

*Dr. Carlo Messina
Chief Executive Officer
Intesa Sanpaolo
Corso Inghilterra, 3
10138, Torino*

08.04.2024

Re: Intesa Sanpaolo's climate ambitions

Dear Dr. Messina,

As investors entrusted with US \$817 billion under management, we are writing to express our concern regarding the financial exposure of Intesa Sanpaolo to the fossil fuel industry, calling the Group to raise its climate ambition in its coal and non-conventional oil and gas policies. We have a shared commitment mitigate the negative effects of climate change and our collective responsibility as stewards of capital demands that we take action to accelerate the transition towards a sustainable future.

The year 2023 marked a momentous milestone in the global effort to combat climate change, culminating in a historic agreement at COP28 in Dubai. The final document of the global stocktake under the Paris Agreement unequivocally emphasized the imperative of "transitioning away from fossil fuels". This landmark declaration must be seen as a call to action that necessitates concrete steps to transition away from fossil fuels.

Improvements of Intesa's Coal Policy

In light of this critical moment, it is the duty of the financial sector to recognize its responsibility to decarbonize their portfolios. While we appreciate your previous response and commitment to cease financing coal power plants and coal mine developers, we have not witnessed substantial improvements in Intesa Sanpaolo's climate ambitions since the last policy update in July 2021, despite your expressed willingness to continue updating your commitments after our correspondence last year.

Our concerns regarding Intesa's climate transition ambition therefore persist. We see a misalignment of your coal phase-out dates with a 1.5-degree pathway. Currently, Intesa does not have a phase out date for coal power plants – only for the coal mining sector. Furthermore, the current coal policy falls short in scope. It does not include investment activities and it remains unclear whether securities underwriting is also excluded. However, to meet the objectives of the Paris Agreement requires closing all coal-fired power plants by 2030 in OECD and by 2040 elsewhere according to [research by Climate Analytics](#).

Thus, to remain consistent with global climate objectives, we urge Intesa Sanpaolo to commit to a complete phase-out of all financial services to the coal industry (including coal-fired power plants) no later than 2030 in Europe/OECD countries and by 2040 worldwide. This step has already been taken by several of Intesa's peers, such as La Banque Postale, who committed to a full phase out of thermal coal mine/plants/infrastructure developers by 2030.

Improvements of Intesa's Policy on Unconventional Oil and Gas

In its “[Rules for lending operations in the unconventional oil&gas sector](#)”, Intesa Sanpaolo clearly acknowledges risks posed by unconventional extraction techniques such as tar sands (oil sands), shale/tight oil & gas, onshore/offshore oil and offshore gas in the Arctic Region as well as oil in the area known as “Amazon Sacred Headwaters”. However, the policy does not refer to ultra-deep-water activities, despite being tied to large, expensive, technically challenging operations and significant environmental risks for the marine environment.

We call on Intesa Sanpaolo to amend its policy on unconventional oil and gas by excluding any form of financing for ultra-deep-water activities. This would allow Intesa Sanpaolo to be aligned with other major European banks that have already made such commitments, such as UniCredit, Intesa's Italian peer institution, who set a commendable precedent incorporating an [exclusion policy for ultra-deep water projects](#).

This policy improvement in the current unconventional oil & gas policy will imply for Intesa Sanpaolo not to be involved into controversial and risky projects like [Coral North FLNG](#) led by Eni. This project is not only harmful to the environment, but it also poses significant human rights risks, particularly in light of ongoing violations and escalating violence in the Cabo Delgado region of Mozambique, where TotalEnergies and Eni have established LNG terminals.

The signatories below are strongly committed to the decarbonization of their portfolios to be in line with the Paris goals. We therefore request the following:

1. Develop a comprehensive strategy to fully divest from coal (including coal-fired power plants), with a target timeline of no later than 2030 in Europe/OECD countries and by 2040 globally.
2. Extend the scope of the coal policy to encompass all financial services, including investments and securities underwriting.

In addition, we urge Intesa Sanpaolo to strengthen its policy on unconventional oil and gas, specifically by:

3. Adopting exclusion commitments for the Ultra-Deep Water (depths exceeding 1,500 meters / 5,000 feet) sector. Moreover, exclude all financial services (including underwriting) at the project level for all unconventional sources (i.e. shale oil & gas, tar sands, Arctic, and ultra-deep water).
4. Cease financial support to companies deriving more than 25% of their production from unconventional sectors and progressively reduce this threshold until all companies in the unconventional sector are completely phased out by 2030.

In conclusion, we believe that Intesa Sanpaolo has the opportunity to demonstrate leadership in the financial sector by aligning its actions with the urgency of the climate crisis. We hope you will consider our concerns seriously, and we eagerly anticipate your response. We kindly request a response before Intesa Sanpaolo's AGM on April 24th 2024, as we believe that this occasion presents an ideal opportunity to formalize such a commitment in your annual communications to shareholders.

Please send your response to Luc Riols - luc.riols@candriam.com.

Yours sincerely,

Aegon Investment Management – Heike Cosse, Senior Responsible Investment Manager

AG2R La Mondiale – Jean Louis Charles, Chief Investment & Financing Officer

Candriam – Luc Riols, ESG Analyst

Cardano – Greta Fearman, Senior Responsible Investment Officer

Ecofi – Cesare Vitali, Head of ESG

La Financière de l'Echiquier – Coline Pavot, Head of Responsible Investment Research

La Française Asset Management – Deepshikha Singh, Head of Stewardship

Mirova – Louise Schreiber, Head Of Sustainability Research Listed Assets