

Italy

**3 Financial Institutions
made an estimated USD\$ 2.076 million
available to nuclear weapon producing companies since January 2014.**

Introduction

This document contains country specific information from the 2018 Don't Bank on the Bomb update.

Hall of Fame and Runners-up include financial institutions with headquarters in the country that have published policies banning or limiting investment in nuclear weapons producers.

Hall of Shame are the financial institutions that have significant financing relationships with one or more of the nuclear weapons producers identified in the report.

Nuclear weapon producers this document includes a brief summary of the nuclear weapons related work of each of the identified producers. For more detail go to the www.DontBankOnTheBomb.com website.

This briefing paper includes:

Introduction	1
Hall of Fame	2
Banca Etica	2
Runners-Up.....	3
Intesa Sanpaolo.....	3
UniCredit.....	4
Policy research methodology.....	5
Hall of Shame	6
Nuclear weapon producing companies	7

Hall of Fame

Banca Etica

Banca Etica is an Italian cooperative bank that operates exclusively in the field of sustainable and alternative finance.¹ It manages savings from private customers, companies, organisations and institutions and finances projects that pursue both social and economic goals.² Banca Etica has more than 34,000 private and over 6,500 organisations who are shareholders of the bank.³ As of October 2017, Banca Etica is managing a share capital of more than €63,5 million and handled over €1,3 billion in savings.⁴

Article 5 of Banca Etica's founding charter states: *"Any and all Financial relations with the economic activities that, even in an indirect manner, inhibit the human development and contribute to fundamental human rights violations are excluded."*⁵ Banca Etica's financing policy excludes entire industries including the arms sector.⁶ This means that Banca Etica does not finance nuclear weapon producers or companies that are involved in nuclear weapons in any other way.⁷

In addition, asset manager Etica Sgr, which is part of Banca Etica, excludes investments in companies that develop, produce, maintain or trade nuclear weapons or delivery systems that are specifically designed for these weapons.⁸ Etica Sgr's external asset managers are also held to a policy that excludes nuclear, chemical and biological weapon producers from all funds.⁹ Etica Sgr and its external asset managers only operate actively managed funds.¹⁰

Instead of an exclusion list, Banca Etica makes use of an inclusion list of companies that ensure that their activities have a beneficial social and environmental impact.¹¹ The full list of loans given by the bank is publicly available.¹²

The Fondazione Finanza Etica (Cultural Foundation of Banca Etica), is part of the Italian network for disarmament (Rete Italiana Disarmo) and actively involved in issues exploring the links between arms and finance.¹³

Website:

<http://www.bancaetica.it/>

Twitter:

[@bancaetica](https://twitter.com/bancaetica)

Facebook:

<https://www.facebook.com/bancaeticalonardi>

¹ Banca Etica, "History", *website Banca Etica* (<http://www.bancaetica.it/inglese/history>), viewed 23 January 2018.

² Banca Etica, "Idea and principles", *website Banca Etica* (<http://www.bancaetica.it/idea-and-principles>), viewed 23 January 2018.

³ Banca Etica, "Statistical Information", *website Banca Etica* (<http://www.bancaetica.it/statistical-information>), viewed 23 January 2018.

⁴ Banca Etica, "Statistical Information", *website Banca Etica* (<http://www.bancaetica.it/statistical-information>), viewed 23 January 2018.

⁵ Banca Etica, "Statuto", 19 May 2012, p.2, available at <http://www.bancaetica.it/sites/bancaetica.it/files/sites/bancaetica.it/files/documenti/statuto.pdf>, viewed January 2018.

⁶ Banca Etica, "Politica del Credito", *website Banca Etica* (<http://www.bancaetica.it/politica-del-credito>), viewed January 2018.

⁷ Banca Etica, written response to Profundo dated 29 April 2014.

⁸ Etica Sgr, "Securities selection", *website Etica Sgr* (<https://www.eticasgr.it/en/il-nostro-investimento-responsabile/selezione-dei-titoli/>), viewed 3 August 2017; Etica Sgr, "ESG evaluation criteria (listed companies)", October 2015, available at: <https://www.eticasgr.it/en/il-nostro-investimento-responsabile/selezione-dei-titoli/#>, viewed 23 January 2018.

⁹ Banca Etica, written response to Profundo dated 18 June 2014.

¹⁰ Banca Etica, written response to Profundo dated 26 June 2014.

¹¹ Banca Etica, written response to Profundo dated 10 June 2014.

¹² Banca Etica, "Con i miei soldi", *website Banca Etica* (<http://www.bancaetica.it/finanziamenti>), viewed 23 January 2018.

¹³ Banca Etica, written response to PAX dated 2 November 2017.

Runners-Up

Financial Institution	Excludes all producers	Excludes all activities	Applies policy to all financial products	No investments found
Intesa Sanpaolo		✓		
UniCredit	✓			

Intesa Sanpaolo

Intesa Sanpaolo is an Italian bank, the result of the merger of Banca Intesa and Sanpaolo IMI. The Italian company has a strong presence in Central-Eastern Europe and on the Mediterranean market. The group offers its services to about 12.3 million customers. As of 31 December 2017, Intesa Sanpaolo had total assets of €797 million.¹⁴

Intesa Sanpaolo's weapons policy states that the group bans "any type of banking activity or financing related to the production and/or sale of weapons that are controversial and/or banned by international treaties", including nuclear weapons. However, this only excludes nuclear weapons producers operating in countries that are not a member of NATO.¹⁵ Intesa Sanpaolo's policy does not cover specifically designed delivery systems or maintenance.¹⁶

The policy covers commercial banking and investment banking. Intesa Sanpaolo also excludes nuclear weapons producers from some active funds that it manages: Eurizon Ethical International Equity, Eurizon Ethical Diversified and Eurizon Ethical Bonds. However, other asset management activities, including investments made on its own account, investments made on behalf of third parties, discretionary mandates and passively managed funds are not covered by the policy.¹⁷ Intesa Sanpaolo is working to strengthen the application of its exclusion policies to those categories.¹⁸ The bank does not make use of external asset managers.

To implement its policy, Intesa Sanpaolo uses a non-public exclusion list, based on its own analysis of international reports and sources.¹⁹

Intesa Sanpaolo was also found to have several investments in nuclear weapon producing companies identified by this report, more information can be found in the Hall of Shame.

We commend Intesa Sanpaolo for adopting a public policy on nuclear weapons. We recommend Intesa Sanpaolo apply its exclusion policy to companies regardless of their country of origin. Intesa Sanpaolo should expand its policy to cover all types of nuclear weapons producing companies. It should apply its policy to all financial products including all asset classes. We look forward to engaging with Intesa Sanpaolo, so a strong and comprehensively applied policy may be listed in the Hall of Fame in a future update of this report.

Website:

<http://www.intesasanpaolo.com>

Twitter:

@intesasanpaolo

Facebook:

<https://www.facebook.com/intesasanpaologroup?fref=ts>

¹⁴ Intesa Sanpaolo, "Profile", *website Intesa Sanpaolo*

(http://www.group.intesasanpaolo.com/scriptIsir0/si09/eng_index.jsp#/chi_siamo/eng_profilo.jsp), viewed 23 January 2018.

¹⁵ Intesa Sanpaolo, "Rules On Transactions in the Armament Sector", September 2016, page 5, available at

http://www.group.intesasanpaolo.com/scriptIsir0/si09/contentData/view/Regole_settore_armamenti_eng.pdf?id=CNT-04-00000008539D&ct=application/pdf, viewed 23 January 2018.

¹⁶ Intesa Sanpaolo, written response to PAX dated 7 May 2015.

¹⁷ Intesa Sanpaolo, written response to PAX dated 7 May 2015.

¹⁸ Intesa Sanpaolo, written response to PAX dated 7 May 2015.

¹⁹ Intesa Sanpaolo, written response to Profundo, 2014.

UniCredit is an Italian banking group that provides corporate, investment and private banking services.²⁰ It operates in 18 European countries.²¹ As of the third quarter of 2017, UniCredit held over 211.4 billion of assets under management.²²

UniCredit's Position Statement on the Defence/Weapons Industry states: *"Any involvement of UniCredit in business transactions concerning weapons is restricted to countries that comply with the most important international Treaties and Conventions on the following issues: nuclear weapons, biological & chemical weapons, conventional weapons, missiles, small arms, light weapons and dual-use goods."*²³

In addition, the bank *"abstains from financing transactions involving manufacturing, maintaining or trading controversial/unconventional products such as nuclear, biological & chemical weapons of mass destruction, cluster bombs, mines and Uranium."*²⁴ Thus, Unicredit does not exclude companies as a whole, only transactions related to the nuclear weapons' related activities of a company.

UniCredit considers delivery systems that are specifically designed for nuclear weapons to fall under the nuclear weapons category. Its definition of manufacturing includes the development of these weapons as well.²⁵ UniCredit's nuclear weapons policy applies to its commercial banking and investment banking activities.²⁶ The bank's asset management unit, Pioneer Investments, does not apply the nuclear weapons policy.²⁷

UniCredit makes use of an exclusion list, but the list is not publicly available.²⁸ The list is based on information from specialist advisory firms and tools such as Oekom and RepRisk.²⁹

Unicredit was also found to have several investments in nuclear weapon producing companies identified by this report, more information can be found in the Hall of Shame.

We commend UniCredit for adopting a public policy on nuclear weapons. We recommend UniCredit all activities of nuclear weapons producing companies. In addition, UniCredit should apply the policy to all financial products. We look forward to engaging with UniCredit, so a strong and comprehensively applied policy may be listed in the Hall of Fame in a future update of this report.

Website:

<https://www.unicreditgroup.eu>

Twitter:

@UniCredit_PR

Facebook:

<https://www.facebook.com/UniCreditItalia>

²⁰ UniCredit, "Business model", *website UniCredit* (<https://www.unicreditgroup.eu/en/banking-group/business-model.html>), viewed 23 January 2018.

²¹ UniCredit, "Company Profile", 9 November 2017 (https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/banking-group/at-a-glance/UniCreditGroupCompanyProfile_September2017.pdf), viewed 23 January 2018.

²² UniCredit, "Third Quarter 2017 Group Results", *website UniCredit* (<https://www.unicreditgroup.eu/en/press-media/press-releases-price-sensitive/2017/unicredit--terzo-trimestre.html>), viewed 23 January 2018.

²³ UniCredit, "UniCredit Position Statement on Defense/Weapons Industry", available at https://www.unicreditgroup.eu/content/dam/unicreditgroup/documents/en/sustainability/our-vision-of-a-sustainable-bank/governance-and-sustainability/UniCredit_Position_Statement_On_Defence_English_new.pdf, viewed 23 January 2018.

²⁴ UniCredit, "UniCredit Position Statement on Defense/Weapons Industry", available at https://www.unicreditgroup.eu/content/dam/unicreditgroup/documents/en/sustainability/our-vision-of-a-sustainable-bank/governance-and-sustainability/UniCredit_Position_Statement_On_Defence_English_new.pdf, viewed 23 January 2018.

²⁵ UniCredit, written response to Profundo dated 25 June 2014.

²⁶ UniCredit, "UniCredit Position Statement on Defense/Weapons Industry", available at https://www.unicreditgroup.eu/content/dam/unicreditgroup/documents/en/sustainability/our-vision-of-a-sustainable-bank/governance-and-sustainability/UniCredit_Position_Statement_On_Defence_English_new.pdf, viewed 23 January 2018;

UniCredit, written response to Profundo dated 25 June 2014.

²⁷ UniCredit, written response to Profundo dated 25 June 2014.

²⁸ UniCredit, written response to Profundo dated 28 May 2014.

²⁹ UniCredit, written response to Profundo dated 28 May 2014.

Policy research methodology

To identify financial institutions with a policy on nuclear weapons, we research a variety of sources: NGO reports, screening-agency information, financial institutions' reports and websites, information from campaigners and other public sources. For practical reasons, the scope of this report is limited to those financial institutions that have an investment policy or a summary of that policy in English. The list of institutions in the Hall of Fame is therefore not exhaustive. We welcome additions from those able to provide them.

The financial institutions for which a nuclear weapons policy was actually found, were grouped in two categories. Financial institutions with a clear and comprehensive nuclear weapons exclusion policy are included in the "Hall of Fame", while financial institutions whose nuclear weapons policy is less strict or clear are included in the "Runners-up" category. This is not a comprehensive list, and others may exist in the country. To be included in the Hall of Fame, the nuclear weapons policy of the financial institution must meet the following criteria:

- The financial institution has published its policy and/or a summary of it;
- The policy excludes investments in nuclear weapon companies (withdrawing past investments and avoiding future investments)
- The policy has an 'all-in' comprehensive scope:
 - no exceptions for any types of nuclear weapon companies
 - no exceptions for any types of activities by nuclear weapon companies
 - no exceptions for any type of financing or investment by the financial institution

Financial institutions whose nuclear weapon policy does not meet all of the above criteria are included in the "Runners-up" category. [For more on the report methodology, see the website.](#)

The Don't Bank on the Bomb project seeks to recognise all financial institutions with investment policies that explicitly mention nuclear weapons, even if some of these policies are not comprehensive. By naming investment in nuclear weapon producing companies as an issue of concern, even less effective policies recognise the stigma associated with these weapons of mass destruction, however, because of loopholes in some policies, some financial institutions may appear in both the Runners-up and Hall of Shame categories.

Hall of Shame

This section contains the results of our research into which financial institutions are financially involved with the nuclear weapon producing companies identified in the report. The financial institutions identified include banks, pension funds, insurance companies and asset managers. They have provided various types of financial services to nuclear weapon companies including loans, investment banking and asset management. For more detail on what types of financial services, please contact info@dontbankonthebomb.com.

All sources of financing provided since 1 January 2014 to the companies listed were analysed from annual reports, financial databases and other sources. The financial institutions which are most significantly involved³⁰ in the financing of one or more nuclear weapon companies are shown here.

Figures presented are rounded up/down to the nearest dollar at the filing date. Commas (,) indicate thousands separators while periods (.) used as decimal points. All figures are presented in US Dollar millions.

	Intesa Sanpaolo	Julius Bär	UniCredit
Aecom			
Aerojet Rocketdyne			
Airbus Group			418
BAE Systems			
Bechtel			
Boeing	197		
BWX Technologies			
CH2M Hill			
Fluor	110	11	
General Dynamics			
Honeywell International	240		160
Huntington Ingalls Industries			
Jacobs Engineering			
Larsen & Toubro			
Lockheed Martin			707
Northrop Grumman			72
Orbital ATK			
Safran			
Serco	38		
Thales			122
Grand Total	585	11	1,479

³⁰ Don't Bank on the Bomb defines significant involvement as providing loans, investment banking or holdings above a threshold of 0.5% of all outstanding shares or bonds.

Nuclear weapon producing companies

This report identifies 20 companies operating in France, India, the Netherlands, the United Kingdom and the United States that are significantly involved in maintaining and modernising the nuclear arsenals of France, India, the United Kingdom and the United States. **This is not an exhaustive list.** These companies are providing necessary components and infrastructure to develop, test, maintain and modernise nuclear weapons. The contracts these companies have with nuclear armed countries are for materials and services to keep nuclear weapons in their arsenals. In other nuclear-armed countries –Russia, China, Pakistan and North Korea – the maintenance and modernization of nuclear forces is carried out primarily or exclusively by government agencies. References and additional information is on the website, www.dontbankonthebomb.com

Aecom (USA)

Aecom is part of the group of companies managing US nuclear weapons laboratories and testing facilities, including those responsible for design and fabrication of electronic, mechanical and structural systems for nuclear weapons. Without Aecom, modernisations plans for the US nuclear arsenal would come to a halt. Aecom and its partners have been cited for substandard performance in recent years, and the US government cut the fees in recent years, citing "significant or 'First Degree' performance failure".

Aerojet Rocketdyne (USA)

Aerojet Rocketdyne, formerly known as GenCorp is involved in the design, development and production of land- and sea-based nuclear ballistic missile systems for the United States. It is currently producing propulsion systems for the Minuteman III and Trident II (D5) nuclear missile systems.

Airbus (The Netherlands)

Airbus is a Dutch company that produces and maintains submarine-launched nuclear missiles for the French navy (the M51.2), it is also developing the next generation submarine launched missiles, the M51.3. Airbus is a key member of the joint venture MBDA-Systems, which has contracts to extend the life of French ASMPA missiles through 2035. MBDA also has contracts for the new French missiles, the ASN4G.

BAE Systems (United Kingdom)

BAE Systems is involved in the nuclear weapons programmes of France, the UK and the US. It produces key components for Trident II (D5) missiles for the US and UK nuclear arsenals. It also produces US Minuteman III Intercontinental Ballistic Missile (ICBM) systems. BAE Systems is also part of the MBDA joint venture and provides nuclear armed air-to-surface missiles for France.

Bechtel (USA)

Bechtel manages the Los Alamos and Lawrence Livermore national laboratories in the US, which play an important role in the research, design, development and production of nuclear weapons. The US National Nuclear Security Administration has been repeatedly criticized for renewing these contracts despite significant performance issues. Bechtel is also involved in the production and refurbishment of US nuclear weapons at the Y-12 National Security Complex in Tennessee and the life extension programme for the W76 warheads deployed on Trident II (D5) ballistic missiles at the Pantex Plant in Texas.

Boeing (USA)

Boeing is contracted to help keep the Minuteman III nuclear intercontinental ballistic missiles operational in the US nuclear arsenal until 2030. Boeing will also be producing the new Ground Based Strategic Deterrent system for the US, designed to replace the Minuteman III system. Boeing is also producing the guided tail kit for the new B61-12 US nuclear gravity bomb (the ones meant to be deployed to Europe). In addition, Boeing also has contracts for key components for US and UK Trident II (D5) nuclear weapons.

BWX Technologies (USA)

BWX Technologies ("BWXT") formerly known as Babcock & Wilcox Company operates several US nuclear weapons facilities through joint ventures. These facilities including the Lawrence Livermore National Laboratory, Los Alamos National Laboratory, and Nevada National Security Site (NNSS), previously known as the Nevada Test Site, each of which are engaged in aspects of nuclear warhead modernisation for the US arsenal and have also provided data to UK nuclear labs. Along with other partners, BWXT was cited for substandard performance in recent years, and

relevant US government agencies were criticized for renewing their contracts.

[CH2M Hill \(USA\)](#)

CH2M Hill is one of the joint venture partners operating the former nuclear weapons test site in the US (now called the Nevada National Security Site). The site continues to conduct nuclear weapons related experiments, sending data to both US and UK nuclear weapons laboratories. CH2M Hill was acquired by Jacobs Engineering in December 2017, information about CH2M Hill is included here for reference purposes.

[Fluor \(USA\)](#)

Fluor is the lead partner responsible for the management and operation of the US nuclear weapons facilities at Savannah River South Carolina. Fluor is responsible for managing the nuclear arsenal at the sites (Savannah River Site and Savannah River National Laboratory) among other tasks.

[General Dynamics \(USA\)](#)

General Dynamics holds numerous contracts related to the Trident II (D5) missile systems for the UK and US. It provides a range of engineering, development, and production activities to support to US and UK Trident II Strategic Weapons Systems. It is also involved in the guidance systems of the Trident II (D5) nuclear missiles of the US Navy.

[Honeywell International \(USA\)](#)

Honeywell International manages and operates the National Security Campus (formerly Kansas City Plant), which produces about 85% of the non-nuclear components for US nuclear weapons including electronic, mechanical and hardware components. Honeywell is also involved in managing other US nuclear weapon facilities including Savannah River, the National Nuclear Security Site (former test site), and the Sandia Lab. The work at Sandia includes the systems integration work connecting nuclear weapons to their delivery vehicles. Honeywell is also involved in producing key components for the Trident II (D5) nuclear missiles which comprise part of the UK and US arsenals.

[Huntington Ingalls Industries \(USA\)](#)

Huntington Ingalls Industries is involved in management of the US nuclear arsenal and related facilities, including tritium production at the Savannah River Site, the only source of new tritium for the US nuclear arsenal.

[Jacobs Engineering \(USA\)](#)

Jacobs Engineering Group is involved in the joint venture AWE-ML. They are The AWE is responsible for warhead maintenance for the UK's Trident II-nuclear arsenal. According to reports, the AWE facility is also developing a new warhead, the Mark 4A or Mk4A. The company is also part of the consortium responsible for the US nuclear weapons test site- Nevada National Security Site (NNSS) near Las Vegas.

[Larsen & Toubro \(India\)](#)

Larsen & Toubro is responsible for developing the launcher system for the nuclear-capable short-range surface-to-air Akash missile system for the Indian nuclear arsenal.

[Lockheed Martin \(USA\)](#)

Lockheed Martin is responsible for the construction of the Trident II (D5) nuclear missiles for the US and the UK. It is also involved in the production and maintenance of the Minuteman III nuclear intercontinental ballistic missiles for the US, and will now be developing the new Long Range Stand-Off (LRSO) missile. It is part of the team that manages the UK Atomic Weapons Establishment, that designs, manufactures and maintains nuclear warheads for the UK. It is also engaged in US nuclear weapons modernisation at the Pantex, Savannah River and Y-12 facilities.

[Northrop Grumman \(USA\)](#)

Northrop Grumman makes Intercontinental Ballistic Missiles (ICBM) for the US nuclear arsenal. It is currently involved the Minuteman III missiles, and will now be producing the new "Ground Based Strategic Deterrent" (GBSD) nuclear missiles. It also produces Trident II (D5) launcher subsystem components for the US and the UK. It is also partly responsible for the Nevada National Security Site (NNSS), previously known as the Nevada Test Site, which is engaged in aspects of nuclear warhead modernisation for the US arsenal and has also provided data to UK nuclear labs.

[Orbital ATK \(USA\)](#)

Orbital ATK (formerly known as ATK or Alliant Techsystems) produces rocket propulsion systems for Trident II (D5) submarine launched ballistic missiles for the US and UK nuclear arsenals. Orbital ATK is also responsible for the solid propellant stages of the Minuteman III Intercontinental Ballistic

Missile (ICBM) for the US and has a contract to produce components for the new "Ground Based Strategic Deterrent" (GBSD) nuclear missiles". It is also involved in the nuclear weapons facilities Y-12 and Pantex which are refurbishing nuclear weapons for the US arsenals. Northrop Grumman announced it will acquire Orbital ATK in the first half of 2018.

[Safran \(France\)](#)

Safran and Airbus together form ArianeGroup which is in charge of producing the solid rocket motors on the M51, the strategic ballistic missile in France's nuclear arsenal. The M51 carries multiple warheads and is replacing the M45.

[Serco \(United Kingdom\)](#)

Serco is part of the joint venture AWE-ML, which runs the UK Atomic Weapons Establishment. It is responsible for manufacturing and maintaining the nuclear warheads for UK arsenal. It is also involved in the development of an entirely new warhead, the Mark 4A or Mk4A which reportedly commenced without formally notifying the UK parliament.

[Thales \(France\)](#)

Thales is working alongside the French government to modernise the M51.3 nuclear ballistic missiles and keep the ability to launch them from submarines. It has also been directly involved in production of the French M51 nuclear missile.