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PAX strives to achieve the highest level of accuracy in reporting. However, at this point, there is still a marked lack of official information available in the public domain about the use, production, transfer and stockpiling of nuclear weapons, as well as about investments in companies that produce nuclear weapons. The information in this report therefore reflects official information available in the public domain known to PAX. We welcome comments, clarifications, and corrections from governments, companies, financial institutions and others, in the spirit of dialogue, and in the common search for accurate and reliable information. If you believe you have found an inaccuracy in our report, or if you can provide additional information, please contact us: snyder@paxforpeace.nl or vanderzeijden@paxforpeace.nl

Principal Authors

Susi Snyder (PAX, the Netherlands) & Wilbert van der Zeijden (PAX, the Netherlands)

Research by

Susi Snyder (PAX, the Netherlands)
Wilbert van der Zeijden (PAX, the Netherlands)
Suzanne Oosterwijk (PAX, the Netherlands)
Barbara Kuepper (Profundo, the Netherlands)
Michel Riemersma (Profundo, the Netherlands)
Joeri de Wilde (Profundo, the Netherlands)
Merel van Sommeren (Profundo, the Netherlands)
Ward Warmerdam (Profundo, the Netherlands)
Jan Willem van Gelder (Profundo, the Netherlands)

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About PAX

PAX means peace. Together with people in conflict areas and concerned citizens worldwide, PAX works to build just and peaceful societies across the globe. PAX brings together people who have the courage to stand for peace. Everyone who believes in peace can contribute. We believe that all these steps, whether small or large, truly matter and will contribute to a just and peaceful world.

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 more than 300 partner organisations in over 90 countries. More information about ICAN can be found at: www.ICANw.org

About Profundo

Profundo is an economic research consultancy analysing commodity chains, financial institutions and corporate social responsibility issues. It works predominantly for environmental, human rights and development organisations in the Netherlands and abroad. www.profundo.nl

More information can be found at : www.DontBankontheBomb.com

Introduction

Almost seventy years after the invention of nuclear weapons over 16,000 remain in the arsenals of nine countries.¹ These nine - China, France, India, Israel, North Korea (Democratic People's Republic of Korea), Pakistan, Russia, the UK and US, are planning to spend a staggering USD 100,000,000,000 or USD 100 billion per year to upgrade and maintain their arsenals.²

Just over one year ago, on 26 September 2013, the UN General Assembly held its first ever High Level Meeting to talk about nuclear weapons. Heads of State and Government from around the world spoke of the urgent need to outlaw and eliminate these weapons. Austria's Federal President, Heinz Fischer said clearly "*Nuclear weapons should be stigmatized, banned and eliminated before they abolish us.*"

This report demonstrates the growing global stigma around nuclear weapons. It profiles eight financial institutions that have already banned investments in nuclear weapons producers. These banks, pension funds and insurance companies are ready for a ban on nuclear weapons. The report also profiles another 27 financial institutions that have taken steps to stigmatise investments in nuclear weapons producers but have not yet fully divested. And, of course, the report names those financial institutions that still invest in companies that produces these weapons of mass destruction.

All of the nuclear armed countries involve government agencies in the maintenance and modernisation of their arsenals, but some countries also hire private companies to do some of that work. This report shows 28 companies heavily involved in maintaining and modernising the nuclear arsenals in France, India, Israel, the United Kingdom and the United States.

In the last few years there is a growing global understanding of the catastrophic humanitarian consequences of any use of nuclear weapons. An exchange of only 100 weapons could have catastrophic climatic consequences putting two billion of the world's most vulnerable people at risk of famine. This has reinforced the global taboo against use, but there remains a gap in international law wherein these weapons are not yet clearly illegal. Despite the books and studies that tell terrifying tales of accidents and near-misses, funds are allocated not for disarmament but for modernisation. Only those who possess nuclear arsenals can dismantle them, but the incentive to do so can be brought by others, including through negotiations on a treaty to ban nuclear weapons.

A ban treaty could be negotiated now, even without the participation of the nuclear armed states. It would clarify any questions about the legality of nuclear weapons, and could outlaw the use, development, production, stockpiling, transfer, acquisition, deployment, and financing of nuclear weapons, as well as assistance with these acts under any circumstances. History shows that such international prohibitions establish and codify norms among states to regard inhumane weapons as illegitimate. They lose their political status, and so do not continue attracting money and resources to be invested in their production, modernisation, proliferation, and perpetuation.

Don't Bank on the Bomb provides the information needed for anyone who wants to make sure their money does not support nuclear weapons. By providing information on the companies involved, the financial institutions investing and more, this report is a tool to assist with the stigmatisation of nuclear weapons facilitating their outlaw and elimination.

¹ Hans Kristensen, "Status of World Nuclear Forces" <http://fas.org/issues/nuclear-weapons/status-world-nuclear-forces/>. Last accessed 12 August 2014.

² Bruce Blair, "World Nuke Spending to Top \$1 Trillion Per Decade," Time, 4 June 2011, www.battleland.blogs.time.com/2011/06/04/world-nuke-spending-to-top-1-trillion-per-decade/; also see Bruce G. Blair and Matthew A. Brown, Global Zero Cost Study, June 2011, [www.globalzero.org/files/scott/Global Zero Cost Study, June 2011.pdf](http://www.globalzero.org/files/scott/Global%20Zero%20Cost%20Study,%20June%202011.pdf)

About this report

The Don't Bank on the Bomb reports raise awareness about the private financing of nuclear weapons producers. The series of reports, first published in 2012, have generated extensive media coverage in many countries, most notably in Canada, Germany, Italy, the Netherlands and Sweden where prime time television and radio programmes were using the report to question named financial institutions. The report also helps campaigners approach financial institutions to discuss the implications of their investment policies.

The 2013 report also inspired several financial institutions to revisit their investment policies to get out of the 'Hall of Shame' or into the 'Hall of Fame'. We hope, with this year's report, to further strengthen that trend and welcome all feedback or requests for information and advice.

Methodology

Research

The research on financial institutions and financial transactions for this report was commissioned by PAX to the Dutch economic research consultancy Profundo. Profundo is an economic research consultancy analysing commodity chains, financial institutions and corporate social responsibility issues. All research was done between March and September 2014. Profundo provided factual data including profiles of nuclear weapon producers and financial institutions and all raw data on transactions and investments. PAX is responsible for the interpretations of these data in this report.

Nuclear weapon producers

The nuclear weapon producers listed in this report are involved directly in the development, testing, production or maintenance of nuclear weapons related technology, parts, products or services. The company's involvement is related to warheads, or to specifically designed nuclear capable delivery systems such as missiles. This includes 'dual use' (military and civilian) technology but excludes technology that is not specifically designed for, but can be adapted or configured for use in nuclear warfare. The list of 28 selected nuclear weapons companies in this report is not exhaustive. The companies identified in this report are based in France, Germany, India, Italy, the Netherlands, the United Kingdom and the United States.

Financial Institutions

The research done for this report identified a total of 411 financial institutions that were found to be substantively involved in financing the 28 selected nuclear weapons producing companies since January 2011.

The financial institutions can be banks, pension funds, asset managers, insurance companies and others. Substantive involvement is formulated for this report as: providing corporate loans, project finance or working capital facilities; underwriting share or bond issuances; and (managing) investments in shares and bonds of the 28 selected producing companies. For 'substantive' holdings of bonds and shares, a threshold was set of 0.5% of all outstanding holdings. As a result, all financial institutions with only bonds or share holdings below 0.5% involvement are excluded from this report. It is important to take note of the fact that this threshold excludes many institutions. And while it allows us to focus on the 411 substantively involved institutions, it also means that the aggregate holdings of all financial institutions world wide are much larger than what this report examines.

Investment Policies

In the research phase of this report 58 financial institutions were examined which may have a specific nuclear weapons policy. Of these, 35 are included in this report. Financial institutions with a clear and comprehensive nuclear weapons exclusion policy are included in the "Hall of Fame", while financial institutions whose nuclear weapons policy is less strict or clear are included in the "Runners-Up" category.

The Hall of Fame criteria are defined as follows:

- The financial institution has published its policy and/or a summary of it in English;
- The policy excludes investments in nuclear weapon companies (withdrawing past investments and avoiding future investments)
- The policy has an 'all-in' comprehensive scope:
 - no exceptions for any types of nuclear weapon companies
 - no exceptions for any types of activities by nuclear weapon companies
 - no exceptions for any type of financing or investment by the financial institution
- The financial institution does not currently finance or invest in any of the nuclear weapons producing companies identified in this report

The Hall of Fame criteria are strictly applied. No financial institution in the Hall of Fame has any financial involvement in any of the nuclear weapons producers identified in this report.

Runners-Up have a policy in place that does not meet all of the above criteria. The Runners-Up category is quite broad. It includes financial institutions with weak policies, and institutions with very strong policies that meet almost, but not all, of the Hall of Fame criteria. Because financial institutions in the Runner-Up category have policies in place that are not fully comprehensive, they can appear both in the Runners-Up chapter for discussion of their policy and in the Hall of Shame chapter for their financial involvements in the producers.

All of the financial institutions in the Hall of Fame and Runners-up were contacted in April and May 2014 to fill in a standardised questionnaire about their nuclear weapons investment policy. Clarifying questions were asked in June and July. Responses allowed us make final decisions about placement in the Hall of Fame or Runners-Up.

More background information, updates and news on nuclear weapons, the producers and their financiers can be found on the DontBankOnTheBomb.com website.