This campaign guide was produced by Susi Snyder and Wilbert van der Zeijden of IKV Pax Christi as a companion piece to the 2013 Don’t Bank on the Bomb report.

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About IKV Pax Christi
IKV Pax Christi is the joint peace organization of the Dutch Interchurch Peace Council (IKV) and Pax Christi Netherlands. IKV Pax Christi works for peace, reconciliation and justice in the world. We join with people in conflict areas to work on a peaceful and democratic society. We enlist the aid of people in the Netherlands who, like IKV Pax Christi, want to work for political solutions to crises and armed conflicts. IKV Pax Christi combines knowledge, energy and people to attain its objectives. More information about IKV Pax Christi can be found at www.IKVPaxChristi.nl

About ICAN
ICAN is a global campaign coalition working to mobilize people in all countries to inspire, persuade and pressure their governments to initiate and support negotiations for a treaty banning nuclear weapons. ICAN is comprised of over 300 partner organisations in more than 80 countries. More information about ICAN can be found at www.ICANw.org

More information
For more information about this campaigners guide, to add your story and suggestions, or to share insights from your national and local efforts, please contact Susi Snyder at IKV Pax Christi- snyder@ikvpaxchristi.nl

For more information, latest updates and more on global efforts for nuclear weapons divestment and for copies of the Don’t Bank on the Bomb report, see www.DontBankontheBomb.com
This campaigner guide has been produced by IKV Pax Christi in conjunction with the 2013 Don't Bank on the Bomb report. In the report, you will find all the information on nuclear weapon producers, financial institutions and their investments as well as definitions. The report also contains background information on why financial institutions should divest from nuclear weapon producers. This guide is designed specifically to help those who want to campaign on a local or national level to reduce and eliminate financing for nuclear weapon producers. Much of the material in this campaigner guide has been adapted with permission from the campaigner materials published by the Stop Explosive Investments campaign which focuses on cluster munitions. To learn more about that campaign, please see their website http://stopexplosiveinvestments.org/.

The information in Don’t Bank on the Bomb focuses on changing the policies and practices of financial institutions in order to deny the companies the investments they need to make, test, maintain, modernise or trade nuclear weapons or their key components. As many of the nuclear weapon producers listed in the report are listed on stock exchanges they can be effective targets of divestment campaigns, including through shareholder actions. Even privately owned companies can be challenged by divestment campaigns, as banks can be persuaded to stop lending them money.

The Don’t Bank on the Bomb report is designed to provide information about the investment of financial institutions in nuclear weapon producers as well as financial institutions who have made a clear and definitive decision not to invest. It is important to become familiar with why these producers are listed and to remember that this is not an exhaustive list! It is also good to be aware of the various financial products different financial institutions offer. The definitions used in the report can be found in the introduction.

Why Campaign on Divestment?

Achievable. In recent years the financial industry has become increasingly aware of the importance of Socially Responsible Investment (SRI) practices. Since these SRI go beyond legal obligations, campaigners can demonstrate success for the cause before any legal international framework compels financial institutions to act.

Human connections. Often, nuclear weapons are just too distant of an idea for people to really wrap their brain around. But almost everybody has a bank account. By building a “not with my money!” feeling, we can encourage people to contact their banks or pension funds and take useful action to ban (investments) in the bomb. It brings the issue closer to people’s day to day life, with an opportunity for action.

Bring in new actors. This activity lets you reach out to financial institutions, ministries of finance, companies, ethical advisor firms— a whole new range of actors to generate and demonstrate whole of society support for a ban!

Non-partisan & a-political. Divestment efforts are not tied to one political party or political side of the spectrum. Divestment is a way to reach across party divides and build broad inclusive relationships in the campaign.

Stigmatizes the weapons. Divestment campaigns attract media attention and reopen societal discussions as to what is morally acceptable and what is not. Showing that there is less interest in financing the bomb shows that nuclear weapons are becoming increasingly less legitimate. This can help to sway politicians and civil servants and reactivate the debate about nuclear weapons in a different way.

Creating new norms. Once financial institutions change their policies to ban investment in nuclear weapons, they start developing new investment standards and norms. Financial institutions represent a huge influence on producers of nuclear weapons, and have the power to directly influence and engage with producers of nuclear weapons. Working with financial institutions is a powerful way to directly influence companies practices and demonstrate that nuclear weapons are not a feasible long term business interest.

Out of the box. This is not your normal disarmament campaign. By targeting financial institutions, you demonstrate a strategic and all inclusive approach to reach out to all actors to speak out against nuclear weapons.
Success in Sweden

When the first Don't Bank on the Bomb report was released in March 2012, we contacted the CEOs of all the Swedish banks identified in the report. We informed them about the findings and asked for a meeting. We also sent out a press release. Some newspapers wrote about the report and the involvement of the banks in nuclear weapons and soon enough, people started to confront the banks via their Facebook pages. This led to more people hearing about it and responding and for a while questions about nuclear weapons investments ranked top of the list on some of the banks Facebook pages.

After our emails and letters to the CEO’s of the banks, we were soon invited to meet with representatives of four banks to discuss the report. We went well prepared, with at least two people to the meetings. The banks were usually represented by two people as well, one financial expert and one person knowledgeable about sustainability. At times, it was hard to find the right way to talk with the financial experts. In those cases, the sustainability person was generally very useful. It helped, we noticed, if we brought someone knowledgeable about economics.

The very first banks that we met with claimed to have very recently divested from all nuclear weapon companies. This complicated things a bit for us, as we had been planning to spread the information as it was in the report. And we found out how hard it can be to check what banks say. We decided in the end to keep using the figures as they were in the report, trusting that the banks would correct us if they wanted.

We also held a round table discussion with investors. This was arranged with the Swedish Red Cross and Ethix SRI Advisors, a company that advises banks on ethical investments. There was also a representative of the Swedish MFA. It was great to have all these people there, but for a while we were also annoyed that nothing in the end seemed to change, apart from the extra attention in the media.

During the 2013 summer though, we learned that one of the four banks had decided to divest from nuclear weapons. A great success and we believe a direct result of our meeting and discussions.

Josefin Lind is the Information Manager at Swedish Physicians against Nuclear Weapons
Why Divest? A focus on Public and Media

Engaging the public
Divestment campaigns can be useful tools to engage members of the public. A number of previous divestment campaigns have been crucial in bringing about change. Almost every member of the public has a bank account or is part of a pension plan: Therefore, if their bank or pension fund is investing in nuclear weapon producers, so are they. Divestment campaigns are a way to bring an abstract issue such as nuclear disarmament back to personal decisions on where people put their own money.

There is increased awareness among the public about the way financial institutions behave and how they invest their money. This is a result of the financial crisis but also because more people are concerned about ethical investment in general. Most people would be shocked to know that their money is funding nuclear weapon producers.

Banks have a large customer base which means that campaigners have large numbers of potential campaign supporters. If enough people take action and express concern over their bank of pension fund investing in nuclear weapons, or if enough customers threaten to withdraw their funds and change their bank accounts, this can have a real impact a bank’s decision to divest from nuclear weapons producing companies.

Many of the ideas for campaign actions in this guide are inspired by others. Notably campaigners of the the Cluster Munition Coalition who successfully changed bank policies and practices on cluster bombs. Other ideas come from ICAN partners who are already actively engaged in changing financial institution policies on nuclear weapons. Divestment campaigns can be a cross cutting campaigning effort for a range of humanitarian disarmament initiatives, and a way to engage with new actors in your national civil society. Social media and networking are also useful ways to engage the public in campaign actions.

Engaging the media
The divestment campaign presents an interesting opportunity to engage financial and business media as well as political media, including radio, print media, journals and publications as well as online publications.

The financial crisis can also present an opportunity to highlight the implication of decisions that financial institutions make, which includes ethical decisions.

Engaging media through the angle of the divestment campaign can help to bring attention to other issues related to nuclear weapons. Securing media attention for your divestment campaign can have a real impact on pressuring financial institutions to divest: financial institutions do not want bad press. Media attention also affords campaigners an opportunity to commend those financial institutions that are divesting from nuclear weapons producers and create a positive “race to the top” amongst financial institutions.

Ideas for campaign actions

Public actions
Organise a public outside action outside banks and other financial institutions that are investing in nuclear weapons. Some examples:

In Australia
Campaigners dressed up as nuclear bombs and asked the Future Fund to divest from nuclear weapons. You can see a short film of their action here: http://youtu.be/FlwHIl-WBP0

In the Netherlands
Campaigners working with a national fair banking coalition (Eerlijke Bankwijzer) launched a nationally focused report and presented it to members of parliament and the public. IKV Pax Christi, as one of the Eerlijke Bankwijzer members also coordinated an opera, calling on banks to divest. You can watch the video of the opera here: http://youtu.be/dyJcObfkSSw

Letter and postcard actions
Mobilize organisations and supporters in your country to send letters to financial institutions that are investing in nuclear weapons and to the government. Template letters are available on the website at http://www.dontbankonthebomb.com/take-action-for-divestment/
**Media and networking**

Social media, networking, multimedia and blogging are useful tools to engage a broad audience and inspire people to take action in a quick and effective way. Tools such as Facebook, Twitter and YouTube can provide useful forums to share campaign messages and calls to action. These forums offer good opportunities to promote online email and web-based actions such as online petitions and email actions.

*Facebook* is useful for sending out links to online actions, short pieces of news and information as well as campaign messages. It can be sent out via groups and causes such as the existing International Campaign to Abolish Nuclear Weapons (ICAN) or by setting up new groups specifically on the divestment campaign in your country and recruiting supporters to it. Messages and actions can also be sent out to your friends on Facebook asking them to take part in an action or event.

*Twitter* is similar to a blog and can be used to send short campaign messages and news as well as links to actions (within the limit of 140 characters) to ‘followers’ of a particular twitter feed, such as ICAN’s #goodbyenukes twitter feed. It is helpful to also retweet useful items to your own followers from the ICAN twitter feed.

*YouTube* can be used to post short films about divestment and the nuclear weapons campaign to raise awareness and promote calls to action.

*Online and web-based* actions including petitions and email actions can be set up to target decision-makers in financial institutions and governments. Standard emails calling on banks and governments to divest from nuclear weapons can be set up online and promoted to hundreds or thousands of people to take the action within just a couple of minutes.

**Parliamentary action**

Parliamentarians can pass motions or resolutions and take action to call on the government to negotiate a treaty banning nuclear weapons. Parliamentarians can also be key supporters in national divestment campaign actions. They can ask questions in parliament, initiate parliamentary debates, table motions and lobby for legislation banning investment.

Parliamentarians often have twitter accounts and should be encouraged to retweet your messages, or tweet about their own activities in this issue.

**Press conferences and traditional media outreach**

Holding press conferences and reaching out to both financial and political media can help to get coverage of the divestment issue in your country. Securing media coverage of investments in and divestments from nuclear weapon producers has been an important tool for all campaigners who have organised divestment campaign actions.

**Cartoons**

Cartoonists have helped to raise awareness on nuclear weapons. It's a topic that can be effectively conveyed through the use of cartoons and helps to reach a wide audience. Cartoons can also summarise complex issues and encourage popular action.

**Op-ed pieces**

Opposite the Editorial is what "op-ed" stands for and they are generally pieces contributed to newspapers featuring opinions on issues the editorial staff find relevant to their readers. They also often contain responses to recent events. Often an op-ed has a better chance of getting published if it is authored by a prominent person. Consider preparing key talking points and then asking a local official (Mayor for Peace, Red Cross/Crescent leader, Member of Parliament, Ethical Bank, etc) to submit it together with you.
Lessons from other campaigners

Experiences of ICAN and Cluster Munition Coalition campaigners, offer some helpful lessons:

**Collaborate** with other NGOs also those who may not be in your traditional network. This is effective and efficient as each NGO brings complementary competencies to the campaign. It also strengthens your call for action when you show that you are representing a broad coalition.

**Seek out dialogue** and take advantage of opportunities to engage, including private discussions with the financial institutions. It can be helpful to have these conversations before launching a public campaign. The threat of the launch of a public campaign when private discussions do not lead to the expected results can be helpful in shifting policies.

**Give a clear schedule** with deadlines for financial institutions to deliver results. Consider using the upcoming meeting in Mexico, as a hook.

**Build up a good level of technical knowledge** of the internal workings and technical dimensions of banks, pension funds and insurance companies. This allows for a constructive dialogue on an equal footing. Campaigners don’t need to know every detail, but if a financial institution says that it cannot divest, remember that the burden of proof is on them to show why not (especially as others already have!)

**Maintain a clear focus** on your specific aims, such as divest from / stop financing nuclear weapon producers. Try not to mix your core message with broader complaints about or attacks on financial institutions. This will be appreciated by the financial institution you want to engage in dialogue and as such may help to achieve results for your campaign.

**Stay true to your principles** Financial institutions have to adopt an explicit policy of no investment in / no financing of nuclear weapon manufacturers. When you're speaking with them, combine your principled demand with a reasonable degree of flexibility and a realistic approach on the actual implementation of adopted policy. Implementing a policy takes time and financial institutions will appreciate your pragmatic approach.

**Be thorough** by making sure that 1) the policy adopted by banks and insurance companies covers proprietary as well as third party investment and, more generally, any form of financing, 2) that it becomes a public policy, among other things by being published on institution’s web site and 3) that it ends up being reflected in the institution’s internal rules or codes of conduct and therefore can be controlled by the internal auditors.

**Display public documents** by sending copies to be posted on www.dontbankonthebomb.com to increase transparency on the exchanges between NGOs and companies, as well as to raise awareness among the Corporate Social Responsibility community.
Campaigning on Nuclear Investments in Finland

Traditionally, ethical investment has not been very much in the publics eye in Finland. Since few years though, more attention has been given to the idea that investments are not only a way to generate more money but also a way to push positive changes in the world.

In 2008 and 2009, the Committee of 100 in Finland and the Finnish Peace Union published a series of stories about ethical investments in their joint magazine called Pax. The stories emphasised that – just like ethical consumerism – ethical investing deserved more attention in Finland.

In 2010, the Finnish peace research organisations Finnwatch and SaferGlobe published a groundbreaking report called "Pensions in Weapons". The report for the first time highlighted Finnish pension fund investments in the arms industry – including the nuclear arms industry.

The report spurned a public debate on the questionable ethics of pension funds and their investment policies. Special attention was given to the fact that it turned out that church organisations have been deeply involved in financing industries that according to many members would be ethically problematic.

Eeva Simola of FinnWatch made further investigations on institutional investments that was published in the Finnish Arms Export Report 2011. The result showed the stunning depth of institutional involvement in the arms industry and especially in nuclear weapon producing companies. This report led to a heated public debate on national regulations for ethical investments.

In 2012, the Committee of 100 and FinnWatch met with representatives of financial institutions. The message received from the investors was basically that it is difficult for corporate institutions to draw the exact lines on acceptable investments. An additional concern for them is that it is difficult for them to divest from the defence industry which has a great reputation in Finland. Divesting may be regarded by some as unpatriotic.

Most important, the financial institutions argued that they need policy makers and the public to tell them what the boundaries should be. As such, they have shown willingness to engage in more dialogue on clearer rules and guidelines for investments. Those – the institutions argued – would enable them to achieve the ultimate goal: To influence the behaviour of the companies themselves.

Eekku Aromaa is Secretary General of Committee of 100 in Finland and Jarmo Pykalà is researcher in SaferGlobe Finland
Why Divest? A Focus on Governments

Governments can set norms, negotiate international law and national legislation. Governments of States that have joined nuclear weapons free zone agreements, for example, have an important role in ensuring that financial institutions within their country are not investing in nuclear weapon producers.

What are we asking governments to do?
Nuclear weapons are the only weapons of mass destruction not yet prohibited by an international convention, even though they have the greatest destructive capacity of all weapons. A global ban on nuclear weapons is long overdue and can be achieved in the near future with enough public pressure and political leadership. A ban would not only make it illegal for nations to use or possess nuclear weapons; it would also help pave the way to their complete elimination. Nations committed to reaching the goal of abolition should begin negotiating a ban now.

Negotiate a ban on nuclear weapons
Negotiations on a treaty banning nuclear weapons should be undertaken by committed nations even without the participation of those armed with nuclear weapons. The alternative is to continue allowing the nuclear-armed nations to control the process and perpetuate two-tier systems and treaty regimes that have no power to compel disarmament. A nuclear weapons ban would globalize what nuclear-weapon-free zone treaties have done regionally. It would allow nations in any part of the world to formalize their rejection of nuclear weapons and help create a clear international legal norm against the possession of nuclear weapons. We are calling on governments to begin negotiations now on a treaty banning nuclear weapons.

International law obliges all nations to pursue in good faith and conclude negotiations for nuclear disarmament. However, the nuclear-armed nations have so far failed to present a clear road map to a nuclear weapon free world. All are investing heavily in the modernization of their nuclear forces, with the apparent intention of retaining them for many decades to come. Continued failure is not an option. So long as nuclear weapons exist, there is a real danger they will be used again. A ban is urgently needed.

States that have signed and ratified the nuclear Non Proliferation Treaty (NPT) as non nuclear weapon states have shown a moral and ethical commitment to bringing an end for all time to the harm caused by nuclear weapons. And all 190 states that have ratified the NPT have made a legally binding commitment. Therefore they should have both the political will and legal obligation to ensure that any activities carried out under their jurisdiction are not contravening the aims and purpose of the NPT by facilitating the production of nuclear weapons. Governments cannot afford to maintain double standards by opposing the use of nuclear weapons, while continuing to allow or even be directly involved in investing in nuclear weapon producers.
Our goal is to achieve a ban on nuclear weapons. Along the way, we can set the stage for future activities that will help eliminate nuclear weapons, and the financing that makes them possible.

**Interpret the prohibition on “assistance” to cover investments**

The NPT specifically obliges Non-Nuclear Weapons States “not to manufacture or otherwise acquire nuclear weapons or other nuclear explosive devices; and not to seek or receive any assistance in the manufacture of nuclear weapons or other nuclear explosive devices.” (Nuclear Non Proliferation Treaty, Article II). Many of the countries that are part of nuclear weapons free zone agreements have additional binding obligations not “to assist or encourage” the development or manufacture of nuclear weapons inside or outside the zone.

Whilst it is not explicitly stated, the prohibition on assisting in Article II of the nuclear Non Proliferation Treaty (NPT) could be read to prohibit investments in nuclear weapon producers. Providing financial assistance and financial services to companies producing nuclear weapons is a form of “assistance” going against the spirit of NPT article II.

States Parties to the nuclear Non Proliferation Treaty (NPT) should state that they interpret the treaty to prohibit investments in all nuclear weapon producers. States can do this by announcing it in public statements or at conferences on the treaty.

**Enact national legislation banning investments**

To be fully compliant with this interpretation of the NPT, and to ensure that any financial institutions based in that country do not invest in nuclear weapons producing companies, States should pass comprehensive legislation banning all investments in nuclear weapon producers. Legislation should:

- Explicitly prohibit the investments in the producers of nuclear weapons and/or key components for nuclear weapons and delivery systems. Basically it should forbid investment in any companies that produce key components for “an explosive device which employs nuclear fission or nuclear fusion to generate explosive force;”
- Explicitly ban investments in all activities of companies that produce nuclear weapons, as companies can reallocate general corporate funds to projects of their choosing.
- Cover investment by any financial institution within that country’s jurisdiction including both public and private funding;
- Include sanctions for those financial institutions that do not abide by this legislation;
- Have a comprehensive definition of the term ‘investment’ that encompasses all of the bank’s activities including commercial banking, investment banking and asset management, for both their own accounts and for third parties;
- Effectively cover all investments without any exception or other loophole;
- Include provisions on monitoring and implementing the policy.

**Who shall I target?**

**Government ministries**

Various government ministries can be targeted to lobby for a ban on nuclear weapons. In most countries the Ministry of Foreign Affairs is responsible for decisions related to the NPT. It is often the Ministry of Foreign Affairs that leads on negotiations and coordinates on this with other Ministries such as Defence.

Ministries of Finance and/or Economics can be involved as well, in legislation that has an impact on national financial regulations. Ministries of Justice and Ministries of the Interior can become involved in legislative procedures when decisions need to be made on implementation and monitoring of legislation.

With the ongoing financial crisis governments in many countries have accumulated shares in banks and other
financial institutions. Many financial institutions in the past few years have even become ‘nationalised’ – owned by the state. This creates an additional responsibility on the part of a government to ensure that any activity carried out by those companies does not contravene or undermine political responsibilities of the state.

**Members of parliament (MPs)**

In most countries parliamentarians have an important role in both influencing and enacting legislation. Many parliamentarians have been actively involved in supporting a comprehensive ban on nuclear weapons and working to get their governments to support the start of negotiations.

Members of parliament can
  * call on their governments to start negotiations on a treaty banning nuclear weapons.
  * ask parliamentary questions to get information about the government’s perspective and any government policy towards this.
  * call for national legislation on prohibiting investments .
  * put the issue on the agenda with financial institutions and can stimulate the creation of investment guidelines.
  * discuss and start initiatives to build support among other MPs in parliamentary committees.
  * table motions for parliamentary debates on the issue of investment in nuclear weapon producers which requires the government to formulate its position and provide a response.

**Government managed or owned financial institutions**

The 2008-2009 financial crisis and the following government bailout of financial institutions has changed the financial landscape. Many banks now have government shareholders. This creates a new situation with opportunities for governments to ensure that financial institutions abide by international conventions or laws which the government has signed. Governments can use their position as a shareholder to change the bank’s policy on nuclear weapons, ensuring none of the institution’s money is invested in producers of nuclear weapons. As such, they can lead the way in providing good examples to other financial institutions. To lobby for legislative initiatives that prohibit investments in producers of nuclear weapons is an effective method to stop investments in your country. Governments cannot afford to maintain double standards by opposing the use of nuclear weapons, while continuing to allow or even be directly involved in investing in nuclear weapon producers. The same can be said for cities that have, for example, joined Mayors for Peace and publicly support a nuclear weapons free world.

The Don’t Bank on the Bomb report shows some examples of governmental good practices: several government-managed pension funds are listed in the Runners-Up. In those cases, a country demonstrates its commitment to end the production of nuclear weapons by taking steps to prevent investment of government managed pension money in producers of nuclear weapons.

**How to respond to frequently heard reactions from governments**

These are some responses to the arguments most frequently heard by governments. You should also refer to the ‘frequently heard reactions by financial institutions’.

*It’s too early for a ban, we need to follow a step-by-step process*

The step-by-step process has been around since the 1950s. While it has encouraged some nuclear armed countries to bring down their total number of nuclear weapons, it has not yet delivered the nuclear weapons free world it promised. The prohibition of weapons typically precedes and stimulates their elimination, not the other way around. The ban treaty, once in force, would powerfully challenge any notion that possessing nuclear weapons is legitimate. Additionally, a ban treaty would facilitate the development of other treaties needed to maintain a world free of nuclear weapons- like prohibitions on building fissile materials, nuclear testing, and delivery systems. A ban can be negotiated now, even without the participation of all nuclear armed countries. Agreements relating to the verified dismantlement of nuclear warheads could be developed with the nuclear-armed nations at a later stage once they are ready to engage. But it is important to get the ball rolling now and put in place a clear legal ban. Once negotiations are under way, any nation – whether nuclear-free or not – would be welcome to join the negotiating process so long as it accepted the goal of concluding a ban treaty by an agreed date.
Nuclear weapons are not illegal for the recognised nuclear weapons states
Indeed, the NPT has specific provisions for countries that tested a nuclear weapon before 1967 as a nuclear weapons state. Nevertheless, these five countries (China, France, Russia, United Kingdom and United States) are still under an obligation to negotiation and eliminate their nuclear arsenals. Furthermore, the use of nuclear weapons is unlawful, because they are incapable of distinguishing between civilians and combatants, their effects cannot be controlled in time or space, and they cause superfluous injury and unnecessary suffering. The International Court of Justice has affirmed the illegality of the use of nuclear weapons. In a landmark advisory opinion in 1996, it held that “the use of nuclear weapons would generally be contrary to the rules of international law”, and reminded nations of their legal duty to disarm.2 In addition, the UN General Assembly has declared that the use of nuclear weapons would violate the UN Charter and constitute a crime against humanity.3 Governments cannot afford to maintain double standards by continuing to allow or even be directly involved in investing in nuclear weapon producers when their use is clearly outlawed and there is an international obligation to disarm.
We will do our best to ensure that we do not invest in nuclear weapons but it cannot be enshrined in legislation
The only way to ensure that funding the production of nuclear weapons is enforced and punishable by law is to draw up legislation specifically prohibiting investment in nuclear weapon producers. Experience from legislation banning investment in cluster munitions shows that it is possible.
Deciding whether investment in a nuclear weapon producer constitutes ‘assistance’ and contravenes the law will be established on a case-by-case basis
Governments should set clear guidelines for financial institutions to follow and implement, which means they do not need to check every new case. Clear guidelines make implementation of the law far more efficient. A black list is even more helpful.
Financial institutions need and benefit from clear guidelines laid down by their government. By drawing up national legislation governments are supporting the financial institutions that have already implemented a comprehensive policy and force other financial institutions to live up to the same high standard.
In cases where governments partially own financial institutions they have an even greater responsibility to ensure that these financial institutions are not undermining the goal of a nuclear weapons free world.
We can regulate the use of or own public funds, but we can’t or won’t prohibit private investments.
It is irresponsible and inconsistent to disinvest public funds but continue to allow private investors to breach these principles. To ensure that the ban on investments is comprehensive and far-reaching, legislation must cover all types of investments: public, private as well as that of local government including councils and municipalities. Governments can achieve this by enforcing adequate regulations and by publishing a list of the companies that produce nuclear weapons that is accessible to all investors.
Our government does not want to cause a ‘situation’ with the country that is producing nuclear weapons
Your government is legally obligated to “undertake effective measures in the direction of nuclear disarmament”. Compliance with this international agreement is ultimately to be prioritised over relations with individual states. Part of the NPT treaty obligations is to engage with countries that are still actively producing nuclear weapons and urge them to cease production and adhere to the global norm against nuclear weapons.
The clearest way to ensure that financial institutions in a country are not funding nuclear weapon producers is to determine which companies are producing nuclear weapons and to make this list publicly available so that financial institutions can ensure that they are fulfilling these requirements.
There is a risk that our government will be pursued by a producing company
Governments are often concerned about falsely accusing a company of producing nuclear weapons, damaging that company’s image which could result in being sued by that company. However, the financial institutions in this report that do use exclusion lists show that this can be done using objective criteria. There is extensive literature on nuclear weapons producing companies from which a government can start to draw its own definitions and exclusion clauses, including this report. In addition, there are consultancy companies that already help financial institutions and governments draw up exclusion lists based on objective criteria, updated regularly. Usually, governments would notify a company of pending exclusion, giving the company an opportunity to discuss its case in advance.
How to find out if your institution is investing in nuclear weapon producers?

A logical first step is to ask them directly. Unfortunately many banks, insurance companies and pension funds are not transparent about their investments. Some institutions will give clients the impression they invest in a responsible way by showing general business principles like the UN Principles of Responsible Investment or a Code of Conduct. Since there is often a difference between business principles and business practice, general answers cannot guarantee any certainty over their business practice.

The main problem is that financial institutions have been building up a wall of what they call ‘confidentiality’. The result is a lack of transparency and thus accountability.

This lack of transparency plays a role on different levels. You can ask specific questions regarding each level:

- The policy level: What is the investment policy in relation to the arms industry or nuclear weapon producers?
- The implementation level: If there is a policy; there should be clear information about the way the policy is implemented. How is an institution performing?
- The transaction level: Stakeholders should be able to find the names and details of the major transactions a financial intuition has carried out. What is this institution investing in?

5 Reasons Financial institutions should divest from nuclear weapon producers

1. Nuclear weapons are inhumane. Financial institutions can have their own opinion, and do have their own opinion when it comes to what is allowable for them, and their clients to invest in. Financial institutions can decide they just don’t like nuclear weapons.

2. There is a stigma attached to financing the bomb. No one wants to be known as a nuclear weapons investor, just as financial institutions don’t want to be known as investing in prostitution. There is no international law prohibiting it, but its just not something you want to be publicly associated with.

3. Consumers are going green. Around the world consumers are seeking ways to eco-label their activities, whether by purchasing fair trade products or shifting their investments towards socially responsible funds.

4. Nuclear weapons producers are financially neutral. For the most part, the return on investment from nuclear weapons producers is not significantly more or less than other industries and markets. There is no significant financial benefit, or loss, from divesting from these producers.

5. There exists a binding obligation to negotiate disarmament and eliminate arsenals. This obligation means that nuclear weapons production is not a viable long term industry.
Luckily, you can find a lot of the information you need in the Don't Bank on the Bomb report, at least for about 300 financial institutions. If you want to investigate institutions that are not in this report, it helps to have some basic understanding of the financial world and a lot of patience to go through a company's annual reports, announcements to stock market authorities, press releases, business newspapers and magazines, etc. Unfortunately, the information you are looking for is not available for free – you need to pay to get access to expensive databases and search machines.

**How to use Don't Bank on the Bomb to find out if your bank invests in nuclear weapons**

The Don't Bank on the Bomb report does not include all companies involved in all aspects of nuclear weapons nor does it include every single financial institution that holds shares or bonds of these companies. The report does list the financial institutions that are most heavily invested in nuclear weapon producers, and can be useful for your own campaign in the following ways:

1) Take a look at the ‘Hall of Shame’ section of the report and search for financial institutions active in your country. Even if the headquarters of a bank is not located in your country, as long as they have subsidiaries in your country it is worthwhile to target them in your campaign. Subsidiaries may not decide upon the policy of the whole group, but this does not mean that they can not influence policy in a positive way.

2) If the institution you want to target is not listed in this report, you may want to consider hiring a research company specialised in researching financial data. Like the company we used for this report: Profundo (http://www.profundonl/). They have access to all the necessary databases and experience in finding nuclear weapons investments specifically. You will need to pay them for their services though.

3) The banks listed in the ‘Runners-Up’ list might also be a good target. These financial institutions are on their way to be included in the ‘Hall of Fame’. Our experience is that most of them are very easy to approach and willing to engage in exchanges of views. They may be convinced to make the amendments to their policies and practices that will get them in the Hall of Fame of the next Don't Bank on the Bomb report.

4) Read the more detailed information on how the financial institutions you are targeting are investing in nuclear weapon producer(s), and which ones. Take a look in the producer list to learn more about the producing companies.

5) Take a look at the criteria used for the research. These criteria give you more information on how the research was carried out and will answer some questions you or others (financial institutions, media) may have.

6) Take a look at the ‘Hall of Fame’ to see which financial institutions have good policies on nuclear weapon producers. These policies are important examples for other financial institutions, and they are clear proof that ending financial involvement with nuclear weapon producers is possible. Policies that prohibit or limit investment in nuclear weapon producers are not limited to ethical banks alone- there are pension funds and mainstream banks and insurance companies with good policies as well!

**IMPORTANT**

It is important to look for all financial institutions active in your country, not only the ones which have their headquarters there. Campaigning efforts by other NGOs has shown that targeting subsidiaries can change policies of the whole group! For targeting a subsidiary in your country, it can be a good strategy to public awareness among the clients of the institution. But, as the policy is made on the group-level, it is important to communicate with the parent company headquarters directly. This means you should seek contact with persons responsible for the policies of the whole group. It is a good idea to put the persons responsible for the subsidiaries in copy of your communications so they are aware of your efforts and the issues you raise. This way, you involve the subsidiary in your action and you can pressure both sides: the subsidiary and the group.

If a financial institution is not listed in the Hall of Shame, it does not necessarily mean they are not investing in nuclear weapon producers. The Hall of Shame is a non exhaustive list. For the research in this report, we only look at investments in 27 nuclear weapons producing companies and only if the involvement is above a threshold of 0.50% for owning or managing assets of nuclear weapon producers. This means that the financial institutions which own or manage less than 0.50 % of assets of any of these 27 nuclear weapon producer are not listed. Also, it means that investments in other companies that may be involved in the production of nuclear weapons are not listed in this report. Extra research can reveal financial links not mentioned in this report.
The Don’t Bank on the Bomb report has given special attention to some public pension funds and sovereign wealth funds. These are particularly interesting because most of them are state owned. This becomes even more important when the Sovereign Wealth Funds (SWF) or Public Pension Funds (PPFs) home country has ratified a nuclear weapons free zone agreement. Moreover, SWFs and PPFs sometimes hold a substantial stake in the capital of companies. This gives them considerable voting power at annual meetings, and sometimes even one or more seats on the board of directors. If one of the listed funds is based in your country, this is a very interesting campaigning opportunity!

What are we asking financial institutions to do?

**Develop a comprehensive policy against investing in nuclear weapon producers**
Financial institutions should develop policies that exclude all financial links with companies involved in the production of nuclear weapons. Investment makes production possible. This means that no exceptions will be made for financial services on behalf of third parties, for funds that follow an index, for project finance for civil purpose of a company that is also involved in nuclear weapons, nor should it be a policy that only excludes project financing for nuclear weapons.
Inform the producer why they are divesting

Financial institutions should inform the producing company about the decision to end investments because of the company’s involvement with nuclear weapons. The financial institution can set clear deadlines within a limited time frame for the company to stop its activities related to the production of nuclear weapons, in order to reverse its decision to divest. In cases where a producing company continues its involvement in the production of nuclear weapons after the set deadline, the financial institution will have to divest until the producing company stops its involvement. New requests for investments will have to be declined therefore until the company has stopped all activities related to the production of nuclear weapons.

**Apply the divestment policy to all activities**
Financial institutions should apply their divestment policy to all their activities: commercial banking, investment banking and asset management. All of these activities actively assist a company in the production of nuclear weapons.
In case this requires a policy change for investment funds, investors should have a deadline to sell their participation in these funds after notification of this policy change.

Who shall I target?
Campaigning on financial institutions and their investment policies includes contacting and meeting with people who work for these banks. But banks and investors are often huge companies with thousands of employees. So who do you need to talk to?

**Try to climb as high as you can.**
Campaigning efforts are more effective if you are able to get in contact with members of the board of directors. If the board of directors gets involved in your topic, you are halfway there. Most of the time, it will be difficult to contact someone on the board of directors, so it is important to find people that are involved in the decision making process on policies relating to investments in nuclear weapon producers. Furthermore, the people you talk to should be in a position to influence internal company policies.

**A rule of thumb: talk to the people in charge of the policy.**
The best situation is to have a meeting with someone responsible for commercial banking, and someone responsible for asset management. Figure out what financial products the company offers (issuances, loans, asset management, etc) and meet with the persons responsible for all of these. It is important to find someone who is interested in the nuclear weapon issue and both willing and capable to influence internal company policies.

**Assess the situation with the bank that you are interacting with.**
Who you choose to talk to within the financial institution can have advantages and disadvantages for your campaign. Below are a few key departments and positions that you may want to consider targeting:

*Sustainability department*
Advantage: It will be easy to generate interest in the issue, and they know how to get sustainability or ethical issues on
the internal agenda of the company.

Disadvantage: in some cases, sustainability departments are more about influencing the perception of the public than about influencing the behaviour of the institution. If a sustainability department is part of – or can only be contacted via – the companies communication department, that is often not a good sign (see below).

**Investment managers**
Advantage: If you can convince investment managers to consider divestment, you are halfway there. Investment managers are usually keen to avoid limits to their investment practices.

Disadvantage: You will have to be able to enter into complex technical discussions about practical problems to implement a divestment policy on nuclear weapons.

**Communications department**
Advantages: This department is often the first to feel pressure caused by public campaigns. They take responsibility for any damage to the image of their company, and therefore may be susceptible to proposals that can help to protect or improve the company image.

Disadvantages: Often, communication departments know very little about sustainability. They are mostly concerned with the image of the company. Often their goal is to reduce and manage the harm that you could potentially bring to them. They often use the “don’t target us” message.

**How to respond to frequently heard reactions by financial institutions**
Financial institutions will use several arguments to convince their clients, and you as a campaigner, that they are committed to doing their best on the issue. Below you can find a few tips on how to react to their arguments and how to ask the right questions.

**Referring to general principles**
Banks often refer to general principles when asked to their involvement with weapons producers: The UN Principles of Responsible Investment, their Code of Conduct, the Equator Principles, the Sustainable Report, etc. These documents show the bank’s commitment to ethical financing. Yet, subscribing to codes of conduct or principles does not mean they are implemented in practice. These statements of intent are no guarantee for ethical investment. Asking how they implement this concretely can help to get a better understanding. Conducting research on their investment practice can provide you with hard evidence as to whether these principles are fully implemented or not.

**Corporate loans are not intended to finance nuclear weapons**
Banks sometimes dispute the applicability of their nuclear weapons policy to commercial banking services by stating that “a working capital facility is not intended to finance nuclear weapon production itself”. This means that their policy does not apply when they provide money for general corporate purposes. This is a major flaw, because a financial institution cannot guarantee that the financial services it provides to a company will not be used to produce nuclear weapons. It is common for weapons producers to finance their nuclear activities from their general corporate capital.

**Legislation Case Study:**
New Zealand Nuclear Free Zone, Disarmament, and Arms Control Act 1987

No person, who is a New Zealand citizen or a person ordinarily resident in New Zealand, and who is a servant or agent of the Crown, shall, beyond the New Zealand Nuclear Free Zone,—
(a) manufacture, acquire, or possess, or have control over, any nuclear explosive device; or
(b) aid, abet, or procure any person to manufacture, acquire, possess, or have control over any nuclear explosive device.

In legal terms ‘person’ means “1) a human being. 2) a corporation treated as having the rights and obligations of a person.” If you want to exclude corporations you would use the term ‘natural person’.

Thus the above clause applies to New Zealand state-owned enterprises operating/investing anywhere. This includes public funds and the State-owned bank.

There is no way to prevent a company from (legally) reallocating capital within a group. Adding stipulations to a general corporate loan prohibiting the companies’ use of the funds to prevent the loan from being used to produce nuclear weapons, or restricting the financing of a company to civilian projects, does not stop this money releasing other funds which could then be used to finance nuclear weapons production.

Moreover, we have rarely come across project financing identified specifically for nuclear weapons facilities. Excluding only project financing specifically for nuclear weapons is therefore a hollow excuse, nuclear weapon producers can work around these policies by saying the funds will be used for general corporate purposes - freeing up other money for nuclear weapons production. A company producing nuclear weapons with the potential to cause devastating humanitarian, environmental and developmental consequences should not be a business partner.

**Banks are neutral**

Some financial institutions argue that financing or investing is a neutral activity. They claim to be neutral, therefore not able to choose sides, and obligated to offer the services their clients ask for. Investing in a company is clearly an active and supportive effort to raise the capital that is needed to fulfil the plans this company has made. Any financial service delivered to a company by a financial institution demonstrates approval of the activities of that company. Moreover financial institutions provide crucial and necessary support to the company, so that it is able to carry out its projects. Investments are not neutral. In addition, it should be noted that prohibiting certain financial involvements is not something new or remarkable. Institutions are frequently bound by law to divest from companies that violate certain laws or regulations. For example regulations on child labour, environmental standards etc.

**Nuclear weapon production is a marginal activity of the company**

“Only 2% of the company’s turnover is related to the production of nuclear weapons”. The fact that it is only a marginal activity makes the company eligible for financial services and loans according to the policies of some financial institutions. But 2% of a company's turnover can be a huge amount of financial support depending on the size and overall turnover of the company. Most companies that produce nuclear weapons are also involved in civil projects so this argument will mean that the majority of nuclear weapon producing companies would be eligible for investment from financial institutions under this policy. There is no such thing as proportional ethics!
It is impossible to check which companies are nuclear weapon producers
Asset managers sell and buy shares and bonds in many companies and claim that they do not have the means to check quickly and cost effectively if these companies are nuclear weapon producers. Close cooperation and information sharing with financial institutions with comprehensive policies, NGOs and non-financial or Socially Responsible Investment (SRI) advisors can result in clear and updated lists of companies showing which companies produce nuclear weapons. National legislation which includes a black list of companies that is updated frequently is another solution to this problem.

The investments are made by subsidiaries, not by us.
It is important to look at the investments made by the group and the policy of the group. The investment policy is usually stipulated by the group. Revenues made by subsidiaries contribute to the revenue of the group. Moreover, it is difficult to control where money from the group is invested. In short, a banking group is responsible for the investments of all their subsidiaries. As a banking group always presents itself as a group in its communication to customers, it’s logical we look at them the same way.

The investments are for third parties, not for our own account
Several banks have a policy that only takes into account their own involvement, meaning that the policy only applies to the money a bank invests on its own behalf and does not apply to the money invested on behalf of its clients. This is a major flaw because a large amount of the money that a financial institution invests belongs to third parties.

It is also inconsistent for a financial institution to profit from selling investments in nuclear weapon producers to others, while not wanting to invest its own funds in nuclear weapon producers. By investing money that belongs to third parties banks facilitate the financing of producers of nuclear weapons.

Banks argue that they do not want to make ethical choices on behalf of their clients. This is a weak argument, considering that most banks refuse to be transparent about the companies they invest in. When a client is not informed about the companies a bank invests in, the client cannot make an informed choice.

We only allow investments by funds following an index
Most financial institutions make an exception for financial institutions following an index. These funds track a certain index and thereby invest in companies of this index. They argue that it is impossible to implement a divestment policy on these funds. Still, some financial institutions have a policy that follows index funds.

Bank secrets
“We are bound by a duty of confidentiality. We can’t publish the names of the companies we’re investing in”. The duty of confidentiality is a duty that banks impose on themselves. There is nobody who forbids the publication of the names of the companies they invest in. Banks like Triodos and ASN stipulate the publication right in their contracts with companies. Banks like ASN have made a specific commitment to transparency and publish a list of companies on their website. Moreover, for investment funds, there is an obligation to publish investments included in the fund.
We engage with companies

Financial institutions argue that engagement is a positive approach towards harmful companies, and financial institutions often claim that setting up a dialogue with the company provides an opportunity for change. It is difficult to check the effectiveness of this policy, as most of the time there is no transparency about efforts to engage, which means it is impossible to know whether and in what way the engagement procedure is going.

The difficulties with these procedures are:

- In general, it is not clearly stated how a company needs to change, and more importantly by what deadline.
- It is not always clear what the financial institution will do if a company does not change. Engaging with companies is fruitless without defined consequences if there is no change.
- Being an active shareholder has not until now changed much in the company’s policy. Active ownership of banks often does not go further than asking for the company’s sustainability report, asking for more general information and asking for independent governors. These actions are far from demanding good policy or ending the production of nuclear weapons, or from threatening to restrain their money if nothing changes.
- Engagement can be used as an excuse to continue investing in interesting business partners, which do not fit a bank’s policy on nuclear weapons.

We do not have a mandate from our clients

“Clients ask us to get the biggest revenue possible. They do not ask us to stop financing companies involved in nuclear weapons”. The reality of the situation is that banks decide where they invest their money, and since they are often not transparent about their investments, it is difficult for clients to know which companies are being financed. In reality, the majority of customers don’t want their money to be invested in producers of weapons of mass destruction. Financial institutions should implement transparent policies which enable customers to make an informed choice.

Referring to the person/committee responsible for implementing the policy

Having a person or committee responsible is a good sign. A good policy is still needed, since only comprehensive policies provide guidelines and procedures. Furthermore, implementing a policy is a way to be transparent to clients. Without a policy it is difficult to be accountable for your actions.

Clients have the option to choose sustainable products

Having a big supply of sustainable products does not restrain a bank from having investments in nuclear weapons. This argument means that a bank still considers investments in nuclear weapon producers as clean investments: a client can ask for nuclear weapon-free investments, but for the bank as a whole, it is still acceptable to invest in nuclear weapon producers. Even if the bank has sustainable products, that does not mean that those products do not invest in nuclear weapon producers, as they may not have clear and comprehensive policies either.

A lot of sustainable products invest in our institution

“Our institution is considered best in its class by several sustainable researchers”. This argument is not valid. Screening agencies of sustainable products often don’t set strong enough standards by the social, ecological and ethical components of the investment policy of the bank. The screening is mostly focused on the internal social and ecological policy of the bank for their own CO2 reduction, their staffing policy, etc. There are even some Socially Responsible Investment (SRI) products that don’t exclude investments in nuclear weapon producers at all.
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