



# BANKTRACK

2016 ANNUAL REPORT

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# FOREWORD

In August 2008, the author Andrew Simms declared that humanity had just 100 months to save the world from catastrophic climate change. Now our 100 months are up, and the scientific consensus is that our chances of avoiding two degrees of warming are between nil and vanishingly small. The world is warmer than it has been for 115,000 years, and rapid and transformational action is needed more than ever to avert or minimize climate chaos.

And it's at this critical juncture in the world's history that President Trump enters the scene, from stage right. While Trump can't stop the energy transition that is already under way, driven by economic logic more than political will, the reduced momentum from government means the role of private sector banks becomes even more crucial. Banks can act quickly to stop climate-wrecking projects proceeding, and faced with growing campaign pressure, they sometime do so. As some of the banks that financed the Dakota Access Pipeline (DAPL) sell their loans in a belated attempt to distance themselves from the damage they have done, we can hope lessons have been learned that will make them think twice before banking the next DAPL, be it Keystone in North America, the Trans Adriatic Pipeline (TAP) in Europe, or elsewhere.

At the same time, the number of European and US banks prepared to finance coal continues to dwindle. This means little if banks from elsewhere step in to pick up the tab for dangerous, polluting projects.

So, following the money and forcing a shift in asset allocation by private sector banks towards supporting a socially and ecologically sustainable society makes more sense than ever. But for this strategy to be effective civil society must work closely together. That's why initiatives like the International Bank Campaigners Gathering that we organised in

October are so crucial to our efforts. It's one example of how, since shifting our organisational structure in 2015 from a formal network of NGOs to an independent organisation, we have in fact collaborated more widely and deeply with many allies all across civil society.

Alongside our climate efforts, our campaign work on forests, the Equator Principles and human rights have each yielded important progress in 2016 as this report shows. Our 100 months to save the world may be over, and the chances of heading off climate catastrophe are much diminished, but we know what can be achieved with determination and co-operation, and see no reason to stop pushing the banking sector forward in 2017.

**Johan Frijns, BankTrack Director**

# 2016 SUCCESSES AND HIGHLIGHTS

## JANUARY

**Equator Principles campaign launch:** We launch the [Equator Principles Track and Chase project](#), and hold a meeting with the steering committee of the Equator Principles in London to present our agenda for change.

## MARCH

**Deutsche Bank finally realises blowing up mountains for coal is “not sensible”:** At the German bank’s [shareholder meeting](#), the outgoing CEO admits “using explosives to destroy the summits of mountains does not seem to us to be a legitimate or ecologically sensible manner of surface mining”, and finally announces an end to the bank’s finance for mountaintop removal coal mining, of which it had been a major financier.

**JP Morgan makes new coal commitments:** The US investment banking giant [promises](#) a transition away from financing for coal mining companies, an all-out end for financing of new coal mines, and an end to financing coal plants in high income countries.

## MAY

**FMO “seeks to exit” Agua Zarca:** After the appalling murder of Indigenous human rights defender Berta Cáceres in March, Dutch development bank FMO and Finnfund of Finland bowed to the worldwide NGO pressure that BankTrack helped mobilise and [committed](#) to exit finance for the hydroelectric plant, against which Berta had led the struggle.

**International appeal on Rampal:** We launch a [major international appeal](#) to Ex-Im Bank of India, now signed by 140 NGOs in 34 countries, not to finance the Rampal coal power plant in Bangladesh, which threatens the Sundarbans mangrove forest, source of livelihood of hundreds of thousands of people, as well as rare tiger habitat.

**HSBC challenged over Drummond finance at AGM:** The British banking giant [comes under pressure](#) at its annual meeting for its finance for Colombian “blood coal”, following our [briefing](#) exposing the bank’s finance for US coal company Drummond and the bank’s refusal to provide a meaningful public response on the issue.

## JUNE

**Shorting the Climate:** With Rainforest Action Network and others, we publish the seventh annual Fossil Fuel Finance Report Card, “[Shorting the Climate](#)”, showing how major banks are pouring hundreds of billions into extreme fossil fuels. The report makes waves with coverage in the Financial Times and some high-profile tweets.

**45 banks benchmarked on human rights:** We release the second “[Banking with Principles?](#)” report, showing slow progress by the world’s biggest banks towards implementing the UN Guiding Principles on Business and Human Rights, five years on from their publication.

**Red lines set down for pulp and paper finance:** We publish “[Green Paper, Red Lines](#)” together with the Environmental Paper Network, establishing requirements for financiers of the pulp and paper industry if they are to avoid harm to people and the environment.

BankTrack prides itself on an approach to campaigning that is focused on collaboration with communities and civil society allies, and on achieving concrete results on the ground. The successes presented here would not be possible without the help of our allies around the world.

## SEPTEMBER

**Green Bond abuses exposed:** We [uncover](#) how India Ex-Im was using finance from its “green bond” issuance to pay for essential railway infrastructure for the Rampal coal power plant.

## OCTOBER

**Crédit Agricole and Société Générale announce end to financing coal power projects globally:** The French banks [announce](#) improved coal policies – although they seem determined to [finance a few more](#) before the policy kicks in.

## NOVEMBER

**New site launch:** We [launch our new website](#), after a major overhaul aimed at providing a sleeker and easier-to-use platform for our database of bank and Dodgy Deal profiles, reports and news.

**BankTrack’s first campaigners’ gathering held:** Our three-day bank campaigners’ gathering in Gorssel, deep in the Dutch countryside, provides an opportunity for some 60 campaigners from Europe, the US, China, Mozambique, Indonesia and Australia to share their bank campaigning plans and strategies. Good times - we’re still washing the camp fire smell out of our clothes. See [page 18](#).

**“Still Coughing up for Coal” launched:** Together with our partners we publish a [report](#), timed to coincide with the climate conference in Marrakesh, analysing the coal policies in place at 22 major commercial banks, showing that these banks’ failing efforts are undermining the aims of the Paris Agreement.

## DECEMBER

**Over 500 groups pressure banks on Dakota Pipeline:** We help [coordinate](#) a major push to tell the 17 banks behind the DAPL to halt further disbursements on the loan until issues are resolved to the full satisfaction of the Standing Rock Sioux Tribe. The New York Times [covers](#) the role of the Equator Principles in the deal.

**HSBC excludes finance for new coal mines:** The UK bank [commits](#) to no longer accept pure-play new coal miner clients – although it is in no hurry to distance itself from its existing ones.

# TRACKING DODGY DEALS

## ABOUT DODGY DEALS

BankTrack works together with civil society groups and communities to develop “Dodgy Deal” profiles challenging bank-financed companies and projects which should have no place in the portfolio of responsibly operating banks. Most are or have been the subject of civil society campaigns. A Dodgy Deal profile represents a campaign platform and a one-stop information source for campaigners and analysts on the impacts of the deal, related news and resources, and investment risks the deal may pose to the banks financing it. As of March 2017 the BankTrack website included profiles of over 120 projects and 78 companies.

A Dodgy deal profile may be written by BankTrack but more often profiles are written by other campaign groups working on the deal that have approached us for cooperation, with BankTrack’s editorial oversight. In this way, the Dodgy Deals database supports the campaign work of other groups. Each deal includes information on banks and other financial institutions providing finance, wherever this is available, and is linked to the bank profiles of each bank providing finance. In this way, the database forms an ever-growing public record of bank involvement in financing damaging projects or companies – information that banks would rather not see in the public domain.

## NEW DODGY DEALS IN 2016

In 2016 we started campaign work on 14 new Dodgy Deals, of which five were for new coal power plants, three for dam projects, three for new fossil fuel infrastructure, and the remaining three for a coal-focused utility, an international airport and a mining project.

### NEW COAL POWER DODGY DEALS

**PUNTA CATALINA-HATILLO COAL POWER PROJECT, DOMINICAN REPUBLIC** The construction work for this project is being carried out by the Brazilian company Odebrecht, which has come under scrutiny for corruption in obtaining contracts. The profile highlights several European banks involved in financing the plant. [➤View profile](#)

**KRABI COAL-FIRED POWER PLANT, THAILAND** Initiated by Egat, the Electric Agency of Thailand, this new coal power plant threatens Krabi’s unique ecosystem, which has been declared a global marine biodiversity hotspot and is part of the Krabi Environment Protection Zone. The project received governmental approval in February 2017 although it lacked a proper EISA and has met with intense local protest. [➤View profile](#)

**TANJUNG JATI-B 2, INDONESIA** A planned extension of the Tanjung Jati-B coal power plant with two 1,000MW units, planned by PT Central Java power. Following campaign pressure, French banks Société Générale and Crédit Agricole became the second and third banks to drop their finance for this project, following a decision by BNP Paribas in December 2015. [➤View profile](#)

**HAZELWOOD COAL-FIRED POWER STATION, AUSTRALIA** Described as Australia’s dirtiest coal power station, Hazelwood has operated since the 1960s. Our profile encouraged banks to engage with ENGIE, the project’s sponsor, for the plant’s closure, and in November 2016 ENGIE announced that the plant will indeed be closed in 2017. [➤View profile](#)

**CIREBON 2 COAL-FIRED POWER PLANT, INDONESIA** Unit 2 of this power plant is planned to be operational in 2020. Construction began before any environmental impact assessment was in place, and the project is expected to have negative impacts on local air quality, climate change, water resources and fishing-related employment. [➤View profile](#)

## OTHER NEW DODGY DEALS

**OAKLAND BULK AND OVERSIZED TERMINAL, US** Financiers were advised to steer clear of investing in the Oakland terminal, a proposed commodities export facility at the port of Oakland in California, which will likely export millions of tonnes of coal to Asia and would be responsible for adding vast amounts of CO2 into the earth's atmosphere. [➤View profile](#)

**PORT OF BROWNSVILLE LNG EXPORT TERMINALS, US** In the port of Brownsville, Texas, three companies are planning to build liquefied natural gas (LNG) export terminals on undeveloped land, transforming the coastal landscape of the Rio Grande Valley into an industrial export hub for LNG. [➤View profile](#)

**EL DORADO INTERNATIONAL AIRPORT, COLOMBIA** Equator banks are supporting a major expansion of this international airport, despite the lack of a proper investigation into extreme levels of noise pollution and its tangible impacts on health. [➤View profile](#)

**DAKOTA ACCESS PIPELINE, US** DAPL became a major front line in the fight against obsolete fossil fuel infrastructure and flashpoint in relations between Native Americans and the US government and police in 2016. See more information on our work to support civil society campaigning on DAPL on [page 8](#). [➤View profile](#)

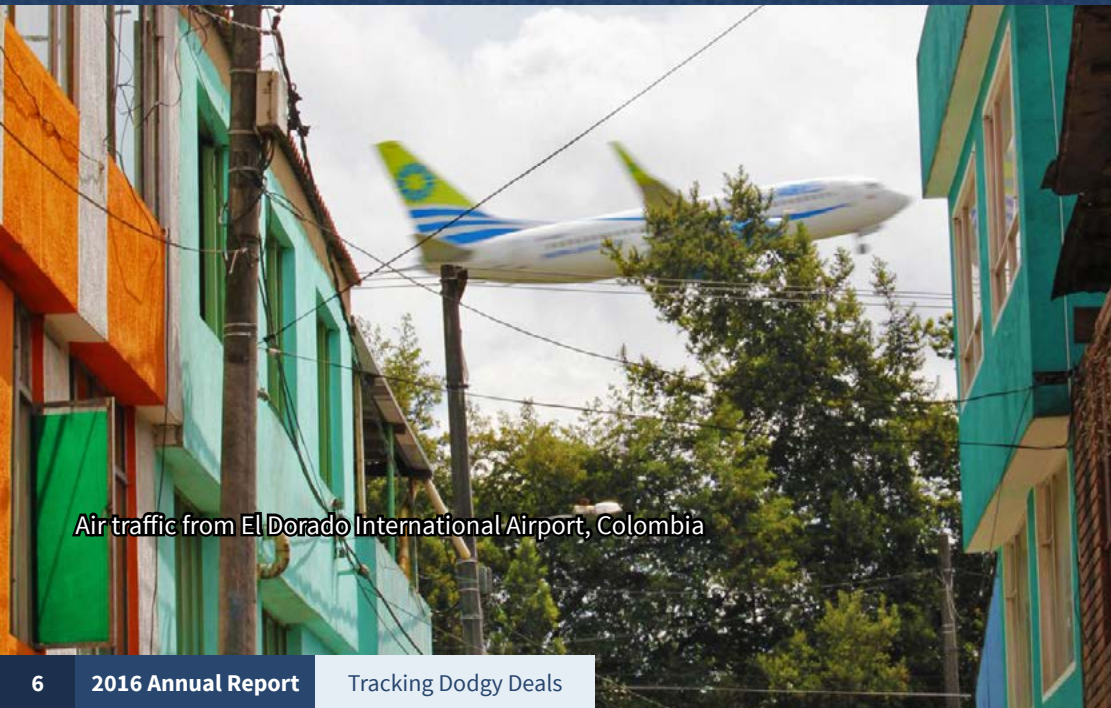
**EPH, CZECH REPUBLIC** The Czech energy company's business strategy involves prolonging and intensifying coal power generation and mining in Europe by buying up old fossil fuel assets, to the point where the company is set to become the third-most polluting utility on the continent despite only having existed for seven years. [➤View profile](#)

**SOLWARA 1 DEEP SEA MINING PROJECT, PAPUA NEW GUINEA** Canadian company Nautilus Minerals Inc plans to extract deposits of copper, gold, zinc and silver from the Bismarck Sea off the coast of Papua New Guinea, in what would be the world's first deep sea mining project. [➤View profile](#)

**PATUCA III DAM PROJECT, HONDURAS** Financed by China's ICBC after the Inter-American Development Bank stepped away due to concerns the project sponsor had not considered impacts on downstream protected areas and had failed to consult affected people. [➤View profile](#)

**SALWEEN DAM CASCADE, BURMA** Until recently the largest undammed river in Southeast Asia, a series of seven dams are planned to be constructed on the Salween River in Burma. [➤View profile](#)

**SÃO LUIZ DO TAPAJÓS DAM, BRAZIL** Once expected to become the second largest dam in Brazil after Belo Monte, the São Luiz do Tapajós dam project was cancelled in August 2016 after being denied an environmental licence. [➤View profile](#)



Air traffic from El Dorado International Airport, Colombia



Aerial view of the port of Oakland, California, site of the proposed Bulk and Oversized Terminal

## MAJOR DODGY DEAL CAMPAIGNS IN 2016

Throughout 2016 BankTrack helped to wage major campaigns focused on the financiers of several controversial high-profile projects. This included the Agua Zarca dam and the Dakota Access Pipeline, two very different infrastructure projects, but both associated with violent suppression of community resistance, and both financed under the Equator Principles. It also included the campaign to stop the Rampal coal plant in Bangladesh from being built, and support for several other battles to stop new coal.

### ENSURING BANKS EXIT AGUA ZARCA AFTER MURDERS IN HONDURAS

BankTrack's involvement in the campaign to stop the Agua Zarca hydroelectric project in Honduras started in 2013, when we began working with a coalition of NGOs and the Honduran federation of Indigenous groups COPINH to demand the main financiers of the project, Dutch development bank FMO and Finnish Finnfund, to acknowledge the right of Indigenous groups to withhold their consent and stay away from the project. Despite these efforts, both development banks approved a loan to support the project.

One Indigenous activist opposing the project, Tomas Garcia, had then already been killed by the Honduran military during a peaceful demonstration against the dam site. Several murders of Indigenous Lenca activists opposing the dam were to follow, the most high profile of which was the killing of COPINH founder and winner of the prestigious Goldman Environmental Prize, Berta Cáceres in March 2016.

Together with other Dutch NGOs we protested twice at the headquarters of FMO, sent [a letter](#) to the Dutch Government and [another letter](#) to FMO shareholders and in April helped organise a European tour of COPINH representatives, including Berta's daughter. In response, in May FMO and Finnfund announced they would "seek to exit" their support for the dam project. BankTrack coordinated a [joint statement](#) signed by over 100 civil society organisations welcoming the move but demanding the banks' full and permanent withdrawal.

In September, the results of an independent fact-finding mission commissioned by FMO was published, showing that the lenders failed to ensure the project complied with international standards. BankTrack continues to push for FMO and Finnfund to fully exit the project and to put in place processes to ensure the same mistakes are not repeated.



## COORDINATING PRESSURE ON DAKOTA ACCESS FINANCERS

Beginning in April 2016, North American tribes began to mobilize against the construction of the Dakota Access Pipeline (DAPL), concerned that it threatens drinking water at the Standing Rock Sioux reservation and crosses Native American sacred sites, including burial grounds. In June, US NGO Food and Water Watch [published](#) a list of 35 financial institutions bankrolling the pipeline, and by November the protests against the pipeline had developed into an extensive camp at Standing Rock, which was soon met by a violent military-style assault.

The Pipeline is being financed under the Equator Principles through a project loan provided by 17 banks, led by Citi. In October BankTrack got involved in the campaign when we [called](#) on the Equator Principles Association on the occasion of their Annual Meeting in London to ensure Equator banks called off their finance for the project, in a letter covered by the [New York Times](#). In November we convened a [letter](#) signed by over 500 organisations, calling on the banks to stop further disbursements of the loan until issues are resolved to the satisfaction of the Sioux leadership. However, the banks went ahead with the remaining loan disbursements. Campaigning continued into early 2017, and by the time of writing, four banks have taken steps to distance themselves from the project and its backers – however these moves have come too late to impact the project, which is expected to be completed in 2017 following an executive order by President Trump in January aimed at advancing the construction.





## CAMPAINING TO STOP RAMPAL

BankTrack started campaigning in 2015 for private sector banks and others to steer clear of financing the Rampal coal plant in Bangladesh, a 1,320 MW power station planned on the edge of the Sundarbans - the world's largest mangrove forest, a World Heritage site and an important tiger habitat.

Early in 2016 we learned that the Exim Bank of India intends to finance the construction of the plant via a \$1.6 billion buyer's credit. In April we launched a [global call](#) on Exim Bank to avoid financing the plant, signed by 140 organisations to date, and in June we [sent letters](#) to over 50 major shareholders of the Indian National Thermal Power Corporation (NTPC), one of the joint venture partners behind the plant, urging them to use their influence on the company to bring about its withdrawal from the highly destructive project.

In September we uncovered and publicised on the [Climate 2020 website](#) how Exim Bank used the proceeds of a "green bond" issuance to help finance a railway link vital to the operations of the proposed coal plant, a misuse of green bond proceeds that casts further doubt on the bank's sustainability credentials.

The project suffered a further setback in October 2016 as a highly critical UNESCO report recommended that the project should be cancelled; however, the governments of Bangladesh and India, along with the project's financial backers, seem determined to push on regardless.

In December, we were alerted to the prospect of a new bond issuance by Exim Bank, and convened an [open letter](#) signed by 53 organisations urging five top international banks that supported Exim Bank's bond issuances in the past to distance themselves from the bond issuances, given that any new raising of capital via new bonds would likely aid the realisation of the Rampal plant. In early 2017 India Exim formally announced that it would finance the project, yet the project has not yet proceeded. The campaign continues.

## FIGHTING FINANCE FOR NEW COAL

The last two years have seen significant policy moves from some banks away from coal, and new coal fired power station construction [declined substantially](#) in 2016. Nonetheless, banks that should know better continue to finance new coal plants and companies prolonging the lifespan of the dying industry.

At the start of 2016 we [highlighted](#) the Dominican Republic's Punta Catalina plant and Indonesia's Tanjung Jati B2 (TJB2) as two projects to watch, with bank interest apparently undiminished. After campaign pressure from Friends of the Earth France, BankTrack and others, Société Générale and Crédit Agricole dropped out of financing TJB2 in December, only to be replaced by Singaporean and Japanese banks.

In April 2016, working closely with our Dominican partner organisation, the National Committee to Combat Climate Change, we presented the five European banks supporting the Punta Catalina plant with details of the dubious circumstances surrounding Brazilian construction giant Odebrecht's contract to build the plant. This came prior to the company admitting, in a US court in December, to extensive corrupt practices to secure construction contracts in the Dominican Republic and elsewhere. The banking consortium financing the plant has already disbursed just over half of the total agreed financing of \$632.5 million.

In September, we discovered that TJB2 was not the only Indonesian coal plant in the running for bank finance, and turned our attention to the planned Cirebon 2 coal power extension project. We sent warning letters to Crédit Agricole and ING, part of the banking consortium which was considering the deal, with partners in France and in the Netherlands. The deal was still not financed at the end of 2016.

We also supported Friends of the Earth France in preparing a [briefing](#) on the eve of Climate Finance Day in November, showing how BNP Paribas has still not blacklisted Poland's biggest power producer PGE from financial support, despite the company's plans to expand the Polish coal industry.



# CAMPAIGNING

## BANKS: QUIT COAL!

The global coal industry may have continued its decline in 2016, having been sent reeling by the adoption and subsequent entry into force of the Paris Agreement, yet beleaguered coal companies were still able to count on several banks for essential, multi-billion-dollar support. Building on the emerging fault lines which our ‘Banks: Quit Coal’ campaign has helped to prise open over the last five years, BankTrack continued in 2016 to push more banks to close the door fully on coal.

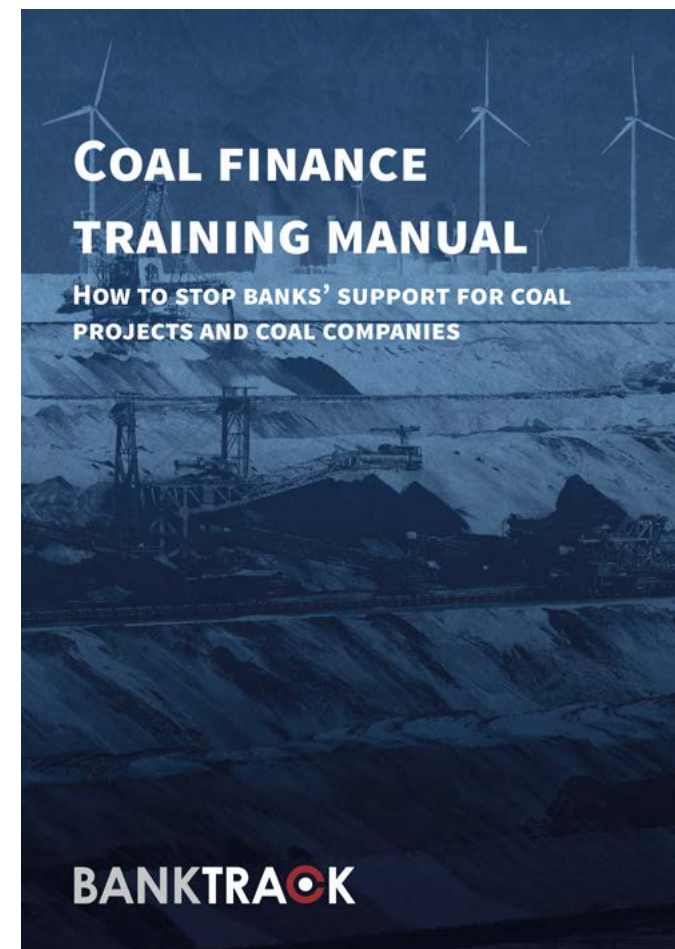
We also challenged banks to face up to their policy and climate responsibilities on specific investments, our efforts being inspired by the remarkable courage and resistance we’ve encountered from all the grassroots activists and communities with whom we’ve collaborated – people determined to stand up for their health, their environment and their futures by saying no to coal and the big money which bankrolls its destructive development.

In 2016 BankTrack’s coal finance campaigning, in tandem with our close allies, helped to bring about notable breakthroughs, including: the [official cancellation](#) of Plomin C, following the exit of French bank Crédit Agricole from its advisory role in 2015; two significant AGM announcements from Credit Suisse and Deutsche Bank to belatedly follow their peers in ruling out further financing for coal companies which are significantly involved in mountaintop removal mining; and the withdrawal of Crédit Agricole and Société Générale from the [financing of all coal power projects globally](#).

## PASSING ON THE KNOWLEDGE: NEW TRAINING MANUAL

In June, we published the ‘Coal Finance Training Manual’, a comprehensive 60-page resource compiled with our research partner Profundo in order to boost coal campaigners’ understanding of the often complex roles played by banks and other financial institutions in the financing of coal mines and coal-fired power plants. Packed with explanations, tips and tried and tested strategies and tactics, the manual was also conceived to help build on the growing global momentum against coal, particularly among grassroots groups and affected communities. Our hope is that it can strengthen campaigners’ ability to effectively engage with banks embroiled in the sector, to allow them to challenge, influence and ultimately prevent harmful coal investments.

Alongside distribution of the manual across anti-coal campaign networks, we also used it as the basis for an online training course, consisting of three sessions in October hosted by our Climate and Energy coordinator, which saw participation from 20 coal campaigners. In Europe’s most acute coal hotspot Poland, one of our partner organisations translated the manual and used it to improve financial know-how among Polish anti-coal coalition members, who also received coal finance related media training from BankTrack during a training day in Warsaw.



## COAL FINANCE POLICY RESTRICTIONS: SLOW BUT STEADY STEPS IN THE RIGHT DIRECTION

Following the torrent of new, positive restrictions on coal financing in 2015, as banks sought to get their house in order for the UN climate summit in Paris, 2016 saw fewer coal policy moves from the banks. Yet important momentum was maintained and we continued to engage with banks seeking further commitments. These policy moves directly contribute to making access to capital for coal companies more difficult and costly – and with some banks (notably in France) beginning to extend their policies into requiring energy companies to cut their portfolio’s share in coal, further squeezing of coal’s prominence in the global energy mix is clearly under way now, via the banks. In short, our push for enhanced, climate sensitive coal policy improvements is resulting in fewer coal projects getting off the ground and thus fewer greenhouse gas emissions, in line with the hoped for achievement of the Paris Agreement goals.

Overall, **11 international banks** adopted new or updated coal policies in 2016. However, despite these advances, the pace of change and level of ambition from banks is nowhere near sufficient to meet the challenge thrown down by the Paris Agreement of limiting the global temperature rise to 1.5°C. One year on from the Paris climate summit, and published to coincide with COP22 in Marrakech, in [‘Still Coughing up for Coal: Big Banks after the Paris Agreement’](#) BankTrack and our partners laid bare the alarming policy gaps and lack of climate ambition prevailing at 22 major Australian, European and US banks.

The red ‘FAILS’ that dominate our assessment of bank coal policies and practice are more than blemishes – they starkly illustrate the extent of the climate irresponsibility still prevailing in the day-to-day business models of coal-enabling banks.



NO NEW COAL EXPANSION		
PROJECT FINANCE		CORPORATE FINANCE
Inclusion of new coal projects	Exclusion of new coal plants	Exclusion of coal companies with new coal plans
FAIL	FAIL	FAIL
FAIL	FAIL	FAIL
FAIL	PARTIALLY	FAIL
DONE	PARTIALLY	FAIL

## “PARIS, WE HAVE A PROBLEM”: FOSSIL FUEL FINANCE REPORT CARD 2016

Six months after the hard-fought emergence of the Paris Agreement as the curtain fell on the UN Climate Summit in December 2015, BankTrack and our partners Rainforest Action Network, the Sierra Club and Oil Change International were back with the latest edition of our annual report card, assessing the energy-related investment policies of major international banks. This time around though, and in its seventh iteration, the Fossil Fuel Finance Report Card 2016 responded to the new Paris reality of limiting global warming to well below 2°C – and even 1.5°C – by expanding its range of bank assessment beyond only coal investments to also include the financing by top European, Canadian and US banks of tar sands, deep oil, Arctic oil and liquefied natural gas exports.

The findings of ‘[Shorting the Climate](#)’ were a stark, timely wake-up call for anyone carried away by the banks’ grandstanding at the Paris summit: with hundreds of billions in investments, just 25 of the world’s top banks were revealed to be responsible for locking the world into a high-emissions pathway that is deeply at odds with the goals of the Paris Agreement. ‘Short-selling’ means to bet on, or profit from, failure – and that’s what the banks had stunningly been engaged in during the three-year period under review. Despite all the evidence of an increasingly vulnerable, visibly deteriorating global climate, they sunk \$154 billion into the biggest coal-fired power producers, \$42 billion into companies active in coal mining, \$282 billion into businesses building LNG export infrastructure and \$306 billion into companies engaged in the most extreme forms of oil extraction.

Calling for “a fundamental realignment of bank energy financing to end support for fossil fuel projects and companies that are incompatible with climate stabilization”, the report card garnered wide attention and coverage in the [Financial Times](#) and a host of other publications. And – we really hope – in the thinking of the bankers responsible.



## BANKS AND HUMAN RIGHTS

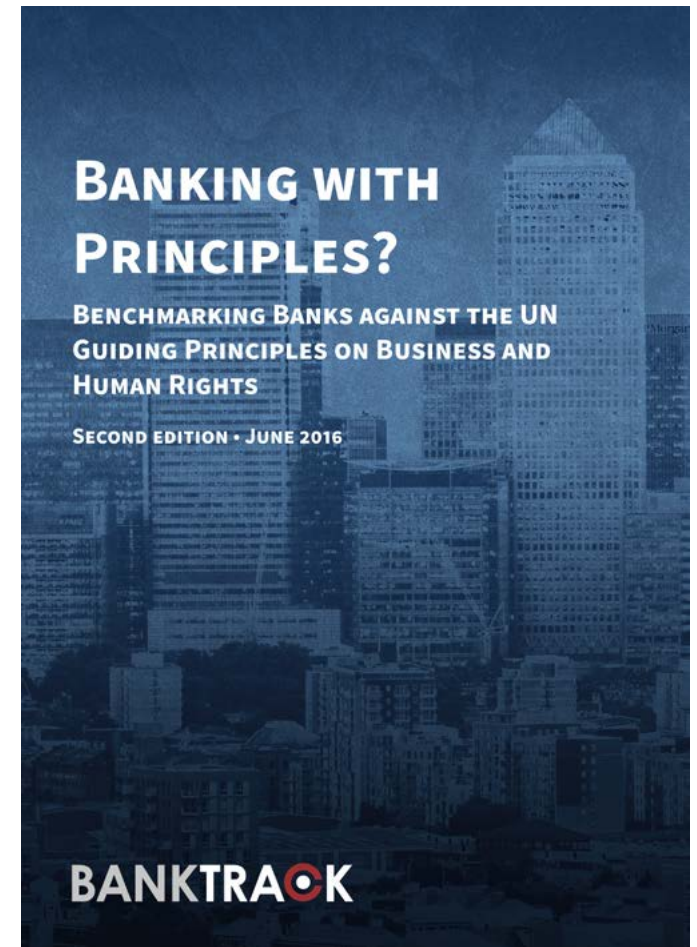
BankTrack's campaign to encourage the banking sector to respect human rights proceeded in 2016 with the launch of three significant publications: the update of our benchmarking study "Banking with Principles?", and the first two in a new series of Human Rights Impact Briefings. In addition, we continued our role as an Advisory Group member to the OECD's project on Responsible Business Conduct in the Financial Sector, and presented our work at the UN Forum on Business and Human Rights in Geneva, as well as to a meeting of banks in Thun, Switzerland.

### "BANKING WITH PRINCIPLES?": 45 BANKS RANKED ON HUMAN RIGHTS

In June 2016 BankTrack published the second edition of "[Banking with Principles?](#)", the report benchmarking banks on their progress towards implementing the UN Guiding Principles on Business and Human Rights (UNGPs). The first edition of the report, published in December 2014, analysed the policies, processes and reporting of 32 large banks. The 2016 update, published to coincide with the fifth anniversary of the UNGPs, expanded this scope to 45 of the world's largest commercial banks.

The report evaluated each bank against 12 criteria in four categories: human rights policies, due diligence processes, reporting and grievance mechanisms. Each of the criteria is closely based on the text of the UNGPs themselves. The report found some improvements: of the 30 banks covered in both reports, 15 increased their scores, while only two declined. However, most improvements were small, and the average score was just 3.4 out of 12. Furthermore, 24 banks were considered "laggards" with scores between 0 and 3, while only eight banks were considered "front runners", with scores between 6.5 and 8 points. No bank scored more than eight points. Overall, progress towards implementation of the UNGPs is slow, and there are several gaps that all banks are failing to address.

The process of compiling the report involves extensive engagement with the banks assessed. All banks were invited to provide feedback on their draft scores, and 26 took the opportunity to do so. The report was further posted on the website of the [Business and Human Rights Resource Centre](#), which requested responses from six banks which did not respond to their draft scores for either report, and received responses from four of these. We also presented the results of the report at a meeting of the Thun Group of banks in Thun, Switzerland in June 2016, at the banks' invitation.



## ENGAGING AT THE OECD AND THE UN

Throughout 2016 BankTrack served as an Advisory Group member of the OECD's Proactive Agenda Project on Responsible Business Conduct in the Finance Sector. This is a multi-stakeholder project which aims to elaborate practical and relevant approaches for the finance sector to implement the OECD Guidelines for Multinational Enterprises. As the OECD Guidelines were substantially revised to be consistent with the UN Guiding Principles in 2011, we expect the project to be influential in setting minimum expectations for the finance sector's approach to managing human rights.

We provided several rounds of comments and feedback on drafts of the OECD's paper, "Responsible business conduct for institutional investors", which was finalised at the end of 2016 and published in March 2017. We plan to remain engaged in the next stage of the Project, which will focus on corporate lending activities.

BankTrack was also present once again at the fifth UN Forum on Business and Human Rights in November 2016, where we organised a [panel discussion on banks and the UNGPs](#) together with the Thun Group of banks. We collaborated with the banking sector to organise this panel to help ensure strong representation from banks, following a lack of engagement from the banks at 2015's forum.

## NEW SERIES OF HUMAN RIGHTS IMPACT BRIEFINGS LAUNCHED

In 2016 BankTrack launched the first two of a new series of "[Human Rights Impact Briefings](#)" which investigate specific examples of human rights abuses linked to bank finance, and how banks meet their responsibilities in their responses. While the "Banking with Principles?" benchmarking report focuses on "what banks say they do", in their policies and reporting, this series of briefings aims to cast light on "what banks actually do".

In February 2016, we published the first briefing, on labour standards violations by the palm oil grower IOI Corporation. We asked 15 banks that financed IOI to detail how they had met their responsibilities to seek to prevent or mitigate these violations. All but one responded, although half of these did not acknowledge their links to IOI Corporation or discuss the specific impacts raised in the briefing. Three banks detailed some action in response to the impacts outlined, such as engaging with the business, however details were scarce.

In May 2016, we published a second briefing, profiling the coal company Drummond and accusations of its links to paramilitary violence in Colombia. We asked seven banks that financed the business to detail their due diligence and efforts to pursue remedy for the victims. For this briefing, all banks responded. Three acknowledged their links to Drummond, and of these, two detailed that they had taken some action in response to the impacts outlined.

The briefings highlight the differing levels of transparency with which banks respond to human rights concerns, and we hope will contribute to a raising of transparency. They also reveal that the correlation between strong policies and adequate disclosures on human rights impacts is weak, with some relatively high scoring banks showing poor levels of disclosure, and vice versa.



## BANKS AND FORESTS

In 2016 BankTrack's forest campaign focused on the [pulp and paper](#) sector, a significant driver of deforestation. The aim of the campaign is to stop banks financing the most destructive companies and projects in this sector and push banks to improve their investment policies to protect the forests. For this campaign, we closely cooperate with the [Environmental Paper Network](#) (EPN), a network of more than 140 NGOs.

### GREEN PAPER, RED LINES

In June, EPN and BankTrack published "[Green Paper, Red Lines](#)", launched at the Forest Movement Europe meeting in Scotland the same month. This two-page document sets out the minimum requirements ('Red Lines') for financiers of the pulp and paper industry to avoid harm to people and the environment. A pulp and paper company operating on the right side of these Red Lines, is not automatically deemed to be operating in a sustainable manner, but those that do cross them are highly likely to be the target of campaigns by civil society organisations. The Red Lines cover a wide range of regulatory, social, environmental and corporate issues, from land and Indigenous peoples' rights to corruption and tax avoidance to peatland protection.

Following their publication, BankTrack and EPN wrote to more than 40 banks active in financing the pulp and paper sector to inform them about the Red Lines, and EPN China translated the Red Lines into Chinese for distribution to Chinese banks. We expect financial institutions considering finance for the pulp and paper industry to ensure that the minimum requirements are met before any finance is provided to the sector.

### PULP AND PAPER POLICY BENCHMARK

As a follow-up to the publication of *Green Paper, Red Lines*, in August 2016 BankTrack and EPN began a policy assessment covering 44 banks. The banks selected are those known to finance damaging projects or companies in the pulp and paper sector.

The aim of the research is to assess, for each bank, whether its publicly available policy framework ensures the bank will only finance pulp and paper companies and projects that do not cross the Red Lines. Based on the Red Lines, we created a research methodology with 14 requirements, one for each Red Line, which are assessed as 'not protected', 'partly protected' or 'well protected'. The results of this policy assessment will show banks where they urgently need to improve their policy framework. By the end of 2016, BankTrack and EPN sent the draft assessment of the first 17 banks to each bank for comment. The benchmarking report is expected to be published in mid-2017.

### BUILDING THE FORESTS-AND-FINANCE COMMUNITY

At BankTrack's campaigners' gathering in October (see [page 18](#)), BankTrack and EPN organised several forest-finance related sessions aimed at facilitating coordination among the many NGOs globally working on forests and finance.



*BankTrack-organised meeting between Dutch banks and forest NGOs, Utrecht, October 2016*

### BRINGING TOGETHER BANKS AND CIVIL SOCIETY

In October, BankTrack and EPN organised a meeting between forest-focussed NGOs and two Dutch banks involved in the forest sector, Rabobank and ABN AMRO. An invitation to the meeting was also extended to the other banks involved in the pulp and paper policy benchmark. The bank representatives presented their environmental and social policy framework and gave the NGOs insight into their due diligence process for forest investments. Representatives from EPN, ADECRU (Mozambique), Jikalahari, Walhi and Hutan Kita Institute (Indonesia), VientoSur Collective (Chile), and BankTrack gave presentations on the Red Lines and examples of pulp and paper companies' negative impacts. The goal of the meeting was to bring banks and NGOs together to discuss how bank investment policies can contribute to ensuring the sustainability of their clients in the forest sector, and how NGOs assess these policies. The meeting has helped to increase the frequency of information exchange between banks and civil society.

## TRACKING AND CHASING THE EQUATOR PRINCIPLES

2016 could be the darkest year yet for the Equator Principles, (EPs) – a set of voluntary commitments now signed by 89 banks to take social and environmental impacts into account when financing large scale infrastructure projects. This year, projects financed ‘under Equator’ were linked to the tragic murder of Indigenous activists in Honduras and to police violence at Standing Rock in the US (see [“Major dodgy deal campaigns in 2016” on page 7](#)). Both cases dealt a strong blow to the carefully cultivated reputation of the EPs as being an effective safeguard for community rights.

BankTrack has closely monitored and engaged on the development and implementation of the EPs since 2003. In January 2016, we launched the “Equator Principles Track and Chase project”, a structured campaign which aims to ensure that Equator banks indeed deliver on their stated objective of ensuring projects financed by EPFIs effectively safeguard the rights and interests of affected communities and the protection of the environment.

Our focus in 2016 was on developing the tools and capacity we need to act effectively as the leading NGO watchdog on the Equator Principles. As part of this, we created a new [campaign web page](#) and created or updated [bank profiles](#) for 71 out of 89 Equator Principles Financial institutions. We also built an internal tool to comprehensively track the reporting standards of each EPFI against the EP reporting requirements. We also developed a short training course, “How to use the Equator Principles for campaigning”, which we delivered during our campaigners’ gathering in October (see [page 18](#)).

## TRACKING EQUATOR PROJECTS

The EP Association committed when the Equator Principles were revised in 2013 to publicly report on the names of projects financed under the EPs, and BankTrack has repeatedly called on the Association to fulfil this commitment, including during our January meeting. In May, this information was finally [published](#) on the EP website. However, project names are reported on separate web pages for each EPFI. To make the list of projects financed under Equator easier to access, we compiled all project names in [one document](#) and shared it with many NGOs, as well as publicly. One concrete outcome of this work was a joint campaign with Accountability Counsel on the [El Dorado International Airport Expansion](#) in Colombia (see [“Other new Dodgy Deals” on page 6](#)).

## ENGAGING WITH THE EP ASSOCIATION

In January, BankTrack organised a meeting held in London with members of the EP Association Steering Committee and other NGOs. The meeting focussed on three topics: transparency, human rights, and climate change, and provided an opportunity for BankTrack and others to share their concerns about the lack of strict human rights and climate change commitments in the Principles. A follow-up meeting is planned for April 2017.



## EQUATOR PRINCIPLES DODGY DEALS

Agua Zarca hydro plant - Honduras

Alpha Coal plant - Australia

Barro Blanco dam - Panama

Cirebon 2 coal plant - Indonesia

Dakota Access Pipeline - United States

El Dorado International Airport - Colombia

IndoMet coal plant - Indonesia

Punta Catalina coal plant - Dominican Republic

Rampal coal plant - Bangladesh

Tanjung Jati B 2 - Indonesia

Trans Adriatic Pipeline - international

Tufanbeyli coal power plant - Turkey





# NGO SUPPORT

With thirteen years of experience in bank campaigning, a fully developed campaign tool box at our disposal and a network of strong relationships across civil society, BankTrack is well placed to support groups that start engaging with, or otherwise target banks as part of their own campaign work. In addition, we stand ready to assist communities seeking help in dealing with banks involved in activities that impact their rights and interests.

## TRAINING: BANKTEACH

BankTrack has in place a well-developed online training facility, “BankTeach”, including a “Finance for campaigners” training course which we make widely available to our work partners. As detailed in the Banks and Coal campaign overview ([page.10](#)) we published the ‘Coal Finance Training Manual’ this year, and used it as the basis for an online training course consisting of three sessions in October, attended by 20 coal campaigners. It was also translated into Polish and used to provide a one-day training session in Warsaw.

## RESEARCH SUPPORT

Through our long-standing cooperation with the Dutch economic research consultancy Profundo we assist NGOs in researching the financial architecture of specific deals and companies, identifying how they are financed, where they are in the financing process, and advising on the best campaign interventions. In 2016 we conducted research with Profundo on [investments in Israeli banks](#) and finance for Vitol and Trafigura, as well as several new Dodgy Deal profiles.

## DEVELOPING PROFILES

Each profile on the BankTrack website represents a live campaign platform, raising the visibility of civil society campaigns and linking Dodgy Deals with the records of the banks financing them. We support communities and NGOs to create these profiles and provide advice on how to best make use of this campaign tool in bank advocacy work. In 2016 we created 14 new Dodgy Deal profiles, as detailed on [page.5](#).

## PUBLIC OUTREACH

We help campaigners spread the word about bank-focused campaign work using our website and our targeted mailing list, which now reaches some 3,000 people (an increase of 400 on last year), including journalists, analysts, campaigners and bankers.

Next to our own press releases we distributed 33 news releases for 23 civil society groups or coalition, including the Polish Foundation ‘Development YES Open-Pit Mines NO’, the Dominican National Committee to Combat Climate Change, the Immigration Clinic at the University of Nevada in Las Vegas, as well as core work partners such as national Friends of the Earth groups, Rainforest Action Network, Urgewald and Market Forces.

## NGO SUPPORT IN NUMBERS

# 14

NEW DODGY DEAL  
PROFILES CREATED

---

# 33

NEWS RELEASES  
DISTRIBUTED FOR

---

# 23

CIVIL SOCIETY  
WORK PARTNERS

---

# 400

NEW SUBSCRIBERS TO  
BANKTRACK'S MAILING LIST

---

# 60

CAMPAIGNERS ATTEND  
BANKTRACK'S OCTOBER  
GATHERING

## INTERNATIONAL BANK CAMPAIGNERS' GATHERING IN GORSSSEL, THE NETHERLANDS

In October, around sixty campaigners from fifteen countries came together in Gorssel in The Netherlands, to attend BankTrack's first Bank Campaigners' Gathering. This was a high spirited four-day event in which attendees could set the agenda to present, discuss and coordinate their campaigning work on private sector banks. It was also designed around a key objective of making sure bank campaigners from all over the world get to know each other personally, so they are ready to collaborate for future campaigning.

The meeting included discussions on our main campaign areas, with especially coal campaigners and forest campaigners getting together to coordinate their work on banks. It also included strategy sessions on the Equator Principles, the OECD Responsible Business Conduct process, the UN Guiding Principles on Business and Human Rights, the role of the banking sector in the Palestinian occupied territories, the China Green Credit Guidelines, and how to campaign for binding regulations to address the impacts of the finance sector on the environment and human rights. Aside from this, there was time for a session reflecting on the past and future of bank campaigning, led by Rens van Tilburg, director of the Dutch Sustainable Finance Lab, as well as plenty of late evening socialising around the campfire.

The Gathering also saw the official launch of BankTrack's new website. The new site gives a fresh presentation to our profiles of over a hundred banks and the Dodgy Deals they are financing, as well as news, blogs and campaign resources. The new design focuses on making the site easier to use, sleeker and faster to navigate. The redesign follows BankTrack's reorganisation at the start of 2015, from a network of civil society groups to an independent campaigning organisation.



*BankTrack's campaigners gathering took place in Gorssel, The Netherlands in October*

# ABOUT BANKTRACK

BankTrack is the international tracking, campaigning and NGO support organisation focused on private sector commercial banks and the activities they finance. We view ourselves as an integral part of the global community of NGOs focused on the financial sector, which also includes multilateral and national development banks, export credit agencies, and private and institutional investors.

Our mission is to promote fundamental changes in the operations of private sector banks so that, while conducting their business in a fully transparent and accountable manner, they contribute to the ecological wellbeing of the planet and to offering a decent life free of poverty for all people.



## STAFF AND BOARD

### The BankTrack team in 2016 consisted of:

1. Director: Johan Frijns
2. Editor & researcher: Ryan Brightwell
3. Financial manager & graphic designer: Raymon van Vught
4. Equator Principles and forest campaigner: Karen Vermeer
5. Climate and energy campaign coordinator: Yann Louvel
6. Coal campaigner: Greig Aitken
7. Website & campaigns assistant: Erik Janssen

### In December 2016, BankTrack's board consisted of:

- Chair: Michelle Chan, US
- Secretary: Andreas Missbach, Switzerland
- Treasurer, Amanda Starbuck, US

At the end of 2016 Amanda Starbuck stepped down from the board, and BankTrack appointed three new board members.

### New board members in 2017:

- Michelle Medeiros, Netherlands
- Siddharth Akali, India & United States
- Nina Roth, Germany

## RECEIVED IN 2016 (IN EURO)

### Grants

European Climate Foundation	115,277
The KR Foundation	111,248
The Sierra Club Foundation	75,405
JMG Foundation	45,000
Environmental Paper Network	10,000
RAN	412
<b>Total grants</b>	<b>357,343</b>

Interest on bank accounts	2,031
Partner contributions	10,046
Donations	270
<b>Total other income</b>	<b>12,347</b>

<b>Total income 2016</b>	<b>369,689</b>
(Total income 2015)	383,334)

## EXPENDITURES IN 2016 (IN EURO)

Staff	293,186
Office & overhead	46,470
Work streams	27,668

<b>Total Expenditures 2016</b>	<b>368,576</b>
(Total expenses 2015)	381,547)

<b>Added to reserves</b>	<b>1,113</b>
(Added to reserves 2015)	1,788)

The full financial report for 2016 can be found on [our website](#).



## BankTrack

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