

# LOBBYING AND INFLUENCING THE FINANCIAL LEGISLATIVE PROCESSES BY TRIODOS BANK

*focusing on its relationship with the Dutch Ministry of Finance<sup>1</sup>*

## 1. APPROACH TO ADVOCACY OR LOBBYING ON FINANCIAL REGULATORY LEGISLATION

Triodos Bank N.V. (hereafter Triodos bank), which has a Dutch banking permit and Dutch head office, has also branches Belgium, the United Kingdom, Spain and Germany. Any influencing or lobbying that Triodos Bank might undertake, especially outside the Netherlands, is also in name of its branches.

### *1.1 Approach to lobbying and advocacy*

Triodos Bank does not have a particular strategy on lobbying including on legislative processes (see paragr. 4). Triodos Bank does not have the capacity and financial means to engage in lobbying with in-house lobbyists. The materiality analysis based on structured discussions with the banks' stakeholders, does not show that interaction with, or lobbying, financial legislators was one of the issues that are most important both to Triodos Bank or its stakeholders.<sup>2</sup>

Triodos Bank does not have an explicit policy paper on how it interacts with, influences or lobbies upcoming financial legislation. It states that, in 2015, it puts 'effort into constructive conversations with regulators and the wider public' in 2015 to 'help make sure regulation is both proportional for smaller and medium sized banks, and effective.'<sup>3</sup>

After it was alerted that some of the upcoming EU laws might undermine its financial services and products to achieve its sustainability objectives, Triodos Bank hired a consultant to analyse and lobby to avoid potential negative impacts of new EU financial legislation.

Most of the activities regarding upcoming financial laws the bank might undertake in the Netherlands, but also abroad, are mainly undertaken via the Dutch Association of Banks/Nederlandse Vereniging van Banken (DBA/NVB).<sup>4</sup>

Since 2015, the Triodos Bank focused more on the EU institutions in Brussels and supervisors of the European Central Bank in Frankfurt to contribute to the debate on regulation. It has been exploring how it can contribute to the debate as a relatively small player. The bank has been participating in a G8 task force focused on avoiding 'that laws and regulations could make it more difficult for private persons to invest in different types of funds that contribute more to society than the traditional funds that invest in listed companies'.<sup>5</sup>

## 1.2 Internal operation of advocacy and lobbying

Since there is no separate unit with in-house lobbyists responsible for lobbying and interaction with policy makers on legislative issues, bank staff, up to the CEO, engage in advocacy at all levels of the market and society and, occasionally, at governmental level. Positions and lobbying activities are dealt with by bank staff dependent on the issue. The bank has hired a consultant to lobby at EU level<sup>6</sup> and has two staff members responsible for lobbying at EU level<sup>7</sup>.

No person within Triodos Bank is subject to a code of conduct specifically related to lobbying.

## 2. FINAL RESPONSIBILITY FOR LOBBYING POSITIONS

The final responsibility for decisions, including on positions and lobbying, at Triodos Bank lies with the Executive Board chaired by Mr P. Blom.

The CEO of Triodos Bank, Mr Blom, is member of the DBA/NVB board where decisions on important lobby positions of the DBA/NVB are taken. He is chairman of a separate governing council (*Beraad*) that represents small and foreign banks within the DBA/NVB.<sup>8</sup> In his capacity as chairman of that council, he is responsible for representing the small banks that are member of the DBA/NVB and does not represent Triodos Bank as such when the NVB/DBA board engages in high level lobby meetings with the Ministry of Finance on financial legislative issues. In this capacity, he is not responsible as Triodos Bank.

## 3. LOBBYING TRANSPARENCY

Triodos Bank is clear about its position on sustainability issues that it stands for and is advocating for in society and among businesses. Its policy on transparency is focused on being transparent about its core activities. It has little means to ensure its transparency about lobbying activities. On its website and in its annual report 2015, it does not provide details about its lobbying activities. The bank states that it has put 'effort into constructive conversations with regulators and the wider public in 2015 to help make sure regulation is both proportional for smaller and medium sized banks, and effective.'<sup>9</sup>

The bank reports about its 2015 activities that 'Triodos Bank has ongoing dialogues with local and national governments and supervisory bodies, sometimes in partnership with other financial institutions or other partners. It engages in conversations about the sector and has regular meetings to discuss issues that are relevant to its business. Key topics that Triodos Bank focuses on in conversations and consultations include the positive impact and potential of sustainable banking, the strength of greater diversity in the banking industry, and the need for broader retail participation in impact investing.' 'During 2015 Triodos Investment Management lobbied, amongst other organisations, for legislation to prevent the use of conflict minerals, leading an investor statement in which a number of international investors were involved. It made representations in Brussels to an EU meeting in support of this effort and the stronger and mandatory legislation has been accepted by the European Parliament.'<sup>10</sup>

Triodos Bank is not registered on the Dutch Parliamentary lobby register.<sup>11</sup> This register allows lobbyists to have a pass to enter the parliament building.

According to the EU Transparency Register<sup>12</sup>, Triodos Bank two persons spending one quarter of their time are responsible for representing and lobbying the whole of Triodos bank towards the EU

institutions. Mr. J. Vaccaro, Head of Strategy, is mentioned as the person in charge of EU relations under the legal responsibility of Mr. A. Hollander, Head of Legal & Compliance. In 2014, the bank estimates to have spent ca. € 10,000 € to € 24,999 for its activities towards the EU institutions. This submission on the EU Transparency Register by Triodos bank has not been updated for its activities in 2015. This estimated budget about how much the figure the bank spent on monitoring, representation, interaction and lobbying at EU level is not complete. The EU Transparency Register publishes that a consultant, Linda van Goor Regulatory Communication, mentioned that Triodos was a client of Triodos paying between € 50,000 and € 99,999 for lobbying activities between May 2015 and December 2015.<sup>13</sup>

Triodos Bank mentions on the website of its annual accounts 2015 that it is 'a member of Banking Associations across Europe and is engaged in governmental and supervisory consultations with a focus on maintaining a diverse banking landscape and fair and effective regulatory conditions for small and medium-sized banks.'<sup>14</sup> When reporting on advocacy and lobby activities or membership of organisations (including those engaging in regulatory and policy lobbying), Triodos Bank mainly uses the Global Reporting Initiative (GRI) guidelines and its own website. The GRI reporting guidelines require that, from 2014 onwards, reporting according to the G4-16 indicator means only reporting on memberships of (all kinds of) associations and advocacy organisations. The bank's GRI table related to its 2015 Annual Report mentions organisations of which Triodos Bank is member. However, Triodos Bank does not mention all its memberships of financial industry associations that are active on lobbying on financial legislative issues, except that it mentions its membership of *De Groene Zaak*.<sup>15</sup> On the EU Transparency Register,<sup>16</sup> Triodos Bank does not mention its memberships of industry associations that are lobbying on financial legislation, nor any other membership. Through research, SOMO found that Triodos is also member in the Netherlands of DUFAS (Dutch Fund and Asset Management Association). In addition, Triodos is member of the British Banking Association (BBA), the Belgian banking association (FeBelFin) and SIF (Social Investment Forum).

graph 1

**Triodos Bank memberships of financial industry associations that engage in lobbying on financial and legislative issues**



Sources: Triodos Bank Annual Report 2015 and the bank's websites, websites of official consultations and websites of financial industry associations (See for the full name of the industry associations in the table: M. Vander Stichele, *A structural problem in the shadows - Lobbying by banks in the Netherlands*, SOMO, November 2016, p. 65-66).

Triodos Bank was indirectly involved in the official website consultation<sup>17</sup> by the European Commission (EC) on a potential new law for simple, transparent and standardised (STS) securitisation, which started on 18 February 2015 before presenting a legislative proposal to the European Parliament and the EU Council of Finance Ministers. The bank is member of the BBA and is associate member 'without UK office' of the LMA (Loan Market Association)<sup>18</sup>, both of which responded to the EC consultation. Triodos Bank was not transparent about these memberships at the time of the consultation.

## 4. LOBBYING AS CORPORATE SOCIAL RESPONSIBILITY (CSR)

Triodos Bank does not have a public policy document whether it particularly sees lobbying as a CSR issue. It considers all its activities to be socially and environmentally responsible and sustainable, including lobbying even though this is not explicitly mentioned. The bank's mission is to make money work for positive social, environmental and cultural change. The bank wants to create 'conversations, at multiple levels, about the role of money and finance in creating a positive impact in the world'.<sup>19</sup>

One of the strategic objectives of Triodos Bank is to 'be recognised by key influencers as a reference point for values-based banking, contributing to the development of a more diversified, transparent and sustainable banking sector.' One way implementing that strategic goal is by continued membership of the Board of the DBA/NVB<sup>20</sup> where it can engage to 'make sure regulation is both proportional for smaller and medium sized banks, and effective'<sup>21</sup> amongst others through the chairmanship of the *Beraad* council for small and foreign banks in the DBA/NVB.

### Notes

- 1 Except otherwise mentioned, information was provided by Mr T. Steiner, Director Corporate Identity of Triodos Bank NV, during an interview with M. Vander Stichele, Senior Researcher, SOMO, on 5 October 2016. This Annex is awaiting a review by Triodos Bank.
- 2 Triodos Bank, Annual Report 2015, p. 15, [http://www.annual-report-triodos.com/en/2015/servicepages/downloads/files/annual\\_report\\_triodos\\_ar15.pdf](http://www.annual-report-triodos.com/en/2015/servicepages/downloads/files/annual_report_triodos_ar15.pdf) (last viewed 30 October 2016).
- 3 Idem, p. 14.
- 4 Triodos Bank, Minutes of the General Meeting of Triodos Bank N.V., held on 22 May 2015 in Zeist, p. 5, <https://www.triodos.com/downloads/425586/425612/2015/agm-minutes-2015-english.pdf> (last viewed 30 October 2016).
- 5 Triodos Bank, Minutes of the General Meeting of Triodos Bank N.V., held on 22 May 2015 in Zeist, p. 5.
- 6 <http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=785976617848-15> (viewed 23 September 2016).
- 7 <http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=543556311400-69> (viewed 23 September 2016).
- 8 Nederlandse Vereniging van Banken, Jaarverslag 2010, p. 25, [https://www.nvb.nl/media/document/000309\\_jaarverslag-2010.pdf](https://www.nvb.nl/media/document/000309_jaarverslag-2010.pdf) (viewed 30 October 2016).
- 9 Annual Report 2015, p. 14.
- 10 <http://www.annual-report-triodos.com/en/2015/engagement/stakeholder-engagement/government.html> (last viewed 30 October 2016).
- 11 [https://www.tweedekamer.nl/sites/default/files/atoms/files/lobbyistenregister\\_25\\_oktober\\_2016.pdf](https://www.tweedekamer.nl/sites/default/files/atoms/files/lobbyistenregister_25_oktober_2016.pdf) (last viewed 30 October 2016).
- 12 <http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=543556311400-69>
- 13 <http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=785976617848-15>
- 14 <http://www.annual-report-triodos.com/en/2015/engagement/stakeholder-engagement/government.html>
- 15 Triodos Bank, GRI Table 2015, <http://www.annual-report-triodos.co.uk/en/2015/engagement/gri-content-index.html> (last viewed 30 October 2016).
- 16 <http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=543556311400-69>
- 17 [http://ec.europa.eu/finance/consultations/2015/securitisation/index\\_en.htm](http://ec.europa.eu/finance/consultations/2015/securitisation/index_en.htm) (last viewed 30 October 2016).
- 18 <http://www.lma.eu.com/membership/list-members> (last viewed 30 October 2016).
- 19 Triodos Bank, Annual Report 2015, p. 26.
- 20 Idem, p. 17.
- 21 Idem, p. 14.