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Credit Suisse subject to complaint under OECD human rights system over Dakota Access pipeline

Campaign group files complaint with Swiss 'National Contact Point'

by Vibeka Mair | May 9th, 2017

Swiss banking giant Credit Suisse is subject to a complaint under the OECD human rights grievance system concerning its business relations with companies involved with the controversial North Dakota Access Pipeline (DAPL) in the US.

Campaign group the Society for Threatened People (STP) alleges that Credit Suisse is playing a leading role in financing and advising companies involved in DAPL and is a significant investor in their shares.

STP, which has advisory status at the United Nations Economic and Social Council, told Responsible Investor that it decided to file the complaint at the OECD National Contact Point (NCP) Switzerland after meetings with Credit Suisse on its business connections with DAPL were unfruitful. The NCP system is a way to mediate disputes under the OECD's Guidelines for Multinational Enterprises.

In the complaint, the Swiss branch of STP says Credit Suisse has in recent months increased its business relations with companies involved in DAPL's construction: Energy Transfer Partners, Energy Transfer Equity and Sunoco Logistic Partners. It highlights recent transactions including a new loan issue for Sunoco Logistic Partners on December 16 2016 and lending a \$2.2bn senior secured term loan to Energy Transfer Equity on February 3 2017.

DAPL has generated months of protest as local indigenous people fear construction of the oil and gas pipeline will threaten their main drinking water source in the event of a leak. Also, there are claims that important cultural sites will be destroyed.

STP says Credit Suisse's activities not only contradict several international standards, such as the UN Guiding Principles for Business and Human Rights, but also its internal standards to carry out risk-based and human rights due diligence.

Credit Suisse's own policies and guidelines says it "seeks to promote responsible oil and gas industry practices that protect the environment and the climate system, ensure worker health and safety, protect human rights, respect local communities, and engage the public through consultation and disclosure".

In a statement responding to the complaint, Credit Suisse says it "has taken note of the submission by the Society of Threatened Peoples to the National Contact

Wiedmer added that Credit Suisse's chief risk officer Joachim Oechsli, who has direct responsibility, never took part in the meetings.

In a recent [YouTube video](#), Oechsli discusses Credit Suisse's involvement with DAPL where he says allegations made by Greenpeace that Credit Suisse is the biggest financier of the pipeline are not true. He also says that Credit Suisse has not given any money to the project financing of the Dakota pipeline. "This went through a reputation risk process, and within this process it was decided that we will not participate," he says.

But he says that Credit Suisse does have long-term relations with companies involved in DAPL. Oechsli continues: "I have talked to the six women of the Standing Rock Sioux delegation from the Dakota pipeline in Zurich. We had a good discussion and it will lead to guidelines in terms of involvement in the financing of energy companies in the US."

The OECD complaint against Credit Suisse follows criticism from Swiss governance advisory firm Ethos. Last month, Ethos, which is owned by Swiss pension funds, advised its clients against granting discharge to the board of Credit Suisse – in part due to the banking giant's alleged links with DAPL.

Speaking to Responsible Investor, Vincent Kaufmann, CEO of Ethos, said it shared the concerns of STP, saying: "Credit Suisse is at the limit of their own rules regarding financing," he said.

Credit Suisse is one of a number of banks **exposed** as having links to companies involved in DAPL.

Mounting pressure has moved a handful of banks to act. French bank BNP Paribas sold its \$120m share in the \$2.5bn Dakota Access Pipeline loan last month. In March, Dutch Bank ING also sold its \$120m share in the loan and divested its \$220m stake in Energy Transfer Partners. Norwegian firms DNB, Odin Fund Management and Storebrand have also cut financial ties with DAPL. Investors are watching the situation closely. A group of 130 investors representing \$1.2trn have written to banks financing DAPL asking them to protect the Standing Rock Sioux Tribe. The letter, coordinated by Boston Common Asset Management, requests a re-routing of the pipeline.

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Point (NCP) for the OECD Guidelines for Multinational Enterprises. Credit Suisse will constructively participate in the process of the assessment of the issue by the NCP.”

The direct activities of companies are usually the subject of complaints made to NCPs, the OECD’s ‘soft law’ human rights and environmental grievance mechanism, but there are a handful of cases where organisations are targeted for business relations with companies with alleged human rights or environmental issues.

Speaking to Responsible Investor, Christoph Wiedmer, co-director of STP Switzerland, said it decided to refer a complaint against Credit Suisse to the Swiss NCP after it met the CSR team who “downplayed its role in DAPL”.

million from Sunoco and Energy Transfer Partners.

And in March, Norway’s local authority pension fund KLP **sold shares** worth \$58m in companies building the pipeline.

Just last month the OECD issued **guidance** on the guidelines, concluding that minority investment does count as a “business relationship”.

With reporting by Elena Johansson.

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