

Dutch Parliament  
P.O. Box. 20018  
2500 EA The Hague

London, October 26 2009

To whom it may concern,

It has come to our attention that RBS will meet with members of Dutch Parliament on Tuesday October 27 to provide further details on their programme of work on sustainability. We have also taken note of a letter sent by RBS on October 15 to Mr. Wilders of the Dutch Ministry of Finance in which the bank further explains its commitment to sustainability.

We the undersigned are writing to express our concern about the claims being made in this letter by the Royal Bank of Scotland in presenting itself as “operating a sustainable business in every sense of the word, economic, social and environmental.”

For some years, RBS has been the subject of a sustained campaign in the UK for being the UK high-street bank that is the most heavily involved in financing fossil-fuel companies and projects around the world, and for its finance of a number of companies and projects with a very questionable record in respecting human rights.

RBS’ abysmal record in financing the global fossil fuel industry has been detailed in reports such as ‘The Oil and Gas Bank – RBS & the financing of climate change’ and ‘Cashing in on coal – RBS, UK banks and the global coal industry’ while the campaign to pressure the bank to adopt a more climate-friendly lending policy has been the subject of front page reports in newspapers such as The Guardian<sup>1</sup> and The Financial Times.<sup>2</sup> Student groups and climate activists have also staged numerous protests at bank branches and graduate recruitment fairs across the country, while a number of student unions have passed motions to ban RBS from advertising on campus.<sup>3</sup>

Members of RBS’ CSR team have in the past met with representatives of some of the organisations involved in this campaign, but these meetings have not lead in any way, shape or form to any explicit commitment on the part of RBS to meet any of the demands of the campaign, in terms of reducing its level of investments in the fossil fuel industry or in committing like other banks have, to not finance companies engaged in particularly damaging practices such as tar sands extraction or Mountain Top Removal coal mining.

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<sup>1</sup> ‘High street banks face consumer boycott over investment in coal projects’, The Guardian, 11 August 2008

<sup>2</sup> ‘Green groups to sue Treasury on RBS Investments’, Financial Times, 30 June 09

<sup>3</sup> For an overview of publications and activities please see <http://www.oyalbankofscotland.com/>

The lack of constructive engagement with RBS on these issues was so great that we felt compelled to make a legal challenge on the basis of public law after RBS reckless lending led to it having to be bailed out by the UK public at the end of 2008. The three organisations maintain that the Treasury has failed in its legal responsibility to impose adequate environmental and human rights standards on what is effectively a public institution. The application for a judicial review was refused permission in High Court on the 20<sup>th</sup> of October, but an appeal is currently underway. Two of the witness statements from the organisations that brought this legal challenge outline some of the many instances of RBS finance that have gone to projects or companies that involve extremely high levels of carbon emissions or that have involved adverse impacts on local communities.

Since the witness statements were submitted, more evidence of questionable finance has occurred. For example, in recent months RBS has financed Hargreaves, a company that intends to open one of the biggest open cast coal mines in the UK, while as of the 14<sup>th</sup> of October the RBS subsidiary ABN-AMRO was shown to have a 4.75% stake in GCM Resources, the company that has been widely criticised for the construction of the Phulbari coal mine in Bangladesh.

The letter mentions RBS involvement in the Equator Principles. RBS may have been one of the early adopters of the Equator Principles but this is no guarantee that the risks associated with climate change, much less the risk that a specific project will contribute to further climate change, are adequately addressed.

In fact, the Equator Principles include no requirement at all, neither to the bank nor the project sponsor, to deal with the climate impact of a project. After nearly two years of talks, the so called 'Working group on climate change' of the Equator Principles Financial Institutions (of which RBS is a member) has failed to provide any concrete proposal on how the Principles should effectively deal with climate change.

We are very interested in the claims that RBS has made that it has met with a number of NGOs in the UK to discuss 'sustainability benchmarking and transparent reporting.' Given that these have been two of our demands in our campaign, it would seem strange if these discussions have taken place that it has not happened with any of the organisations involved in the campaign.

In an age where action on climate change is firmly in the public eye, it is crucial that the claims and rhetoric of the green credentials of institutions such as RBS are subject to careful scrutiny. Given the admirable commitment of the Netherlands government to products that have been sustainably sourced, it would seem incongruous for it to be using the services of a bank that continues to be so heavily involved in a finance portfolio that includes so many projects and companies that are exacerbating climate change and having such detrimental impacts on local communities.

Signed,

Kevin Smith, Co-Director, PLATFORM

Louise Hazan, Climate Campaigner, People & Planet

Kate Blagojevic, Press Officer, World Development Movement

Jeni MacKay, Director, Scottish Education and Action for Development