

FAKE SUSTAINABILITY

Intesa SanPaolo against climate, the environment and local communities

Intesa is the largest Italian banking group. With a net profit of € 3.5 billion in 2020 alone, it has recently been listed in the top 30 of the world's 100 largest banks[1]. Intesa Sanpaolo affirms its role as a sustainable bank at the service of local communities and, in January 2020, in the context of the European Green Deal, the group stated its willingness to make available 50-billion-euro loans in the coming years in Italy[2].

The other side of the coin, however, is that Intesa financed the fossil fuel industry for a total of **€ 5.4 billion in 2020: 2.7 in loans and 2.7 in investments**. The group has one of the weakest coal policies in Europe, characterized by an unacceptable double standard between OECD and non-OECD countries as well as by the possibility to provide loans to companies that intend to build new coal power plants. Furthermore, the bank does not provide any limitation on financing and investments in the oil&gas sector. For these reasons, Intesa Sanpaolo can be addressed as the top fossil bank in Italy.

Intesa's exposure to coal business

In May 2020 Intesa Sanpaolo released a new policy limiting its financing of coal. The policy is less than under par for a top European bank: because of its many loopholes, it is far away from what has been approved by other financial competitors and, above all, what the scientific community demands. Intesa introduces a double standard policy between OECD and non-OECD countries, with the former not eligible for support if they have more than 30% of their electricity generation capacity based on coal and the latter if they exceed the threshold of 50%. Such a differentiated policy - a unicum among European banks - combined with high exclusion thresholds will permit Intesa to continue financing coal in regions like the Balkans, Asia and Africa, where milder criteria are applied. With the current policy, Intesa will continue to finance devastating coal projects, like the coal-fired power plant Tuzla 7. The bank commits to no longer directly finance the construction of new power plants and coal mines but there is not any strict limitation on loans to expansionist coal companies at power plant level. Finally, the policy applies only to lending and neither to third party asset management - like its own asset management Eurizon[3] - nor to investments.

On the investment side, Intesa's funding to coal in 2020 amounts to € 708 million [4]. More than half of them to the Italian state-controlled Enel, the biggest Italian energy utility and € 17 million[5] invested in Fortum/Uniper. Among the recipients of Intesa's investments, there is also RWE. The German RWE is one of the longest-running energy companies in Europe[6]. 41% of its electricity production comes from coal[7]. The Neurath, Niederaußem and Weisweiler coal plants will continue to operate well beyond 2030, making RWE the most polluting company in Europe[8]. When the Netherlands decided to shut down coal for electricity generation by 2030, RWE requested and obtained an international arbitration

using the Energy Charter Treaty[10]. Because of this, citizens of the Netherlands may be obliged to reimburse RWE with € 1.4 billion[11].

Intesa at the service of oil and gas sector

Intesa's support to oil and gas is huge and unconditional. In 2020, oil and gas companies received from the bank € 2.3 billion loans as well as € 2 billion investments[12]. The impacts of those funding on the Arctic Region, the Permian Basin and some North American regions inhabited by frontline communities deserve particular attention.

The Arctic Region

In 2020, Intesa granted loans and invested in companies leading the exploitation of Arctic, in particular Eni, Equinor, Total and ConocoPhillips. Eni and Equinor own the Goliat platform, producing more than 100,000 barrels of crude oil per day[13] to which the production from the Johan Castberg field should be added in 2022. ConocoPhillips is the sixth global hydrocarbon producer in the Arctic Region and the top one in Alaska. ConocoPhillips owns Alaska's two largest oil deposits, Kuparuk and Prudhoe Bay. Total - in a joint venture with Novatek - owns the Yamal LNG and Arctic LNG-2 projects in the Russian Arctic. Both the projects, in 2016 and in 2021, have been financed by Intesa and guaranteed by Italian Export Credit Agency SACE.

The Permian Basin

The Permian Basin, at the boundary between the United States and Mexico, is the world's highest producing oil and gas field, largely through the use of ultra-invasive practices such as fracking or directional drilling. Some of the companies who abundantly received money from Intesa in 2020 are Chevron, ExxonMobil and Kinder Morgan, leaders in the production and transportation of oil and gas in the Permian Basin.

Intesa is present also in the Gulf of Mexico, financing companies like Freeport LNG and Cheniere Energy who manage the intercontinental transportation of the liquefied natural gas extracted by fracking in the Permian Basin.

Impacts on frontline communities

North American indigenous communities are suffering - as well as fighting back - the devastating impacts of fossil fuel projects such as Line 3 and Coastal GasLink. Multiple companies active in the production and transportation of oil and gas are involved in the construction of these mega-projects. Many of them received financial support from Intesa in 2020 and over the past years, especially through investments in the companies owning them

Connecting private finance, fossil fuel industry and public finance

Creditor of the Italian State, second only to the European Central Bank[14], Intesa plays a key role in the Italian "Country System". In 2020, in the midst of the health, economic and social crisis caused by the COVID 19 pandemic, Intesa has been the first Italian bank to sign

the collaboration protocol with SACE (Italian Export Credit Agency) to allow State-guaranteed loans. € 9 billion is the amount provided by Intesa up so far [16]; a big part of this funding addressed to the fossil fuel industry like the € 365 million to Maire Tecnimont.[17]

In addition to its predominant role in the Italian financial system, Intesa takes the lion's share within international business diplomacy, linking private finance, fossil fuel industry and public finance. Just as an example, Intesa pulls the strings of the Eurasian Economic Forum in Verona, at its XIII edition in 2020. Intesa leads the event not only as a partner and main sponsor but also with the hosting presence of Antonio Fallico, president of Banca Intesa Russia and President of the Association Conoscere Eurasia. The Forum, born as a regular meeting to reinforce relations between Italy, the European Union, the Russian Federation and the Eurasian Economic Union, over the years has become a sort of ideal stage for all those private actors – like Novatek and Total - and public – like SACE – who focus their speeches on the rhetoric of fossil gas as a transition fuel.

Our requests to Intesa Sanpaolo

- To immediately stop lending to and investing in coal companies that do not plan a coal phase out by 2030.
- To immediately stop lending to and investing in coal companies that are building new coal plants.
- To immediately implement a plan for a comprehensive coal phase-out, aiming at reducing to zero the group's exposure to coal and coal related sectors by 2028. The plan must include lending, investments and management of third-party assets.
- By 2021, to implement a first phase out plan from oil and gas that includes lending, investments and management of third-party assets. More specifically, to immediately stop funding:
 - projects aimed at exploring new fossil fuel reserves, expanding current extractions, expanding infrastructures that incentivize further extractions or extend the life cycle of existing projects;
 - projects and companies related to the non-conventional fossil fuel industry, including fracking, shale gas, tar sands, Arctic and ultra-deep mining.
- To implement a complete fossil fuel phase-out plan in line with the Paris Agreement that includes loans, investments and management of third-party assets

[1] [The world's 100 largest banks, 2020](#)

[2] [Sostenibilità a standard internazionali - Intesa Sanpaolo](#)

[3] [Eurizon Capital - Società' di gestione del risparmio](#)

[4] The research has been led by the independent specialized not-for-profit company Profundo B.V. The data updated on 01.01.2021 have been processed by Re: Common from the Refinitiv database

(formerly known as Thomson EIKON). By "coal sector", the briefing refers to the companies analyzed by the Global Coal Exit List ([Home | coalexit.org](https://coalexit.org))

[5] *ibidem*

[6] [Our energy for a sustainable life](#)

[7] <https://coalexit.org>

[8] [A briefing for investors, insurers and banks](#)

[9] See [4]

[10] [Meet the Energy Charter Treaty](#)

[11] [Coal company RWE is suing the Netherlands for €1.4 billion for coal phase out](#)

[12] The research has been led by the independent specialized not-for-profit company Profundo B.V. The data updated on 01.01.2021 have been processed by Re: Common from the Refinitiv database (formerly known as Thomson EIKON). By "oil & gas sector", the briefing refers to the companies involved in the entire value chain, including multi-service companies. Unless otherwise specified, "financing" means loans and the underwriting of shares and bonds while "investments" stays for shares and bonds

[13] [Goliat: la piattaforma che affronta l'Artico in Norvegia](#)

[14] [Messina: Intesa secondo creditore dello Stato dopo la Bce. Rassicurazioni sul dividendo - MilanoFinanza.it](#)

[15] [Intesa Sanpaolo, il nuovo piano Green New Deal da 50 miliardi - Corriere.it](#)

[16] [Intesa Sanpaolo: risultati consolidati al 31 dicembre 2020](#)

[17] [La lobby dei combustibili fossili usa il Covid-19 per affossare la lotta alla crisi climatica](#)