

Controversial Weapons

Storebrand Sustainability Team



Storebrand aims to invest in corporations that contribute actively to sustainable development. We believe such practices – when integrated into core business – will be financially rewarded. Furthermore, we have implemented a standard for all investments under management by the Group; Storebrand standard. This standard leads to certain corporations being excluded from investment. Amongst them are companies involved in certain controversial weapons.

Definition

Anti-Personnel Mines

Anti-personnel mines are explosives that are designed to detonate at the proximity or contact of a person, which incapacitates, injures, or kills the person and/or others nearby. After being planted, anti-personnel mines can remain undetonated for years, posing a serious risk to civilians after a conflict has ended.

The applied definition of an anti-personnel mine is provided in the 1997 Ottawa Treaty.

Cluster Munitions

Cluster weapons are air-dropped explosives that release in flight 10 or more sub munitions (bomblets), each weighing less than 4 kg. The sub munitions have a wide impact zone, and often remain undetonated on the ground. These munitions can remain dangerous for years after the conflict has ended, posing a serious risk to civilians.

The applied definition of a cluster munition is provided in the 2008 Convention on Cluster Munitions (CCM).

Nuclear Weapons

A nuclear weapon is a device that is capable of releasing nuclear energy in an uncontrolled manner, due to fusion and/or fission reactions, making it a highly destructive explosive. The indiscriminate and disproportionate impact makes nuclear weapons a controversial weapon.

As the 1968 Treaty on the Non-Proliferation of Nuclear Weapons (NPT) does not contain a definition, Storebrand bases its definition of a nuclear weapon on the Treaty for the Prohibition of Nuclear Weapons in Latin America and the Caribbean (Tlatelolco). There is currently no comprehensive convention or legal framework that outlaws the use or production of nuclear weapon systems. The NPT Treaty deals only with trade.

Biological and chemical weapons

Biological or chemical weapons are munitions that utilize biological or chemical agents, respectively, to inflict death or harm. Either type can be dispersed in gas, liquid, or solid forms. As these munitions are based on organisms or chemicals, civilians are often unintended victims since the impact zone is constrained only by how far the particles can disperse. For biological weapons, person-to-person transmission of the illness can further exacerbate the civilian impact.

Definitions of biological and chemical weapons can be found in the 1972 Biological and Toxin Weapons Convention (BTWC) and the 1993 Chemical Weapons Convention (CWC)

Background

The presence of war is not necessarily illegal for all the involved parties. The use of force is controlled by both customary international law and by treaty law. While the use of aggressive force is generally seen to be illegal where it is not a collective action by the Security Council, article 51 of the United Nations Charter states that "Nothing in the present Charter shall impair the inherent right to individual or collective self-defence if an armed attack occurs against a state".

Building upon the modern body of work determining the correct conduct during conflict including but not limited to the Geneva conventions, Hague conventions, United Nations Charter and Humanitarian Law – Storebrand finds it necessary to abstain from investing in certain types of products that are in breach of the fundamental principles that govern international relations.

Specifically, the following conventions set the preliminary foundation for this investment criterion:

- Humanitarian law as enshrined within the Geneva and Hague conventions.
- United Nations Convention on Prohibitions or Restrictions on the use of Certain Conventional Weapons Which May be Deemed to be Excessively Injurious or to Have Indiscriminate Effects (CCW).
- The International Court of Justice advisory opinion on the Legality of the Threat or Use of Nuclear Weapons.
- Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction (Ottawa Treaty).
- The Convention on Cluster Munitions (CCM).

Focusing upon the overarching principles, which have led to the above, Storebrand chooses to abstain from investing in 'Controversial Weapons'.

The term 'Controversial Weapons' is here meant to describe a specific type of military grade weapon that may by its very nature contain the following characteristics:

- An inability to distinguish between combatant and civilian during and after conflict.
- An inability to be a proportionate action during conflict.
- The use of said weapon can hinder efforts in rebuilding and development after the conflict has ended.
- The effects of use of such weapons often persist after the end of the conflict, and continue to represent a fundamental threat to the basic Human Rights of the affected populace.

Scope

Storebrand will not invest in companies involved in certain controversial weapons. In the event that subsidiaries of a company are involved in such, but are not publically listed, the closest listed company above the subsidiary in the hierarchy, with a controlling interest, is excluded. In the event that a subsidiary involved is listed, the parent company is also excluded if it has a controlling interest in the subsidiary. If a parent company is involved, listed subsidiaries are only excluded if they are involved in the same unacceptable activities. Storebrand will also consider exclusion in cases where suppliers or other business partners (such as joint ventures), systematically violate the criterion. Storebrand will not exclude companies based on operations in specific countries, but will assess the manner in which they run their business in the countries they operate in.

Key sources

<http://www.apminebanconvention.org/>
<http://www.clusterconvention.org/>
<http://disarmament.un.org/treaties/t/tlatelolco>
<https://www.un.org/disarmament/wmd/nuclear/npt/>
<http://www.un.org/disarmament/WMD/Bio/>
<http://www.opcw.org/chemical-weapons-convention/>

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