

The logo for Banktrack, featuring the word "BANKTRACK" in a bold, white, sans-serif font. The letter "O" is replaced by a red circle with a white center, resembling a target or a stylized eye. The logo is set against a dark blue rectangular background.

**BANKTRACK**

**2017 annual report**

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### ACKNOWLEDGEMENTS

**Authors:** Ryan Brightwell, Anne de Jonghe, Claire Hamlett, Greig Aitken, Johan Frijns, Yann Louvel, Erik Janssen

**Editor:** Ryan Brightwell

**Design:** Raymon van Vught

**Image credits:** see last page.

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# Foreword

2017 was quite a year for BankTrack - a year of huge challenges and uncertainties, but also some great successes. It began with the newly appointed President Trump signing an executive order in January to fast-track the construction of the Dakota Access Pipeline (DAPL), a 'Dodgy Deal' that we had spent considerable time and resources on, closely working with our allies in the US to prevent banks from financing. Later in the year, some banks did indeed offload their loans, although this was too late to address the project's impacts.

We did not expect that by August the builders of the pipeline, Energy Transfer Partners (ETP), would be using Trump's go-to lawyers, Kasowitz, to file a lawsuit against BankTrack, Greenpeace and others for being involved in the DAPL campaign. ETP is now claiming a billion dollars in damages, accusing us amongst other things of running an 'enterprise' involved in eco terrorism and drug trafficking. They are kindly advised to check the Finance Summary at the end of this Annual Report to find out whether we have a billion dollars to hand over to them - I'm afraid it's bad news, folks.

Our lawyer has since filed a motion to dismiss this absurd lawsuit, and while the whole matter has already cost us a fair amount in legal fees, it has so far not hampered our ability to do our job of tracking banks. ETP's aim is of course exactly that - not to win, but to hamper our ability to operate by dragging us into endless legal proceedings - and if the lawsuit proceeds, this may well become a big burden on our capacity. But even then, we're determined to go on doing our job as best we can.

In August, after several months of preparation, we also publicly launched our major campaign for 2017, 'Equator Banks, Act!'. The campaign was a public call on over 90 banks to drastically revise the Equator Principles, their joint environmental and social risk guidelines for project finance, to ensure that Equator banks no longer finance projects such as the DAPL, and other projects deeply impacting on Indigenous peoples and on climate change. After rallying support from over 110,000 people and around 250 campaign groups, the Equator Principles Association announced in November that they will indeed start a full revision process of the Principles, neatly outlining the task for BankTrack in the eighteen months ahead.

The move of the Equator banks was our most significant campaign success of the year, but not the only one. Our human rights campaign efforts helped ensure that an attempt by the Thun Group of banks to play down their human rights responsibilities backfired, and prompted the publication of detailed UN advice to the banking sector making clear that yes, banks can contribute to human rights abuses, and yes, banks do need grievance mechanisms.

Also on the climate front, we saw big policy announcements from a number of banks, most notably ING committing to phase out finance for coal power companies or any utility over 5% reliant on coal by 2025, and BNP Paribas excluding finance for unconventional fossil fuels such as tar sands and shale gas and associated pipelines from its portfolio. Sustained pressure on banks coming from groups like us does lead to meaningful policy commitments in the end, and for 2018 we are preparing a new public pressure campaign aimed at making sure other banks follow these examples.

This year, 2018, will be BankTrack's fifteenth anniversary year, as well as marking the tenth anniversary of the global financial crisis. We have our work cut out for us, making good on the campaign successes of 2017, pushing for an Equator Principles revision that delivers for the climate and Indigenous people, holding banks to account for their responsibilities on human rights, and moving ever more of the world's banks out of financing more and more sectors of the fossil fuels industry.

Ah, and yes, there will be that silly lawsuit to deal with, but we won't be letting that worry us too much.

**Johan Frijns, BankTrack Director**



# Ten highlights of 2017

1

The Equator Principles Association announces a new revision process in response to BankTrack's '**Equator Banks, Act!**' campaign, which presented them with a call for change from over 110,000 individuals and just shy of 250 organisations. A big victory, but also the start of the hard work of making sure the revision process delivers.

2

**BNP Paribas** sets the example for other banks by exiting finance for companies focused on extracting or building pipelines for tar sands, fracking, or Arctic drilling.

3

We publish '**Banks vs the Paris Agreement**' together with urgewald and other allies, examining the banks financing the 120 biggest coal plant developers, launching the report at the One Planet Summit in Paris. The summit sees a smattering of positive policy moves from banks.

4

Five European banks suspend their finance for the **Punta Catalina** coal project in the Dominican Republic, following BankTrack campaigning and advocacy on the issue.

5

We help organise and deliver a petition signed by over 700,000 people demanding banks stop financing DAPL, a watershed moment in the **#DefundDAPL** campaign. ING, DNB and BNP Paribas sell their parts of the DAPL project loan, disentangling themselves from the project but leaving its impacts unaddressed.

6

The **Thun Group** of banks revises its discussion paper to make clear that banks *can* contribute to human rights abuses, following concerns first raised in an open letter coordinated by BankTrack.

7

We **co-file an OECD complaint** against ING, the largest bank in the Netherlands, calling on the bank to make concrete plans to reduce the climate impact of its finance.

8

The UN's **Office of the High Commissioner for Human Rights** provides detailed advice to banks in a letter to BankTrack, including on when they may contribute to human rights abuses and their responsibilities to remediate them.

9

Ten **banks write to the Equator Principles Association** demanding changes to the Principles following Equator banks' finance for DAPL.

10

**Deutsche Bank** takes its first significant step out of coal financing, committing in January to reduce its exposure to thermal coal and stop project finance for greenfield thermal coal mines and new coal power stations.



## Part one: Tracking Dodgy Deals

BankTrack works together with civil society groups and communities to track “Dodgy Deals” and challenge bank-financed companies and projects which should have no place in the portfolio of responsibly operating banks. A Dodgy Deal profile on the BankTrack website 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 February 2018, the BankTrack website included profiles of over 130 projects and over 80 companies, as well as 191 banks.

A Dodgy Deal profile may be written by BankTrack alone, or more often together with other campaign groups that have approached us for cooperation. In this way, our Dodgy Deals database supports the campaign work of other groups. Each profile includes information on the banks and other financial institutions financing the deal, where available, and is linked to the profiles of each bank providing finance. This makes the database 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.

## Major Dodgy Deal campaigns in 2017

In 2017 BankTrack helped to wage major campaigns focused on the financiers of several projects with major adverse impacts on people and planet, with a focus this year on new coal power projects and fossil fuel infrastructure.

### Opposing LNG terminals in the Rio Grande Valley

Following extensive campaigning and advocacy efforts from BankTrack and our partner groups in France and the United States, BNP Paribas announced in October that it would be significantly curtailing its financing of so-called unconventional fossil fuels: tar sands, shale gas, oil and gas exploration projects in the Arctic region, as well as all related transport infrastructure.

This move from the French bank had immediate effect on the Texas LNG terminal project in the Rio Grande Valley in the Southern US when BNP Paribas withdrew their advisory mandate to the project - a serious setback for Texas LNG, great news for the climate and a huge victory for the groups who have been mobilising in support of Indigenous Peoples on the front line against tar sands, shale gas and LNG projects in North America.

It also upped the pressure on another French bank, Société Générale, which controversially views the neighbouring Rio Grande LNG project, six times larger than the Texas LNG project, as being beneficial for the transition to clean energy. NextDecade, the US company leading this project, announced in early May the involvement of Société Générale as the project's financial arranger. Building this terminal will only increase the use of gas fracking, which is forbidden in France because of its heavy impacts on water and the health of local communities. The gas to be transported from Rio Grande LNG would generate the same emissions as twenty coal power plants. Furthermore, the risks for some protected species and the absence of consultation with the Esto'k Gna tribe have raised the same kind of troubling questions as were witnessed in the case of the Dakota Access Pipeline. International pressure remains on Société Générale to withdraw from the project.

### Supporting resistance against tar sands pipelines

The campaign against the Dakota Access Pipeline (DAPL), which began in 2016 and became an iconic struggle for Indigenous rights and against extractivism, continued into 2017, and BankTrack continued to support its Indigenous and US allies in their campaign efforts directed towards banks. As well as distributing campaign news from allies, we convened a global coalition asking the 17 banks financing the pipeline to cancel their loans, urging them to meet with the Standing Rock Sioux Tribe and other Indigenous leaders at their request, and [reported](#) on which of the banks agreed to this. By April, four of the 17 banks (BayernLB, BNP Paribas, DNB and ING) had announced that they will sell their part of the project loan, while two others (ABN AMRO and Nordea) excluded finance for the companies building the pipeline. This action came too late to affect the pipeline route, and the pipeline was completed by April, although resistance in the courts and elsewhere continues.

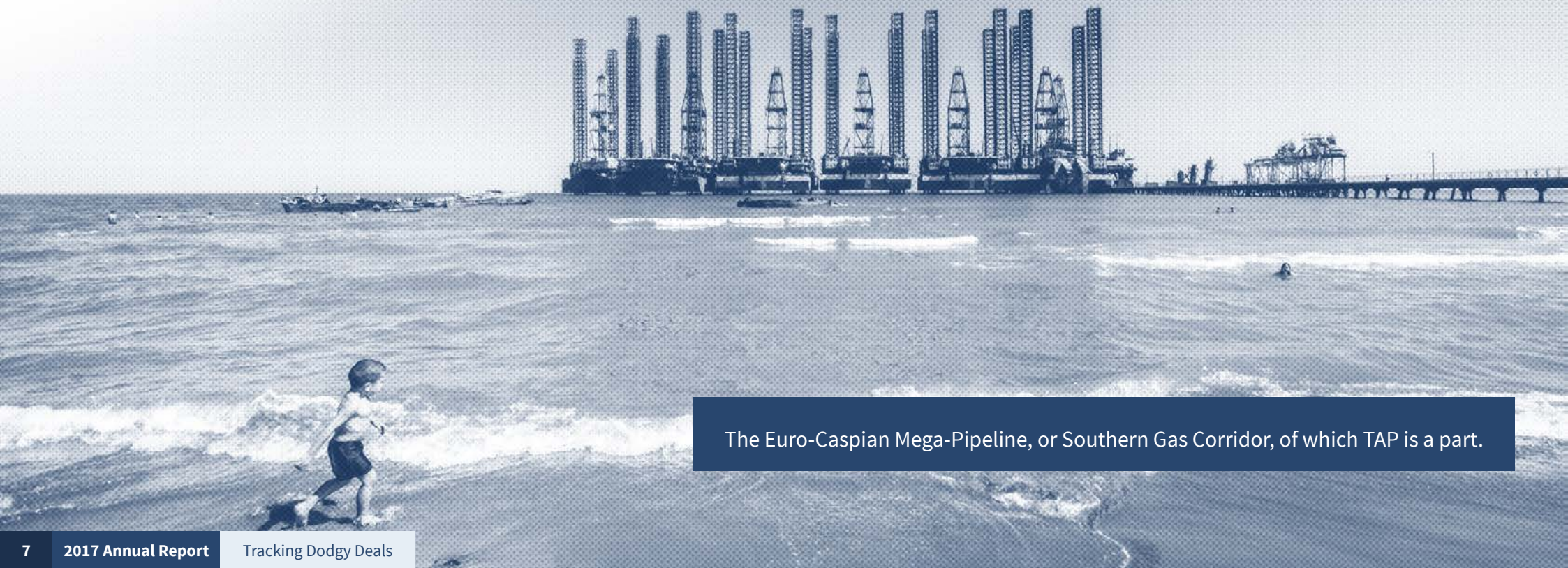
Following the resistance to DAPL, a growing movement led by Native Americans and First Nations is opposing other pipeline developments that impact their rights and territories. BankTrack helped promote an online petition signed by over 150,000 people targeting the biggest bank lenders to five pipelines, including DAPL, Keystone XL, Trans Mountain, Line 3 and Energy East. We have also developed Dodgy Deal profiles to help support most of these campaign efforts (see [page 9](#)), and covered the issues and risks with these pipelines in the 'Banking on Climate Change' report ([page 15](#)).

## Trans Adriatic Pipeline (TAP) – keeping banks out of Europe’s very own DAPL

BankTrack’s work on TAP, in tandem with a coalition of European environment CSOs, was [launched in February](#) when our analysis, co-published with Counter Balance, warned potential commercial bank investors to steer clear of the project, owing to its non-compliance with the Equator Principles on a string of counts. The analysis identifies problematic issues related to compensation for land owners, the project company’s heavy-handed approach to land acquisition and pipeline routing, and – in Italy – the fundamentally poor preparation for the project, which has resulted in a string of legal disputes and intense clashes throughout the year between local communities and Italian police. TAP is expected to start actively seeking finance from commercial banks in 2018, and we began advocacy towards 25 potential bank financiers around the world, providing them with project updates throughout the year.

The project also became ensnared in 2017 in the [Azerbaijani Laundromat scandal](#). We identified the as-yet unexplained presence of Société Générale, the financial advisor for the TAP project, in the Laundromat payment database, and reiterated our call for socially and environmentally responsible banks which are considering finance for TAP to conduct their due diligence robustly and objectively. We also worked closely with 350.org, providing advice and input on their initiative calling on banks to [#DefundTAP](#).

Our work on TAP is expected to step up in 2018 following decisions from European public development banks to green-light lending for the project, despite its litany of flaws and problems. The challenge to commercial banks now will be to persuade them not to make the same finance mistakes as were made on the Dakota Access Pipeline.



The Euro-Caspian Mega-Pipeline, or Southern Gas Corridor, of which TAP is a part.

## Cirebon 2: Japanese banks refuse to budge from Equator disaster

Southeast Asia is becoming coal's last frontier, as the last region in the world where clean energy continues to be seen as prohibitively expensive for now, and as such is the setting for a large number of current coal plant battles. No more so than with the \$2.175 billion Cirebon 2 coal power extension project in central Java, Indonesia. After BankTrack and partners sensitised the project among interested banks in 2016, in early 2017 Crédit Agricole stepped out of the planned consortium of financing banks, while ING and three Japanese banks remained in.

Our Equator Principles analysis of the project, [published in April](#), found that the project will lead to extensive loss of livelihood for local farmers and fishermen, due to land seizures and the impacts of thermal pollution. It will also cause severe air pollution, directly threatening the health of nearby communities. Moreover, communities adjacent to the project were not properly consulted in advance about the potential impacts of the project. In short, Cirebon 2 is not 'Equator compliant'. Yet the remaining banks still refused to budge, eventually resulting in financial closure for the project and the first disbursement of funding in November.

Not only is the project not in compliance with the Equator Principles, it is also the subject of significant legal chicanery. The original environmental permit for the plant was revoked in April 2017, yet the project sponsors filed another permit in July which was issued in September. Local groups continue to contest the permitting and a follow-up legal challenge has been mounted. ING's continuing role in the Cirebon 2 project features in a complaint filed against the bank by CSOs including BankTrack for violation of the OECD Guidelines. The complaint, which is still pending, accuses ING of violating the Guidelines on the environment and climate change as a result of its continuing heavy financial support for fossil fuel companies around the world.

## Punta Catalina – a Dominican coal project mired in corruption

Mired in a major international corruption scandal, the proposed Punta Catalina coal plant in the Dominican Republic became untouchable for Deutsche Bank, ING, Santander, Société Générale and UniCredit in spring 2017. As the gravity of the situation surrounding the project's construction company Odebrecht intensified, the five-bank consortium suspended its financing of the project, triggering a panicked turn to the international bond markets by the Dominican government in order to find some way of keeping the troubled project afloat.

BankTrack maintained regular contact with the lead consortium banks throughout the year, in tandem with our Dominican partner group National Committee to Combat Climate Change (CNLCC). We brought CNLCC's Enrique de León to the AGMs of Deutsche Bank and Société Générale, where he received public assurances from senior bank executives that they would be taking a 'zero tolerance' approach to corruption at Punta Catalina. Advocacy work continues with our appeal to the banks to fully quit Punta Catalina financing, a move which will hopefully result in this disgraceful coal project being shelved for good.

As the Odebrecht corruption scandal deepened, Green March protestors kept up the pressure on the Dominican Republic's president throughout the year.





## New Dodgy Deals in 2017

In 2017 we published 20 new Dodgy Deal project and company profiles (2016: 14), covering nine new coal projects (seven power plants, one coal mine and one combined mining and power project), four fossil fuel pipeline projects, two pulp and paper mills, two commodities trading companies, one LNG export terminal, one coal company, and a biomass plant. Profiles were either initiated by BankTrack or campaign groups working directly on these projects groups themselves, and in most cases were created in partnership with these campaign groups.

### New coal projects: power

**Pljevlja II lignite-fired power plant, Montenegro** The intended second unit for Montenegro's only coal power station. [View profile.](#)

**Ostroleka C coal and biomass power plant, Poland** A newly proposed thermal co-combustion coal and biomass power station project, at risk of becoming a stranded asset in less than a decade. [View profile.](#)

**Lamu coal power project, Kenya** Planned for construction on Kenya's coastline, 20km from Lamu Island and its historic Old Town, a UNESCO World Heritage site. If completed, the plant would become Kenya's single largest pollution source. [View profile.](#)

**Cirpilar coal power plant, Turkey** A proposed power plant located near Cirpilar, on the edge of the pristine Mount Ida. The plant would be fuelled by a new 845-hectare open-pit lignite mine in the same area. [View profile.](#)

**Vung Ang II coal power plant, Vietnam** The second plant in the Vung Ang coal power complex, set to be financed by Standard Chartered among others. The first is already operational. [View profile.](#)

**Vinh Tan 3 coal power plant, Vietnam** The third part of a planned four-unit power centre, which is already causing impacts on local communities from ash and fumes, and also impacts a Marine Protected Area. [View profile.](#)

**Long Phu I coal power plant, Vietnam** Expected to emit six million tonnes of CO2 each year and exacerbate river and air pollution problems. [View profile.](#)

### New coal projects: mining

**Amasra coal mine and power station, Turkey** An energy project on the Black Sea coast next to the historic town of Amasra in Turkey's Bartın province, with expected severe and long-lasting impacts for the local ecology, economy and community. [View profile.](#)

**Oscislowo open-pit lignite mine, Poland** A proposed new lignite (brown coal) mine at the lignite deposit in eastern Greater Poland Voivodship, backed by a ZE PAK subsidiary. [View profile.](#)

### Coal companies

**ZE PAK, Poland** ZE PAK (Zespół Elektrowni Pątnów-Adamów-Konin) is involved in mining of lignite coal, and energy generation and distribution primarily based on lignite-fuelled power plants. [View profile.](#)

### Fossil fuel pipelines

**Trans Adriatic Pipeline, International** An 879km, €5 billion pipeline project already under construction, which will run from north-east Greece, through Albania and under the Adriatic Sea to Italy. TAP is already causing setbacks for communities and for Europe's energy future, and a CounterBalance / BankTrack analysis shows that it fails to comply with the Equator Principles. [View profile.](#)

**TransCanada Corporation, Canada** The company behind Keystone XL, a proposed 1,700-mile tar sands pipeline between Alberta and Texas. [View profile.](#)

**Trans Mountain Pipeline Expansion project, Canada** A new tar sands pipeline roughly following the route of the original Trans Mountain Pipeline between Alberta and British Columbia, being developed by Kinder Morgan. [View profile.](#)

**Mountain Valley Pipeline, US** A proposed 300-mile natural gas pipeline running from north-western West Virginia to south central Virginia. The route of the pipeline threatens pristine forests and many communities, and is facing significant opposition from landowners and citizens along its path. [View profile.](#)

## Other high impact fossil fuels

**Port of Brownsville LNG export terminals, US** Liquefied natural gas (LNG) export terminals on undeveloped land which threaten to transform the coastal landscape of the Rio Grande Valley into an industrial export hub for LNG. [View profile.](#)

## Forest impact projects

**MGT Teesside biomass power station, UK** Will be the world's biggest purpose-built biomass power station, and is likely to source wood from the clearcutting of highly biodiverse US coastal wetland forests. [View profile.](#)

**Amazar Pulp and Saw Mill, Russia** Consisting of a pulp mill, two wood processing facilities, a dam and reservoir and supporting infrastructure, the Chinese-owned Amazar project involves plans to log up to 1.6 million cubic metres of timber every year through clear-cutting. [View profile.](#)

**Est-For Pulp Mill, Estonia** A planned biorefinery that will produce energy and pulp, projected to launch production in 2022. Forests in Estonia are already overexploited, and there is no commitment to use timber from credibly certified sources. [View profile.](#)

## Commodities companies

**Vitol, Switzerland & Trafigura, Singapore** Vitol and Trafigura are the two companies whose involvement in the “dirty diesel” scandal of high-sulphur fuel dumping in African countries is the topic of BankTrack’s ‘Banks and Dirty Diesel’ briefing. View profiles: [Vitol](#), [Trafigura](#).



Protesters dressed as snails protest outside the French Finance Ministry on climate finance day in Paris, December 2017.

## Part two: Campaigning

### Equator Principles

In 2017, BankTrack and allies secured an important victory in our campaigning on the Equator Principles (EPs). Following renewed but disappointing direct engagement with the Equator Principles Association (EPA) in 2016, we launched the ‘[Equator Banks, Act!](#)’ campaign in August 2017, and successfully pressured the Association to announce in November that it would start a full revision of the Principles.

The Equator Principles are a set of voluntary but binding commitments, now adopted by 92 financial institutions in 37 countries, to determine, assess and manage environmental and social risks when financing large projects. While this may serve the interest of Equator banks, at the moment the EPs are not strong enough nor sufficiently implemented to stop finance for projects which cause unacceptable harm to people and planet. BankTrack has closely monitored and engaged on the development and implementation of the EPs since 2003.

### Equator Principles Track and Chase Project

In 2017, BankTrack continued the Equator Track and Chase project launched the year before. The project aims to strengthen public scrutiny of the activities of the EPA and the implementation of the EPs by individual Equator Principles Financial Institutions (EPFIs or “Equator banks”).

In 2016, BankTrack organised a meeting in London with members of the EPA Steering Committee and other civil society organisations (CSOs). As follow-up, in April 2017 we convened a conference call attended by the EP secretariat, seven banks, an Export Credit Agency and six CSOs. The purpose of the call was to discuss civil society concerns around the fre-

quent failure of the EPs to prevent EP banks investing in “disaster projects”; the lack of transparency and accountability of the EPA, and the lessons that should be learned from the Dakota Access Pipeline (DAPL) in the United States, which became the focus of a historic Native American-led protest camp at Standing Rock. The responses provided by Equator banks in the conference call did not provide reassurance that these concerns were being adequately addressed, leading us to conclude that a major public pressure campaign was needed for the Principles to take the necessary steps.

Two months after this call, ten Equator banks wrote a [letter](#) to the EPA calling for changes to the EPs to ensure “lessons are learned” from the financing of the Dakota Access Pipeline project under the Principles. This illustrates the extent to which DAPL has placed the effectiveness of the Equator Principles under scrutiny, even within the banking sector.



## Equator Banks, Act!

In August 2017, following months of preparation, BankTrack, together with a core campaign group of [14 other CSOs](#) including environmental and Indigenous Peoples' groups, launched the '[Equator Banks, Act!](#)' campaign and website. The campaign website introduced the EPs to a broad public of civil society and concerned individuals, and called attention to a series of 'disaster projects' that have been financed supposedly in full compliance with the Equator Principles, including the Dakota Access Pipeline as well as the Agua Zarca hydroelectric project in Honduras, which was associated with the murder of Indigenous human rights defender Berta Cáceres in 2016 after she led Indigenous resistance to the project.

The campaign called for a new revision to the Equator Principles to be agreed at the annual meeting of the EPA in São Paulo, Brazil at the end of October, and for the revision to meet at minimum to two solid criteria: stopping finance for climate disasters and respecting Indigenous peoples' rights and territories. A "campaign call" set out in more detail what is needed: full commitment to the Paris Agreement goal of limiting global temperature rise to below 2 degrees and ideally below 1.5 degrees, with all Equator projects fully aligned with reaching this goal; exclusion of all new fossil fuel extraction, transportation and power projects from Equator financing; an explicit commitment to uphold the right of Indigenous Peoples anywhere in the world to give or deny Free, Prior and Informed Consent to Equator projects; and full access to grievance channels with project sponsors and financing banks if communities' rights and interests are violated.

The launch was accompanied by [a letter](#) to the Equator Principles Association, signed by 65 organisations, urging them to put a revision of the Principles on the agenda for the annual meeting. The [response](#) of the Association was disappointing, failing to acknowledge the urgency of our demands

and committing only that the issues we raised would be discussed by various working groups and "task teams". In October we sent [a follow-up letter](#) to remind the Association of our demands and organized a Twitterstorm to heighten the pressure during the Annual Meeting of the EPA. Meanwhile core campaign group member Mazaska Talks [coordinated](#) three days of resistance and protest under the banner of #DivestTheGlobe, billed as the [largest ever](#) protest against banks' investments in fossil fuels. By the time of the Equator banks' meeting in São Paulo, our call for a revision of the Equator Principles was supported by 249 organisations and over 114,000 individuals.

### Campaign success!

In early November we learned that the months of careful planning and ongoing pressure had paid off, and that the EPA had indeed [made the decision](#) at its meeting to start a full revision process of the Equator Principles. The Equator Principles website reported that the update "will consider the key issues of scope of applicability, human rights (inclusive of the rights of Indigenous Peoples), and climate change, amongst others", clearly responding to the main points raised in our campaign.

The process of updating the Equator Principles is expected to take 18 months, and the core group behind the 'Equator Banks, Act!' campaign and others will now engage with the EPA on the revision process, with BankTrack playing a coordinating role. At the same time, we will continue to monitor transactions under the EP framework and vigorously oppose any EP project with large negative impacts on climate change or Indigenous territories. We look forward to ensuring that "EP4" finally delivers for the climate and Indigenous peoples.



## EQUATOR BANKS, ACT!

### August to October

114,421 people and 249 organisations sign the Call to Action

### October 23rd-25th

Campaign partner Mazaska Talks organises the largest ever street protest against bank fossil fuel investments

### November

91 Equator Banks agree to act to strengthen their commitments on climate change and Indigenous rights

## Banks, climate and energy

2017 saw a tangible increase in momentum for our work aimed at preventing the devastation of the climate – and the lives of directly affected communities – by stopping bank financing for fossil fuels projects and companies. The fallout from the Dakota Access Pipeline controversy brought bank support for calamitous fossil fuels infrastructure to a global audience, in the process ensuring greater awareness of and many more collaboration opportunities related to our core business: the finance angle, and how it can be leveraged to stamp out climate, public health and human rights abuses.

At the political level there was equally strong momentum: the United Nations Environment Programme recommended an end to the construction of new coal power plants and an accelerated phasing out of existing plants as key steps towards achieving the goals of the Paris Agreement, while the One Planet Summit, convened by President Macron in Paris in December, heard explicit high-level calls for the financial support of the coal industry to stop – immediately.

BankTrack's climate and energy work is helping to drive this momentum by providing mounting evidence, both from the ground via our Dodgy Deals work, and through our research exposing the many – often deeply hidden – ways in which banks choose to gamble with our collective future through their continued support for the fossil fuels sector. While 2017 proved to be a year which felt somewhat lacklustre in terms of breakthrough achievements, our efforts helped to lay down roots which we're certain will reap major rewards in the period we are now in – one of unstoppable momentum for cutting off the financial life support for dirty energy that the world does not want, and can no longer live with.



## Banks: Quit Coal!

2017 kicked off with hard-won moves by two of Europe's largest banks. Persistent campaigning from BankTrack and Friends of the Earth France in particular saw BNP Paribas end its financing for new coal plants worldwide. Soon after, Deutsche Bank committed to reduce its exposure to thermal coal and to no longer grant project financing for greenfield thermal coal mines and new coal-fired power stations. Deutsche Bank still has some way to go to move fully out of coal, but ongoing campaigning from BankTrack and our German partner Unergwald is clearly paying off.

Through the year we expanded our library of Dodgy Deal profiles, covering seven planned coal power plants and two coal mining projects in countries including Poland, Turkey, Kenya and Vietnam. We also continued our advocacy work on the Punta Catalina coal plant project in the Dominican Republic and Cirebon 2 in Indonesia. (See [page 8](#).)

The One Planet Summit, held in Paris in December, rounded off the year for the 'Banks: Quit Coal!' campaign. There we launched our flagship publication, '[Banks vs. the Paris Agreement](#)', which reveals the extent to which the world's commercial banks are still financing the top 120 coal plant developers – the companies which should be at the top of every divestment list since they are putting us on a fast track to a 4-degree world.

The report, which received coverage in a Financial Times article headlined '[Banks criticised for funding coal deals despite Paris agreement](#)', dug into the investment numbers to discover which commercial banks are financing these companies. Between January 2014 and September 2017, the global banking sector provided and mobilised financing in excess of \$600 billion for the top 120 coal plant developers, via lending and underwriting.

While the number of new coal plants in the pre-construction phase around the world almost halved between 2015 and 2016, there are currently over 1,600 new coal plant units still in planning, predominantly in the Global South. If these were to be built, the world's coal-fired power capacity would be expanded by more than 42%. Our report calls for an end to bank financing for new coal power plants, coal plant developers, coal power companies with more than 30% of power production deriving from coal, and coal power companies with more than 10 GW of installed coal power capacity.

During the One Planet Summit, following the report publication, several banks announced new commitments to restrict their financing for fossil fuels. One of them, ING, set a new bar in the commercial banking sector for restricting finance to companies involved in coal power, making 2025 its target date for reducing its exposure to coal power to 'close to zero'. Its new commitments will have impacts on existing clients including European utility giants ENEL, RWE, ENGIE and ČEZ,

which face the risk of being jettisoned by ING in the coming years if they do not take steps to become coal-free by 2025. BankTrack has regularly engaged with ING, helping to keep ambitious coal finance restrictions high on the bank's agenda. However, ING's new policy advance comes with gaps that will need to be plugged if its approach to coal is to be truly 'Paris compliant'.

We welcome the positive bank announcements made in Paris. Yet a large number of banks have still to break cover and take any steps away from coal, most notably the big Asian banks that make up the bulk of the top 20 backers of the coal plant developers. By the time of the next global climate summit – COP24 in Poland in December 2018 – and as detailed in '[Banks vs. the Paris Agreement](#)', each of these banks should explicitly blacklist these companies. Another Dutch bank, ABN AMRO, partly did so in 2017 and the challenge remains for other banks to now follow suit.



## Fossil Fuel Finance Report Card

In partnership with 28 organisations around the world, in June BankTrack, Rainforest Action Network, Sierra Club and Oil Change International released the eighth edition of our annual Fossil Fuel Finance Report Card for 2017, entitled [‘Banking on Climate Change’](#). The report revealed that the world’s biggest banks are continuing to fuel climate change through their financing of some of the most carbon-intensive and environmentally destructive sectors of the fossil fuel industry; extreme oil (tar sands, Arctic, and ultra-deepwater oil), coal mining, coal power, and liquefied natural gas (LNG) export.

‘Banking on Climate Change’ finds that 2016 actually saw a considerable drop in bank funding for extreme fossil fuels. The banks analysed in the report funnelled \$111 billion to extreme fossil fuels in 2015, with this figure falling to \$87 billion in 2016. However, despite this overall reduction, banks are still funding extreme fossil fuel projects at a rate that will push us beyond the 1.5 degrees climate change limit determined by the Paris Agreement. One alarming trend identified by our research was the rise in financial support for coal power companies over the 2014-2016 period.



## Oil & gas

In February, we helped organise and deliver a petition signed by over 700,000 people demanding banks stop financing the highly controversial Dakota Access Pipeline (DAPL), a watershed moment in the #DefundDAPL campaign. Consequently, several banks announced they would step away from financing either the project or its backers. ABN AMRO committed to end its financing for Energy Transfer Equity (ETE) if the pipeline were to proceed without consent from the Standing Rock Sioux or with further violence. Nordea excluded three companies behind DAPL from investment. BayernLB stated it would withdraw from DAPL financing at the earliest opportunity, and not provide further finance. In March, ING became the first bank to sell its portion of the project loan supporting the pipeline. This was followed by DNB and BNP Paribas selling on their shares of the loan. The buyers are unknown.

In September, ETP/ETE responded by serving BankTrack, Earth First! and Greenpeace with a lawsuit. The lawsuit al-

leges that the “group of co-conspirators manufactured and disseminated materially false and misleading information about Energy Transfer and the Dakota Access Pipeline”, and “incited, funded, and facilitated crimes and acts of terrorism to further these objectives.” BankTrack has filed a motion to dismiss the lawsuit.

BankTrack and Friends of the Earth France warmly welcomed new commitments in October from BNP Paribas to help accelerate the energy transition by drastically reducing its financing of so called ‘unconventional’ fossil fuels: tar sands, shale gas, oil and gas exploration projects in the Arctic region, as well as all related infrastructure for transport and export. We have called on other banks to follow BNP Paribas’ lead and take steps to reduce their financing of unconventional fossil fuels – set to be a major battlefield with the banks in 2018



Water Protectors peacefully demonstrating outside the ND State Capitol building in Bismarck, North Dakota, November 2016.

## Banks and human rights

Since the endorsement of the UN Guiding Principles on Business and Human Rights (UNGPs) by the UN Human Rights Council in 2011, BankTrack has campaigned for the full implementation of these Principles by the banking sector. A discussion paper by the Thun Group of banks, published in January 2017, set the tone for much of the year by setting out a problematic interpretation of banks' responsibilities under these principles that needed a strong challenge. 2017 also saw BankTrack publish a third Human Rights Impact Briefing on 'Banks and Dirty Diesel', and continue our work to monitor Dutch and OECD initiatives on banks and human rights.



Professor John Ruggie in Thun, June 2017

### Resisting the Thun Group rollback attempt

The Thun Group is an informal group of bank representatives formed to discuss the responsibilities of banks under the UNGPs. BankTrack has constructively but critically engaged with the group since its formation in the wake of the endorsement of the UNGPs in 2011, and co-hosted a session together with them at the UN Forum on Business and Human Rights in 2016.

Its January 2017 Discussion Paper, signed by 11 large banks from Europe and the US, sought to “suggest a conceptual framework to help consider the meaning and reach” of Principle 13 of the UNGPs for banks, which defines the business responsibility to respect human rights. The paper began with a flawed assertion that, when a bank client causes a human rights abuse, the bank will generally not be in the position of *contributing* to the abuse, but rather will only be *directly linked* to it. This was out of line with existing advice from UN bodies, and BankTrack saw the need for an urgent response to challenge this interpretation and prevent it becoming influential.

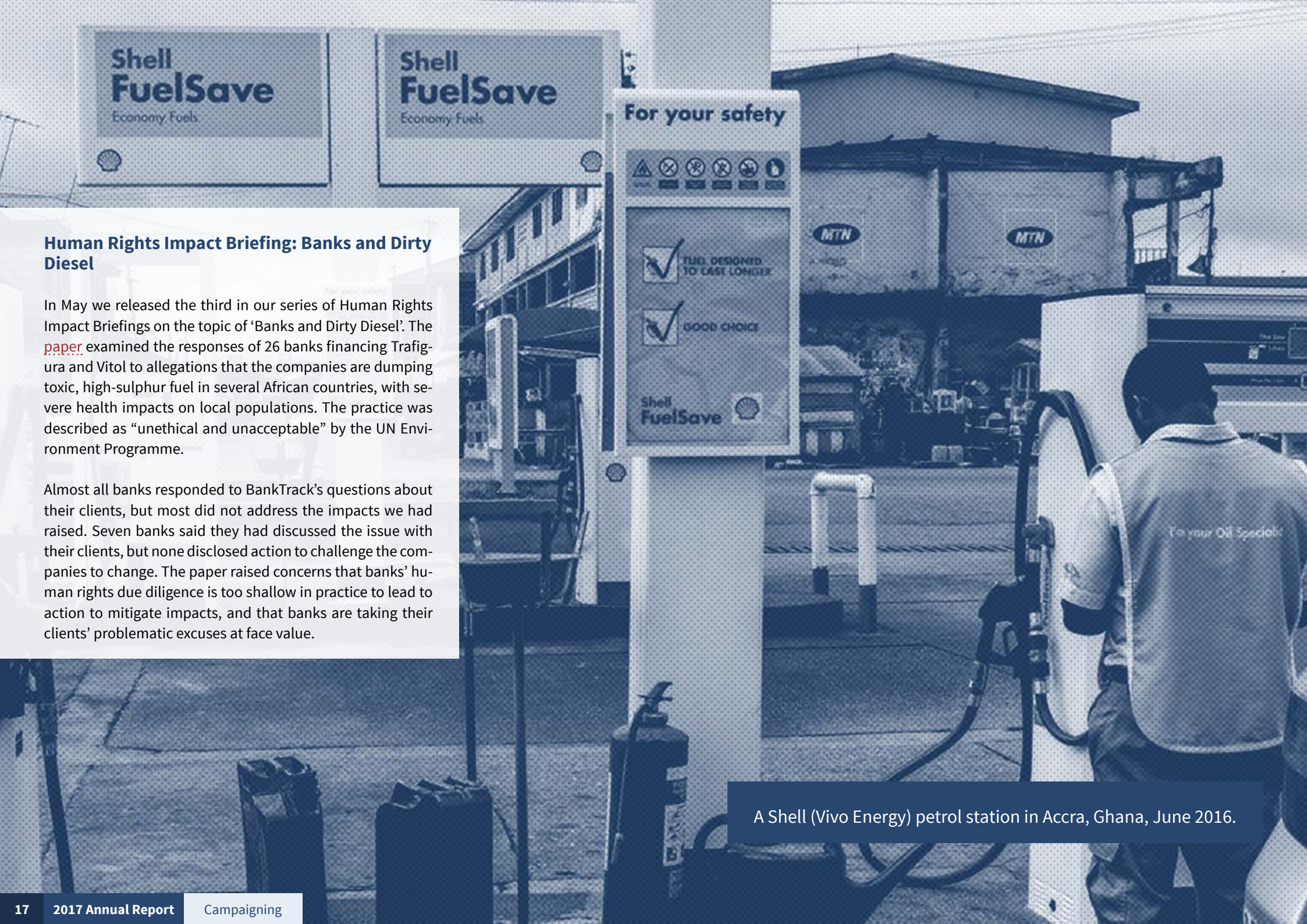
We acted quickly to alert other civil society groups and members of the UN Working Group on Business and Human Rights to the problems with the paper, and in February sent an [open letter](#) to the Thun Group on behalf of 33 civil society organisations and five academics specialised in business and human rights, calling for the paper to be withdrawn and reconsidered. The response was [soon followed](#) by similar

concerns expressed by the UN Working Group on Business and Human Rights and by John Ruggie, the architect of the Principles, who wrote to the banks that he was “deeply troubled” by the paper. Also, in June, the UN Office of the High Commissioner for Human Rights (OHCHR) set out [advice](#) detailing the factors that may lead to banks contributing to human rights abuses, and their responsibilities to provide remediation, in response to a BankTrack letter.

The Thun Group then hosted a June 2017 conference in Thun, Switzerland at which many of the criticisms of the paper were aired, and in which BankTrack took part. Following this, the Thun Group released an updated version of the paper in December, which acknowledged that “the provision of certain financial products and services may under exceptional circumstances reach the level of contribution” and made various other changes addressing BankTrack criticism. The paper remains problematic, but the changes leave more space for banks to consider further when such contribution occurs, and their responsibilities in such situations.

The Thun Group’s attempt to generate a new consensus around a minimalist interpretation of banks’ human rights responsibilities has backfired, with the responses to the banks’ much-criticised paper, and the OHCHR advice it prompted, proving more influential than the paper itself. However, the paper re-opened issues we had hoped were settled, slowing momentum towards achieving our campaign aims.





## Human Rights Impact Briefing: Banks and Dirty Diesel

In May we released the third in our series of Human Rights Impact Briefings on the topic of 'Banks and Dirty Diesel'. The [paper](#) examined the responses of 26 banks financing Trafigura and Vitol to allegations that the companies are dumping toxic, high-sulphur fuel in several African countries, with severe health impacts on local populations. The practice was described as “unethical and unacceptable” by the UN Environment Programme.

Almost all banks responded to BankTrack's questions about their clients, but most did not address the impacts we had raised. Seven banks said they had discussed the issue with their clients, but none disclosed action to challenge the companies to change. The paper raised concerns that banks' human rights due diligence is too shallow in practice to lead to action to mitigate impacts, and that banks are taking their clients' problematic excuses at face value.

A Shell (Vivo Energy) petrol station in Accra, Ghana, June 2016.

## How banks contribute to human rights abuses

In December, prior to the release of the Thun Group’s updated paper, BankTrack launched a briefing paper titled ‘[How banks contribute to human rights abuses](#)’. The paper profiled eight cases in which banks have likely contributed to human rights abuses through their finance, using the OHCHR guidance as the basis for its analysis. The cases included the Dakota Access Pipeline (DAPL), the Agua Zarca dam, and the Mozambican debt crisis.

The paper aimed to counter the Thun Group’s contention that banks generally do not contribute to human rights impacts, and to bring consideration of actual instances of human rights abuses to a debate often dominated by theoretical examples. It called on banks to acknowledge the potential for their finance to contribute to abuses and develop policies and practices to remedy these impacts, including establishing effective complaints mechanisms for those affected.

## Tracking the Dutch Covenant and OECD process

Throughout 2017 BankTrack continued to serve as an Advisory Group member of the OECD’s Proactive Agenda Project on Responsible Business Conduct in the Finance Sector, 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. In March 2017 the first guidance document on ‘[Responsible business conduct for institutional investors](#)’ was published, and in October the next stage, considering responsible business conduct in corporate lending, began.

BankTrack also kept a watching brief on the [Dutch Banking Sector Agreement on Human Rights](#) (“the Covenant”), and engaged in Covenant-related workshops on human rights reporting in June, ‘increasing leverage’ in July, and palm oil in November. We also met with the Dutch Social and Economic Council (SER), which hosts the Covenant and provides its secretariat, in May and November, to discuss the progress of banks towards meeting their commitments in the Covenant. No tangible outputs have been seen in 2017, but progress is clearly being made and we hope to see more in 2018. The SER provided a public [update on timelines](#) in November in response to a BankTrack request.

## Investigating “customer confidentiality”

In 2017 BankTrack initiated a project on banks and customer confidentiality, to critically explore the reasons banks often state that they are unable to comment on specific client relationships in their engagement with civil society. The problems and inconsistencies of this approach have come to the fore in the process of producing Human Rights Impact Briefings, for which banks have been questioned about their approach to implementing the UN Guiding Principles where human rights issues are caused by the impacts of specific bank clients. We plan to publish the briefing in mid-2018.

BankTrack’s Ryan Brightwell (second from right) presents at a roundtable on the Dutch Banking Sector Agreement at the Asser Institute, November 2017.



## CSO support by numbers

20 new Dodgy Deal profiles

20 CSOs given advice on campaign strategy

62 news items distributed for our work partners

249 CSOs joined our Equator Banks, Act! campaign

300+ new subscribers to our mailing list

710,000+ people signed the DeFundDAPL campaign

## Part three: Civil society support

Supporting civil society organisations (CSOs) and local communities in their advocacy towards banks is one of BankTrack's core strategies as a *tracking, campaigning and CSO support* organisation. We have an extensive set of tools in place to help CSOs that encounter banks in their advocacy work to achieve their goals in bank-focussed campaigning. Our toolbox includes training, campaign support and coordination, research, developing profiles and strengthening public outreach.

### Campaign support and coordination

BankTrack is able to support or provide coordination to CSOs to develop and carry out successful campaigns. Examples of this work in 2017 include our support for bank-focussed aspects of 350.org's campaign on the Trans Adriatic Pipeline; supporting the Deep Sea Mining Campaign in sending an investor briefing on Nautilus Minerals' plans to mine the sea floor off Papua New Guinea, supporting Accountability Counsel's work to raise the health impacts of the El Dorado International Airport in Colombia with its Equator Principles financiers, and co-signing letters to potential financiers of the Amazar Pulp and Saw Mill in Russia.

In addition, we initiated and coordinated the successful Equator Banks, Act! Campaign, initiated an open letter signed by 32 CSOs to the Thun Group of banks, and played a coordinating role in bank advocacy aspects of the campaign to "Defund DAPL", as detailed elsewhere in this report. BankTrack also supported a complaint together with Oxfam Novib, Greenpeace and Friends of the Earth Netherlands against ING for violation of OECD Guidelines relating to climate change. In total in 2017 we engaged in over 20 calls with CSOs to give advice on campaign strategy.

### Training

BankTrack provides campaigners with financial training. The BankTeach section of our website makes training courses available on topics including banks and coal, Finance for Campaigners (available in four languages), Human rights reporting and the Equator Principles. In October, we conducted webinar workshops on preventing bank finance for the coal industry, attended by more than 20 campaigners.

### Developing profiles

A Dodgy Deal profile on the BankTrack website acts as a high-level campaign platform to help increase the visibility of civil society campaigns. Dodgy Deal profiles are always linked to the profiles of banks financing them, helping to make information on "dodgy" bank deals widely available. BankTrack supports communities and CSOs to create profiles, and gives advice on how to best use the platform in campaign work. In 2017 we created 20 new profiles, as detailed on [page 9](#).

### Public outreach

We help campaigners spread the word about bank-focussed campaign work using our website, social media channels and our targeted mailing list, and aim to be a 'one-stop shop' for news from civil society on bank campaigning. Our mailing list, which now reaches over 3,375 people, includes journalists, analysts, campaigners and bankers. We distributed 62 news items on bank campaigns from other CSOs using these channels during 2017.

## About BankTrack

BankTrack is the international tracking, campaigning and civil society 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 CSOs focused on the financial sector, including multilateral and national development banks, export credit agencies, private and institutional investors.

Our mission is to promote fundamental changes in the operations of 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 2017/18 consisted of:

- Anne de Jonghe, Equator Principles campaigner
- Claire Hamlett, Climate campaigner
- Erik Janssen, Website coordinator
- Greig Aitken, Coal campaigner
- Ilse van Dijk, Volunteer
- Johan Frijns, Director
- Jonathan Schulz, Volunteer
- Karen Vermeer, Equator Principles & forest campaigner
- Naomi Geelen, Volunteer
- Raymon van Vught, Financial manager & graphic designer
- Ryan Brightwell, Editor & researcher
- Yann Louvel, Climate and energy campaign coordinator

#### BankTrack's board consists of:

- Chair: Michelle Chan
- Secretary: Michelle Medeiros
- Treasurer: Nina Roth
- Andreas Missbach
- Siddharth Akali

# Financial summary

## Income in 2017 (in euro)

### Grants

European Climate Foundation	84,046
The KR Foundation	106,732
The KR Foundation - urgewald	19,796
The Sierra Club Foundation	6,511
Olin Foundation	40,000
The Tilia Fund	116,984
<b>Total grants</b>	<b>374,069</b>

Interest on bank accounts	1,223
Partner contributions	2,797
Donations	440
Other	57
<b>Total other income</b>	<b>4,517</b>

<b>Total income 2017</b>	<b>378,586</b>
Total income 2016	369,689

## Expenditures in 2017 (in euro)

Staff	307,739
Secretariat	38,872
Work streams	39,406

<b>Total Expenditures 2017</b>	<b>386,017</b>
Total expenses 2016	368,576

<b>Added to reserves</b>	<b>-7,430</b>
Added to reserves 2016	1,113

The full financial report for 2017 can be found on [our website](#).



### Image credits

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### BankTrack

Vismarkt 15

6511 VJ Nijmegen

The Netherlands

[www.banktrack.org](http://www.banktrack.org)



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