

Media Briefing

NGOs Publish New Database on Arms Exports

- The first global compilation of companies arming warring states
- Between 2015 and 2020, states involved in the wars in Libya, Yemen, and the Kashmir conflict received the most arms deliveries
- Politicians and the finance industry must act: The arms industry needs stronger regulation and should not be classified as social or sustainable

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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.¹ It is supported by ENAAT, the European Network Against Arms Trade.

The ExitArms database currently covers the years 2015 to 2020.² It lists around 500 companies that were involved³ in almost 1,400⁴ arms export deals. These exports went to 33 states involved in 52 wars (most of them domestic) for which there was no UN Security Council mandate (→ See Table 1 in the Annex).

The ExitArms database provides the information financial institutions need to systematically divest from companies that supply weapons and weapon systems to warring states. ExitArms.org also serves as a source of information for politicians, regulators, academics, the media and civil society.

¹ In the context of the ExitArms database, "warring states" are "conflict actors/conflict states" based on the categories 4 ("limited war") and 5 ("war") of the Heidelberg Conflict Barometer. These conflict states are listed in the database as "recipient states". The country from whose territory weapons were delivered to a recipient state, is called "supplier state".

² In some cases, arms exports may extend beyond this period into the year 2021 due to the time difference between order and last delivery. The cut-off date for our research is November 2021.

³ The ExitArms database includes direct exports as well as exports through subsidiaries or via joint ventures. It covers the manufacturing, repair, modernization, refurbishment, design, sale and transport of weapons or weapon systems (including dual-use products) as well as the licensing of arms production.

⁴ For 1,230 individual country-level deliveries documented in the SIPRI Arms Transfers Database for 2015 to 2020, the ExitArms database was able to identify 1,363 individual company-level involvements and attribute these involvements to 497 companies.

Providing a differentiated view on arms exports

The ExitArms database promotes a fact-based debate on arms exports - also against the backdrop of the war in Ukraine. It provides a differentiated view of the consequences of arms exports and evaluates them in light of international treaties and conventions. In view of the arms industry's attempt to portray itself as a "guarantor of global security and sustainability", **Thomas Küchenmeister**, Managing Director of Facing Finance, warns: "Since the Russian invasion of Ukraine, we have been experiencing a public debate that overlooks the fact that arms companies not only produce their goods for domestic national defense procurement or to support the Ukraine in its right to self-defense. Arms companies also supply their products to numerous warring despots and autocracies. These are thus enabled to commit human rights violations or even war crimes, in some cases systematically, in their own countries as well as in other countries. The wars in Libya, Syria and Yemen, which have led to enormous humanitarian catastrophes are typical examples. The arms industry's claims of being 'social' and 'sustainable' are completely cynical."

For example, some of the arms companies listed in the ExitArms database, such as **Rostec, Raytheon, Leonardo, Airbus, BAE Systems, and Lockheed Martin** are extensive suppliers of warring parties worldwide. In some cases, they even simultaneously sell weapons to rival countries such as India and Pakistan in the Kashmir conflict: During the time period covered by the ExitArms database, Rostec, for example, supplied combat helicopters to Pakistan and man-portable air defense missiles to India.

The ExitArms database also shows that arms companies such as **Boeing** and **TKMS (ThyssenKrupp Marine Systems)** continued to supply bombs and submarines to Turkey after the latter's invasion of northern Syria. Similarly, Raytheon's deliveries of guided bombs to Saudi Arabia and the United Arab Emirates (UAE) continued unabated after the Yemen war began. The arms industry claims to continuously adjust arms deliveries to the political situation in recipient countries, but the findings of the ExitArms database belie this claim.

The ExitArms database also proves that the arms industry does not always comply with international law and agreements such as UN arms embargoes or the Arms Trade Treaty (ATT). For example, even after the UN arms embargo had been imposed, deliveries were still made to warring parties in the Libyan war. Against this background, the ExitArms database also attempts to document the

actual use of weapons in wars. While this is an ongoing process, relevant cases in the Libyan war and the war between Armenia and Azerbaijan are already documented.⁵

Central results of the ExitArms database:

- The top ten companies in terms of the number of warring states supplied over the research period were (consolidated at the parent company level): **Rostec** (21 warring states), followed by **Raytheon** and **Airbus** (14 each), **Leonardo** (13), **Lockheed Martin** (12), **BAE Systems**, and **Pratt & Whitney** and **Boeing** (10 each), **AVIC** and **Rolls-Royce** (9 each). (→ See Table 2 in the Annex)
- Of those top ten companies, **Leonardo** is the number 1 beneficiary of the European Defence Fund (EDF), an EU program dedicated to military research and development since 2017. So far, the company has received at least €28 million from EU taxpayers' money to research and develop the next generation of weaponry. **Airbus** is number 5 EDF beneficiary with EU subsidies amounting to at least €10 million.
- Of the top 10 beneficiaries of the EU Defence Fund for the time span 2017 to 2020, eight are currently featured in the ExitArms database for supplying arms to warring states: **Leonardo, Indra, Safran, Thales, Airbus Group, Saab, Hensoldt** and **KNDS (previously KMW + Nexter Defense Systems)**. (→ See Table 3 in the Annex for more information)

Top 10 beneficiaries of EU Defence Fund, 2017 – 2020 (Source: 'Fanning the Flames'); companies listed in ExitArms database marked in red

Rank	Name	EUR mln received from EU 2017-2020
1	Leonardo (Italy)	28,71
2	Indra (Spain)	22,78
3	Safran (France)	22,33
4	Thales (France)	18,64
5	Airbus (France, Germany, Spain)	10,17
6	Saab (Sweden)	10,07
7	Hensoldt (Germany)	8,12
8	Frauenhofer (Germany)	8,07
9	KNDS (France, Germany)	6,9
10	GMV (Spain)	6,24

⁵ This is documented as "verified use" in the database.

Top 5 countries exporting arms to warring parties

Exporting country	Number and names of the recipient countries		# Deliveries
Russia	21	Armenia, Azerbaijan, Brazil, Burkina Faso, Cameroon, Egypt, Ethiopia, India, Iran, Iraq, Mali, Mozambique, Myanmar, Nigeria, Pakistan, Saudi Arabia, South Sudan, Sudan, Syria, Turkey, UAE	131
USA	17	Brazil, Cameroon, Egypt, Ethiopia, India, Iraq, Israel, Libya, Mali, Nigeria, Pakistan, Qatar, Saudi Arabia, Turkey, Ukraine, UAE, Yemen	338
Germany	16	Brazil, Egypt, Ethiopia, India, Indonesia, Iraq, Israel, Jordan, Kuwait, Myanmar, Nigeria, Pakistan, Qatar, Saudi Arabia, Turkey, UAE	94
China	15	CAR, Democratic Republic of Congo, Egypt, Ethiopia, Iran, Iraq, Mali, Myanmar, Nigeria, Pakistan, Qatar, Saudi Arabia, Somalia, Sudan, UAE	91
France	15	Brazil, Burkina Faso, Cameroon, Egypt, Ethiopia, India, Iraq, Mali, Nigeria, Qatar, Saudi Arabia, Somalia, Turkey, Ukraine, UAE	103

- **Saudi Arabia, the UAE, Egypt, India and Pakistan** were among the top recipients of arms exports between 2015 and 2020. Thus, the three wars that were most frequently supplied with weapons or weapon systems are the **war in Libya, Yemen, and the Kashmir conflict**. (→ See Table 1 in the Annex)
 - **Saudi Arabia**, for example, received a total of 141 deliveries that helped support its participation **in the wars in Libya and Yemen**. The top 5 suppliers to Saudi Arabia were **Lockheed Martin Corp.** (21 deliveries), **Raytheon** (20), **Boeing** (15), **Airbus Group** (13) and **BAE Systems** (13).
 - **Turkey** received a total of 63 deliveries in spite of its involvement in the war in **Libya and in northern Syria**. The top 5 suppliers to Turkey were **Raytheon** (13 deliveries), **Leonardo** (10), **Thales** (8), **Almaz-Antey** and **Boeing** (7 each).

The three wars that were most frequently supplied with weapons or weapon systems during 2015 - 2020 (by number of deliveries documented in SIPRI that could be matched to at least one company in the ExitArms database)

War	Number of deliveries to warring parties involved	Composition at conflict party level	Top 5 exporting companies
Libya War	529	Saudi Arabia (141), UAE (117), Egypt (93), Qatar (84), Turkey (63), Libya (15), Sudan (12), Russia (4).	Raytheon (73), Leonardo (65), Airbus Group (49), Lockheed Martin Corp. (46), BAE Systems (44)

Yemen War	468	Saudi Arabia (141), UAE (117), Egypt (93), Qatar (84), Sudan (12), Iran (8), Yemen (7), Jordan (5), Kuwait (1)	Raytheon (60), Leonardo (55), Airbus Group (48), BAE Systems (45), Lockheed Martin Corp. (42)
Kashmir Conflict	251	India (158), Pakistan (93)	Rostec (36, supplied both sides); Leonardo (34, also supplied both sides), Israel Aerospace Industries (26, supplied India), AVIC (22, supplied Pakistan), China Aerospace Science and Industry Corporation (18, supplied Pakistan).

Note: Saudi Arabia, Sudan and the UAE are each involved in both the wars in Yemen and Libya. The arms deliveries to these conflict parties are therefore attributed to both wars.

Financial institutions must distance themselves from the arms industry

Niels Dubrow, arms expert at Urgewald: "The arms industry often fails to comply with legal requirements and international agreements, let alone basic standards or norms for responsible governance.⁶ The ExitArms database shows 'only' the tip of the iceberg, 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 rollback existing restriction policies for financing and investments in the arms industry. This is largely due to the horrific war in Ukraine and the discussion about the EU's social taxonomy, which is strongly influenced by lobbying activities of the arms industry. The finance industry must exit weapons companies, whose "profit over morals" approach is fuelling violent conflicts and wars all over the world.

Thomas Küchenmeister: "In the past two decades, banks, insurance companies and pension funds have started, for good reason, to adopt international standards of the UN and the OECD, which provide for the respect of human rights in business practices. The arms industry, however, apparently believes that these standards do not apply to it. If the financial industry does not want to degenerate into a mere 'greenwashing machine' and lose all

⁶ Examples are: the social and environmental goals of the EU Green Deal, the European Social Charter or the UN Guiding Principles on Business and Human Rights.

remaining credibility, it must never classify the arms industry as sustainable or social."

Political responsibility

Facing Finance, Urgewald and ENAAT strongly condemn the Russian invasion in Ukraine. At the same time, they demand with regard to politics: the legitimate right to self-defense of and support for the Ukraine must not be misused to justify future arms deliveries of all kinds and to any recipient. This could create space for arbitrariness – e.g. not all warring countries under violation of international law were granted the same right to self-defense as currently the Ukraine. A recent example is Turkey's attack on Kurdish areas in northern Syria, which has violated international law. Thomas Küchenmeister: "It is important to avoid double standards and selectivity, in order not to camouflage politics of interests with humanitarian ideals."⁷

Facing Finance and Urgewald advocate for stricter arms control laws at the national and European level. The announced legislative projects (among others in the coalition agreement of the German government) must not be postponed but implemented ambitiously. In this context, it must be ensured that arms transactions with warring states are in principle prohibited. This also includes the enforcement, observance and application of existing law such as the Arms Trade Treaty. There may be exceptions in which arms deliveries can be a short-term means of supporting a state's right of self-defense, as it is the case with deliveries to Ukraine in the wake of Russia's war of aggression. However, such an exception requires careful parliamentary justification.

The EU should not fund companies supplying arms to warring states

In an unprecedented move, the EU started to fund military-related activities with the EU common budget in 2017. Two precursors of the EU Defence Fund (PADR and EDIDP) dedicated a total of €590 million to military R&D projects from 2017 to 2020, in order to support industrial consortia to develop the next generation of weaponry. For the period of 2021 to 2027, the European Defense Fund (EDF) will amount to €8 billion. It is an industrial program and one of its main objectives is to strengthen the global competitiveness of the European arms industry; in other words, the EDF will be a push-factor for arms exports.

⁷ According to Greenpeace, arms exports worth more than 9 billion Euros were approved by the German government in 2021. Article 51 of the UN Charter, the right of self-defense, was not used as a public justification for any of the export licenses granted.

<https://www.greenpeace.de/frieden/gesetz-ruestungsexportkontrolle-stark>

According to the ENAAT-TNI report 'Fanning the Flames', the projects funded by the EDF fall short of basic ethical controls, and many of the main beneficiaries are facing serious corruption allegations.

Laëtitia Sédou, project officer at ENAAT: "The ExitArms database also demonstrates that eight of the top ten EDF beneficiaries are delivering weapons and weapon systems to wars across the globe. 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."

Further information about the ExitArms database and Facing Finance & Urgewald

The ExitArms database can be found here: www.exitarms.org

For the ExitArms database, only wars according to the "Heidelberg Conflict Barometer"⁸ and conducted without a United Nations mandate are recorded.⁹ In a second step, corresponding exports of main weapons (systems)¹⁰ are identified at country level on the basis of the SIPRI Arms Transfer Database. In a third step, Facing Finance and Urgewald meticulously researched the "arms supply chain" at company level: from design to transport of the finished weapon or weapon system.¹¹

The ExitArms database will be updated at least once a year. The exports of the year 2021 are to be added shortly. Various research will also be successively added, including on the financial institutions behind the companies that can be found in the ExitArms database (through loans, underwriting and investments). An initial analysis had already been carried out recently by the consumer platform "Faire Fonds" (www.faire-fonds.info), also operated by Facing Finance and Urgewald in cooperation: <https://www.faire-fonds.info/2022/05/19/greenwashing-bei-fonds-pm-zum-neuen-update/>

⁸ According to the Heidelberg Conflict Barometer from HIIK (Heidelberg Institute for International Conflict Research), the ExitArms Database only takes into account conflicts in categories 4 ("limited war") and 5 ("war"): <https://hiik.de/hiik/methodik/> ; Please note: for conflict analysis, the ExitArms Database also uses the BICC Database by Bonn International Centre for Conflict Studies to identify human rights violations and risk assessments on illegal arms trade by warring parties: <https://www.bicc.de/>

⁹ Please note: During the period under review, (certain) level 4 and 5 conflicts according to the Heidelberg Conflict Barometer were conducted with a UN mandate (in Afghanistan, Mali, Syria, and Congo) and are therefore not included in the ExitArms database.

¹⁰ Definition of "major weapons" according to SIPRI/Stockholm International Peace Research Institute: <https://www.sipri.org/databases/armstransfers/sources-and-methods#Coverage>.

¹¹ The "arms supply chain" according to the ExitArms database includes companies responsible for weapons design and production, as well as licensing, repair, modernization or modification, and also the arms exporter, who handles sales and transport.

Disclaimer: The arms deliveries to the Ukraine documented in ExitArms.org took place after Russia's annexation of Crimea in 2014, which was illegal under international law. We leave it to the investors, lenders and users of the ExitArms database to themselves evaluate the deliveries and the companies involved in these arms deliveries.

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