

Mr. Philippe Brassac & Mr. Dominique Lefebvre  
Chief Executive Officer & Chairman of the Board of Directors  
Crédit Agricole  
12 Place Des Etats Unis 92120  
Montrouge  
Île De France

**Tuesday 7 February 2023**

Dear Mr. Brassac and Mr. Lefebvre,

We are writing to you as 23 investors with US \$1.4 trillion in assets under management to ask that Crédit Agricole commits to stop directly financing new oil and gas fields. Crédit Agricole is the fourth biggest European provider of financing to 50 of the top oil and gas expanders, having provided over US \$34 billion between 2016-2021.<sup>1</sup>

In December 2022, HSBC became the latest and largest global bank so far to announce it will “no longer provide new lending or capital markets finance for the specific purpose of projects pertaining to new oil and gas fields and related infrastructure when the primary use is in conjunction with new fields”.<sup>2</sup> This was in response to investor engagement with HSBC and demonstrates the growing financial and environmental concern to investors on the issue of new oil and gas.

HSBC joins a wave of other European banks that have made similar commitments in recent months including BBVA, ING, Lloyds Banking Group, and UniCredit. Eleven out of twenty-five of the biggest European banks now have some form of asset financing restriction for new oil and gas, regardless of supply segment. This sets a new minimum level of ambition for all banks committed to net-zero by 2050.

In May 2021, the International Energy Agency (IEA) warned that there is no room for new oil and gas fields beyond 2021 for a fifty per cent chance of reaching net-zero by 2050 on a 1.5°C pathway. As a major international bank that has committed to net-zero by 2050, Crédit Agricole’s financing decisions can influence this outcome.

The disruption to energy prices through much of 2022 triggered by Russia's invasion of Ukraine highlighted once again fossil fuel's inherent vulnerability to geopolitical insecurity. The lessons that local renewable energy is inherently more secure and less volatile have been recognised. Far from locking in long-term dependence on insecure, unpredictable, volatile and environmentally damaging fossil energy, Russia's actions are a salient reminder of the need to accelerate away from fossil to renewable. Fatih Birol, the Executive Director of the IEA has stressed the importance of restricting finance to new oil and gas, saying “[such projects] are not the solution to our urgent energy security needs and they lock in fossil fuel use.” These projects would make the transition harder to achieve by locking in high-carbon infrastructure and leading to even more risk of stranded assets. In turn creating additional financial, environmental and reputational risk for banks and their investors.

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<sup>1</sup> <https://api.shareaction.org/resources/reports/Oil-Gas-Expansion-lose-lose.pdf>

<sup>2</sup> [https://www.hsbc.com/news-and-media/hsbc-news/our-energy-policy-to-support-netzero-transition](https://www.hsbc.com/news-and-media/hsbc-news/our-energy-policy-to-support-net-zero-transition)

The signatories below have set net zero ambitions and are strongly committed to the decarbonisation of their portfolios to be in line with the Paris goals, while making every effort to have a positive impact on the real economy.

**Crédit Agricole has taken the first step by committing to stop directly financing new oil extraction projects. But we call on the bank to go further and match HSBC and to stop directly financing new oil & gas fields by the end of 2023 at the latest, to demonstrate its commitment to tackling the climate crisis and keeping global warming to 1.5°C.**

Committing to exclude direct financing to new oil and gas fields would be a significant step towards Crédit Agricole implementing its net-zero ambition. However, asset financing for new oil and gas has been found to represent only eight per cent of total financing to top oil and gas expanders.<sup>3</sup> We therefore encourage banks to swiftly turn their attention to the companies behind these new oil and gas fields. An increasing number of banks have started doing so. ShareAction's latest survey<sup>4</sup> shows that three European banks have introduced corporate finance restrictions to oil & gas expansion, and four banks require transition plans from their oil & gas clients by a set date. It is encouraging that Crédit Agricole ranked 3rd in ShareAction's latest assessment of the climate and biodiversity strategies of Europe's largest 25 banks, demonstrating leading practice on several issues. The bank now has the opportunity to further strengthen its climate credentials by demonstrating leading practice on the issue of new oil and gas.

We kindly ask for a response prior to announcing Crédit Agricole's AGM notice, as we see this as an opportunity to make such a commitment in your annual communications to shareholders. Please send responses to Jeanne Martin, Head of Banking Programme, at [jeanne.martin@shareaction.org](mailto:jeanne.martin@shareaction.org).

Warm regards,



Catherine Howarth OBE  
CEO  
ShareAction

On behalf of:

Aegon Asset Management - Heike Cosse, Engagement Manager  
Akademiker Pension - Anders Schelde, CIO  
Australian Ethical Investment - John McMurdo, Chief Executive Officer  
Barrow Cadbury Trust - Erica Cadbury, Chair  
Brunel Pension Partnership – Faith Ward, Chief Responsible Investment Officer  
Candriam - Luc Riols, ESG Stewardship Analyst  
Cardano ACTIAM - Greta Fearman, Stewardship lead  
Danica Pension - Mads Steinmüller, Head of Active Ownership

<sup>3</sup> <https://api.shareaction.org/resources/reports/Oil-Gas-Expansion-lose-lose.pdf>

<sup>4</sup> [https://api.shareaction.org/resources/reports/ShareAction\\_Banking\\_Survey\\_2022-final.pdf](https://api.shareaction.org/resources/reports/ShareAction_Banking_Survey_2022-final.pdf)

Danske Bank - Mads Steinmüller, Head of Active Ownership

Edentree Investment Management - Neville White, Head of RI Policy & Research

Ethos Engagement Pool International - Matthias Narr, Head Engagement International

Ethos Foundation - Vincent Kaufmann, CEO

Green Century Funds - Leslie Samuelrich, President

Grünfin Group OÜ - Karin Nemec, CEO

Ircantec - Christophe Iacobbi, Chairman of the Board of Trustees

La Française Asset Management - Deepshikha Singh, Head of Stewardship

LGPS Central - Patrick O'Hara, Director of Responsible Investment and Engagement

London Pensions Fund Authority - Robert Branagh, CEO

Mirova - Louise Schreiber, Head of Listed ESG research

RSPB - Jeff Knott, Deputy Director – Policy and Advocacy

Smart Pension - Paul Bucksey, CIO

The Trustees of Esmée Fairbairn Foundation - Matthew Cox, Investment Director

West Yorkshire Pension Fund - Andrew Thornton, Chair