

March 13, 2017

City of San Leandro
835 E 14th Street
San Leandro, CA 94577

Dear David:

I'm writing in the hope we can discuss concerns you have about Wells Fargo's involvement in the Dakota Access Pipeline, and to provide context concerning the steps Wells Fargo has taken to ensure that the project is developed in an environmentally and socially responsible manner, and to bring together all parties to encourage constructive dialogue and a positive resolution.

We recognize and respect the differing opinions being expressed about the Dakota Access Pipeline project, and we understand the concerns that you and some San Leandro citizens have regarding the project. But we hope that before you consider actions that could lead to City of San Leandro ending its relationship with Wells Fargo, you will consider our perspective and reflect on the potential consequences of such an action for the City of San Leandro, its businesses and residents.

Wells Fargo is one of 17 financial institutions involved in financing the Dakota Access Pipeline, providing less than five percent of the total financing for this project. As part of our due diligence, the project was evaluated by an independent engineer to be compliant with the Equator Principles, a framework adopted by Wells Fargo in 2005 that is designed to determine, assess, and manage social and environmental risks and impacts of projects.

As a signatory of the Equator Principles, Wells Fargo provides loans and advisory services only to those projects whose borrowers can demonstrate their ability and willingness to comply with the Equator Principles' requirements for categorizing, assessing, and managing environmental and social risks. The Dakota Access Pipeline qualifies on all fronts, and I have attached more information on our continuing efforts to meet our customer's needs while being respectful to the concerns being expressed by Tribal entities.

As the U.S. Energy Information Administration's Annual Energy Outlook 2017 report makes clear, The United States will need all sources of energy to meet growing demand for energy over the next several decades. For this reason, Wells Fargo is committed to the responsible development, transportation and delivery of all forms of energy, from oil and natural gas to alternatives and renewables.

Together we'll go far



Wells Fargo maintains a large lending portfolio to conventional energy companies. But we are also one of the biggest lenders and investors in renewable energy and clean technology, and have supported the evolution of energy markets toward cleaner forms of generation by financing more than \$52 billion in environmentally sustainable businesses since 2012. To provide one example of our leadership in this area: in 2015, projects owned in whole or in part by Wells Fargo produced 10 percent of all solar photovoltaic and wind energy generated in the U.S.

Wells Fargo's size and strength allows us to provide financing to a diverse range of critical energy projects, just as it allows us to provide the type of complex banking services that a city like San Leandro requires. Cities choose large, full-service banks like Wells Fargo as we can meet all the city's complex needs, and the reality is that other full-service banks have similar energy portfolios as Wells Fargo – including, in many cases, investments in the Dakota Access Pipeline.

With this in mind, we hope that you will not decide to end the City of San Leandro's relationship with Wells Fargo over concerns about a single loan out of the millions of loans that comprise our large, complex portfolio. To do so might complicate the City's ability to operate efficiently and effectively; incur unnecessary costs for transferring bank accounts, payments and disbursement services, payroll, merchant card processing, and other services; burden councils and city finance teams with unanticipated expenses and time for issuing and reviewing new RFPs; and cause unintended consequences such as higher costs to taxpayers and ratepayers, reduced services, and other challenges.

We genuinely appreciate our long-standing business relationship with the City of San Leandro, which originally selected Wells Fargo to provide the best services at the best prices, to the benefit of San Leandro and its taxpayers. We hope this letter provides you with context to help you make an informed decision, and we would welcome the chance to meet with you to answer any questions you might have.

Sincerely,

A handwritten signature in black ink, appearing to read "Dale R. Barton", with a stylized, cursive script.

Dale R. Barton

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