LOCAL GOVERNMENT DIVESTMENT GUIDE

ICAN AUSTRALIA 2017 NOBEL PEACE PRIZE

NUCLEAR WEAPONS POSE AN UNACCEPTABLE THREAT TO PEOPLE EVERYWHERE.

This is why all national governments are now invited to sign and ratify the Treaty on the Prohibition of Nuclear Weapons (TPNW).

This landmark global agreement prohibits the use, production, possession, threat of use and stockpiling of nuclear weapons and lays the pathway for their total elimination.

It is a crucial piece of international law that puts nuclear weapons in the same illegal category as biological weapons, chemical weapons, anti-personnel landmines and cluster munitions.

DIVESTMENT IS ETHICAL

The Australian public supports action on nuclear disarmament. Most Australians abhor nuclear weapons: 70% of people support Australia signing and ratifying the UN ban treaty.

Every dollar divested from nuclear weapons producers reinforces the stigmatisation and prohibition of nuclear weapons.

CITIES AND TOWNS CAN TAKE THESE 3 STEPS:

- Embed exclusions of nuclear weapons in your investment policies.
- Remove nuclear weapons companies from current investment portfolio.
- Make sure that preferred super funds are nuclear weapons free

SUSTAINABILITY

The United Nations Sustainable Development Goals have become the agreed sustainability framework globally.

SDG16 emphasises peace and justice. Development, production and use of nuclear weapons fundamentally undermines SDG16 and contributes to the macro financial risks expected to materialize if the SDGs are not met.

INTERNATIONAL LAW

Financial institutions often choose not to invest in “controversial weapons,” which are typically weapons prohibited by international law.

January 22, 2021 is the date of entry-into-force of the Treaty on the Prohibition of Nuclear Weapons.

The entry into force of the TPNW clearly puts nuclear weapons in this category and will likely trigger additional divestment, including by Australian banks and superannuation funds

Entry into force of previous ban treaties has led to a substantial decrease in the production and deployment of prohibited weapons such as cluster munitions and landmines.

Entry into force will also impact the flow of funds to nuclear arms producing companies.

Financial assistance such as holdings in nuclear weapons companies will be a business and reputational liability.

State parties to the Treaty will also need to divest any government money from such companies.

A NEW NORM

In Australia, as of November 2020, four superannuation funds, Australian Ethical, Future Super, Christian Super and Verve Super are nuclear weapons free.

Numerous financial institutions worldwide have comprehensive policies to prevent nuclear weapons in place. Examples are Norway's government pension fund, the world's largest sovereign wealth fund, and the Dutch civil service scheme ABP.

Councils everywhere can significantly reduce exposure to the development, testing, production, maintenance or trade of nuclear weapons related technology, parts, products or services by taking the following steps:

1.UPDATE YOUR POLICIES

Our recommendation is to adopt a policy that excludes all nuclear weapon associated companies:

- Whole companies, not only nuclear weapons related projects;
- Companies associated with nuclear weapons including through joint ventures; • Companies regardless of their country of origin;
- Companies regardless of their country of operation.

Exclude all nuclear weapon associated activities:

- Development, testing, production, maintenance or trade of nuclear weapons related technology, parts, products or services;
- Delivery systems such as missiles that are specifically developed for nuclear tasks. It does not include delivery platforms such as bombers and submarines.

Apply the policy to all asset management classes; passive and active, internal and external, to existing and future investments

Categories that need to be excluded are:

- Weapons - Nuclear Dual-Use Components
- Weapons - Nuclear Intended-Use Components
- Weapons - Nuclear Warheads & Missiles
- Weapons - Nuclear Weapons Support Services agreement.

Be aware that the exclusion category "controversial weapons" has varying definitions and may not be nuclear weapons free. This is why specific exclusions may be required.

2.DIVEST FUNDS

Discuss with your local government finance committee (or equivalent) the need to clarify and amend the investment mandate to divest from nuclear weapons. In Australia this involves screening out just 26 companies:

- Aerojet Rocketdyne
- Airbus
- BAE Systems
- Bechtel
- Boeing
- Bharat Dynamics Limited
- BWX Technologies Inc
- Charles Stark Draper Laboratory
- China National Nuclear Corporation
- Constructions Industrielles de la Méditerranée (CNIM)
- Fluor
- General Dynamics
- Honeywell International
- Huntington Ingalls Industries
- Jacobs Engineering
- Larsen & Toubro
- Leidos
- Leonardo
- Lockheed Martin
- Northrop
- Grumman
- Raytheon
- Safran
- Textron
- Thales
- Walchandnagar Industries

3.ENSURE YOUR SUPER FUND IS NUCLEAR WEAPONS FREE

Let council's preferred super fund know that nuclear weapons free finance is a policy of the council.

Ask your council's preferred fund to review the qualifying criteria. If they are not already listed, find out if they plan to implement a policy that excludes nuclear weapons.

If yes, clarify the time frame and ask to be kept informed about divestment progress.

If the fund is not planning to divest, take measures to change the Council's preferred superannuation company to a company that is nuclear weapons free.

RESOURCES:

Additional resources can be found at www.icanw.org.au/cities and at www.dontbankonthebomb.com/city-guide/

For more information about the work we are doing with Australian superannuation funds please get in touch at contact@quitnukes.org