

# Wells Fargo

## Vote Yes: Item 9 - Dedicated Board Committee Charter on Indigenous Peoples' Rights

Annual Meeting: April 28, 2026

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### Summary of the Proposal

The [proposal](#) requests that Wells Fargo's Board establish a committee of independent directors to oversee management of actual and potential adverse impacts on Indigenous Peoples arising from the Company's financing activities, including general corporate and project-specific financing. The committee would be authorized to engage directly with Indigenous rights-holders and retain independent experts.

Support for this proposal is warranted because:

1. Wells Fargo faces material legal, operational, and reputational risks associated with financing projects linked to Indigenous Peoples' rights violations.
2. Current governance structures do not clearly assign Board-level oversight responsibility for Indigenous Peoples' rights risks.
3. Strengthened governance could improve risk management, align practices with international standards, and protect long-term shareholder value.

### Indigenous Peoples' Rights and Investor Risk

#### International Standards and Evolving Expectations

International frameworks, including the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and ILO Convention 169 recognize Indigenous Peoples' rights to land, culture, self-determination, and Free, Prior, and Informed Consent (FPIC). FPIC requires that Indigenous communities have the right to give or withhold consent before projects affecting their lands or resources proceed.

According to a 2023 report, Indigenous Peoples compose about 6.2% of the world's population but are impacted by at least 34% of environmental conflicts globally.<sup>1</sup> The sectors with the most significant

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<sup>1</sup> <https://www.aaas.org/news/global-extractive-and-industrial-projects-disproportionately-impact-indigenous-peoples>

**Shareholders are encouraged to vote FOR Proposal 9 ahead of April 28, 2026.**

impacts on Indigenous communities are mining, fossil fuels, agriculture, and dam construction. Impacts from these projects that constitute Indigenous Rights violations include loss of biodiversity, deforestation, displacement, water and soil degradation, and gender-based violence.<sup>2</sup>

Financial institutions financing such sectors, therefore, face heightened exposure to:

- Costly project delays and cancellations
- Litigation and regulatory enforcement
- Loss of financing partners
- Reputational damage and consumer backlash
- Capital withdrawal/ divestment campaigns<sup>3</sup>

Global investor expectations regarding due diligence on Indigenous Peoples' rights are increasing, particularly where projects implicate treaty rights, cultural heritage, and environmental justice.<sup>4</sup>

## Systemic Risk to Diversified Investors

Investors are also increasingly concerned by the ways in which corporate externalities impact the economy at large and, accordingly, those impacts on their long-term diversified portfolios. Given that the growth and stability of the economy is a key driver of long-term portfolio returns for diversified investors, these issues are important considerations for such investors, separate and apart from the impact on individual company performance. The financial return to such diversified investors chiefly depends on the performance of the market, not the performance of individual companies: research indicates that “more than 75 percent of the variability in the return to an investor is caused by systematic risk – that is, some combination of beta [overall market return] and of how much exposure an investor has to that beta.” But the social and environmental costs created by companies pursuing profits can burden the economy. This drag on GDP directly reduces the return on a diversified portfolio over the long term.

Over long time periods, market performance is influenced chiefly by the performance of the economy itself, because the value of the investable universe is equal to the portion of the productive economy that the companies in the market represent. But the social and environmental costs created by companies pursuing profits can burden the economy. This drag on GDP directly reduces the return on a diversified portfolio over the long term.

For example, Indigenous Peoples stewards 25–30% of the world's land and an estimated 60–80% of global biodiversity, including ecosystems critical to planetary stability. The World Economic Forum estimates that over half of global GDP is moderately or highly dependent on nature, while the World Bank warns that the collapse of ecosystem services could reduce global GDP by \$2.7 trillion annually. Because Indigenous

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<sup>2</sup> [https://www.un.org/esa/socdev/unpfii/documents/BriefingNote6\\_GREY.pdf](https://www.un.org/esa/socdev/unpfii/documents/BriefingNote6_GREY.pdf) ;

[https://www.un.org/development/desa/indigenoupeoples/wp-content/uploads/sites/19/2018/11/UNDRIP\\_E\\_web.pdf](https://www.un.org/development/desa/indigenoupeoples/wp-content/uploads/sites/19/2018/11/UNDRIP_E_web.pdf)

<sup>3</sup> [https://www.colorado.edu/program/fpw/sites/default/files/attached-files/social\\_cost\\_and\\_material\\_loss\\_0.pdf](https://www.colorado.edu/program/fpw/sites/default/files/attached-files/social_cost_and_material_loss_0.pdf)

<sup>4</sup> <https://www.ussif.org/news/press-releases/new-investor-guide-launches-to-de-risk-energy-transition-projects-on;>

<https://bhr-navigator.unglobalcompact.org/issues/indigenous-peoples-rights/#:~:text=Legal%20risk:%20Companies%20found%20to,dam%20project%20in%20Sarawak%2C%20Malaysia.>

Stewardship helps protect these vital resources, violations of Indigenous Peoples' rights and damage to their lands can create significant economic costs and risks to long-term economic stability and growth.

## Wells Fargo is Exposed to Significant Risk if it Finances Projects or Clients Developing Projects that Violate the Rights of Indigenous Peoples

Wells Fargo's financing portfolio includes sectors with elevated Indigenous Peoples' rights risks. In 2024 alone, the Bank provided approximately \$39.3 billion in fossil-fuel financing and ranks among the top five global financiers of fossil fuel.<sup>5</sup> Research demonstrates that almost 20% of fossil fuel and extractive projects overlap with Indigenous territories.<sup>6</sup> Given this geographic overlap, Indigenous Peoples' rights risks are embedded within the Company's portfolio. This exposure is not theoretical. Wells Fargo has financed companies repeatedly linked to Indigenous Peoples' rights violations and conflicts.

### Case Studies: Recurring Risk Patterns

#### **Enbridge**

Wells Fargo is in the top ten contributors to Enbridge, providing \$3.86 billion in financing.<sup>7</sup> Enbridge has been connected to multiple completed and ongoing projects that have violated Indigenous Rights, including its Line 3 and Line 5 pipeline reroutes, Rio Bravo pipeline, and Valley Crossing pipeline. Wells Fargo is subject to public campaigns and grassroots protests calling on the bank to stop its financing relationship with Enbridge.<sup>8</sup>

**The Rio Bravo Pipeline**, designed to supply the Rio Grande LNG export terminal, presents significant cultural, environmental, and regulatory risk, including:

- **FPIC failure and ongoing Indigenous opposition:** The community has continuously opposed this project, not providing consent for it to move forward. Tribal leadership has framed the project as an existential cultural threat. As Carrizo Comecrudo Chair Juan Mancias stated: "When you steal the land, you're stealing us. And you're taking away our identity, because you fence it off and you don't allow us into the land where our ancestors are buried, where we remember our ceremonies and rituals."<sup>9</sup>
- **Indigenous cultural site impacts:** The pipeline runs near Garcia Pasture, a pre-Columbian village and ancestral burial site of the Carrizo Comecrudo Tribe of Texas, described as "one of America's premier archaeological sites" and listed by the National Park Service.<sup>10</sup> Tribal members and local landowners have faced potential land seizure through eminent domain.<sup>11</sup>

<sup>5</sup> [https://www.bankingonclimatechaos.org/wp-content/uploads/2025/06/BOCC\\_2025\\_FINAL4.pdf](https://www.bankingonclimatechaos.org/wp-content/uploads/2025/06/BOCC_2025_FINAL4.pdf)

<sup>6</sup> <https://www.amnesty.org/en/latest/news/2025/11/fossil-fuel-infrastructure-rights-critical-ecosystems-at-risk/>

<sup>7</sup> [https://www.ran.org/wp-content/uploads/2020/12/RAN-Briefing\\_Line3\\_KXL.pdf](https://www.ran.org/wp-content/uploads/2020/12/RAN-Briefing_Line3_KXL.pdf)

<sup>8</sup> <https://www.desmog.com/2021/05/10/climate-and-indigenous-protesters-across-4-continent-pressure-banks-to-defundline3/>

<sup>9</sup> <https://www.texastribune.org/2022/10/18/texas-lng-natural-gas-export-terminals-brownsville-comecrudo-tribe/>

<sup>10</sup> <https://www.wmf.org/project/garcia-pasture>

<sup>11</sup> <https://www.sierraclub.org/sites/default/files/sce/lower-rio-grande-valley-group/Pipeline-Docs/RB%20Fact%20Sheet%20Tool%20Kit.pdf>

- **Environmental justice and legal challenges:** The Carrizo Comecrudo Tribe and allied groups have filed multiple legal challenges alleging failures under the National Environmental Policy Act, including inadequate review of environmental justice and greenhouse gas impacts. In dissent, Federal Energy Regulatory Commission (FERC) Commissioner Allison Clements warned the project poses “imminent, irreparable injury” and stated that “this case is fundamentally about environmental justice.”<sup>12</sup> Regulatory risk surrounding the Rio Grande LNG Terminal and its associated Rio Bravo Pipeline remains ongoing. In 2024, the FERC issued a Final Supplemental Environmental Impact Statement after a federal court remanded portions of the original environmental review, requiring additional analysis of environmental justice and air quality impacts.<sup>13</sup> The court-ordered supplemental review underscores that the initial approval process contained procedural deficiencies significant enough to warrant further federal scrutiny. Such remands create delays, increase litigation exposure, and heighten regulatory uncertainty, all of which elevate financial and reputational risk for project developers and their financiers.
- **Public safety risks:** Community members cite risks of explosions and leaks. Of 613 US pipeline incidents reported in 2023, 243 occurred in Texas, resulting in three fatalities and 12 injuries.<sup>14</sup> During construction of the Valley Crossing Pipeline (a related project), a large sinkhole formed in 2018, heightening regional safety concerns.<sup>15</sup>
- **Environmental harm:** Opponents of the pipeline state it will destroy acres of wetlands and the habitats of threatened and endangered plant and animal species.<sup>16</sup>
- **Financing and reputational exposure:** Société Générale and BNP Paribas have withdrawn financing from Rio Grande LNG-related infrastructure amid sustained Indigenous and environmental opposition, underscoring material reputational and financing risk for remaining financial institutions.<sup>17</sup>

**Line 3** presents ongoing legal, environmental, and human rights risks, including:

- Treaty rights and FPIC concerns:
- **Environmental damage and fines:** Since coming online in 2021, the Line 3 replacement has breached four aquifers, releasing over 300 million gallons of groundwater and resulting in more than \$11 million in fines. Enbridge systems have recorded over 800 spills in the past 15 years, and the company was responsible for the 1.7 million-gallon Kalamazoo River spill, the largest inland oil spill in US history.<sup>18</sup>
- **Militarized response and civil rights allegations:** Enbridge reimbursed US law enforcement over \$2 million for policing Line 3 protests. More than 900 arrests, citations, and charges were brought

<sup>12</sup> <https://www.ferc.gov/news-events/news/commissioner-clements-dissent-regarding-rio-grande-lng-llc-rio-bravo-pipeline>

<sup>13</sup> <https://www.ferc.gov/news-events/news/ferc-staff-issues-final-supplemental-environmental-impact-statement-eis-rio-grande>

<sup>14</sup> <https://www.phmsa.dot.gov/data-and-statistics/pipeline/pipeline-incident-20-year-trends>

<sup>15</sup> <https://www.sierraclub.org/sites/blog/2018/07/valley-crossing-pipeline-exercise-corporate-trickery>

<sup>16</sup> [https://www.sierraclub.org/sites/www.sierraclub.org/files/2022-10/RGV\\_LNG\\_2022\\_FINAL\\_WEB\\_0.pdf](https://www.sierraclub.org/sites/www.sierraclub.org/files/2022-10/RGV_LNG_2022_FINAL_WEB_0.pdf)

<sup>17</sup> <https://www.offshore-technology.com/news/rio-grande-lng-withdrawal-societe-general/?cf-view>

<sup>18</sup> <https://www.stopline3.org/issues#:-:text=They've%20had%20over%20800,Rapids%2C%20MN%2C%20in%201991.;>  
[https://www.mlive.com/news/kalamazoo/2020/07/10-years-ago-kalamazoo-river-oil-spill-was-an-awakening-in-pipeline-debate.html;](https://www.mlive.com/news/kalamazoo/2020/07/10-years-ago-kalamazoo-river-oil-spill-was-an-awakening-in-pipeline-debate.html)  
[https://www.startribune.com/enbridge-crews-punctured-three-aquifers-during-line-3-oil-pipeline-construction-dnr-says/600158140/;](https://www.startribune.com/enbridge-crews-punctured-three-aquifers-during-line-3-oil-pipeline-construction-dnr-says/600158140/)  
[https://www.mprnews.org/story/2021/03/03/30-years-ago-grand-rapids-oil-spill;](https://www.mprnews.org/story/2021/03/03/30-years-ago-grand-rapids-oil-spill)  
[https://www.startribune.com/enbridge-crews-punctured-three-aquifers-during-line-3-oil-pipeline-construction-dnr-says/600158140/;](https://www.startribune.com/enbridge-crews-punctured-three-aquifers-during-line-3-oil-pipeline-construction-dnr-says/600158140/)  
<https://www.cbsnews.com/minnesota/news/enbridge-oil-pipeline-construction-breaches-4th-aquifer-in-northern-minnesota/>

against Water Protectors, alongside allegations of excessive force, unconstitutional surveillance, illegal blockades, “pain compliance” tactics, and use of less-than-lethal weapons.<sup>19</sup>

- **Human trafficking and violence concerns:** Construction activity was linked to increased risks of human trafficking and violence against Indigenous women and girls, compounding social and reputational risks.<sup>20</sup>
- **Litigation and international scrutiny:** Line 3 has faced sustained Indigenous-led opposition, treaty investigations, regulatory enforcement, and communications from UN human rights bodies, creating ongoing legal and reputational exposure for Enbridge and its financiers.<sup>21</sup>

**Line 5** reflects similar patterns of treaty conflict, regulatory non-compliance, and environmental risk:

- **Indigenous opposition, FPIC concerns, and illegal operation on Tribal land:** The Bay Mills Indian Community issued a formal resolution banishing Line 5 from its reservation, a rare and severe traditional sanction reserved for egregious harm.<sup>22</sup> Enbridge continues operating Line 5 on Bad River Band territory after easements expired in 2013.<sup>23</sup> In 2021, all twelve federally recognized Tribal Nations in Michigan joined Governor Whitmer in calling for decommissioning, citing multiple permit violations, human trafficking risks, and irreversible climate impacts.<sup>24</sup> In 2023, a federal court ordered Enbridge to remove the pipeline within three years and pay \$5.1 million in damages for trespass.<sup>25</sup>
- **Permit violations and regulatory revocation:** Michigan revoked Enbridge’s certification, citing repeated violations of the public trust doctrine. Regulators have referenced “historic failures and non-compliance,” and the EPA fined Enbridge \$6.7 million in 2020 for unresolved safety defects.<sup>26</sup>
- **Spill history and aging infrastructure:** Line 5 has spilled at least 33 times and released over 1.1 million gallons since 1968.<sup>27</sup> Designed for a 50-year lifespan ending in 2003, it continues operating despite anchor strikes, contractor damage, and safety failures.
- **Broader material risk:** Like Line 3, Line 5 has generated extensive litigation, treaty rights disputes, environmental enforcement actions, and sustained Indigenous opposition, creating ongoing legal, regulatory, and reputational risk for Enbridge and financial institutions maintaining exposure.

### **Dakota Access Pipeline**

Wells Fargo served as a lead financier for the Dakota Access Pipeline (DAPL), which generated extensive litigation, international scrutiny, and public protest.

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<sup>19</sup> <https://www.brennancenter.org/our-work/analysis-opinion/how-oil-company-pays-police-target-pipeline-protesters> ; <https://www.protestlaw.org/line3> ; <https://www.vogue.com/article/letter-from-a-jailed-line-3-water-protector> ; <https://www.usnews.com/news/best-states/minnesota/articles/2021-10-04/criminal-cases-against-line-3-protesters-clog-court-system>

<sup>20</sup> <https://minnesotareformer.com/2021/03/08/shelter-reports-assaults-harassment-linked-to-line-3-pipeline-workers/> ; <https://www.vice.com/en/article/g5gkpw/four-enbridge-pipeline-workers-linked-to-sex-trafficking-minnesota>

<sup>21</sup> <https://thecirclenews.org/environment/u-n-issues-letter-regarding-violations-of-anishinaabe-human-rights/>

<sup>22</sup> [https://narf.org/nill/documents/20210510BayMills\\_banish\\_Enbridge.pdf?\\_ga=2.239143744.2105983367.1624287541-1503385769.1619537483](https://narf.org/nill/documents/20210510BayMills_banish_Enbridge.pdf?_ga=2.239143744.2105983367.1624287541-1503385769.1619537483)

<sup>23</sup> <https://michiganadvance.com/wp-content/uploads/2022/09/20515906551-1.pdf>

<sup>24</sup> [https://d99d2e8d-06c9-433b-915d-f6e381b1acd4.usrfiles.com/ugd/d99d2e\\_2ebc5e8b59c547a0847c7a7ed1831522.pdf](https://d99d2e8d-06c9-433b-915d-f6e381b1acd4.usrfiles.com/ugd/d99d2e_2ebc5e8b59c547a0847c7a7ed1831522.pdf)

<sup>25</sup> <https://michiganadvance.com/wp-content/uploads/2022/09/20515906551-1.pdf>

<sup>26</sup> <https://www.michigan.gov/whitmer/news/press-releases/2020/11/13/governor-whitmer-takes-action-to-shut-down-the-line-5-dual-pipelines-through-the-straits-of-mackina> ; [https://www.mlive.com/news/2017/04/enbridge\\_line\\_5\\_spill\\_history.html](https://www.mlive.com/news/2017/04/enbridge_line_5_spill_history.html) ;

<https://www.mlive.com/news/us-world/2020/06/epa-fines-enbridge-67m-over-pipeline-safety-issues-across-minnesota-and-wisconsin.html> ;

<https://www.oilandwaterdontmix.org/problem>

<sup>27</sup> [https://www.mlive.com/news/2017/04/enbridge\\_line\\_5\\_spill\\_history.html](https://www.mlive.com/news/2017/04/enbridge_line_5_spill_history.html)

- **Indigenous rights and global protests:** The Standing Rock Sioux Tribe led sustained resistance beginning in 2016, asserting violations of treaty rights and threats to water resources. The movement drew international attention, generated over 2 million tweets calling for the project's halt, and mobilized thousands of on-the-ground demonstrators.<sup>28</sup>
- **Reputational and financial fallout for banks:** Intense media coverage and coordinated protest campaigns targeted project financiers, including Wells Fargo. Demonstrations occurred at Wells Fargo branches in at least 17 states during a coordinated "National Day of Action."<sup>29</sup> Banks collectively faced an estimated \$4.4 billion in losses from account closures tied to divestment campaigns.<sup>30</sup>
- **Municipal and tribal divestment:** Multiple municipalities and Tribal Nations severed ties with project financiers. In 2017, the Seattle City Council voted to terminate its banking relationship with Wells Fargo. Tribal governments, including the Nez Perce Tribe and the Mille Lacs Band of Ojibwe, divested or ended financial relationships.<sup>31</sup>
- **Ongoing legal and regulatory risk:** DAPL has been subject to years of litigation over environmental review deficiencies and tribal consultation under federal law, reinforcing the long-tail legal, regulatory, and reputational exposure associated with financing projects that face sustained Indigenous opposition.

These examples illustrate how financing activities can generate long-term financial, legal, and reputational risks for financial institutions.

## Wells Fargo's current due diligence systems appear ineffective at mitigating risks related to Indigenous Peoples.

### Governance Analysis: Current Oversight and Gaps

As Wells Fargo continues to finance companies and projects linked to violations of Indigenous Peoples' rights, it underscores a clear and material gap between international standards, investor expectations, and the Company's policies and their implementation.

Wells Fargo has recently replaced its previously standalone Indigenous Peoples Statement with a brief update embedded within its sustainability webpage. The revised language states that the company

<sup>28</sup> <https://www.kuow.org/stories/what-other-banks-are-loaning-money-dakota-access-pipeline/>;

[https://www.nrdc.org/stories/dakota-access-pipeline-what-you-need-know#what-is](https://www.nrdc.org/stories/dakota-access-pipeline-what-you-need-know#what-is;);

[https://www.colorado.edu/program/fpw/sites/default/files/attached-files/social\\_cost\\_and\\_material\\_loss\\_0.pdf](https://www.colorado.edu/program/fpw/sites/default/files/attached-files/social_cost_and_material_loss_0.pdf)

<sup>29</sup><https://www.calpers.ca.gov/documents/201803-invest-item04e-21-a/download#:~:text=Dakota%20Access%20Pipeline,illegality%20and%20discriminatory%20nature%20of>

<sup>30</sup> [https://www.nrdc.org/stories/dakota-access-pipeline-what-you-need-know#what-is](https://www.nrdc.org/stories/dakota-access-pipeline-what-you-need-know#what-is;);

[https://www.colorado.edu/program/fpw/sites/default/files/attached-files/social\\_cost\\_and\\_material\\_loss\\_0.pdf](https://www.colorado.edu/program/fpw/sites/default/files/attached-files/social_cost_and_material_loss_0.pdf)

<sup>31</sup><https://www.calpers.ca.gov/documents/201803-invest-item04e-21-a/download#:~:text=Dakota%20Access%20Pipeline,illegality%20and%20discriminatory%20nature%20of>

“respect[s] Indigenous Peoples’ rights to determine their own way of life on their own lands, according to their time-honored cultures, traditions and beliefs,” and recognizes the right to “meaningful and appropriate consultation regarding issues affecting their sacred lands and natural resources.”<sup>32</sup> It does not establish binding commitments to internationally recognized standards, including alignment with UNDRIP or the requirement to obtain FPIC.

The Company states that it has an internal due diligence process under which it “may engage with clients to understand their approach to managing potential impacts and risks to Indigenous communities.” Similarly, its Human Rights Statement notes that it has policies and procedures to evaluate potential risks to Indigenous communities and that it “periodically review[s] and evaluate[s] those policies.”<sup>33</sup> However, these disclosures provide no transparency into:

- How Indigenous Peoples’ rights risks are identified and escalated
- Whether FPIC is required, verified, or independently assessed
- How general corporate financing is evaluated for Indigenous Peoples’ rights exposure
- How the company ensures these rights are being respected in implementation

There are two critical concerns.

#### 1. Wells Fargo’s stated standards lag behind its peers.

Citigroup and JPMorgan Chase both reference International Finance Corporation’s (IFC) Environmental & Social Performance Standard 7 (IFC PS7), which includes provisions regarding FPIC. While IFC PS7 does not represent the highest international standard, it does acknowledge financial institutions’ responsibility to respect Indigenous Peoples’ rights.<sup>34</sup>

In 2025, JPMorgan further disclosed that it considers FPIC in both project-specific and certain general corporate financing decisions, a significant step given that many controversial projects are funded through general corporate lending.<sup>35</sup>

In Canada, Scotiabank<sup>36</sup> and Royal Bank of Canada<sup>37</sup> explicitly acknowledge UNDRIP, aligning their policies with the most authoritative international standard governing Indigenous Peoples’ rights. Wells Fargo makes no comparable commitment.

Also notable, in 2024, Wells Fargo withdrew from the Equator Principles, which required financial institutions to manage environmental and social risks in project financing, further weakening its

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<sup>32</sup> <https://www.wellsfargo.com/about/responsibility-and-impact/sustainability/#tcm:84-352129-16>

<sup>33</sup> <https://www.wellsfargo.com/assets/pdf/about/corporate-responsibility/human-rights-statement.pdf>

<sup>34</sup> <https://www.ifc.org/en/insights-reports/2012/ifc-performance-standard-institutions'7>

<sup>35</sup> <https://www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/investor-relations/documents/2025-proxy-supplement.pdf>

<sup>36</sup> [https://www.scotiabank.com/content/dam/scotiabank/canada/common/documents/Scotiabank\\_Human\\_Rights\\_Statement.pdf](https://www.scotiabank.com/content/dam/scotiabank/canada/common/documents/Scotiabank_Human_Rights_Statement.pdf)

<sup>37</sup> [https://www.rbc.com/our-impact/\\_assets-custom/pdf/human-rights-statement.pdf](https://www.rbc.com/our-impact/_assets-custom/pdf/human-rights-statement.pdf)

accountability on Indigenous Peoples' rights.<sup>38</sup> This regression has been widely criticized by advocacy organizations such as the Sierra Club and Stand.earth, as being “ethically shocking and financially irresponsible.”<sup>39</sup>

In 2024, Wells Fargo scored below peer banks in the BankTrack Global Human Rights Benchmark:

- 0.5/3 for severe human rights risk reporting
- 0/3 for human rights defender protections
- 0.5/3 for FPIC integration
- 0/3 for adequacy of response reporting<sup>40</sup>

**2. Second, even the limited commitments Wells Fargo does articulate appear inconsistently implemented.**

The Company states that it respects Indigenous Peoples' rights and meaningful consultation. Yet it has provided billions in financing to Enbridge, whose Line 3, Line 5, and Rio Bravo projects have been associated with documented Indigenous opposition, treaty rights disputes, court rulings, environmental harms, and allegations of failure to secure consent. Financing such projects raises serious questions about whether the Company's due diligence processes are effective.

If Wells Fargo's policies genuinely require meaningful consultation and risk evaluation, investors should not repeatedly see the Company exposed to Indigenous Peoples' rights conflicts. The persistence of these controversies suggests that either the standards themselves are inadequate, their implementation is ineffective, or oversight is insufficient.

## Value of Board Governance

Governance experts increasingly recognize that assigning ESG and human rights oversight to a specific board committee enhances accountability, reduces fragmentation, and improves risk management.<sup>41</sup> The UN Guiding Principles on Business and Human Rights emphasize that human rights due diligence must be embedded at the highest levels of governance.<sup>42</sup> With extractive and industrial projects disproportionately occurring on or near Indigenous lands, Indigenous Peoples' rights present a clear, material risk to financial institutions.<sup>43</sup>

<sup>38</sup> <https://www.thebanker.com/content/0661dc92-5507-5d45-9c63-12cd7a7c4a04>

<sup>39</sup> <https://www.theguardian.com/business/2024/mar/05/us-banks-leave-esg-finance-climate-crisis>

<sup>40</sup> [https://www.banktrack.org/news/most\\_large\\_banks\\_still\\_failing\\_to\\_implement\\_un\\_human\\_rights\\_principles\\_new\\_banktrack\\_benchmark\\_finds](https://www.banktrack.org/news/most_large_banks_still_failing_to_implement_un_human_rights_principles_new_banktrack_benchmark_finds)

<sup>41</sup> <https://corpgov.law.harvard.edu/2025/01/09/board-risk-oversight-and-environmental-and-social-performance/>

<sup>42</sup> [https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr\\_en.pdf](https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf)

<sup>43</sup> <https://www.amnesty.org/en/latest/news/2025/11/fossil-fuel-infrastructure-rights-critical-ecosystems-at-risk/>

<https://amazonwatch.org/news/2022/0622-the-business-case-for-indigenous-rights>

Despite these governance and risk expectations, Wells Fargo's disclosures do not identify a dedicated board body overseeing Indigenous Peoples' rights risks within its financing portfolio. While the current Governance and Nominating Committee is tasked with oversight of social and public responsibility matters, disclosures do not explicitly address Indigenous Peoples' rights or the impacts of financing activities on Indigenous communities.<sup>44</sup> Given clear gaps in standards, implementation, and oversight, establishing a dedicated committee of independent directors focused on Indigenous Peoples' rights would strengthen board accountability, improve consistency of due diligence across corporate and project-level financing, enhance transparency, and align governance with evolving investor expectations and international standards.

Identified governance gaps include:

- Lack of a dedicated Board body overseeing Indigenous Peoples' rights risk
- Fragmented responsibility across committees
- Limited transparency regarding oversight processes
- Absence of formal mechanisms for engagement with Indigenous stakeholders
- Peer companies increasingly integrate human rights oversight into Board governance structures, signaling evolving market expectations.

Why Board-Level Oversight Matters

A dedicated committee on Indigenous Peoples' Rights could:

- Strengthen Board accountability for financing-related risks
- Improve risk identification across general corporate financing
- Enhance consistency of due diligence practices
- Support early identification of legal and regulatory exposure
- Facilitate structured engagement with Indigenous rights-holders
- Align governance with international standards such as UNDRIP
- Effective Board oversight is increasingly viewed by investors as essential to managing systemic social risks in global financing portfolios.<sup>45</sup>

## Conclusion

Wells Fargo faces significant financial, operational, and reputational risks if its financing activities contribute to violations of Indigenous Peoples' rights without clear governance oversight.

Establishing a Board committee dedicated to Indigenous Peoples' Rights would enhance accountability, strengthen risk management, and align governance structures with evolving investor expectations and international standards.

Proponents urge shareholders to vote FOR the shareholder proposal requesting the establishment of a Board committee on Indigenous Peoples' Rights.

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<sup>44</sup> <https://www.wellsfargo.com/assets/pdf/about/corporate/governance-and-nominating-committee-charter.pdf>

<sup>45</sup> [https://corpgov.law.harvard.edu/2025/01/09/board-risk-oversight-and-environmental-and-social-performance/#:~:text=Our%20assessment%20of%20these%20relations,%2C%20COSO%20&%20WBCSD%202018\).](https://corpgov.law.harvard.edu/2025/01/09/board-risk-oversight-and-environmental-and-social-performance/#:~:text=Our%20assessment%20of%20these%20relations,%2C%20COSO%20&%20WBCSD%202018).)