

# United States Senate

WASHINGTON, DC 20510

January 30, 2020

Mr. Charles Scharf  
CEO and President  
Wells Fargo & Co.  
420 Montgomery Street  
San Francisco, CA 94104

Dear Mr. Scharf,

As one of the largest banks operating in the United States, we write to ask that you join your peers in the U.S. and abroad and commit to stop financing of oil and gas drilling and exploration in the Arctic National Wildlife Refuge. Protection of the Arctic National Wildlife Refuge is not only intrinsically important, it is also critical in the broader context of wilderness protection, Indigenous rights, working to combat climate change, and preparing the U.S. economy to weather the growing impacts of the climate crisis.

The Arctic National Wildlife Refuge is home to unique and vulnerable ecosystems that provide habitat to 42 fish species, 37 land mammals, eight marine mammals, and over 200 migratory and resident birds. These lands and species are also central to both the subsistence lifestyle and culture of Indigenous peoples. As you may be aware through the Gwich'in Nation's engagement with the banking community, the coastal plain is sacred land for the Gwich'in people,<sup>1</sup> and the Porcupine Caribou Herd supported by this land is important spiritually and also constitutes 80% of the Gwich'in diet.

The Arctic is also particularly vulnerable to the impacts of climate change. The National Oceanic and Atmospheric Administration's (NOAA) 14<sup>th</sup> Arctic Report Card, published in early December, cited continuing significant changes to Arctic ecosystems.<sup>2</sup> Among its findings are that (1) the average annual land surface air temperature north of 60° N for October 2018-August 2019 was the second warmest since 1900, (2) August mean sea surface temperatures in 2019 were 1-7°C warmer than the 1982-2010 August mean in the Beaufort and Chukchi Seas, the Laptev Sea, and Baffin Bay, (3) tundra greening continues to increase, and (4) thawing permafrost throughout the Arctic could be releasing an estimated 300-600 million tons of net carbon per year into the atmosphere.

Recently, Goldman Sachs became the first major U.S. bank to announce that it would decline to provide financing that directly supports new upstream Arctic oil exploration or development, including but not limited to such projects in the Arctic National Wildlife Refuge.<sup>3</sup> The company

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<sup>1</sup> Demientieff, Bernadette. Gwich'in Leaders Travel to New York to Tell Banks: Defend the Arctic Refuge, *Medium*.

[medium.com/@bernadettedemientieff/gwichin-leaders-travel-to-new-york-to-tell-banks-defend-the-arctic-refuge-c2d09e2afdb](https://medium.com/@bernadettedemientieff/gwichin-leaders-travel-to-new-york-to-tell-banks-defend-the-arctic-refuge-c2d09e2afdb).

<sup>2</sup> Richter-Menge, J., M.L. Druckenmiller, and M. Jeffries, Eds., 2019: Arctic Report Card 2019, [www.arctic.noaa.gov/report-card](http://www.arctic.noaa.gov/report-card).

<sup>3</sup> Goldman Sachs. Environmental Policy Framework. [www.goldmansachs.com/s/environmental-policy-framework/](http://www.goldmansachs.com/s/environmental-policy-framework/). Accessed 12/10/2019.

added that it would apply enhanced due diligence for transactions relating to Arctic oil, including understanding companies' commitment to reducing overall greenhouse gas emissions and the environmental and community impacts of the project.

This announcement complements policies established by the Royal Bank of Scotland,<sup>4</sup> Crédit Agricole S.A.,<sup>5</sup> and Societe Generale,<sup>6</sup> which are declining to finance projects exploring or developing oil in the Arctic. Similar policies adopted by ABN AMRO,<sup>7</sup> BBVA,<sup>8</sup> Standard Chartered,<sup>9</sup> Commerzbank,<sup>10</sup> National Australia Bank (NAB),<sup>11</sup> and Commonwealth Bank of Australia<sup>12</sup> address both oil and gas projects in the Arctic National Wildlife Refuge, and for some of these banks, the entire Arctic region. CaixaBank assumes no credit risk for new projects involving oil and gas exploration or production in the Arctic.<sup>13</sup> Barclays states that any client conducting new exploration or extraction of Arctic oil and gas will be subject to an enhanced due diligence process, as will any financing transaction directly related to such a project – and the company has stated it would not expect the latter proposals to meet its criteria.<sup>14</sup>

Your organization may also have seen a letter on this issue in 2018 from a group of institutional investors with \$2.52 trillion in assets. The institutional investors “strongly urge banks and oil and gas companies to honor their fiduciary duty to investors and refuse to engage in drilling in the Arctic Refuge.”<sup>15</sup>

The scale of your banks' assets individually, let alone together, give you the ability to drive change in protecting the Arctic National Wildlife Refuge and in shifting towards a U.S. financial sector that effectively analyzes and plans for climate risks. We respectfully urge you to reassess your current environmental and climate policies and update them to include a prohibition on funding for oil and gas drilling or exploration in the Arctic National Wildlife Refuge.

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<sup>4</sup> Royal Bank of Scotland (RBS). Environmental, Social and Ethical Risk Policy Summary, Oil and Gas Sector. [www.sierraclub.org/sites/www.sierraclub.org/files/blog/RBSOilGaspolicy.pdf](http://www.sierraclub.org/sites/www.sierraclub.org/files/blog/RBSOilGaspolicy.pdf). Accessed 12/20/2019.

<sup>5</sup> Groupe Crédit Agricole S.A. Climate financing: Crédit Agricole S.A. is taking its commitments further. [pressroom.credit-agricole.com/news/climate-financing-credit-agricole-s-a-is-taking-its-commitments-further-7582-94727.html](http://pressroom.credit-agricole.com/news/climate-financing-credit-agricole-s-a-is-taking-its-commitments-further-7582-94727.html). Accessed 12/10/2019.

<sup>6</sup> Societe Generale. Sector Policy Oil and Gas. [https://www.societegenerale.com/sites/default/files/2018/oil\\_gas\\_sector\\_policy.pdf](https://www.societegenerale.com/sites/default/files/2018/oil_gas_sector_policy.pdf). Accessed 01/09/2020.

<sup>7</sup> ABN AMRO. Exclusion List.

[https://www.abnamro.com/en/images/Documents/040\\_Sustainable\\_banking/060\\_Strategy/ABN\\_AMRO\\_Exclusion\\_list.pdf](https://www.abnamro.com/en/images/Documents/040_Sustainable_banking/060_Strategy/ABN_AMRO_Exclusion_list.pdf). Accessed 01/09/2020.

<sup>8</sup> BBVA. Sector norms for environmental and social due-diligence. [https://shareholdersandinvestors.bbva.com/wp-content/uploads/2019/03/Sector-Norms\\_GL\\_110319-1\\_Final-1.pdf](https://shareholdersandinvestors.bbva.com/wp-content/uploads/2019/03/Sector-Norms_GL_110319-1_Final-1.pdf). Accessed 01/13/2020.

<sup>9</sup> Standard Chartered. Position Statement Extractive Industries. <https://www.sc.com/en/sustainability/position-statements/extractive-industries/>. Accessed 01/13/2020.

<sup>10</sup> Commerzbank. Positions and Policies.

[www.commerzbank.com/en/nachhaltigkeit/nachhaltigkeitsstandards/positionen\\_und\\_richtlinien/positionen\\_und\\_richtlinien.html](http://www.commerzbank.com/en/nachhaltigkeit/nachhaltigkeitsstandards/positionen_und_richtlinien/positionen_und_richtlinien.html). Accessed 12/20/2019.

<sup>11</sup> National Australia Bank. Sustainability Report 2018. [www.nab.com.au/content/dam/nabrwd/documents/reports/corporate/2018-sustainability-report.pdf](http://www.nab.com.au/content/dam/nabrwd/documents/reports/corporate/2018-sustainability-report.pdf). Accessed 12/20/2019.

<sup>12</sup> Commonwealth Bank of Australia. CBA Environmental and Social Framework.

<https://www.commbank.com.au/content/dam/commbank/about-us/download-printed-forms/environment-and-social-framework.pdf>. Accessed 12/20/2019.

<sup>13</sup> CaixaBank. Environmental Risk Management Policy.

[https://www.caixabank.com/deployedfiles/caixabank/Estaticos/PDFs/responsabilidad\\_corporativa/Environmental\\_Risk\\_Management\\_Policy\\_v2\\_eng.pdf](https://www.caixabank.com/deployedfiles/caixabank/Estaticos/PDFs/responsabilidad_corporativa/Environmental_Risk_Management_Policy_v2_eng.pdf). Accessed 01/13/2020.

<sup>14</sup> Barclays. Barclays Energy and Climate Change Statement. <https://home.barclays/statements/barclays-energy-and-climate-change-statement/>. Accessed 12/20/2019.

<sup>15</sup> Sierra Club. Institutional Investors Letter.

<https://www.sierraclub.org/sites/www.sierraclub.org/files/blog/Investor%20Arctic%20National%20Wildlife%20Refuge%20Letter%205.11.pdf>. Accessed 12/20/2019.

Sincerely,



Martin Heinrich  
U.S. Senator



Brian Schatz  
U.S. Senator



Jeffrey A. Merkley  
U.S. Senator



Cory A. Booker  
U.S. Senator



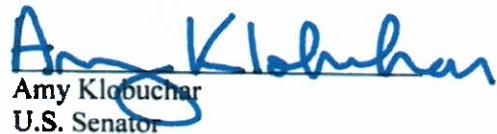
Mazie Hirono  
U.S. Senator



Tom Udall  
U.S. Senator



Bernard Sanders  
U.S. Senator



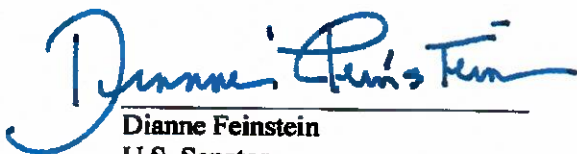
Amy Klobuchar  
U.S. Senator



Michael F. Bennet  
U.S. Senator



Edward J. Markey  
U.S. Senator



Dianne Feinstein  
U.S. Senator



Richard Blumenthal  
U.S. Senator



Kirsten Gillibrand  
U.S. Senator



Kamala D. Harris  
U.S. Senator



Chris Van Hollen  
U.S. Senator



Patrick Leahy  
U.S. Senator

Identical letters sent to:

Mr. Michael Corbat  
CEO  
Citigroup, Inc.

Mr. Brian Moynihan  
Chairman and CEO  
Bank of America Corporation

Mr. Jamie Dimon  
Chairman and CEO  
JPMorgan Chase & Co.

Mr. James Gorman  
Chairman and CEO  
Morgan Stanley

Mr. Andrew Cecere  
President and CEO  
U.S. Bancorp

Mr. William Demchak  
Chairman, President and CEO  
PNC Financial Services Group, Inc.

Mr. Greg Braca  
President and CEO  
TD Bank

Mr. Richard Fairbank  
Chairman and CEO  
Capital One Financial Corp.

Mr. Bruce Van Saun  
Chairman and CEO  
Citizens Financial Group, Inc.

Mr. Michael Roberts  
President and CEO  
HSBC North America Holdings, Inc.