

Belgium

2 Financial Institutions
made an estimated USD\$ 61 million
available to nuclear weapon producing companies since January 2014.

Introduction

This document contains country specific information from the 2018 Don't Bank on the Bomb update.

Hall of Fame and Runners-up include financial institutions with headquarters in the country that have published policies banning or limiting investment in nuclear weapons producers.

Hall of Shame are the financial institutions that have significant financing relationships with one or more of the nuclear weapons producers identified in the report.

Nuclear weapon producers this document includes a brief summary of the nuclear weapons related work of each of the identified producers. For more detail go to the www.DontBankOnTheBomb.com website.

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Hall of Fame

There are no financial institutions from Belgium in the Hall of Fame.

Runners-Up

Financial Institution	Excludes all producers	Excludes all activities	Applies policy to all financial products	No investments found
KBC				
VDK Spaarbank		✓		✓

KBC  (No stars)

KBC Group is a Belgian banking and insurance group focusing on retail, small and medium enterprises (SME) and midcap customers. It concentrates on its home markets of Belgium, Czech Republic, Slovak Republic, Hungary, Bulgaria and Ireland.¹ KBC serves over 11 million clients worldwide and had €213 billion in assets under management at the end of 2016.²

In 2016, KBC updated its Sustainability Policies and for the first time also referenced nuclear weapon producers in its credit and insurance. KBC's "Group Policy on Blacklisted Companies" explains that companies are blacklisted when they are involved with controversial weapons. Controversial weapons cover both weapon systems which are prohibited by international (and national) law and those for which there is a broad consensus that they should be banned.³ However, KBC also states that *"[a]lthough there might be some arguments to consider nuclear arms as controversial due to their indiscriminate effect and the likelihood of civilians being injured, nuclear weapons have a different character than other controversial weapons: ownership, production and proliferation are heavily regulated and monitored by the international community and are currently not fully banned by this international community."*⁴

Following from this, KBC excludes companies from investment when they produce, develop or maintain nuclear weapons for countries that are not member of NATO or the NPT. For other nuclear weapon companies, investments are still possible under the policy, although KBC requires a written confirmation that the credit provided will not be used for nuclear weapon related activities.⁵ In addition, companies involved in a joint venture that produces nuclear weapons are only excluded when they are majority shareholder.

The policy applies to all corporate banking and investment banking activities, including loans and underwriting. It also applies to most KBC asset management funds, but execution-only products and index funds are not covered by the policy.⁶

¹ KBC, "Our market position", *KBC website* (<https://www.kbc.com/en/belgium>), viewed 23 January 2018.

² KBC, "About Us", *KBC website* (<https://www.kbc.com/en/about-us>), viewed 23 January 2018; KBC, "Annual Report of KBC Group 2016", page 5, available at https://www.kbc.com/en/system/files/doc/investor-relations/Results/JVS_2016/JVS_2016_GRP_en.pdf, viewed 23 January 2018..

³ KBC, "KBC Group Policy on Blacklisted Companies", September 2016, page 1, *KBC website* (https://www.kbc.com/en/system/files/doc/sustainability-reponsability/FrameworkPolicies/CSD_KBCGroupPolicyonBlacklistedCompanies.pdf), viewed 23 January 2018.

⁴ KBC, "KBC Group Policy on Arms-Related Activities", September 2016, page 1, *KBC website* (https://www.kbc.com/en/system/files/doc/sustainability-reponsability/FrameworkPolicies/CSD_KBCGroupPolicyonArms-relatedActivities.pdf), viewed 23 January 2018.

⁵ KBC, "KBC Group Policy on Arms-Related Activities", September 2016, page 1, *KBC website* (https://www.kbc.com/en/system/files/doc/sustainability-reponsability/FrameworkPolicies/CSD_KBCGroupPolicyonArms-relatedActivities.pdf), viewed 23 January 2018.

⁶ KBC, written response to PAX, 21 December 2017; KBC, written response to PAX, 2 February 2018.

KBC uses a publicly available exclusion list to implement its policy. As of September 2017, almost 100 companies were excluded for involvement with controversial weapons.⁷

We commend KBC for having a nuclear weapon policy. We recommend KBC improve its policy to fully exclude all nuclear weapon producers. The policy should also cover all types of investments, including all types of asset management. We look forward to engaging with KBC, so a strong and comprehensively applied policy may be listed in the Hall of Fame in a future update of this report.

Website:
<https://www.kbc.com/en>

Twitter:
[@kbc_group](https://twitter.com/kbc_group)

VDK Spaarbank 

VDK Spaarbank is a Belgian savings bank with a focus on sustainability.⁸ As of the end of 2016, VDK held over €3.8 billion in assets on balance.⁹

VDK Spaarbank excludes the entire armaments industry from its investment universe including all types of nuclear weapons producers.¹⁰ However, companies involved in a joint venture producing nuclear weapons or key components thereof are not covered by the exclusion policy.¹¹

At this moment, the exclusion policy applies to all types of investments and services offered by VDK. However, the policy does not apply to investments and services by external asset managers. VDK does not actively terminate existing contracts.¹²

VDK follows the exclusion list of the Norwegian Government Pension Fund – Global. The exclusion list is not available on the VDK website.¹³

We commend VDK Spaarbank for adopting a public policy on nuclear weapons. We recommend VDK Spaarbank apply its policy to all financial products, including investments made by external asset managers. VDK should also exclude all nuclear weapons producing companies, including those involved in joint ventures. VDK should actively divest from existing contracts with nuclear weapons producing companies. We look forward to engaging with VDK Spaarbank, so a strong and comprehensively applied policy may be listed in the Hall of Fame in a future update of this report.

Website:
<https://www.vdk.be/>

Twitter:
[@VDKspaarbank](https://twitter.com/VDKspaarbank)

Facebook:
<https://www.facebook.com/VDKSpaarbank>

⁷ KBC, "Blacklist", September 2017, KBC website (https://www.kbc.com/en/system/files/doc/sustainability-reponsability/FrameworkPolicies/CSD_KBCBlacklist.pdf), viewed 23 January 2018.

⁸ VDK Spaarbank, "Visie, missie en beleid", website VDK (<https://www.vdk.be/over-vdk/visie-missie-en-beleid>), viewed 23 January 2018.

⁹ VDK Spaarbank, "Kerncijfers", website VDK (<https://www.vdk.be/over-vdk/kerncijfers>), viewed 23 January 2018.

¹⁰ VDK Spaarbank, "De policy van onze bank met betrekking tot financiering van controversiële activiteiten", website VDK (<https://www.vdk.be/over-vdk/duurzaam-bankieren/policy>), viewed 23 January 2018.

¹¹ VDK Spaarbank, written response to PAX dated 15 June 2015.

¹² VDK Spaarbank, written response to PAX dated 15 June 2015.

¹³ VDK Spaarbank, written response to PAX dated 15 June 2015.

Policy research methodology

To identify financial institutions with a policy on nuclear weapons, we research a variety of sources: NGO reports, screening-agency information, financial institutions' reports and websites, information from campaigners and other public sources. For practical reasons, the scope of this report is limited to those financial institutions that have an investment policy or a summary of that policy in English. The list of institutions in the Hall of Fame is therefore not exhaustive. We welcome additions from those able to provide them.

The financial institutions for which a nuclear weapons policy was actually found, were grouped in two categories. 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. This is not a comprehensive list, and others may exist in the country. To be included in the Hall of Fame, the nuclear weapons policy of the financial institution must meet the following criteria:

- The financial institution has published its policy and/or a summary of it;
- 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

Financial institutions whose nuclear weapon policy does not meet all of the above criteria are included in the "Runners-up" category. [For more on the report methodology, see the website.](#)

The Don't Bank on the Bomb project seeks to recognise all financial institutions with investment policies that explicitly mention nuclear weapons, even if some of these policies are not comprehensive. By naming investment in nuclear weapon producing companies as an issue of concern, even less effective policies recognise the stigma associated with these weapons of mass destruction, however, because of loopholes in some policies, some financial institutions may appear in both the Runners-up and Hall of Shame categories.

Hall of Shame

This section contains the results of our research into which financial institutions are financially involved with the nuclear weapon producing companies identified in the report. The financial institutions identified include banks, pension funds, insurance companies and asset managers. They have provided various types of financial services to nuclear weapon companies including loans, investment banking and asset management. For more detail on what types of financial services, please contact info@dontbankonthebomb.com.

All sources of financing provided since 1 January 2014 to the companies listed were analysed from annual reports, financial databases and other sources. The financial institutions which are most significantly involved¹⁴ in the financing of one or more nuclear weapon companies are shown here.

Figures presented are rounded up/down to the nearest dollar at the filing date. Commas (,) indicate thousands separators while periods (.) used as decimal points. All figures are in USD millions.

	Banque Degroof Petercam	KBC Group
Aecom		
Aerojet Rocketdyne		
Airbus Group		
BAE Systems		
Bechtel		
Boeing		
BWX Technologies		
CH2M Hill		
Fluor	16	
General Dynamics		
Honeywell International		
Huntington Ingalls Industries		
Jacobs Engineering		
Larsen & Toubro		
Lockheed Martin		
Northrop Grumman		
Orbital ATK		
Safran		
Serco		45
Thales		
Grand Total	\$ 16 Million	\$ 45 Million

¹⁴ Don't Bank on the Bomb defines significant involvement as providing loans, investment banking or holdings above a threshold of 0.5% of all outstanding shares or bonds.

Nuclear weapon producing companies

This report identifies 20 companies operating in France, India, the Netherlands, the United Kingdom and the United States that are significantly involved in maintaining and modernising the nuclear arsenals of France, India, the United Kingdom and the United States. **This is not an exhaustive list.** These companies are providing necessary components and infrastructure to develop, test, maintain and modernise nuclear weapons. The contracts these companies have with nuclear armed countries are for materials and services to keep nuclear weapons in their arsenals. In other nuclear-armed countries –Russia, China, Pakistan and North Korea – the maintenance and modernization of nuclear forces is carried out primarily or exclusively by government agencies. References and additional information is on the website, www.dontbankonthebomb.com

Aecom (USA)

Aecom is part of the group of companies managing US nuclear weapons laboratories and testing facilities, including those responsible for design and fabrication of electronic, mechanical and structural systems for nuclear weapons. Without Aecom, modernisations plans for the US nuclear arsenal would come to a halt. Aecom and its partners have been cited for substandard performance in recent years, and the US government cut the fees in recent years, citing "significant or 'First Degree' performance failure".

Aerojet Rocketdyne (USA)

Aerojet Rocketdyne, formerly known as GenCorp is involved in the design, development and production of land- and sea-based nuclear ballistic missile systems for the United States. It is currently producing propulsion systems for the Minuteman III and Trident II (D5) nuclear missile systems.

Airbus (The Netherlands)

Airbus is a Dutch company that produces and maintains submarine-launched nuclear missiles for the French navy (the M51.2), it is also developing the next generation submarine launched missiles, the M51.3. Airbus is a key member of the joint venture MBDA-Systems, which has contracts to extend the life of French ASMPA missiles through 2035. MBDA also has contracts for the new French missiles, the ASN4G.

BAE Systems (United Kingdom)

BAE Systems is involved in the nuclear weapons programmes of France, the UK and the US. It produces key components for Trident II (D5) missiles for the US and UK nuclear arsenals. It also produces US Minuteman III Intercontinental Ballistic Missile (ICBM) systems. BAE Systems is also part of the MBDA joint venture and provides nuclear armed air-to-surface missiles for France.

Bechtel (USA)

Bechtel manages the Los Alamos and Lawrence Livermore national laboratories in the US, which play an important role in the research, design, development and production of nuclear weapons. The US National Nuclear Security Administration has been repeatedly criticized for renewing these contracts despite significant performance issues. Bechtel is also involved in the production and refurbishment of US nuclear weapons at the Y-12 National Security Complex in Tennessee and the life extension programme for the W76 warheads deployed on Trident II (D5) ballistic missiles at the Pantex Plant in Texas.

Boeing (USA)

Boeing is contracted to help keep the Minuteman III nuclear intercontinental ballistic missiles operational in the US nuclear arsenal until 2030. Boeing will also be producing the new Ground Based Strategic Deterrent system for the US, designed to replace the Minuteman III system. Boeing is also producing the guided tail kit for the new B61-12 US nuclear gravity bomb (the ones meant to be deployed to Europe). In addition, Boeing also has contracts for key components for US and UK Trident II (D5) nuclear weapons.

BWX Technologies (USA)

BWX Technologies ("BWXT") formerly known as Babcock & Wilcox Company operates several US nuclear weapons facilities through joint ventures. These facilities including the Lawrence Livermore National Laboratory, Los Alamos National Laboratory, and Nevada National Security Site (NNSS), previously known as the Nevada Test Site, each of which are engaged in aspects of nuclear warhead modernisation for the US arsenal and have also provided data to UK nuclear labs. Along with other partners, BWXT was cited for substandard performance in recent years, and relevant US government agencies were criticized for renewing their contracts.

CH2M Hill (USA)

CH2M Hill is one of the joint venture partners operating the former nuclear weapons test site in the US (now called the Nevada National Security Site). The site continues to conduct nuclear weapons related experiments, sending data to both US and UK nuclear weapons laboratories. CH2M Hill was acquired by Jacobs Engineering in December 2017, information about CH2M Hill is included here for reference purposes.

Fluor (USA)

Fluor is the lead partner responsible for the management and operation of the US nuclear weapons facilities at Savannah River South Carolina. Fluor is responsible for managing the nuclear arsenal at the sites (Savannah River Site and Savannah River National Laboratory) among other tasks.

General Dynamics (USA)

General Dynamics holds numerous contracts related to the Trident II (D5) missile systems for the UK and US. It provides a range of engineering, development, and production activities to support to US and UK Trident II Strategic Weapons Systems. It is also involved in the guidance systems of the Trident II (D5) nuclear missiles of the US Navy.

Honeywell International (USA)

Honeywell International manages and operates the National Security Campus (formerly Kansas City Plant), which produces about 85% of the non-nuclear components for US nuclear weapons including electronic, mechanical and hardware components. Honeywell is also involved in managing other US nuclear weapon facilities including Savannah River, the National Nuclear Security Site (former test site), and the Sandia Lab. The work at Sandia includes the systems integration work connecting nuclear weapons to their delivery vehicles. Honeywell is also involved in producing key components for the Trident II (D5) nuclear missiles which comprise part of the UK and US arsenals.

Huntington Ingalls Industries (USA)

Huntington Ingalls Industries is involved in management of the US nuclear arsenal and related facilities, including tritium production at the Savannah River Site, the only source of new tritium for the US nuclear arsenal.

Jacobs Engineering (USA)

Jacobs Engineering Group is involved in the joint venture AWE-ML. They are The AWE is responsible for warhead maintenance for the UK's Trident II-nuclear arsenal. According to reports, the AWE facility is also developing a new warhead, the Mark 4A or Mk4A. The company is also part of the consortium responsible for the US nuclear weapons test site- Nevada National Security Site (NNSS) near Las Vegas.

Larsen & Toubro (India)

Larsen & Toubro is responsible for developing the launcher system for the nuclear-capable short-range surface-to-air Akash missile system for the Indian nuclear arsenal.

Lockheed Martin (USA)

Lockheed Martin is responsible for the construction of the Trident II (D5) nuclear missiles for the US and the UK. It is also involved in the production and maintenance of the Minuteman III nuclear intercontinental ballistic missiles for the US, and will now be developing the new Long Range Stand-Off (LRSO) missile. It is part of the team that manages the UK Atomic Weapons Establishment, that designs, manufactures and maintains nuclear warheads for the UK. It is also engaged in US nuclear weapons modernisation at the Pantex, Savannah River and Y-12 facilities.

Northrop Grumman (USA)

Northrop Grumman makes Intercontinental Ballistic Missiles (ICBM) for the US nuclear arsenal. It is currently involved the Minuteman III missiles, and will now be producing the new "Ground Based Strategic Deterrent" (GBSD) nuclear missiles. It also produces Trident II (D5) launcher subsystem components for the US and the UK. It is also partly responsible for the Nevada National Security Site (NNSS), previously known as the Nevada Test Site, which is engaged in aspects of nuclear warhead modernisation for the US arsenal and has also provided data to UK nuclear labs.

Orbital ATK (USA)

Orbital ATK (formerly known as ATK or Alliant Techsystems) produces rocket propulsion systems for Trident II (D5) submarine launched ballistic missiles for the US and UK nuclear arsenals. Orbital ATK is also responsible for the solid propellant stages of the Minuteman III Intercontinental Ballistic

Missile (ICBM) for the US and has a contract to produce components for the new "Ground Based Strategic Deterrent" (GBSD) nuclear missiles". It is also involved in the nuclear weapons facilities Y-12 and Pantex which are refurbishing nuclear weapons for the US arsenals. Northrop Grumman announced it will acquire Orbital ATK in the first half of 2018.

[Safran \(France\)](#)

Safran and Airbus together form ArianeGroup which is in charge of producing the solid rocket motors on the M51, the strategic ballistic missile in France's nuclear arsenal. The M51 carries multiple warheads and is replacing the M45.

[Serco \(United Kingdom\)](#)

Serco is part of the joint venture AWE-ML, which runs the UK Atomic Weapons Establishment. It is responsible for manufacturing and maintaining the nuclear warheads for UK arsenal. It is also involved in the development of an entirely new warhead, the Mark 4A or Mk4A which reportedly commenced without formally notifying the UK parliament.

[Thales \(France\)](#)

Thales is working alongside the French government to modernise the M51.3 nuclear ballistic missiles and keep the ability to launch them from submarines. It has also been directly involved in production of the French M51 nuclear missile.