

The dos and don'ts of Sustainable Banking

A BankTrack manual

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Colophon

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1. Getting started

In our present, globalizing world, private banks play a crucial role in allocating financial resources. As a large majority of all companies and governments in the world are dependent on the financial services of private banks, these financial institutions play a key role in every segment of human activity. While their financial services are too often used for activities which are harmful to the environment, human rights, and social equity, banks can also be powerful agents of change.

The discernible shift that many banks have made in recent years towards addressing the environmental and social impacts of their financial services is a welcome and important first step in this direction. More and more banks realize that ignoring social and environmental issues could considerably increase their exposure to credit, compliance and reputational risks. The progress banks make in this field, however, will be measured not by good intentions or even by strong policies on paper. To advance sustainability, banks must seek improved performance and results on the ground in affected communities and environments.

Sustainability is about meeting the needs of the present without compromising the ability of future generations to meet their needs. It is about preserving the environment and biodiversity for future generations, and about being cautious with our natural resources and climate. But sustainability is also about guaranteeing human rights and a life in dignity, free from want and poverty for all people living today.

Sustainable banking essentially is about making this happen. The exact concept of sustainable banking will evolve over time, responding to experiences gained and to global developments. BankTrack will continuously seek to shape the debate on this subject, with committed banks and other stakeholders.

In the mean time BankTrack is challenging banks to embark upon the journey towards sustainability, even though it is not exactly clear what is beyond the horizon. All banks aiming to walk this road need a combination of brave leadership, long term planning, ambitious policy frameworks, innovative product and process development, effective implementation across the bank's organisation and clear transparency and accountability procedures.

But what is perhaps even more important is a readiness to question the assumptions on which your current successful business strategy rests. Your bank should accept the fact that there is an overall business case for sustainable banking, but not all the time, not everywhere. Next to the business case there is also a moral case. In the short term, being truly sustainable sometimes requires making hard choices, foregoing tempting business opportunities in order to preserve something even more precious. The reward for your institution may only come much later, or not at all - at least not in monetary terms.

This BankTrack manual will help you to get started on the slippery path towards sustainable banking. Its starting point is the Collevocchio Declaration, named after the Italian village where it was first conceived. This declaration was launched in January 2003 and endorsed by over 200 civil society organisations. It outlined the unique role and responsibility the financial sector has in advancing sustainability.

At the time of its launch, the Collevocchio Declaration was accompanied by a short Implementation Guide. Since then, banks have gained more experience, thinking has evolved and the world has moved further. This manual therefore may be considered as an updated version of the Implementation Guide to the Collevocchio Declaration. It is not the definitive guide, nor the final answer to all your questions. We will continue to publish new versions in the future, reflecting new insights and responding to new developments.

Following the six commitments framed in the Collevocchio Declaration, this manual outlines what banks should do to make their operations more sustainable. Each section provides practical steps forward, paying attention to both content and implementation aspects. These steps apply to all activities undertaken by banks, whether they be retail banking, commercial banking, investment banking or asset management.

Alongside what is to be done, there is also guidance on what to avoid, in the form of boxes on the "Dos and don'ts of sustainable banking".

We think that by following the steps described in this manual will move you a long way in meeting civil society's expectations. We encourage all committed banks worldwide to use this manual in their process of rethinking and thoroughly reinventing their corporate identity and activities.

2. Commitment to Sustainability

Financial institutions must expand their missions from ones that prioritize profit maximization to a vision of social and environmental sustainability. A commitment to sustainability would require financial institutions to fully integrate the consideration of ecological limits, social equity and economic justice into corporate strategies and core business areas (including credit, investing, underwriting, advising), to put sustainability objectives on an equal footing to maximization of shareholder value and client satisfaction, and to actively strive to finance transactions that promote sustainability.

Collevocchio Declaration

Redefine your mission

A crucial landmark on the road towards sustainability, although not necessarily at the start, is the redefinition of the bank's long term mission. This demands a profound rethinking the bank's reason for existing; what you have to offer to this world. A truly sustainable bank's mission cannot be purely defined from the perspective of the maximization of shareholder value and client satisfaction. It needs to incorporate wider sustainability goals.

As a start, review the *Universal Declaration of Human Rights*, *Agenda 21*, the *Millennium Development Goals*, and ask yourself: how can the financial skills and know-how of our bank contribute to achieving these goals? How can our funds be used most effectively to foster social and environmental sustainability? How can we integrate the considerations of ecological limits, social equity and economic justice in all our activities? What type of world do we want to create and how can we as a bank help shape our collective future? In short: what is our mission?

Evaluate your portfolio

Using the perspective of your redefined mission, your bank needs to evaluate its portfolio. Assess all direct and indirect environmental and social impacts of the financial services provided by the bank to its clients, including retail banking (saving accounts, credit, mortgages), commercial banking (company loans, trade finance), investment banking (stock issuances and trading, project finance, stock analysis, M&A and other corporate advising), asset management, private banking, trust banking and other forms of financial services.

Look at the regions and countries where you operate and the sectors in which your clients are active. Assess the positive and negative contributions of these activities towards your new mission: are they fostering social and environmental sustainability? What social and environmental damage is facilitated with your money, your advice, your financial skills? Which financial services (in specific regions, countries, sectors) could contribute to your mission, when guided by the right principles and objectives? And which financial services are inherently at odds with the sustainability mission of your bank?

Redefine your strategy

The evaluation of your bank's portfolio will lead to strategic choices. To become a sustainable bank, a redefinition of the bank's strategy is inevitable. Based upon an assessment of its past experience, its present capabilities and its future ambitions, your bank needs to select the social and environmental issues it wants to assign top priority to. Based upon these strategic decisions, the bank should select the types of clients it wants to focus on and the sectors and the regions and countries it wants to be active in. These strategic choices have of course to be adopted by the board of your bank.

Don't treat sustainability as a niche market. **Do** recognize that sustainability is already at the core of all your business activities, as most activities financed by your bank have social and environmental impacts, be they positive or negative. The challenge is to recognize these impacts and shift their balance in a positive direction.

No bank is expected to cover everything - concentrate on the issues, sectors and countries where you can make a difference in fostering sustainability. Working with global clients is not mandatory, nor is spanning the globe with your office network. A more sensitive alternative is to select the countries you want to be active in, offering a range of banking services needed there - including banking services for the poor.

Spreading your investments and activities too thinly over all sectors can be counterproductive. You might better concentrate your efforts on the sectors which need your skills most to develop sustainably. Knowing and working intensively with a few sectors is a more sustainable form of risk management than spreading your investments over many sectors of which you do not sufficiently know the environmental and social risks.

Once you have gone through this exercise, take the hard decisions: get out of activities that are evidently not in line with your stated mission of sustainability, sever ties with those clients that will not follow you on your path, end your engagement with projects that manifestly threaten what is considered good and precious in the world. Really, it is not that hard to identify these, it might be as simple as following your gut feeling of what is good. Out you go. Then focus on all the good business going on.

Develop sector and regional/country policies

For the specific sectors and countries your bank chooses to be active in, you need to develop concrete policies that allow you to deal with challenges that will inevitably arise. These policies serve a dual purpose: they define the ambitions and goals the bank wants to achieve and to help promote, its vision of sustainability in concrete terms. But these policies also define the minimum standards to be met by each client before the bank is prepared to provide any form of financial service.

By setting these minimum standards, the sector and country policies play a crucial role in the bank's *Environmental and Social Risk Management System*. Based upon such treaties and standards, the bank's sector policies should define how the bank aims to work with its clients throughout the supply chain, as well as with civil society, to address issues such as indigenous peoples' rights, land rights, worker's rights, deforestation and other threats to valuable ecosystems, etc. The policies should also indicate the bank's preference for specific types of companies and initiatives, such as community-based cooperatives. At the same time the policies need to define a bottom line in clear, measurable terms: the minimum standards which have to be met by each and every client in the sector to be acceptable for the bank. When these minimum standards are not met, the bank will not provide any form of financial service.

These minimum standards often do not follow automatically from international standards, but need to be interpreted and defined by the bank itself. Sector and issue policies can be based upon international treaties relevant for specific sectors, such as the *UN Framework Convention on Climate Change* and the *Kyoto Protocol* which provide important guidelines for large greenhouse gas emitting sectors. Other important conventions in this respect are the *Stockholm Convention On Persistent Organic Pollutants*, the *Ramsar Convention on Wetlands* and *ILO Convention 169 concerning Indigenous and Tribal Peoples in Independent Countries*. Sector policies can also be based upon the growing body of international multi-stakeholder initiatives which have defined best practice and standards for sustainability in specific sectors, such as the *Forest Stewardship Council (FSC)*, the *International Principles for Responsible Shrimp Farming*, the *Roundtable on Sustainable Palm Oil*, the *WCD Guidelines on Dams*, the *Framework for Responsible Mining*, the *Fair Wear Foundation* and the *Fairtrade Standards for Coffee*.

These standards may be non-binding, but they reflect a consensus among committed stakeholders in these sectors on the issues which need to be addressed and the initiatives which need to be taken. As such they provide authoritative guidance for all stakeholders involved, including banks, for achieving sustainability in these sectors.

Develop issue policies

For important issues which arise in all sectors you are engaged in, your bank needs to define specific policies on what the bank aims to achieve. Such cross sector issue policies must cover issues such as human rights, climate change, tax evasion, corruption and governance, but also *Millennium Development Goals* concerning the eradication of extreme poverty and the reduction of child mortality.

These policies should set goals based upon international conventions, such as the *Rio Declaration on Environment and Development, Agenda 21* and the *Global Compact*, the *ILO Core Labour Standards*, UN conventions on human rights including the *UN Human Rights Norms for Business*, and environmental conventions including the *UN Framework Convention on Climate Change* and the *Convention on Biological Diversity*. These issue policies can also be based upon multi-stakeholder initiatives such as the *Extractive Industries Transparency Initiative* or the *Control Arms* campaign.

In its issue policies the bank should relate to these international standards and define the contribution it aims to make to addressing these issues. A few examples:

1. Climate change presents new financial threats and risks to investors, but it also introduces new opportunities. Banks should play a leading role in shifting investments to renewable energy production and energy efficiency solutions, and away from high-carbon and fossil fuel investments. Your bank can incorporate climate risk into your overall client risk identification and assessment process and develop a set of assessment tools to determine carbon reduction options. The commitment of your bank to greenhouse gas reductions should be made measurable by setting portfolio-level reduction targets, as well as normalized reductions goals (e.g. carbon intensity of each Euro lent).

In doing so, you can build upon the work of the *Carbon Disclosure Project*, a coalition of institutional investors which asks the world's largest companies to report their annual investment-related and emissions information relating to climate change.

Don't ignore climate change issues in your financing decisions.

Do recognize the urgency of starting to take action today, if we are to avoid the most catastrophic impacts of climate change in the decades ahead.

2. The bank's human rights policy can be based upon the *UN Human Rights Norms for Business*. These norms constitute the most comprehensive and authoritative treatment of the human rights obligations of businesses, clarifying their obligation to promote, protect, respect and secure the fulfilment of human rights "within their respective spheres of activity and influence". Each business entity, including banks, should adopt, publicly disseminate and implement internal rules of operation in compliance with the *Norms*. In addition, they should periodically report on and take necessary measures to implement the *Norms*; provide for independent investigation of complaints they receive; and apply and incorporate these *Norms* into their supply chains or other business relationships through their contracts, transactions or other arrangements. BankTrack is currently working on a position paper on banks and human rights.

Build capacity, train, motivate and reward employees

To put the ambitions formulated in specific policies into practice, the bank needs to devote considerable attention and resources to capacity building, training, motivating and rewarding its employees. All employees involved need to be trained with regard to the social and environmental issues related to the sectors, issues and countries in which the bank is active. Specific attention should be paid to internalising the bank's mission and specific goals by employees. Additionally, a sustainable human resources policy attracts, stimulates and rewards people who are able to contribute to the bank's mission and sustainability goals most effectively.

Don't give bonuses to your employees (including Board members) for mere quantity of business achieved, margins and short-term profits. **Do** reward employees who seriously work on the implementation of your bank's policies. Your bonus system should integrate sustainability and longer time horizons and attribute positive value to prudent decision making.

Foster innovation

Global sustainability is not an easy goal to achieve. Radical changes are needed to use our natural resources efficiently, equitably and prudently to fulfil the needs of a growing global population, while preserving existing ecosystems and preventing climate change. At the same time, the global wealth and opportunities have to be redistributed, providing equal chances, securing human rights and a decent living to all global citizens.

To achieve all these goals, we need many innovations. Technical innovations may result in new products and new processing techniques, but financial innovations are similarly needed. Banks and other financial institutions need to use all their intellectual and financial skills to help other companies nurture technical innovations and bring them to the market, to assist the poor in creating a means of living, and to set up businesses which manage resources and ecosystems in a sustainable way.

Your bank should create structures which foster product and process innovation to better achieve the sustainability goals you have defined. These structures should be dedicated to specific sectors or issues, collaborating with committed clients, industry groups, civil society organizations and governments to develop financing solutions for issues, groups and activities which are insufficiently dealt with at present. Some examples:

1. Shifting financing from carbon-based energy project towards renewable energy, such as solar energy, wind energy, small-scale hydropower and *sustainable* biomass production. The innovative structures which are currently used by banks to limit country and other specific risks in the financing of oil pipelines and coal-fired power plants should be applied to enable the financing of renewable energy production. Product innovation is also needed to reward energy saving and efficiency by clients, for instance by providing cheaper mortgages for energy efficient houses.
2. The bank could actively engage in promoting sustainable agriculture, forestry and fishery practices, for example by participating actively in multi-stakeholder initiatives which set standards for sustainability. While these initiatives have resulted in the development of sustainability standards for many commodity sectors and a growing willingness among market players to buy sustainable commodities, small and medium-sized producers often still lack the financial means to invest in long-term, sustainable practices. Innovative forms of financing can help generate important environmental and biodiversity benefits, as well as livelihoods for rural communities.
3. In all countries where the bank chooses to be active, it should develop active programs to offer financing to the poor. Small-scale artisans, suppliers, services companies and community initiatives can play a major role in spreading social equity and economic justice, when they have access to credit, payment accounts and other banking services. Appropriate marketing channels - in addition to existing microcredit institutions - have to be developed to be able to offer this kind of financing. Currently, many people are still excluded - in India alone, 500 million people do not have access to banking services. To grasp this huge market opportunity, your bank needs to tailor specific products at lower costs to serve this population.

4. Collaborate with other financial institutions, market players, NGOs and governments to find solutions for specific issues, such as the 1.2 billion people who do not have access to safe water and the 2.6 billion people who have no access to sanitation, according to the *UN Development Programme*. As a consequence 1.8 million children die each year from diarrhoea and 443 million school days are lost to water-related illnesses. Water and sanitation are public goods, which should stay in the public domain. But the question remains how to mobilize support for and finance the fulfilment of such basic needs for everybody on this planet.

Don't nominate yourself too eagerly for a *Sustainable Banking Award* just because you have started packing for your journey on the long and difficult road towards sustainability. **Do** claim one when you get there.

3. Commitment to 'Do No Harm'

Financial institutions should commit to do no harm by preventing and minimizing the environmentally and/or socially detrimental impacts of their portfolios and their operations. Financial institutions should create policies, procedures and standards based on the Precautionary Principle to minimize environmental and social harm, improve social and environmental conditions where they and their clients operate, and avoid involvement in transactions that undermine sustainability.

Collevocchio Declaration

Redefinition of risk

The commitment to 'Do No Harm' in the first place requires redefinition of the concept of risk, expanding it to other stakeholders and to the planet. Is the risk that your client will use your loan to cut down a *High Conservation Value Forest* and to push the local community from its land only a risk when it might cause legal problems or reputational damage to your bank? That may lead to the cynical conclusion that when the government facilitates the investment and NGOs do not react, no real risk is involved. Can we still call this corporate social responsibility?

A narrow, self-centred concept of risk might be useful in the early phases of awareness raising among your shareholders and employees. But if your bank aims to make further strides on the road towards sustainability, you need a broader risk concept. The new risk definition then needs to be founded on the bank's mission in terms of fostering social and environmental sustainability. All direct and indirect impacts of the bank's activities which go against its broader mission, which bring damage to the environment or to impacted people, should be considered as risk, to be avoided and minimized.

Don't treat sustainability solely as a reputation issue, although your reputation is at stake when you finance clients engaged in environmental destruction or social abuses. **Do** recognize that in the long term the risks run much deeper if you do not change the course of your bank drastically.

Minimum standards

Your bank's risk management system needs to be based upon the precautionary principle, avoiding and minimizing social and environmental risks as far as possible. To be able to do so, your bank needs the minimum standards laid down in a robust set of sector, issue and specific policies. These policies need to define both the minimum standards the bank adheres to before providing any financial service, as well as more ambitious objectives on how the bank aims to foster sustainability in these sectors.

Don't finance questionable deals, just because the sponsor has a good reputation, because no laws are breached or because a multilateral development bank is also involved in the deal. **Do** recognize it involves your money, your standards, your reputation and your decision - there is no one to hide behind.

The *Equator Principles* are the most well-known set of sector policies in the banking sector and are often presented as the banking sector's answer to the sustainability challenge. They were first launched in June 2003 and revised in June 2006. A total of 42 banks and other financial institutions have now adopted the *Equator Principles*, which are pegged to the *Performance Standards* of the *International Finance Corporation*.

Many NGOs welcomed the *Equator Principles* when they came into being, despite their shortcomings. BankTrack and others have monitored the *Equator Principles* since their inception and offered constructive suggestions for addressing some of the fundamental problems. Regrettably, most of these problems have not been properly addressed in the recent revision of the *Equator Principles*.

The *Performance Standards* (and thereby the *Equator Principles*) do not reflect international law and international best practice. This is particularly true for issues such as human rights, climate change, biodiversity and forest protection, as well as standards and practices for extractive industries, the military sector, dams, fisheries and agricultural sectors. The *Equator Principles* also lack consistent and rigorous implementation demands and procedures from the adopting banks. They neither require transparency nor any mechanism for monitoring implementation or ensuring compliance. So far, the adoption of the *Equator Principles* has also not prevented signatories from bidding on and financing some of the most environmentally and socially risky projects which have sought support from international project finance markets in recent years.

Given this situation, there is still a pressing need for bank policies to go beyond the *Equator Principles*, and develop policies that are consistent with international standards and best practice and that are applied transparently and effectively. Banks need to develop their own policies on issues and sectors for which effective international sustainability standards are lacking.

One example is the financing of arms production and the arms trade. Arms embargoes and arms export controls are breached on a continuous basis, fuelling numerous conflicts and repressive regimes. The defence industry is known for its low sustainability standards, corruption and lack of transparency. Any bank which is providing financial services to the defence sector takes serious risks by getting involved in dubious transactions. The bank therefore needs to develop a comprehensive policy itself, possibly involving a black list of excluded companies.

Don't see the *Equator Principles* as best practice in the banking sector. **Do** join the banks that have adopted policies on specific sectors and issues which set higher aspirations and stricter standards than the *Equator Principles*.

Define the scope of policies

It is of crucial importance to define the scope of each of the sector, regional/country and issue policies a bank has developed - specifying under which conditions the policy is applicable. After all, a policy with strong wording would not achieve much if it applies only to a small part of the bank's portfolio. The scope must be wide enough to include all companies involved in a sector or issue, but specific enough to secure effective implementation. This scope issue has four dimensions:

1. *Geography*: Regional and country policies obviously have a limited geographical scope, but the minimum standards should apply to all clients of the bank active in the sector or involved in the issue. However, in terms of goals or ambitions, policies may look for a geographical focus.
2. *Sector*: Any sector or sub-sector with a distinct profile of environmental and social issues needs a separate policy, to improve its relevance and effectiveness. For example, while one sector policy can cover the mining sector as a whole, a single sector policy for the agricultural sector is not possible. Separate policies are needed for cotton, sugar, coffee, cocoa, palm oil, soy, and other agricultural commodities.

Don't adopt particular country, sector or issue policies that are immaterial to your business just because your peers have done so. **Do** conform to international best practices in the standards you set.

3. *Types of clients*: Sector policies should not limit their scope and the type of minimum standards to the primary producers in the sector (mining companies, agribusiness, energy producers, etc.). The downstream players in the supply chains (traders, intermediate processors, manufacturers of consumer products, retailers) should also be covered in a good policy, as they influence supply chains strongly with their buying power. Minimum standards for these downstream players need to be different than for primary producers, focusing more on their procurement policy, demanding a clear and transparent policy, independent verification and chain of custody management.
4. *Financial services*: Sustainable banking ultimately requires paying attention to the environmental and social impacts of the full range of services offered by your bank. This includes retail banking (saving accounts, credit, mortgages), commercial banking (company loans, trade finance), investment banking (stock issuances and trading, project finance, stock analysis, M&A and other corporate advising), asset management, private banking, trust banking and other forms of financial services. The application of environmental and social policies needs to be tailored to different financial products and services.

Don't hide behind your fiduciary duties as asset manager. **Do** recognize that new legal developments show that your fiduciary duties do not force you to leave environmental and social issues aside.

Environmental and Social Risk Management System

To ensure that the minimum standards in your policies are applied to all financial services, you need a rigorous *Environmental and Social Risk Management System*. This should include the following elements:

1. Perform an initial sustainability review to identify the bank's key sustainability risks and opportunities, and to guide appropriate policy development;

2. Create a robust overall sustainability approach that includes the six key Collevocchio principles;
3. Develop strong sector, regional/country and issue policies that are based on international norms and best practices, and which include clear standards for approving or declining transactions;
4. Establish organizational and accountability structures within the bank to implement the policies. Clearly assign responsibility for compliance to each policy to one of the directors of the bank. Set up internal lines of reporting and accountability which ensure effective and efficient decision making based upon the bank's policies. Ensure that financial services are not approved if they are not assessed against the relevant policies;
5. Ensure sufficient internal resources are available for support and training of your employees, by creating a specialised staff division at the corporate level to train and assist operational staff on sustainability issues and in applying the policies;
6. Establish standard procedures for transactions that include procedures for due diligence, consultation and compliance;
7. Develop unambiguous tools (like questionnaires or handbooks) for due diligence procedures. These tools should be understandable and applicable for bank staff, clients and other stakeholders. The tools should evaluate the environmental and social impacts of the proposed financial services, the client's past record, its commitment to sustainability, and its capacity for addressing the expected impacts;
8. Ensure an independent, comprehensive and substantive review of all technical documents supplied by the client, as well as a review of the adequacy of public consultation;
9. Develop procedures and tools to enable a sophisticated exchange of knowledge and information on (possible) clients with NGOs, other banks, governments and sustainable rating agencies. This information exchange helps to structure and improve your due diligence procedures;
10. Integrate clear covenants with your minimum standards in loan contracts, underwriting contracts and other financial service contracts. These covenants give a legal basis for the bank to call an event of default, when clients are not adhering to the bank's policies during the period of financing;
11. Introduce formal client monitoring mechanisms that apply during the financing term of loans and other long-term financial services, including client reporting requirements, independent third party audits and possible corrective actions;
12. Establish a complaint mechanism for stakeholders;
13. Report externally on the content of your policies and on the functioning of the *Environmental and Social Risk Management System*;
14. Assure that the functioning of the *Environmental and Social Risk Management System* is reviewed regularly by the bank's management as well as by internal and external auditors, resulting in continuous improvement of procedures, tools, efficiency and effectiveness.

Don't try to implement an effective and efficient *Environmental and Social Risk Management System* on the cheap. **Do** invest sufficiently in your capacity to screen all your clients on their social and environmental behaviour - in the long term this will pay out in terms of lower default risks and new business opportunities.

Implement, implement, implement...

The proof of the pudding is in the eating: adopting strong and comprehensive policies is not enough; implementing a well-functioning *Environmental and Social Risk Management System* is of crucial importance. The policies of your bank are insignificant unless the commitments made are implemented. Experience shows that implementation of policies is often the weakest spot, so all necessary attention should be devoted to this aspect.

Don't write perfect policies, put them proudly on your website, talk about them in every interview, refer to them when approached by NGOs - while failing to implement them. **Do** ensure that all employees understand and implement your policies and invest in facilities to support them.

4. Commitment to Responsibility

Financial institutions should bear full responsibility for the environmental and social impacts of their transactions. Financial institutions must also pay their full and fair share of the risks they accept and create. This includes financial risks, as well as social and environmental costs that are borne by communities.

Collevocchio Declaration

Accept responsibility for your indirect impacts

Just like any other (corporate) actor, your bank bears responsibility for the environmental and social impacts of your business activities. Just as banks are used to taking credit for their contributions to economic and social development in certain countries and sectors, they should also accept a shared responsibility (jointly with their clients) for the detrimental impacts of their financing decisions. Accepting this responsibility should lead to learning from mistakes, adjusting policies and procedures and sufficient efforts to mitigate and compensate adverse impacts that may result from your involvement in activities.

Fully accepting such responsibility is an important landmark on the road towards sustainability. It is the logical complement of the redefinition of your bank's mission to encompass wider sustainability goals. When your bank publicly takes responsibility for the environmental and social impacts of the financial services provided, it strongly stimulates the internalization of the bank's broader mission by its employees and shareholders.

Develop responsibility guidelines

Banks are seldom solely responsible for the detrimental impacts of the projects and companies they finance: the owners, authorities and other financiers also bear some level of responsibility. Founded on the acknowledgement that your bank shares some part of the responsibility for the environmental and social impacts of your financial services, you should therefore consult with other banks, NGOs and other stakeholders to develop responsibility guidelines.

These responsibility guidelines are necessary to assess in specific cases the level of responsibility of each stakeholder. Based upon this assessment it should be decided which steps each stakeholder, including your bank, should take to mitigate and compensate the detrimental impacts. Such responsibility guidelines could be developed on a national level, or on a global sectoral level. Your bank should take the initiative to put this discussion on the agenda of existing and new multi-stakeholder initiatives.

Don't think that it is all right to finance companies which violate your environmental and social minimum standards, just because you demand that they do not use your money for these activities.
Do engage only with clients which meet your standards.

Support environmental and social liability legislation

Complementary to the development of responsibility guidelines in multi-stakeholder initiatives, your bank should support government efforts to regulate the environmental and social liability of banks in legislation. Governments -at least in theory- represent the interests of their people and of the environment. Regularly they are confronted with companies inflicting severe damage to the environment or to their inhabitants, resulting in enormous social, environmental and financial costs for which nobody can be held liable - because the company does not exist anymore, has insufficient funds, or is domiciled in a foreign country.

Governments have the legitimate task to improve social and environmental liability legislation at a national and international level, to ensure that foreign companies and their stakeholders can be held liable for such environmental and social disasters. As banks share a responsibility (jointly with their clients and other stakeholders) for the detrimental impacts of their financing decisions, their role should be addressed in this liability legislation. The efforts of your bank should therefore be directed at regulating this issue in a just and balanced way in the legislation of all countries in which your bank is active. Levelling the playing field in this way is, after all, in the interest of the committed, responsible banks.

Additionally, efforts should be increased to address this liability issue in international law. In a globalizing world, this would be the best way to promote a truly level playing field for all companies and all financial institutions.

Ensure fair and inclusive retail financing practices

Take all necessary steps to ensure that the bank's retail products are equally available to all retail clients, irrespective of race, ethnicity, gender or other community characteristics, for the same interest rates. Ensure that appropriate reinvestment is made of disadvantaged communities' deposits. Take all necessary steps to avoid engaging in or enabling so-called *predatory lending* to retail consumers. Similarly review the lending patterns of any retail lender, particularly subprime lenders, which the bank may purchase or whose loans it may help securitize or for which it may serve as trustee.

Don't concentrate on exclusive banking in the countries where you are active, by offering services only to a small number of affluent clients. **Do** opt for inclusive banking by providing financial services to a large number of middle class and poor clients. Although difficult, this approach offers better rewards in the long term.

Support solutions for the developing country debt crisis

A specific category of bank clients are governments and state-controlled entities in resource-rich countries with poor governance structures. Governments in these countries frequently seek loans using future exports of natural resources, such as oil, as collateral. The willingness of foreign financial institutions to lend to such countries has several times undermined the international pressure for reforms in those countries. These governments continue to seek expensive commercial loans backed by resources rather than seeking cheaper loans from development banks, which would require a commitment to more transparency. Foreign financial institutions are thus opening the road for further fraud, corruption and mismanagement of public funds, and blocking the way for a development that benefits the local communities and the environment.

Your bank should insist on high governance standards before lending to such governments and should demand transparency on the use of funds. Broader anti-corruption and good governance issues should be taken into account when making funds available to governments. Your bank should also support enhanced transparency in resource-backed lending, as promoted by the *Extractive Industries Transparency Initiative* and the *Publish What You Pay* campaign.

Past (unconditional) loans by foreign banks to such governments have caused much of the present debt crisis in many developing countries (the so-called *odious debt*). Even when these countries are now governed by more democratic and transparent governments, their ability to invest in sustainable economic development is crippled by this heritage from their predecessors. Acknowledging your co-responsibility for these past loans, your bank should endeavour to find innovative solutions to the developing country debt crisis and support calls for significant debt relief from civil society organisations.

Accept responsibility in your sphere of influence

The sphere of influence of your bank is wider than your portfolio of clients. In working with peer institutions in loan and underwriting syndicates and other consortia, your bank can set a good example and encourage the use of environmental and social standards and due diligence. As your bank creates strategic partnerships with other financial institutions it should seek to ensure that your sustainability commitment is translated in those relationships. Finally, your bank has a public voice, and can support research, initiatives, and public policies that promote sustainability.

Don't just complain that the lack of environmental and social standards at other banks, for example at Chinese or Indian banks, creates an uneven playing field. **Do** use your relationships and leverage at these institutions to encourage them to adopt world-class sustainability policies.

5. Commitment to Accountability

Financial institutions must be accountable to their stakeholders, particularly those that are affected by the companies and activities they finance. Accountability means that stakeholders must have an influential voice in financial decisions that affect the quality of their environments and their lives - both through ensuring that stakeholders' rights are protected by law, and through practices and procedures adopted by financial institutions themselves.

Collevocchio Declaration

Consult on your policies

Your bank should be accountable to the people whose livelihoods and environments are affected by the companies and activities you finance, as well as to NGOs which legitimately defend broader social and environmental interests. In practice this accountability entails that you should consult civil society groups when creating sustainability policies, objectives, procedures and standards. To make this consultation effective it is necessary to translate policies into languages understood by local stakeholders. You must take concerns, objections and other inputs raised by civil society groups into account.

Ensure adequate information disclosure

As part of your bank's social and environmental risk management procedure, the bank should ensure that clients disclose adequate information about the environmental and social impacts of proposed activities to affected people and to NGOs, in a language and a manner appropriate to these communities. This also serves the interests of the bank as it ensures that public concerns are raised and resolved before they become conflicts.

Disclosure should not be avoided deliberately by your client through the claim of business confidentiality, which is generally irrelevant. Most of the environmental and social information relevant for affected people and NGOs does not fall within the narrow barriers of business secrets. Moreover, a client's interest in confidentiality should not be overriding unless it outweighs the public's right to know about impacts that may directly affect them.

Ensure Free, Prior and Informed Consent

The bank should ensure that its clients actively respect the right of indigenous people to *Free, Prior and Informed Consent (FPIC)*. This right has been recognized in international law. FPIC is a two-way, interactive negotiation that offers communities greater influence in decision-making. The process requires full and early disclosure of information on the potential impacts of a proposed investment. FPIC should be followed for any investment that poses risks or threats to any given community. Requiring borrowers to meet the requirement of FPIC for certain projects like dams, mining projects, big infrastructural projects and so on, has the advantage for your bank that the community involved supports the project before you have to decide on the financing.

Establish a complaint mechanism

Your bank should develop a complaint mechanism for local and other stakeholders as part of its *Environmental and Social Risk Management System*, as described in Chapter Three on the *Commitment to 'Do No Harm'*. This complaint mechanism should be open to the people whose livelihoods and environments are affected by the companies and activities financed by the bank, as well as to NGOs which legitimately defend broader social and environmental interests. The complaint mechanism should contain at least the following elements:

1. Specify who is responsible for each policy within the bank;
2. Specify who is to respond to complaints about a client's possible non-compliance with one or more of the bank's policies;
3. Specify within what period of time a response can be expected by the complainer;
4. Set up an investigative and decision taking procedure which has to be followed;
5. Ensure that the concerns of affected communities regarding a client's activities are heard directly and are not filtered by the client;
6. Specify what steps the bank will take after a complaint has been assessed as well-founded. These steps should include possible changes to the *Environmental and Social Risk Management System* itself, and/or corrective measures against employees who disregarded procedures;

7. Specify what measures the bank will take to mitigate and compensate the impacts caused.

Don't expect NGOs, affected people and others to trust your public relations statements. **Do** build a sustainable reputation through transparency and accountability in your practices.

This internal complaint mechanism can be set up and managed by your bank individually, in addition to other mechanisms created together with a group of committed banks such as the signatories of the *Equator Principles*.

Support financial sector regulation on social and environmental issues

Complementary to the internal complaint mechanism, your bank should support government efforts to regulate the financial sector on social and environmental issues. Following the adoption of the *Basel Capital Accord II* in June 2004, financial regulators throughout the world demand banks to make a "comprehensive assessment of risks". The BCA II does not determine which risks have to be assessed; it leaves this up to the regulators in individual countries.

Governments and regulators could and should therefore take the initiative to make "a comprehensive assessment of social and environmental risks" mandatory for all banks operating within their jurisdiction. This would mean a combination of sector, country and issue policies with clear minimum standards, the effective implementation of an *Environmental and Social Risk Management System* and clear transparency and accountability procedures. Regulators could stimulate and complement this by setting up a complaint mechanism at the national level, open to the people whose livelihoods and environments are affected by the activities financed by banks from this country, as well as to NGOs which legitimately defend broader social and environmental interests.

Your bank should endeavour that "a comprehensive assessment of social and environmental risks" becomes mandatory in all jurisdictions in which your bank operates, complemented by national complaint mechanisms. Initiatives to create such a level playing field by financial sector regulation, such as the initiative of *WWF* with regard to the palm oil sector in Indonesia, should be supported.

6. Commitment to Transparency

Financial institutions must be transparent to stakeholders, not only through robust, regular and standardized disclosure, but also by being responsive to stakeholder needs for specialized information on financial institutions' policies, procedures and transactions. Commercial confidentiality should not be used as an excuse to deny stakeholders information.

Collevocchio Declaration

Annual sustainability reporting

In a world shifting from a 'trust me' to a 'show me' attitude, transparency is crucially important. Your bank should report annually on the steps taken to work towards the mission formulated. Which social and environmental issues does your bank give top priority and what has been done to address them? The Global Reporting Initiative Guidelines are a helpful reference point for these reports.

Don't think that just relying on the *GRI Guidelines*, or answering the questions in a very minimal manner, will be sufficient to provide adequate reporting on your bank. **Do** realize that the *GRI Guidelines* and its financial sector supplement are broadly worded and designed for the financial sector as a whole. Improve your transparency to surpass this benchmark.

Transparency on policies and implementation

The transparency of your banks to its stakeholders demands the disclosure of all sector, issue and country policies you have adopted - there are no such things as good but confidential policies - including a definition of the scope of these policies. Additionally, the bank should be responsive to stakeholder requests for specific information on your bank's policies and procedures.

As part of your annual sustainability report, your bank should also report systematically on the implementation of your *Environmental and Social Risk Management System*. Only then will stakeholders be able to check up on the bank's increasing capability in making a meaningful difference to people and the planet. If your bank is actually implementing an efficient and effective *Environmental and Social Risk Management System*, it should also be a leader in promoting and fulfilling this transparency. This will give you the ideal instrument to prove your mission and policies are more than just rhetoric, separating you clearly from the *window dressers*.

Don't publish annual sustainability reports just for marketing purposes. **Do** publish reports based upon standardized and verifiable parameters which are audited externally.

The issues to be covered when reporting on the implementation of your *Environmental and Social Risk Management System* include:

1. A breakdown of your core business activities by sector and country/region;
2. Content of your country/region, sector and issue policies;
3. A description of the *Environmental and Social Risk Management System*, including a description of the level of management that is responsible for compliance, and the internal lines of reporting and accountability;
4. Information on the procedures and tools used in the due diligence process, including the independent review of technical documents and stakeholder consultation by the client;
5. A description of staff training and capacity development efforts;
6. Information about contract covenants applied and formal client monitoring mechanisms established;
7. Specific instances of material non-compliance with bank policies, standards or contract covenants, including the nature of the non-compliance, action taken to rectify it, whether that action has been successful and, if not, what further action (including the calling-in of loans) has been taken;
8. Description of the complaint mechanism for stakeholders;

9. Summary of conclusions and recommendations of external reviews of the functioning of the *Environmental and Social Risk Management System*, as well as the steps taken by the bank's management to improve procedures, tools, efficiency and effectiveness.

This external disclosure can be undertaken by your bank individually, but it could also be done together with a group of committed banks such as the signatories of the *Equator Principles*.

Disclose details of important clients

The most convincing proof to your stakeholders that your *Environmental and Social Risk Management System* is working properly, lies in disclosure on the portfolio of clients your bank is providing financial services to. Stakeholders should be able to find the names and details of the major clients of the bank - corporate clients, governments and projects - on your website. Where applicable social and environmental assessment reports should be available as well. Commercial confidentiality should not be used as an excuse to deny stakeholders information.

The benchmark in this field has been set for a long time already by multi-lateral development banks, such as the *World Bank*, the *Asian Development Bank* and others. In recent years, many *Export Credit Agencies (ECA's)* started to publish details of the clients they are financing on their websites. At first, the *ECA's* had the same objections that most private banks still have: client confidentiality cannot be broken. But at present, most *ECA's* announce in advance to their clients that their names can be published, which has cleared the way for more transparency.

Your bank can use the same approach to meet the need for transparency of its stakeholders. As a first step, your bank could publish on its website details of its participations in loan and underwriting syndicates. As these deals are generally published in the financial press, there does not seem to be a good argument against such a step.

Don't deny NGOs and stakeholders information on specific deals because of confidentiality reasons, while boasting about your participation in such syndicates in large advertisements in the financial press. **Do** disclose the names and details of your major clients.

7. Commitment to Sustainable Markets and Governance

Financial institutions should ensure that markets are more capable of fostering sustainability by actively supporting public policy, regulatory and/or market mechanisms which facilitate sustainability and that foster the full cost accounting of social and environmental externalities.

Collevocchio Declaration

Support transparency within the extractive industries

Well governed countries which are richly endowed in oil, gas, and minerals reserves can generate large revenues to foster economic growth and reduce poverty. However when governance is weak, they may instead cause poverty, corruption, and conflict - the so called *resource curse*. It is essential to ensure that citizens and host communities benefit from investments in the extractive industry.

The *Extractive Industries Transparency Initiative (EITI)* and the *Publish What You Pay* coalition aim to defeat this *resource curse* by improving transparency and accountability concerning revenue generated and provided to the government. The *EITI* is a multi-stakeholder initiative, with partners from governments, oil, gas and mining companies, NGOs, and some major asset managers, which calls on governments to publish what they earn from natural resources development. The *Publish What You Pay* coalition has a similar focus and additionally advocates for extractive companies to publish what they pay to governments. It also advocates for the disclosure of key contract provisions between governments and extractives companies (such as environmentally and socially-relevant portions of *Host Government Agreements or Intergovernmental Agreements*). Your bank should support the *EITI* and *Publish What You Pay* initiatives, and work with their criteria.

Don't confuse sustainability with legality and do not hide behind laws in corrupt, undemocratic countries. **Do** you trust these governments to protect your reputation?

Support regulation of the financial sector on environmental and social issues

Social and environmental considerations are generally lacking in financial sector legislation and regulations. To support governments' capability to foster sustainability and to create a level playing field on a high sustainability level, your bank should support efforts to include environmental and social issues in the financial sector regulations of the countries in which your bank operates. An example is the role of banks in social and environmental liability legislation, or regulations which makes a comprehensive assessment of social and environmental risks mandatory for all banks, complemented by national complaint mechanisms.

On the international level, your bank should contribute to the work of *UNEP Finance Initiative* on stimulating other financial institutions, for example, those based in emerging markets, to behave in a more responsible way.

Don't lobby against including banks in environmental liability legislation, as happened in the US around the *CERCLA* legislation and in Europe round the *Environmental Liability Directive* of the EU. **Do** use your political influence to promote the development of legislative and regulatory approaches to sustainable development.

Avoid tax havens

The bank should avoid and discourage the use of tax havens. Tax havens help rich people and businesses to avoid taxes, which is depriving governments of billions of dollars of tax revenue annually and which is constraining in a serious way their potential to redistribute wealth and strengthen development opportunities. Trust banking and private banking departments of the bank should not be involved in tax haven activity, nor in financial transactions which facilitate illicit capital flight.

Don't support questionable companies and wealthy individuals in avoiding to pay taxes in their domicile countries. **Do** acknowledge the importance of tax payments to enhance governments' capabilities.

Include environmental and social issues in stock research

The stock analysts within your bank should strive to include the sustainability performance of companies into their research and to make recommendations based upon longer-term time horizons. The bank should develop the social and environmental knowledge of its stock analysts, giving equal attention to environmental and social issues in analyst reports.

Banks with asset management activities should, as a minimum, adopt the *UN Principles for Responsible Investment* launched in April 2006, which demand the incorporation of environmental, social and governance issues into investment analysis and decision-making processes. They should also support the *Enhanced Analytics Initiative*, in which signatories commit to allocate at least 5% of their brokerage commissions to brokers and external research providers that have a demonstrated ability to incorporate extra-financial (e.g. environmental, social and governance) matters into their financial analysis.

Don't recommend to investors the shares and bonds of companies which do not meet the minimum standards set by your bank.
Do include social and environmental issues prominently in stock analyses and prospectuses.

Invest in sector initiatives

If your bank chooses to be involved in a specific sector, region or country, it should play an active role in supporting initiatives to improve the sustainability of markets and governance in these sectors and countries. Sector initiatives for instance include the *Marine Stewardship Council*, the *Kimberley Process*, the *Roundtable on Responsible Soy*, the *Forest Stewardship Council*, the *Silicon Valley Toxics Coalition*, etc.

Trading in currencies and derivatives

The global trade volume in currencies and derivatives is exceeding US\$ 1,500 billion per day, while the total amount of goods and services traded is estimated to be around US\$ 8,000 billion per year. This means that more money is exchanged on the currencies markets in a single week than the annual trading volume of the productive economy.

These huge trading volumes are mainly linked to short term, speculative investments, which often create market instability (such as the Asian financial crisis of 1997/98) and encourage companies only to look for short term profits instead of long term sustainability goals.

The trading in currencies and financial derivatives by your bank should be linked directly to risks and transactions in the productive economy and should not look for short term speculative gains. Your bank should also discourage your clients from pursuing speculative operations.

Conclusion

As you may have concluded from the above, sustainable banking is not for the weak; it involves creating a profound change in your business. While it may still seem as though this is a choice open to individual banks (or corporations in general) to either follow or ignore, the trends in the financial world and expectations within society unmistakably point toward an obligation to take up this challenge. This manual might come in handy then.

I. The Collevocchio Declaration on Financial Institutions and Sustainability

Financial institutions can and must play a positive role in advancing environmental and social sustainability. This declaration, endorsed by over 200 civil society organisations, calls on financial institutions to embrace six commitments, and take immediate steps to implement them as a way for financial institutions to retain their social license to operate. These commitments reflect civil society's expectations of the role and responsibilities of the financial services sector in fostering sustainability.

The Role and Responsibility of Financial Institutions

The financial sector's role of facilitating and managing capital is important; and finance, like communications or technology, is not inherently at odds with sustainability. However, in the current context of globalization, financial institutions play key roles in channelling financial flows, creating financial markets and influencing international policies in ways that are too often unaccountable to citizens, and harmful to the environment, human rights, and social equity.

Financial institutions have played a role in irresponsibly channelling money to unethical companies, corrupt governments, and egregious projects. In the Global South, financial institutions' increasing role in development finance has meant that they bear significant responsibility for international financial crises, and the crushing burden of developing country debt. However, most financial institutions do not accept responsibility for the environmental and social harm created by their transactions, even though they may be eager to take credit for the economic development and benefits derived from their services. And relatively few financial institutions, in their role as creditors, analysts, underwriters, advisers, or investors effectively use their power to deliberately channel finance into sustainable enterprises, or encourage their clients to embrace sustainability.

Similarly, the vast majority of financial institutions do not play a proactive role in creating financial markets that value communities and the environment. As companies, financial institutions concentrate on maximizing shareholder value, while as financiers they seek to maximize profit; this dual role means that financial institutions have played a pivotal role in creating financial markets that predominantly value short-term returns. These brief time horizons create intense pressure for companies to put short-term profits before longer-term sustainability goals, such as social stability and ecological health.

Finally, through the work of international public policy bodies such as the Bretton Woods institutions, the power of financial institutions has increasingly expanded as countries have deregulated, liberalized, and privatized their economies and financial markets. Financial institutions have not only actively promoted these policies and processes, but they have benefited from them through increased profit and influence.

In too many cases, financial institutions have unfairly benefited at the expense of communities and the environment. For example, during financial crises, many financial institutions charged high risk premiums to indebted countries, while at the same time benefiting from public bail-outs. Some financial institutions have spoken out against innovative solutions to the debt crisis, such as the sovereign-debt restructuring processes proposed by civil society groups and now being discussed in the International Monetary Fund. And financial institutions' voices have been absent in efforts to address tax havens, a problem that blocks progress towards equity and sustainability.

As a result, civil society is increasingly questioning the financial sector's accountability and responsibility, and challenging financial institutions' social license to operate. As major actors in the global economy, financial institutions should embrace a commitment to sustainability that reflects best practice from the corporate social responsibility movement, while recognizing that voluntary measures alone are not sufficient, and that they must support regulations that will help the sector advance sustainability.

Six Commitments to Key Principles

Acknowledging that financial institutions, like all corporations, exist as creations of society to act in the public interest, financial institutions should promote the restoration and protection of the environment, and promote universal human rights and social justice. These principles should be inherent in the way that they offer financial products and services, and conduct their businesses.

Finance and commerce have been at the centre of a historic detachment between the world's natural resource base, production and consumption. As we reach the boundaries of the ecological limits upon which all commerce relies, the financial sector should take its share of responsibility for reversing the effects this detachment has produced. Thus, an appropriate goal of financial institutions should be the advancement of environmental protection and social justice rather than solely the maximization of financial return. To achieve this goal, financial institutions should embrace the following six commitments:

1. *Commitment to Sustainability*

Financial institutions must expand their missions from ones that prioritize profit maximization to a vision of social and environmental sustainability. A commitment to sustainability would require financial institutions to fully integrate the consideration of ecological limits, social equity and economic justice into corporate strategies and core business areas (including credit, investing, underwriting and advising), to put sustainability objectives on an equal footing to shareholder maximization and client satisfaction, and to actively strive to finance transactions that promote sustainability.

2. *Commitment to 'Do No Harm'*

Financial institutions should commit to do no harm by preventing and minimizing the environmentally and/or socially detrimental impacts of their portfolios and their operations. Financial institutions should create policies, procedures and standards based on the Precautionary Principle to minimize environmental and social harm, improve social and environmental conditions where they and their clients operate, and avoid involvement in transactions that undermine sustainability.

3. *Commitment to Responsibility*

Financial institutions should bear full responsibility for the environmental and social impacts of their transactions. Financial institutions must also pay their full and fair share of the risks they accept and create. This includes financial risks, as well as social and environmental costs that are borne by communities.

4. *Commitment to Accountability*

Financial institutions must be accountable to their stakeholders, particularly those that are affected by the companies and activities they finance. Accountability means that stakeholders must have an influential voice in financial decisions that affect the quality of their environments and their lives -- both through ensuring that stakeholders' rights are protected by law, and through practices and procedures adopted by financial institutions themselves.

5. *Commitment to Transparency*

Financial institutions must be transparent to stakeholders, not only through robust, regular and standardized disclosure, but also by being responsive to stakeholder needs for specialized information on financial institutions' policies, procedures and transactions. Commercial confidentiality should not be used as an excuse deny stakeholders information.

6. *Commitment to Sustainable Markets and Governance*

Financial institutions should ensure that markets are more capable of fostering sustainability by actively supporting public policy, regulatory and/or market mechanisms which facilitate sustainability and that foster the full cost accounting of social and environmental externalities.

II. Recommended information sources

Reports

1. *A Big Deal? Corporate Social Responsibility and the Finance Sector in Europe*, Report by nef (new economics foundation) for the COrporate REsponsibility coalition, London, December 2005;
2. *Equator Principles II - NGO comments on the proposed revision of the Equator Principles*, BankTrack, Utrecht, 26 April 2006;
3. *Investing in climate change: the role of Dutch banks*, Report by Dutch Sustainability Research for Milieudefensie (Friends of the Earth Netherlands), Amsterdam, June 2006;
4. *People, Planet, Palm Oil? - A Review of the Oil Palm and Forest Policies adopted by Dutch Banks*, Report by Profundo and AIDEnvironment for Milieudefensie (Friends of the Earth Netherlands), Amsterdam, April 2006;
5. *Shaping the Future of Sustainable Finance - Moving from Paper Promises to Performance*, Report by WWF United Kingdom and BankTrack, London / Utrecht, January 2006;
6. *Solidly Swiss? Credit Suisse, UBS and the global oil, mining and gas industry*, Report by BankTrack and Erklärung von Bern, Utrecht / Zürich, June 2006.

Websites of BankTrack and its members

- BankTrack: www.banktrack.org
- Amigos da Terra - Amazonia Brasileira: www.amazonia.org.br/ef
- Berne Declaration: www.evb.ch
- Campagna per la Riforma della Banca Mondiale: www.crbm.org
- Center for Human Rights and Environment: www.cedha.org.ar/en
- Fair Finance Watch: www.fairfinancewatch.org
- Friends of the Earth United States: www.foe.org
- Friends of the Earth Netherlands - Milieudefensie: www.milieudefensie.nl
- International Rivers Network: www.irn.org
- Les Amis de la Terre - FoE France: www.amisdelaterre.org
- Mineral Policy Institute: www.mpi.org.au
- Netwerk Vlaanderen: www.netwerkvlaanderen.be
- Platform: www.carbonweb.org
- Rainforest Action Network: www.ran.org
- Urgewald: www.urgewald.de
- WEED: www.weed-online.de
- WWF-UK: www.wwf.org.uk

Other relevant websites

- Agenda 21: www.un.org/esa/sustdev/documents/agenda21
- Carbon Disclosure Project: www.cdproject.net
- Clean Clothes Campaign: www.cleanclothes.org
- Cluster Munition Coalition: www.stopclustermunitions.org
- Consortium on Shrimp Farming and the Environment: www.enaca.org
- Control Arms: www.controlarms.org
- Convention on Biological Diversity: www.biodiv.org
- Dams and Development Project: www.unep.org/dams
- Enhanced Analytics Initiative: www.enhancedanalytics.com
- *Equator Principles*: www.equator-principles.com
- Extractive Industries Transparency Initiative: www.eitransparency.org
- Fair Wear Foundation: www.fairwear.nl
- Forest Stewardship Council: www.fsc.org
- Framework for Responsible Mining: www.frameworkforresponsiblemining.org
- Global Reporting Initiative: www.globalreporting.org
- International Fair Trade Association: www.ifat.org
- International Labour Organisation: www.ilo.org
- Kimberley Process: www.kimberleyprocess.com
- Marine Stewardship Council: www.msc.org
- OECD Guidelines for Multinational Enterprises:
www.oecd.org/daf/investment/guidelines
- Publish What You Pay: www.publishwhatyoupay.org
- Ramsar Convention on Wetlands: [www.ramsar.org](http://www Ramsar.org)
- Round Table on Responsible Soy: www.responsiblesoy.org
- Roundtable on Sustainable Palm Oil: www.rspo.org
- Silicon Valley Toxics Coalition: svtc.eto toxics.org
- Stockholm Convention On Persistent Organic Pollutants: www.pops.int
- Sustainable Food Laboratory: www.sustainablefood.org
- UN Framework Convention on Climate Change: www.unfccc.int
- UN Global Compact: www.unglobalcompact.org
- UN Millennium Development Goals: www.un.org/millenniumgoals
- UN Principles for Responsible Investment: www.unpri.org
- UNEP Finance Initiative: www.unepfi.org
- United Nations: www.un.org
- United Nations Development Programme: www.undp.org
- Universal Declaration of Human Rights: www.udhr.org
- Voluntary Principles on Security and Human Rights:
www.voluntaryprinciples.org

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