

Background information

IKV Pax Christi (the Netherlands) and Netwerk Vlaanderen (Belgium) published a report in October 2009 entitled “Worldwide Investments in Cluster Munitions: a Shared Responsibility”. The report presented state-of-the-art information on financial institutions’ investment in companies that develop or produce cluster munitions, on financial institutions disinvesting from producers of cluster munitions and on legislative measures to prohibit investment in cluster munitions. The report was updated in April 2010 and can be found here: <http://www.stopexplosiveinvestments.org/report>.

The financial institutions that invest in producers of cluster munitions are listed in the Hall of Shame. This Hall of Shame is not an exhaustive list of financial institutions with investments in cluster munitions producers. Besides the fact that this is due to a marked lack of transparency in the public domain about financial institution’s investments, we also applied different thresholds to different companies for investment in shares and bonds. Due to the different shareholding structure in the various companies,¹ we chose a 0.1% floor limit for Hanwha Corporation, Poongsan and Singapore Technologies Engineering and 1% limit for ATK, L-3 Communications, Lockheed and Textron. This threshold is a pragmatic tool designed for the report. To mention all the financial institutions was beyond the scope of the report.

Since it is interesting for campaigners to see all the financial institutions that own or manage shares or bonds of producers of cluster munitions, and not only those above a certain percentage threshold, we are providing this information in a separate spreadsheet.²

It is important to note that the ownership/management of shares and bonds changes rapidly, because FIs trade in these. We therefore include all the filing dates. The only way to make sure whether the bonds and/or shares are still managed and/or owned by financial institutions today is by contacting the FIs directly to ask. If a financial institution states they have sold the share(s) or bond(s), it is good to check whether this is due to a (new) policy. If it’s not due to their policy, the identified share(s) or bond(s) are still relevant information to use in your campaign.

How to look at the spreadsheet

What does it mean when a financial institution is included in this spreadsheet?

When a financial institutions is mentioned in this spreadsheet it means that we found that as of March 2010 these FI’s owned or managed shares or bonds of one or more of the 7 companies we identified as cluster munitions producers. Please see the report for our definition of a cluster munitions producer, and our criteria for being included in our red flag list of producers.

¹ Asian companies seem to have a few large (local) shareholders and a group of foreign shareholders with less than 1% That’s why we lowered the threshold for Hanwha, Poongsan and Singapore Technologies Engineering.

² The research on the financial links is conducted by Dutch research company Profundo.

How can I filter the information by country?

Go to the cell “country parent”. Click on the ▼ symbol in the right bottom of the cell. Deselect “select all” and select your country of interest. You will now get a list of financial countries coming from that country only. You can select as many countries as you like.

What is a possible explanation for appearance in this spreadsheet?

There are three main explanations why a financial institution is mentioned in this spreadsheet:

- 1 The financial institution does not have an exclusion policy on cluster munitions and therefore invests in cluster munitions producers.
- 2 The financial institution does have an exclusion policy, but it contains certain loopholes and therefore it is still possible it is investing in cluster munitions producers.
- 3 The financial institution has a comprehensive divestment policy for cluster munitions producers, but full implementation of the policy is lacking.

How to take action?

To find out which explanation applies to what financial institution, you can contact the financial institution and ask them. You can ask them whether the bonds and/or shares are still managed or owned by them, and if so which of the above explanations applies to them. A template letter is available on www.netwerkvlaanderen.be/en/clustermunitions.

For more information on how to campaign on divestment, see [the CMC campaigners guide](#) or www.stopexplosiveinvestments.org.

If you have any questions on the spreadsheet, please contact: Roos Boer (boer@ikvpaxchristi.nl) or Esther Vandebroucke (esther.vandebroucke@netwerkvlaanderen.be)

IKV Pax Christi and Netwerk Vlaanderen have strived to achieve the highest level of accuracy in our 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 cluster munitions, as well as about investments in companies that produce cluster munitions. The information in this spreadsheet reflects official information available in the public domain. We welcome comments, clarifications, and corrections from companies, financial institutions and others, in the spirit of dialogue, and in the common search for accurate and reliable information on an important subject. If you believe you have found an inaccuracy or if you can provide additional information, please contact us at info@ikvpaxchristi.nl