Press Release: ‘ExitArms’ database reveals EU funded arms producers export to warring parties

This week, the environmental and human rights organizations Facing Finance and Urgewald published the “ExitArms” database (www.exitarms.org). It is the first publicly available, global database on companies supplying arms to warring states. The launch is supported by ENAAT, the European Network Against Arms Trade.

So far, the database covers the years 2015 to 2020. It lists around 500 companies that were involved in almost 1,400 arms exports during this period – along the entire arms supply chain and either directly, through subsidiaries or via joint ventures. This supplied 33 warring parties involved in 52 wars, most of them domestic.

The starting point for the new ExitArms database is the Heidelberg Conflict Barometer for the selection of conflicts reaching a certain level of intensity (“limited war” and “war” without UN mandate), and the actors involved, on the one side, and the SIPRI Arms Transfers Database showing international transfers of major conventional weapons on the other side. In a third step, Facing Finance and Urgewald meticulously research the "arms supply chain" at company level: from design to transport of the produced weapon or weapon system.

Saudi Arabia, the UAE, Egypt, India and Pakistan were among the most supplied warring parties worldwide between 2015 and 2020. The three wars that were most frequently supplied with weapons were the wars in Libya, Yemen, and the Kashmir conflict. The ten companies that supplied the most belligerents during the period were: Rostec (21 belligerents), Raytheon and Airbus (14 each), Leonardo (13), Lockheed Martin (12), BAE Systems, Pratt & Whitney and Boeing (10 each), AVIC and Rolls-Royce (9 each).

The EU should not fund companies supplying arms to warring parties

Of those top ten suppliers according to the ExitArms database, Leonardo is the number 1 beneficiary of the European Defence Fund (EDF), an EU program that has been dedicated to military research and development since 2017. The company has so far received at least €28 million from EU taxpayers’ money in order to research and develop the next generation of weaponry. Airbus is number 5 EDF beneficiary with EU subsidies amounting so far to €10 million at least.

Among the top 10 beneficiaries of the EU Defence Fund for the time period 2017 to 2020, eight are currently recorded in the ExitArms database as having supplied arms to warring states between 2015 and 2020: Leonardo, Indra, Safran, Thales, Airbus Group, Saab, Hensoldt and KNDS (previously KMW + Nexter Defense Systems).

Laëtitia Sédou, project officer at ENAAT, alerts: “In order to avoid that EU-funded weaponry end up fueling conflicts, the EU should apply stricter standards when selecting projects under the EU Defence Fund, and in particular not fund arms companies with a track record of delivering military equipment to warring states.”

The finance sector should refuse green-washing the arms industry

In recent decades, banks, insurance companies and pension funds have started to adopt international standards of the UN and the OECD, which provide for the respect of human rights in business practices, among other social and ethical criteria.
Thomas Küchenmeister, Managing Director of Facing Finance: “The arms industry, however, apparently believes that international social and ethical standards do not apply to it. If the financial industry does not want to degenerate into a mere ‘greenwashing machine’ and lose all remaining credibility, it must never classify the arms industry as sustainable or social.”

“The ExitArms database shows ‘only’ the tip of the iceberg”, adds Niels Dubrow, arms expert at Urgewald, “but it empirically proves that the arms industry has no scruples to systematically arm warring parties. As long as this is the case, financial institutions should exclude companies listed in the ExitArms database from loans, insurance, investments and underwriting mandates.”

Facing Finance, Urgewald and ENAAT criticize current tendencies among individual financial institutions to undermine already existing financing and/or investment policies on arms exports. Although the Russian invasion of Ukraine is now cited as a reason, this move started way before the war as illustrated by the heated debate about the EU social taxonomy, under heavy influence of the arms industry lobby.

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