

Fair Bank Guide: 6 banks still involved in companies involved in controversial arms manufacture and dealing

THE HAGUE, July 1 – Two years after it was revealed that Dutch banks invest in companies involved in controversial arms manufacturing and trade, a survey shows that many still have the same questionable practices. The report, published today by the Fair Bank Guide, points an accusing finger at 6 of the 12 major Dutch banks investigated. These banks invest in companies that manufacture controversial weapons, like cluster bombs, and sell arms to rogue states. Although a stricter investment policy has been implemented by most banks recently, it only applies to the deals using the bank capital directly and not to investment funds managed by the banks.

On a positive note, 6 of the banks investigated do not invest at all in companies making arms, or selling them to rogue states.

ING

Of the 12 banks, ING invests the most in unethical companies. The bank still invests in companies manufacturing controversial arms, as well as companies dealing in arms with dictatorial/weak states. ING is also the only bank that invests directly in both types of company.

While AEGON, SNS Bank and SNS Regio Bank do not invest directly in companies producing weapons, they do invest in these companies through their investment funds; as do ING, Rabobank and Robeco.

ABN Amro, ASN, DSB, Fortis, Friesland Bank en Triodos came out top of the list. These banks do not invest in arms manufacture; neither with their own capital, nor through investment funds.

In the survey, research institute Profundo examined which banks invest in a list of companies known to produce controversial weapons like cluster bombs and weapons of mass destruction, and are involved in supplying weapons to dictatorships and corrupt regimes where human rights violations are widespread.

Good policies, bad practices

Farah Karimi, on behalf of the sponsors of the Fair Bank Guide: “The good news is that many banks have improved their policies and follow them. The bad news is a few banks make themselves look good with policies on paper, while continuing their bad practices. These banks argue that their policies don’t have to apply to their asset funds. We don’t think the oppressed people of Burma or Chad, or the victims of cluster bombs will be very impressed by this charade.”

Using the Fair Bank Guide website (www.eerlijkebankwijzer.nl), Dutch account holders can see how their bank scores on arms trade involvement and other human rights and environmental areas. See: <http://www.eerlijkebankwijzer.nl/wat-kunt-u-doen/vergelijk-uw-bank/overzicht> They can also approach their bank e.g. to voice their concern / give their opinion on its investment policy. In this manner, the Fair Bank Guide wishes to encourage banks to become more sustainable. Since the Fair Bank Guide was launched in January, banks are increasingly sensitive to consumer pressure.

Friesland Bank making progress

The researchers review the banks' progress every three months, whereby the investment practice is challenged, to ascertain the banks follow their own policies. The second three-month update, which was also published today, shows yet another bank has improved its policies on various sustainability topics. Friesland Bank was awarded higher scores on 9 issues, including arms trade.

The Fair Bank Guide is an initiative by Oxfam Novib, Amnesty International - Netherlands, Dutch labour union FNV and Friends of the Earth - Netherlands. The report "Banks and weapons: in practice" was published courtesy of IKV Pax Christi.

Recommendations: stick to your policies

The organisations behind the Fair Bank Guide made the following recommendations to the reviewed banks in their new survey:

- Develop a weapons policy that excludes investment in controversial arms and companies that are active in arms trade with dictatorial/weak states.
- Implement this policy systematically for all direct investments. For existing as well as new investments the bank commits to trying to convince the client to stop manufacturing controversial arms and/or any involvement in controversial arms trade. If this does not produce a result over a limited period of time, the bank should sell its investments as soon as possible and halt all new investments.
- Implement this policy systematically for all asset funds and other forms of asset management operated by the bank.

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