

BANKTRACK

HOW BANKS CONTRIBUTE TO HUMAN RIGHTS VIOLATIONS: RESPONSES TO THE BUSINESS & HUMAN RIGHTS RESOURCE CENTRE

FEBRUARY 2018

The Business & Human Rights Resource Centre has sought responses from many of the banks and companies mentioned in BankTrack's December 2017 paper, "[How banks contribute to human rights abuses](#)". BankTrack has compiled those responses in full below for reference. Texts in italics indicates the cases to which the responses refer, or indicate where no response was given.

These responses are also available on the Business & Human Rights Resource Centre website, [here](#).

CONTENTS

RESPONSES FROM BANKS	3
ANZ	3
BPCE GROUP	5
BNP PARIBAS	5
CITI	6
CREDIT SUISSE	8
HSBC	8
MIZUHO BANK	9
MORGAN STANLEY	10
ROYAL BANK OF CANADA	10
TD BANK	11
WELLS FARGO	13
NON-RESPONSES FROM BANKS	13
BANK OF AMERICA	13
BANK OF CHINA	13
BBVA	13
GOLDMAN SACHS	13
JP MORGAN CHASE	14
MITSUBISHI UFJ	14
SUMITOMO MITSUI	14
VTB BANK	14
RESPONSES FROM COMPANIES	14
DRUMMOND LTD.	14
NON-RESPONSES FROM COMPANIES	16
HANWHA	16
NORINCO	16
ORBITAL ATK	16
POONGSAN	16

RESPONSES FROM BANKS

Text in italics indicates on which cases banks have provided a response, as well as indicating where no response was given.

ANZ

ANZ response on case 4, 'Phnom Penh Sugar, Cambodia'. [Download response here.](#)

Thank you for giving ANZ the opportunity to respond to the matters raised by BankTrack in its recent report dated December 2017. Given there have been a number of developments since you last wrote to us in 2014 regarding this matter, we have included in this letter an update on our approach to human rights, including our recent review of our standards.

ANZ human rights standards review in 2016

In 2016 we conducted a comprehensive review of ANZ's human rights standards, including detailed consideration of the matters raised by NGOs Oxfam, Equitable Cambodia (EC) and Inclusive Development International (IDI), and other stakeholders in relation to our customer relationships, including our former customer, Phnom Penh Sugar Co (PPS).

In October 2016 we issued a revised set of human rights standards, which were upgraded in several key areas, including:

- Confirming our 'zero tolerance' for improper land acquisition (incorporated in a public 'ANZ land acquisition position statement')
- Committing to considering remediation processes if we identify we have caused or contributed to adverse impacts, or are linked to adverse human rights impacts via our products and services
- Confirming our expectation that our customers resolve issues identified where they are associated with adverse human rights impacts
- Supporting our business partners to align to these standards, eg clarifying our expectation that our business partners provide a fair and safe working environment, including following our approach to 'no tolerance' for child labour.

Land acquisition position statement

As a general principle, our upgraded stance on land acquisition means we will support customers who manage their land use in line with international standards for good governance, including respecting rights of indigenous peoples and vulnerable groups. This includes respecting land tenure rights through appropriate negotiation and the right to free, prior and informed consent of affected stakeholders where applicable under the Equator Principles. Implementing best practices to address grievances and disputes is also an important part of our approach.

We will not tolerate land acquisitions by our customers that we consider to be improper, including those:

- that are illegal under local laws (such as acquisitions obtained by inappropriate force, or that deny normal or customary access to landholders or land users)
- where our customers do not follow land acquisition or involuntary resettlement processes in line with international standards, such as the IFC Performance Standards

- that are subject to the Equator Principles, and where the land acquisition process followed is not consistent with the Equator Principles and IFC Performance Standards, including the right to free, prior and informed consent where it applies.

We have since applied our upgraded standards to situations that involve land acquisition and displacement. In one example, before providing financing, we sought and received appropriate assurances from the customer via an independent assessment that the customer's process for completing the land acquisition meets our standards. Here there was a clear and time-bound commitment to an appropriate process, including access to appropriate grievance mechanisms to help resolve matters raised by community members.

We believe the standards we have adopted are appropriate and help to provide important protections for communities that may be affected by potential land displacement. We will progressively implement our upgraded standards, so that customers whose operations include significant land acquisition can verify to ANZ that their operations avoid improper land acquisition, particularly in emerging economies.

Where customer practices are identified that may not be consistent with our standards, we engage with the customer to understand the circumstances and, where necessary, identify specific and time-bound improvement plans. We seek to use our leverage to influence change, and in some cases, this process will take time. If prospective customers do not meet our standards and following engagement are not willing to adapt their practices in an appropriate timeframe, we will decline financing.

Implementing our standards, including improved due diligence

We have established a three year program of work to guide implementation of our revised standards. Implementation of key priorities is well progressed:

- We have updated the social and environmental screening tool used by our bankers to include our 'zero tolerance for land grabs' commitment
- In 2017 we piloted a strengthened due diligence processes in Thailand, with the aim of extending this to further locations across the Group. The strengthened due diligence provides examples of human rights issues that can arise in specific sectors or activities, and suggested questions to aid discussions with our customers
- We are also reviewing and updating our training programs to reflect our revised standards. In 2015/16, over 390 Institutional and Corporate Bankers completed an in-depth, facilitator-led Social and Environmental Banking training course. The training was delivered in various locations in Asia (China, Vietnam, Cambodia, Singapore, Hong Kong) and Australia. Further, all ANZ holders of a 'credit approval discretion' (eg authority to ultimately approve any lending and customer on-boarding) must complete our online Social and Environmental Risk training course – including passing an assessment. Almost 2,500 employees have completed this foundation course since 2015.

ANZ is also working with the Global Compact Network Australia, as a member of its Human Rights Leadership Group, to consider opportunities to engage with civil society and other stakeholders to discuss the challenges when applying human rights due diligence to our customers, and the mismatch often existing between some stakeholder expectations around leverage and the reality in practice.

Phnom Penh Sugar Company

In relation to our former customer Phnom Penh Sugar, we understand and respect that NGOs will continue to campaign in relation to their grievances. We did seek to influence change in this case and regret that we were not able to make more progress.

Ultimately, the core of the dispute relates to land ownership, use and resettlement; these are matters which have been and are the subject of national political debate in Cambodia. These are issues that in regard to PPS can only be resolved by all parties working together and through the Cambodian Government-led process that is examining land displacement.

In this regard, we note media reports in May and August 2016 that the company has reached a settlement with a number of the families in Kampong Speu province regarding compensation – with reports indicating over 350 families were offered packages of between USD \$500 and \$10,000.

More recently, it was reported in the Cambodia Daily on 31 August 2017 that the Land Management Ministry was establishing a working group to find a solution for villagers in the provinces of Koh Kong, Kampong Speu and Preah Vihear. Officials from Land Management departments in these three provinces were responsible for collecting the identities of people and locations of the disputed land to help solve the conflict between communities and sugar companies.

BPCE GROUP

BPCE Group responded on case 6, 'Finance for cluster munitions, International'. [Download the response here.](#)

“We acknowledge the information you share in your report on our affiliates holding in Textron but note however that this company announced in August 2016 that it was discontinuing its Sensor-Fuzed-Weapon production which came to an end in Q1 2017.

We also confirm that BPCE and Natixis strictly apply the policy that was published in 2009, committing to not finance or invest in businesses involved in manufacturing, selling or storing anti-personnel mines or cluster munitions.

The policy applies to commercial banking and investments made on our own account, and the third-party investments made by French asset manager Natixis Asset Management. The exclusion policy applies to all advisory services, all discretionary mandates, all actively managed funds and all passively managed funds.

However, the policy does not apply to all investments managed by its United States-based asset managers, where BPCE and Natixis cannot unilaterally enforce their policy, since the United States have still not signed the Oslo Convention on Cluster Munitions.

Considering the ethical problem caused by such investments, we however continue our dialogue with the American affiliates to raise awareness on this subject, with the objective to enforce BPCE/Natixis arms sector policy in all our activities.”

BNP PARIBAS

BNP Paribas responded on case 5, 'Drummond and paramilitary violence, Colombia'. [Download the response here.](#)

We thank you for giving us the opportunity to comment BankTrack’s report on “How Banks Contribute to Human Rights Violations” ahead of your “Weekly Update” newsletter. We welcome this initiative favorably and have read BankTrack’s report very attentively.

We would like to draw your attention on some key elements regarding those allegations. With regard to the activities of US coal company Drummond Corporation Inc., we are not in a position to further comment since BNP Paribas does not finance nor invest in this company.

Indeed, BNP Paribas commits to financing the economy in an ethical manner and wants to have a positive impact on society. To this end, BNP Paribas has expanded its requirements beyond those of the mandatory legal framework and has voluntarily adopted specific investment and financing policies, including in the “Mining industry”: https://group.bnpparibas/uploads/file/csr_sector_policy_mining.pdf

Please read BNP Paribas’ Registration Document (Chapter 7) for more information on the Group’s Corporate Social Responsibility: <https://invest.bnpparibas.com/sites/default/files/documents/ddr2015eng.pdf>

And BNP Paribas’ Statement on Human Rights for more information on the Group’s Human Rights policy: https://group.bnpparibas/uploads/file/uk_declaration_bnp_sur_droit_de_l_homme.pdf

CITI

Citi’s responded on case 5, ‘Drummond and paramilitary violence, Colombia’ and case 6 ‘Finance for cluster munitions, International’. [Download the response here.](#)

Thank you for your inquiry regarding Banktrack’s recent report and the opportunity to comment on it.

Policy Commitment

Our engagement in assessing and addressing human rights risks dates back over a decade. We have had a public commitment to respect human rights since 2007, when Citi became the first major U.S. based bank to issue a Statement on Human Rights, which we updated in 2014. In the Statement, Citi publicly states its support for the key international human rights instruments, including the Universal Declaration on Human Rights, the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights. The Statement provides a summary of our policies and practices that help us fulfill our corporate responsibility to respect human rights across Citi’s value chain, to our employees, suppliers, clients and communities, and countries where we do business. Prior to publishing the updated Statement in 2014, we engaged with several external human rights experts on the update and incorporated much of the feedback they provided. In addition, we are the only U.S. bank participant in the UN Global Compact, and in 2016 we became the first U.S. bank to develop our human rights reporting in alignment with the Guiding Principles Reporting Framework put out by Shift.

Due Diligence

Processes Human rights plays a critical role in our broader approach to environmental and social risk management. Before making a financing decision, we assess the potential impacts and work with our clients to apply a clearly defined set of environmentally and socially responsible policies consistent with leading international standards and good practice. These policies are encompassed by Citi’s [Environmental and Social Risk Management \(ESRM\) Policy](#), which is embedded in our credit and risk policies and applies to all business units within the firm with the objective of ensuring that we effectively assess and manage environmental and social risk associated with our client transactions. The ESRM Policy is a continually evolving product of our long history of founding and adopting industry-leading sustainability initiatives, including co-founding the Equator Principles (EPs) in 2003.

The Policy has several Areas of High Caution, including human rights risk, which trigger enhanced due diligence by the ESRM team. The policy also contains explicit prohibitions of direct or indirect financing of forced labor or child labor and contains several sector standards for certain industries that require enhanced due diligence. The chart at this [link](#) explains our due diligence process in more detail.

In addition to implementation of our ESRM Policy for covered transactions, which include projectspecific lending or transactions with a known use of proceeds, we also analyze our clients’ overall track record for environmental and social risk management to enhance our ability to proactively identify possible risks. In

addition to the implementation of our ESRM Policy for covered transactions with a known use of proceeds, we have also initiated a process to assess our clients' overall environmental and social performance, using third-party ESG data inputs, to help us identify possible risks.

Please see below for further information regarding the two issues you raised in your communication to us.

Allegations against Drummond

Citi has previously communicated with Banktrack on this issue, as noted on its website. Our previous response detailed our extensive due diligence of the company, which included engagement on these issues. In our letter to Banktrack in April 2016, we stated:

Prior to participating in the loan issued to Drummond in 2010, Citi's specialized ESRM team conducted due diligence on the company, including their Colombia asset, and specifically on the issues related to the civil suit against Drummond that followed the Alien Tort Claims Act lawsuit filed in 2002 in Alabama. Citi engaged directly with the company to gain a better understanding of the following issues:

- Regulatory compliance
- Performance benchmarked against the IFC Performance Standards, which covers human rights issues such as labor rights, stakeholder engagement, and grievance mechanisms
- Internal controls, including payments to vendors
- Security management in Colombia benchmarked against the Voluntary Principles on Security and Human Rights

Transactions screened by the ESRM team, including the 2010 loan to Drummond, which have potential human rights issues are tracked in a database and tagged if they involve resettlement, impacts to indigenous peoples, labor rights, or security risks. If a transaction proceeds, Citi continues to engage the company on ESRM issues and only gives final approval if we determine human rights risks are adequately managed.

In our engagement with Drummond, Citi has received and reviewed numerous documents related to the allegations, as well as information about their human rights policy, management plans to proactively engage local communities, and grievance mechanisms. Drummond also adheres to the Voluntary Principles on Security and Human Rights, an area Citi raised in its initial due diligence in 2010.

Discussions with our client continue to focus on how they are engaging with the communities on the ground, and we will continue to assess their engagement as the situation evolves, including efforts at addressing historic injustices through the government-led peace process.

Cluster Munitions

As part of Citi's Military Equipment policy and risk approach, direct financing and/or facilitating of lethal military equipment, including cluster munitions, is generally prohibited. The financing and/or facilitating of military equipment that potentially could have a lethal use is required to be escalated and obtain senior risk approval. We appreciate the opportunity to share with you and other stakeholders the efforts we have made to respond to these concerns, including our engagement with our clients on these issues.

We appreciate the opportunity to share with you and other stakeholders the efforts we have made to respond to these concerns, including our engagement with our clients on these issues.

CREDIT SUISSE

Credit Suisse's responded on case 8, 'Secret loans scandal, Mozambique'. [Download the response here.](#)

Credit Suisse takes the matters raised in this case study seriously and is cooperating fully with ongoing investigations into the Mozambique financings. While the current investigations remain on-going, the bank is not in a position to comment on the case study. We can, however, confirm that Credit Suisse maintains policies and procedures globally, including in the United Kingdom, to ensure compliance with applicable laws.

HSBC

HSBC responded on case 5, 'Drummond and paramilitary violence, Colombia'. [Download the response here.](#)

Thank you for inviting us to comment on the December 2017 BankTrack briefing paper, How banks contribute to human rights abuses, which we read with interest. You asked us specifically to comment on the two issues of cluster munitions and alleged human rights abuses in Colombia.

Cluster Munitions

In 2000, HSBC decided to withdraw progressively from financing the manufacture and sale of weapons. Our policy specifies that the "financial services covered by the policy include lending, other forms of financial assistance such as bonds or guarantees, debt and equity capital markets activities, advisory work, insurance and investments where HSBC acts as a principal investor. The policy applies to the defence equipment sector, which consists of businesses manufacturing, selling or purchasing weapons, and/or related products and services, for either defensive or offensive purposes." This policy remains in force and is available on our website.

In February 2010 we updated the policy specifically to exclude business with companies with any involvement with cluster bombs or anti-personnel mines. Being regarded by our broad range of stakeholders as responsible and aware is important to us, and we were assisted in this policy review by discussions with both Amnesty International and the Cluster Munition Coalition.

Our asset management business has further updated its position on cluster munitions and anti-personnel mines: "HSBC Global Asset Management has excluded investment in companies linked to the use, development, manufacturing, stockpiling, transfer or trade of cluster munitions, anti-personnel mines and depleted uranium from all its active fundamental equity and fixed income strategies since 2010. In 2016 we extended this exclusion to our index and active systematic strategies."

Colombia

As both BankTrack and the BHRRC are aware, HSBC does not and cannot discuss individual customers, nor do we confirm whether an individual or business is or has been a customer, for reasons of client confidentiality. I am therefore unable to discuss any of the specific companies considered in BankTrack's briefing or in your letter.

HSBC does take human rights issues seriously and our Mining and Metals policy has made reference to human rights impacts since 2007. In 2017 we revised this policy (available on our website) and it explicitly states that our global business must undertake additional due diligence in certain circumstances, including:

Customers causing or contributing to severe adverse impacts on human rights. HSBC seeks to prevent or mitigate such impacts, subject to the leverage we have with a customer. The analysis must assess: the customer's actual and potential impacts; its commitments to respect human rights; its remediation of the impacts; its own grievance mechanisms; and whether HSBC may have financed such impacts.

When any allegations of companies operating in breach of our policies are brought to our attention we always investigate. In mining, as in other sensitive sectors, we work with clients who meet our sustainability standards — including those relating to human rights — and clients who are making credible progress towards meeting them. Where clients are unwilling or unable to meet our standards, we end the banking relationship as soon as contractually possible.

MIZUHO BANK

HSBC responded on case 5, 'Drummond and paramilitary violence, Colombia' and case 1, 'Dakota Access Pipeline, United States'. [Download the response here.](#)

Mizuho sent the following response: "(1) Providing loans to US coal company Drummond: We cannot comment on an individual client due to our confidentiality policy. However, we have shared your concerns with relevant departments/offices. (2) Providing loans for the Dakota Access Pipeline Project: <https://www.mizuhoamericas.com/insights-news/news/statements/our-statement.html>"

Statement from Mizuho's website available on the above-mentioned link

"December 16, 2016

Mizuho Americas has been actively monitoring the Dakota Access Pipeline (DAPL) project, including the recent decision to halt construction near the reservation of the Standing Rock Sioux Tribe. The Army Corps of Engineers has denied the final easement required for the \$3.8 billion project to cross under Lake Oahe in North Dakota and will conduct an Environmental Impact Statement to further examine potential impacts and explore alternative routes.

As the Army Corps of Engineers continues to look for alternative routes for the pipeline, Mizuho, as a lender, is simultaneously seeking guidance from and collaborating with an independent human rights expert to review compliance and legal engagements relating to tribal government, community engagement, security, and environmental issues relating to DAPL.

Mizuho is deeply committed to upholding our social responsibilities and public mission as a financial institution. Mizuho encourages all parties involved to continue to communicate in a collaborative, safe and respectful dialogue.

[Update: February 2, 2017]

Following President Trump's executive memorandum and the directive from the Secretary of the Army, Mizuho Americas continues to review the situation closely as events unfold. We remain deeply committed to upholding our social responsibilities and continue to encourage all parties to work in a collaborative, safe and respectful dialogue. "

MORGAN STANLEY

Morgan Stanley's responded on case 6, 'Finance for cluster munitions, International'. [Download the response here.](#)

Morgan Stanley maintains a global environmental and social risk management framework to identify and assess a range of environmental and social issues that may be associated with proposed transactions across the firm's business units. This risk management activity is underpinned by our global risk policies, which reference the Equator Principles, the World Bank's IFC standards, and other applicable guidelines. In addition, we consider specific industry, project, or issue-level risks that may pertain to any given transaction, as applicable. We periodically review and update our internal environmental and social risk management policies, procedures and guidelines to ensure that they reflect new and developing issues.

ROYAL BANK OF CANADA

Royal Bank of Canada's responded on case 2, 'Trans Mountain Pipeline Expansion Project, Canada'. [Download the response here.](#)

Thank you for notifying us that you plan to include Bank Track's report "How Banks Contribute to Human Rights Violations" in your next Weekly Update and for giving us the opportunity to provide additional information related to Royal Bank of Canada's (RBC) involvement in the financing of the Trans Mountain Pipeline Expansion Project.

Given that we have a duty to respect the privacy and confidentiality of our clients, we are providing general comments related to the issues identified in the Report.

RBC's Code of Conduct (the "Code") sets out the ethical principles by which all employees, contract workers and members of the Board are bound. These principles include a clear statement as to the individual and collective accountability for the social and economic effects of business decisions on communities in which we operate, including compliance with all applicable laws regarding nondiscrimination and human rights.

We highly value the relationship we have with Indigenous peoples and clients. We believe that resource development projects need to be done in a transparent and inclusive manner. This includes real, meaningful and lasting consultations with Indigenous peoples and local communities in project development.

We respect that these projects are complex and that there is a diversity of perspectives on the development and transportation of energy resources amongst Indigenous and local communities. Canada's project approval process, through the National Energy Board, provides an opportunity for concerns to be heard and requires consultation with potentially affected Indigenous groups. We are encouraged by the steps that the government has taken to advance this important topic in Canada.

RBC ensures that all projects we finance receive relevant approvals, and we conduct due diligence that considers environmental and social risks to ensure that we adhere to internal risk management processes. This involves applying the Equator Principles to projects that we finance, which includes ongoing monitoring over the life of the loan. This ensures that we identify, assess and manage environmental and social risks associated with projects. For additional details visit RBC Responsible Financing.

We also acknowledge that practices continue to evolve and we take stakeholder input seriously. We are committed to advancing our risk management processes as we learn from the experiences of our peers and feedback shared by stakeholders.

TD BANK

TD Bank's responded on case 1, 'Dakota Access Pipeline, United States' and case 2 'Trans Mountain Pipeline Expansion project, Canada'. [Download the response here.](#)

Thank you for your letter and the opportunity to respond. At TD, we value and respect the diverse views held by our customers, shareholders, employees and community partners. This includes listening to and engaging with those who have raised their concerns about TD's involvement in oil and gas infrastructure projects. I appreciate the opportunity to provide you with information on TD's approach to energy development.

TD is headquartered in Canada and our business focus in North America. As part of the global commitment to mitigate climate change impacts, made through the Paris Climate Accord, Canada is committed to transitioning to a low-carbon economy. At the same time, the North American economy in which TD conducts business contains abundant oil and gas resources and related industries — representing one of the largest sectors contributing to our domestic and export economy, providing millions of jobs, and energy security. Independent analyses show that traditional energy sources will continue to be an important component of global energy supply for the next several decades. As TD's CEO Bharat Masrani (<https://newsroom.td.com/insights/180>) shared at our Annual Meeting of Shareholders in March 2017, we believe that it is important to balance these economic realities even as we work to achieve the transition to a low-carbon economy.

We recently announced a set of initiatives (<http://td.mediaroom.com/index.php?s=19518&item=135953>) to advance the low-carbon economy, grounded in a target of CDN\$100 billion in low-carbon lending, financing, asset management and other programs by 2030. TD's low-carbon initiatives to support the \$100 billion target include:

- Work with companies, ventures and projects that are driving innovation and contributing to carbon emissions reduction, energy-efficient housing and urban green space enhancement.
- Accelerate the low-carbon economy — including renewable and clean energy technologies, businesses and processes — through TD's low-carbon lending, financing, asset management (in accordance with TD Asset Management's sustainable investing approach) and other programs.
- Foster understanding and dialogue — through research, publishing and conversations — to help society and the economy make a successful transition.
- Enhance focus on successful green bonds strategy, (issuing, underwriting and investing) to support projects that provide both economic growth and environmental benefit.
- Build on a 7-year track record of carbon neutrality to further reduce TD's carbon footprint.
- Plant 1 million new trees in communities in North America, more than doubling the number planted since 1990.

We support responsible energy development backed by federal and provincial energy policy, regulation, and our own rigorous due diligence. Specifically, with regard to the Dakota Access Pipeline syndicated deal, we understand and respect the concerns raised about this engagement as well as the peaceful demonstrations that people used to express their views. On behalf of the lending syndicate and in partnership with Citi, TD commissioned an independent human rights study to better understand the complex issues involved in the Dakota Access Pipeline. The summary of the recommendations are publicly available, and we believe they

provide valuable guidance to the industry, especially around engagement with Indigenous peoples and bridging the gap between current U.S. law and international industry best practices. Drawing upon their findings, TD continues to review our due diligence policies and make improvements, where appropriate.

As it relates to the Trans Mountain Pipeline Expansion Project, TD has been following the project closely for many years, including Kinder Morgan's adoption of best practices around management of environmental and social risk, Indigenous engagement and benefit sharing, and incorporation of Indigenous knowledge. The nearly 200 conditions imposed by the National Energy Board and the Government of British Columbia are comprehensive. In addition, there has been extensive government and corporate engagement with the numerous Indigenous communities along the pipeline route.

TD works with industry and environmental stakeholders and Indigenous communities to actively encourage dialogue and develop guidance for good practice in managing issues related to resource development. These are complex issues that are evolving through engagement with governments, the legal system, and corporate practice. Since 2012, we have worked with multi-stakeholder groups to produce a number of guidance documents and have a long-standing commitment to advancing the practical implementation of free, prior and informed consent (FPIC). We believe that strong partnerships and productive dialogue with Indigenous peoples is both essential and beneficial to energy project planning and construction.

TD has a longstanding commitment to the environment dating back nearly a decade. TD was among the first in the banking industry to recognize climate change as an economic and environmental megatrend. This understanding has served as the foundation for TD's expanding focus on low-carbon initiatives. Our key milestones include:

2009: TD Economics issues its first paper on carbon pricing

2010: First major North American-based financial institution to become carbon neutral

2013-2017: Recognized as a top performing Canadian bank for climate disclosure by CDP

2014-2017: Listed on DJSI World Sustainability Index; only Canadian banks last 3 years

2014: First Canadian bank to issue a green bond

2015: Joined RE100; met our 100% renewable electricity commitment

2016: Reduced TD's GHG emissions by 24% since 2008

2016: TD Securities participated in \$6,5 billion of green bond underwriting since 2010

2017: TD Friends of the Environment Foundation enters its 27th year with the support of more than 180,000 donors, having provided approximately \$82 million to cover 24,000 environmental projects and programs across Canada

2017: Issued US\$1 billion green bond, TD's first in the United States

2017: TD achieves 249 LEED-certified locations in North America

TD is also signatory to both the Equator Principles and the United National Principles for Responsible Investment. For more information on our environmental programs see our corporate responsibility report: <https://www.td.com/corporate-responsibility/index.jsp>.

In our view, TD is taking a responsible approach in taking steps to accelerate the development of a low-

carbon economy, while recognizing the importance of responsibly developing conventional energy, vital to North America's economic strength and security. Thank you for the opportunity to respond to your concerns.

WELLS FARGO

Wells Fargo's responded on case 5 'Drummond and paramilitary violence, Colombia' and case 6 'Finance for cluster munitions, International'. [Download the response here.](#)

Thanks for contacting Wells Fargo.

As we mentioned in our 2016 response to your initial report on Drummond, Wells Fargo strives to engage only with business customers that respect human rights and takes human-rights abuse allegations very seriously. We conduct enhanced due diligence for corporate customers in industries that present higher social and environmental risks, including fossil fuels, and we actively monitor developments regarding any allegation of human rights violations. It is also worth noting that Drummond is no longer a Wells Fargo customer, and that in 2015, Wells Fargo announced that we were limiting and reducing our exposure in coal mining.

With regard to Textron and Orbital ATK, confidentiality policies prohibit us from providing details on specific customer relationships beyond what is publicly available.

For more information on Wells Fargo's commitment to safeguarding human rights, please see our Human Rights Statement on wellsfargo.com.

Again, thank you for your engagement and the opportunity to respond.

Discussions with our client continue to focus on how they are engaging with the communities on the ground, and we will continue to assess their engagement as the situation evolves, including efforts at addressing historic injustices through the government-led peace process.

NON-RESPONSES FROM BANKS

BANK OF AMERICA

Bank of America is mentioned in cases 5, 'Drummond and paramilitary violence, Colombia', and 6, 'Finance for cluster munitions, International', but has not provided a response.

BANK OF CHINA

Bank of China is mentioned in case 6, 'Finance for cluster munitions, International', but has not provided a response.

BBVA

BBVA is mentioned in case 5, 'Drummond and paramilitary violence, Colombia', but has not provided a response.

GOLDMAN SACHS

Goldman Sachs is mentioned in case 6, 'Finance for cluster munitions, International', but has not provided a response.

JP MORGAN CHASE

JP Morgan Chase is mentioned in case 6, 'Finance for cluster munitions, International', but has not provided a response.

MITSUBISHI UFJ

Mitsubishi UFJ is mentioned in case 6, 'Finance for cluster munitions, International', but has not provided a response.

SUMITOMO MITSUI

Sumitomo Mitsui is mentioned in case 6, 'Finance for cluster munitions, International', but has not provided a response.

VTB BANK

VTB Bank is mentioned in case 8, 'Secret loans scandal, Mozambique', but has not provided a response.

RESPONSES FROM COMPANIES

Below the responses provided by bank representatives are reproduced in full, where a public response was provided. Only salutations have been removed. Responses have not been edited to remove spelling errors or inconsistencies. The text in italics indicates on which cases companies have provided a response as well as the cases where no response was given.

DRUMMOND LTD.

Drummond's responded on case 5, 'Drummond and paramilitary violence, Colombia'. [Download response here.](#)

Drummond Ltd. has had previous queries about Banktrack reports on this same topic regarding alleged human rights violations. There are no grounds for these allegations, and this fact has been confirmed both in the US and Colombian judicial system. This is something that the banking institutions we do business with have also concluded, after carrying out robust due diligence processes, covering issues such as:

Examples:

- Regulatory compliance
- Performance benchmarked against the IFC Performance Standards, which covers human rights issues such as labor rights, stakeholder engagement, and grievance mechanisms
- Internal controls, including payments to vendors
- Security management in Colombia benchmarked against the Voluntary Principles on Security and Human Rights

Regarding the civil suit filed against Drummond that followed the Alien Tort Claims Act lawsuit filed in 2002 in Alabama, the company was taken to trial and found not guilty, a verdict that was confirmed by the Federal Appeals court. There have been three additional law suits filed, with similar allegations, all of which have

concluded in rulings that have cleared the company of any wrongdoing. The Colombian authorities have carried out investigations on those same allegations and have found no evidence to support them.

We provided the banks with ample documentation related to the allegations. We have also provided them information pertaining to our Corporate Social Responsibility programs, which are based on four pillars – Peace and Human Rights, Governance for Development, Environmental Performance, and Economic Development. Drummond adheres to the Voluntary Principles on Security and Human Rights, as well as the United Nations’ Guiding Principles on Human Rights and Business.

Drummond has carried out a conscientious human rights risk identification matrix and management program, as well as grievance and complaints mechanisms for both our employees and our external stakeholders. We are also active participants in Business and Human Rights initiatives in Colombia, working with institutions such as the Presidential Human Rights Advisor’s Office.

We recently became members of the Human Rights Mining and Energy Council (CME is the acronym in Spanish), where the implementation of Voluntary Principles on Security and Human Rights in the business community is promoted, with the participation of several of the energy companies operating in Colombia, as well as representatives from several embassies and Non-Governmental Organizations such as International Alert, the Ideas for Peace Foundation (FIP in Spanish) and the Institute for Human Rights and Business representative in Colombia (CREER-IHRB).

Regarding Colombia’s peace process and the current situation in the country, Drummond has been explicit in its support of the process and proactive in engaging with the Colombian Government’s Post-conflict Ministry and the presidential Human Rights Advisor’s Office, as well as the Ministry of Mines and Energy, working on initiatives related to the peace process and reconciliation. The latter has also included alliances with organizations like USAID.

Recently we received a special recognition by the Colombian Agency for Reincorporation and Normalization (ARN in Spanish), the institution in charge of promoting the return to legality of demobilized former combatants, in the category “Arenas for Reconciliation” for Drummond’s contribution to peace-building in the country. Since 2016, Drummond has developed initiatives for people in the Reincorporation Process, helping them engage in social service. The Company believes that this recognition by the ARN is another way to underscore our work with the community and the commitment of former combatants to projects with social value. In this sense, the company remains committed to the ARN, to demobilized persons, to communities and to the country.

In terms of getting the Human Rights message out to the operation, as a part of the human rights program Drummond has been implementing for the last three years inside the company, close to 80% of the employees have received training sessions on the Voluntary Principles on Security and Human Rights and the United Nations Guiding Principles on Business and Human Rights. Last November we organized a session with a group of more than 100 people, representing several of the main contractors and providers of Drummond Ltd.’s mining and port operations. The meeting covered topics related to the Company’s Human Rights Policy, and future expectations regarding greater awareness and adoption of the aforementioned standards. About

Drummond Ltd.:

* In 2016, Drummond reached the record number of 32.6 million tons of coal exported. This result came along with the OHSAS 18001 Certification in Industrial Safety and Occupational Health in its mining operations, a CORPOCESAR recognition for the company’s leadership in environmental compensation and performance projects, the implementation of new programs and projects that contribute to the growth and sustainable development of the communities in its area of influence, with a special emphasis on Human rights, institutional strengthening, and support for comprehensive education and healthcare services.

NON-RESPONSES FROM COMPANIES

HANWHA

Hanwha is mentioned in case 6, 'Finance for cluster munitions, International', but has not provided a response.

NORINCO

Norinco is mentioned in case 6 'Finance for cluster munitions, International', but has not provided a response.

ORBITAL ATK

Orbital ATK is mentioned in case 6 'Finance for cluster munitions, International', but has not provided a response.

POONGSAN

Poongsan is mentioned in case 6 'Finance for cluster munitions, International', but has not provided a response.