

Visions for Arctic Cooperation

Banking and Investment Approaches



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Business Activities Related to Offshore Oil Drilling and Production

WestLB Lending/Banking Policy



February 2012

Policy for Business Activities Related to Offshore Oil Drilling and Production

WestLB establishes the following binding criteria for all significant business activities¹ related to offshore oil drilling and production:

1. Best available technology² including highest technical safety standards must be employed and confirmed by an independent third party.
2. Highest safety management standards and practices (capacity, contingency plans, maintenance practice and cycles, training of staff, ongoing monitoring etc.) must be employed and confirmed by an independent third party.
3. WestLB will only take part in financings involving large, well-capitalized or nationalized concessionaires.
4. Ultimate environmental responsibility must explicitly be assigned to concessionaires in the operating agreements.
5. Shipyards, manufacturers of safety systems and providers of goods and services must have experience and a proven track record.
6. A detailed description of insurance coverage for accident risks, remediation measures, associated costs etc. has to be provided.
7. The oil rig (or vessel etc.) may not perform any exploration or production activities within the 10°C-isotherm³, both at the beginning and throughout the life of the financing.
8. Any relocation of the oil rig (or vessel etc.) requires that a new Environmental and Social Impact Assessment be undertaken, which is to be confirmed by an independent third party.

Independent of this policy all other WestLB Policies remain valid.

¹ All business activities of the bank in which the use of funds made available is fully or partly known or obvious to WestLB including indirect effects (upstream/downstream) within the meaning of Annex A of the Policy for Environmental and Social Issues of WestLB AG, version April 8, 2011 including business activities with companies that own or operate offshore oil drilling and production that account for 30% or more of their total production capacity. There are specific financial services/products where the criteria possibly cannot be (at) reasonably fulfilled such as working capital, refinancing or acquisition finance, in these cases the criteria have to be fulfilled to the fullest extent possible to be documented in order to ensure a business decision in line with the aim of this policy.
² As defined in the European Integrated Pollution Prevention and Control Directive (IPPC), 96/61/EC; directive's recast in 2008 (2008/1/EC) and its successor directive Industrial Emissions Directive published in 2010, item 17.
³ In the Arctic region, the 10°C July-isotherm, in the Antarctic region the 10°C January-isotherm.



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Footnotes:

1. All significant business activities:
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2. Best available technology:
As defined in the European Integrated Pollution Prevention and Control Directive (IPPC), 96/61/EC; directive's recast in 2008 (2008/1/EC) and its successor directive (Industrial Emissions Directive) published in 2010, Item 17.

Similar Approaches in Finance

Crédit Agricole, CSR Sector Policy - Oil and gas sector



5. Exclusion criteria

The Bank will not participate **in financings or investments directly related to** the development, construction or expansion of any oil & gas installation if aware of the following characteristics:

- critical impact on a protected area or on wetlands of international importance covered by the Ramsar Convention
- the project is located within a site listed on the UNESCO World Heritage list
- surface oil sands projects
- **oil offshore project located in Arctic** (as long it has not been demonstrated that adequate material means can be mobilised locally in case of an oil spill)

Similar Approaches in Finance

F&C Investments



“Finally, after the sustained campaign pressure on Cairn’s offshore Greenland drilling - led by Greenpeace - F&C have quietly dropped Cairn from the portfolio. Karina Litvack, director of governance and sustainable investment at F&C stated in an article: “**Cairn Energy has been removed from our Stewardship range of funds because of its move into Arctic drilling.** We feel that the level of environmental and safety management and the levels of oversight by the Greenland Government is not sufficient to give us comfort.”

(<http://platformlondon.org/2012/04/24/oil-projects-too-far-banks-investors-refuse-finance-for-arctic-oil/>)

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The Government Pension Fund of Norway

FINANCIAL TIMES

Last updated: February 28, 2014 10:53 am

Norway's oil fund to debate ending fossil fuel investments

By Richard Milne in Oslo [Author alerts](#) ▾



Norway is to debate whether the world's largest sovereign wealth fund – funded by petroleum revenues – should stop investing in oil, gas and coal companies.

The two governing centre-right parties and two of their allies have agreed to set up an expert group to look into [the \\$840bn oil](#)

[fund's investments in fossil fuels](#) and report back in a year's time.



Any decision to stop investing in fossil fuel-related companies would send shockwaves through markets where the oil fund's actions are closely followed.

More

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Oil and gas companies represent 8.4 per cent of the fund's equity investments, or about \$44bn, according

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Pension Funds

FINANCIAL TIMES Pension funds urged to publish climate risks

By Madison Marriage [Author alerts](#) ▾



There are profitable low-carbon investment options for pension funds, such as companies providing home insulation products and services

There are growing calls for pension funds to publish their carbon exposure as concern builds over the long-term investment risks of [carbon-intensive portfolios](#).

The hope in political and academic circles is that increasing the transparency around pension funds' exposure to carbon-intensive industries such as coal and oil will make them more aware of the risks and encourage them to invest elsewhere.

Peter Norman, Sweden's minister for financial markets, says he wants global pension funds to "publish their carbon footprint", although he adds that he does not want there to be restrictions on where pension funds can invest.

Similar Approaches in Finance

PRI and UNFCCC

PRI in Person

Montréal, Canada
24-26 September 2014



Dear Dustin,

We are delighted to announce that **Christiana Figueres, Executive Secretary of the UN Framework Convention on Climate Change will be a keynote speaker at PRI in Person. Ms Figueres will discuss the role that investors can play in the upcoming climate talks in Paris 2015** and the importance this holds for investors. She joins Prof James Galbraith, who will discuss how inequality relates to macroeconomic performance and financial factors, and Spencer Glendon, who will give us an insight into the 'consumers of the future'.

PRI in Person attendees will meet influential ESG and investment professionals from around the globe and learn about:

- **embedding** RI within long-term mandates and what PRI's work on this will cover
- **global** ESG barriers and opportunities from our networks, including Latin America, Japan, Africa and Australia
- **the latest** innovations in responsible investment sourced exclusively through this year's reporting framework.

[Click here](#) for an updated list of attendees.

[Tours](#) to the oil sands in Fort McMurray and the Montréal Sustainability Tour provided by Presima Inc. are booking fast and close to reaching capacity. Book now to avoid disappointment.

We look forward to seeing you at this year's leading RI conference, **PRI in Person 2014**.

Best wishes

PRI Events

Thank you

Contact

PRI Principles for Responsible Investment

Dustin Neuneyer
European Network Manager

dustin.neuneyer@unpri.org

+49 (0) 221 9 327 527

+49 (0) 178 458 3348

<http://www.unpri.org>