

Oxfam Novib successfully launched the 'Fair Bank Guide'

On 22 January 2009 Oxfam Novib and partners have publicly launched the "Fair Bank Guide" (in Dutch: 'Eerlijke Bankwijzer'). This is a dynamic database, with benchmarks on sectors, issues and transparency, free accessible for the general public. It focuses on the 12 largest Dutch banks.

About the benchmark:

First, consumers/bank account holders are encouraged to compare their own banks' policy with the policies of other banks on a number of issues (for example climate change, arms trade, human rights, labour rights, taxes & corruption) and sectors like agriculture, fishery, forestry, oil & gas, mining, (loans for) banks etc. Second, bank account holders could easily encourage their banks to improve CSR standards on all these issues and sectors, for example by sending direct emails to their bank, send a "warning card" to their bank or easily change their bank account to another, more ethical bank.

Our goal is starting a process of increasing higher CSR standards of the largest 12 Dutch financial institutions/banks on several concrete issues and sectors (race to the top). Mainstream banks compete for higher CSR standards. Furthermore, this project will lead to increasing transparency in the financial sector, promotion of best practices and discouragement of free riders and pro-active behaviour of the general public (stakeholders activism).

Nb: There will be no overall ranking, but just a ranking on individual sectors/issues.

First results (1 week after the launch of the benchmark):

- Out of 12, 6 banks contacted Oxfam Novib already, mentioning their willingness to closer cooperate with this initiative and Oxfam Novib, and willingness to improve their CSR standards on several issues/sectors. The only bank which had refused to cooperate with us before the launch of the benchmark (DSB) has send us a message that they changed their policy, are willing to cooperate now and invited us also for a meeting (probably because of the huge media turnout).
- Extensive media coverage: at least 30 articles in national + regional newspapers, items + interviews in several TV news programs, a number of radio interviews, hundreds of web-hits etc. Furthermore, several journalists stressed that they are interested in giving footage to follow up activities.
- In the first 6 day's, 27,000 individuals (different people) had visited the website already. They opened 259,000 pages of the website and generally visited the website for 3.5 minutes, which proves that they really spend some time to find information about their own bank's CSR policy.

- The benchmark was launched on a public conference in the Dutch 'Money Museum' on 22 January 2009. 150 participants joined the conference, including representatives of 10 different banks, 4 different ministries, several MPs and a few journalists. The goal of the conference was twofold; the formal launch (and maximum media coverage) of the benchmark and concrete suggestions of visionary speakers about how to use the momentum of the financial crisis to make the financial sector more sustainable. Several interesting speakers gave interesting contributions. For example Mr. Herman Mulder, ex- ABN AMRO and initiator of the Equator Principles, stated that banks should, to begin with on a national level, adopt collectively a set of Principles in a Code for Responsible & Sustainable Banking. Speakers from Nigeria and Nepal gave more personal stories about the impact of investments in the oil industry and in sustainable energy projects. The Dutch Minister of Finance gave a personal video message for the audience, and stressed the importance of linking the financial crisis with the climate crisis and the poverty-trade problem.

Organization:

The initiative on the benchmark has been taken by Oxfam Novib. The current project group exists of Amnesty International, Dutch Confederation of Labour Unions – FNV, Friends of the Earth/Milieudefensie and Oxfam Novib. Oxfam Novib has the daily lead in the project group. We think about broadening the initiative with new activities and partners, for example a consumer's organisation. The research for the benchmark (an extensive report) has been made by research organization Profundo.

Indicators of success:

- Banks strengthen their CSR criteria on a number of sectors/issues;
- At least 30,000 Dutch citizens use the database annually and 10,000 take action (either contact their bank affiliate, send a letter to their bank's main office, or decide to change over to other banks with higher ethical standards on a particular sector/issue etc). Nb. We consider these numbers as highly conservative now.
- Extensive media coverage.

Time frame:

- Every 3 months the benchmark will be updated. All banks will be asked to give updated information (proofs) about any strengthened policy on issues and sectors.
- Furthermore, every 3 months a case study will be done to compare the bank policies with the reality. The first case study (in April) will be about investments in banks in sustainable energy (sun, wind etc), compared with investments in carbon-intensive energy projects. The second case (late June) will

probably about investments in controversial arms trade (cluster munitions and arms trade with fragile states/dictatorships etc). Obviously, we will promote media coverage about the updates as well as the case studies.

- Every year (again in January 2010), a conference will be organized to promote the benchmark, invite relevant guest speakers and discuss how to improve the benchmark.
- In April 2011, the benchmark will be evaluated.

Possible follow up:

- Improvement/broadening of the benchmark. Possibly development of new sector and issues policies.
- A single/independent organization will remain responsibility for the benchmark in 2011 (for example VBDO or BankTrack)
- Promotion of the concept of the Fair Bank Guide through the foreign partners of the project group members. We seriously hope that our partners will be keen to set up similar benchmarks in their own countries.

RESULTS APRIL 2009

On 16 April 2009 we published the first 3 months-update. Some results:

- 9 out of 12 banks have already strengthened their CSR policies on at least 1 issue/sector
- Clear competition between banks for higher CSR standards
- Increased dialogue between the organizing NGOs and almost all banks
- 50,000 unique visitors checked the "Fair Bank Guide". 4,000 have send their bank a message of concern about CSR, etc.

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 follow 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, it only applies to the deals using the bank capital directly and not to investment funds managed by the banks.

On a positive note, six 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 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 the banks 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 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 number of banks make themselves look good with policies on paper, while continuing their bad practices. The banks argue that their policies don't have to apply to their asset funds. We don't think the oppressed people of Burma, or the victims of cluster bombs will be very impressed by this charade."

On 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.

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:

- 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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