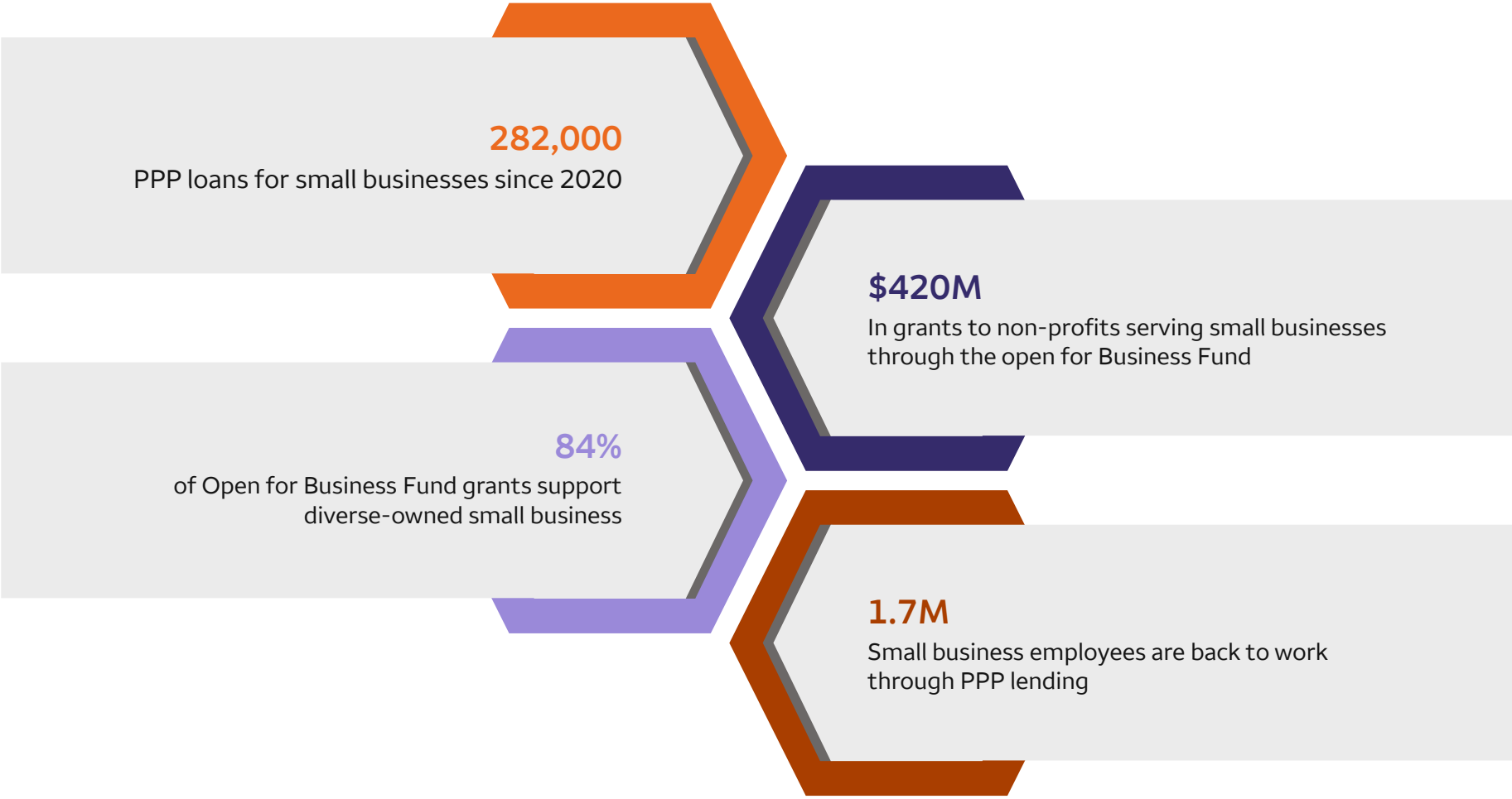
\$1B Small Business Financing
 Approximately **\$1 billion** in available financing is expected to help entrepreneurs through the Open for Business Fund

\$50M invested in **Black owned Minority Depository Institutions** (MDIs) part of our commitment to support MDIs with capital and technical assistance for Black and African American homeowners, small businesses, and individuals.

\$175M invested in **Wells Fargo Diverse Community Capital** (DCC), to empower diverse small business owners to grow and sustain local jobs.



Wells Fargo is donating roughly \$420 million (\$250 million for capital to CDFIs, \$50 million for technical assistance, and \$100+ million for long-term resiliency programs)



* Data as of 06/09/2021

Diversity, Equity, and Inclusion

Meeting the increasingly diverse needs of Wells Fargo’s global customer base is critical for our company’s long-term growth and success. We’re committed to advancing diversity, equity, and inclusion by helping ensure that all people across our workforce, our communities, and our supply chain feel valued and respected and have equal access to resources, services, products, and opportunities to succeed.

We define diversity as the unique combination of various dimensions that makes each of us different from and similar to others. Those dimensions can include — but are not be limited to — age, gender, ethnic heritage, race, physical or mental abilities, sexual orientation, values, religion/spiritual practice, income, family status, education, and geographic location.

Our Team (as of 01/01/2020)

- 271,151 employees globally
- 45% of our U.S. workforce is ethnically/racially diverse
- 55.2% of our global workforce are female
- 8,800+ veteran employees in the U.S.
- Our Employee Resource Networks:
 - Asian Connection
 - Black & African American Connection
 - Disability Connection
 - Hispanic & Latino Connection
 - Middle East Connection
 - Generation Connection
 - Native Peoples Connection
 - Pride Connection
 - Veterans’ Connection
 - Women’s Connection

\$175MM Invested to Grow Local Jobs
We’re empowering diverse small business owners to grow and sustain local jobs by investing \$175 million in Wells Fargo Diverse Community Capital (DCC)

Helped 188K+ Hispanic Homeowners
Through 2020, Wells Fargo helped 188,460 Hispanic families and individuals become homeowners through \$48.7 billion in mortgage financing

Helping 72K+ Black Homeowners
Through 2020, we helped 72,759 Black families and individuals become homeowners through \$18.6 billion in mortgage financing

Source: Wells Fargo Social Responsibility - <https://www.wellsfargo.com/about/diversity/diversity-and-inclusion/>

Diversity, equity, and inclusion awards and recognition

Wells Fargo ranked

- #11** On DiversityInc's 2020 Top 50 companies for Diversity.

The Company is also recognized on several specialty lists including

- #1** Top companies for people with Disabilities
- #2** Top companies for Philanthropy
- #7** Top companies for Employee Resources
- #8** Top companies for Supplier Diversity
- #14** Top companies for LGBT employees

Wells Fargo received the Employers Seal from the National Organization on Disability's 2020 Employment Tracker

Wells Fargo ranked #34 on Military Times Best for Vets list

Wells Fargo earned a spot on the Civic 50's Most Generous companies in America list for 2020

Wells Fargo has been designated a Top Military Friendly Employer, Top Military spouse Employer and top Supplier Diversity program by Viqtory Media for 2021

Chief Risk Officer Mandy Norton was named to the 2020 Outstanding 100 LGBT+ Executives

Wells Fargo earned a 100 percent rating and was designated a "Best Place to Work for LGBTQ Equality" on the 2021 Human Rights Campaign Corporate Equality Index.

Wells Fargo is among the 2021 GEI Members in the Bloomberg Gender Equality Index

LatinaStyle ranked Wells Fargo #12 on its Top Companies for Latinas for 2020.

Wells Fargo received top scores from the Hispanic Association Corporate Responsibility inclusion Index

See Wells Fargo Stories for more examples of diversity and inclusion at Wells Fargo

Environmental Sustainability

At Wells Fargo, we are working to embed environmental sustainability throughout our products, services, operations, and culture to drive efficiencies and responsible resource use while creating comfortable, safe, and healthy workplaces. We believe that climate change continues to be one of the most urgent environmental and social issues of our time, and we are working across our value chain to help accelerate the transition to a low-carbon economy and reduce the impacts of climate change on our business, communities, employees, and customers.

Wells Fargo commitment to the environment

- 100% of all Wells Fargo operating energy needs are met by renewable energy
- Wells Fargo owned or financed 8.1% of all wind & solar energy in the US last year
- Provided \$17.6 billion in financing for renewable energy, clean technology, and sustainable business last year for a total of \$74.6 billion since 2018
- Reduced water consumption 67% since 2008
- Reduced energy consumption by 44% since 2008
- Reduced total waste by 60% since 2010
- 26.2 million square feet of LEED-certified space totaling 33% of total square footage
- 58,631 hours volunteered on environmental projects



Let The Sun Shine
Financing from Wells Fargo helped Kern High School District in California install SunPower® Helix™ Carport solar systems at 25 of its sites. These systems have panels on top that absorb sunlight, produce clean energy, and generate power for 23 schools and two administrative buildings, while also providing shade. The district expects to save \$80 million in electricity costs over 25 years, while also conserving energy.

\$75B to Support Sustainability
Wells Fargo deployed \$75 billion in financing to sustainable businesses and projects to accelerate the transition to a low-carbon economy

