



**International Campaign to  
Abolish Nuclear Weapons**

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## **Input to the Ethics Committee on the Guidelines for Observation and Exclusion of Companies from the Government Pension Fund**

**December 2019**

Dear Professor Ola Mestad and the Ethics Committee,

The International Campaign to Abolish Nuclear Weapons (ICAN) is a coalition of non-governmental organizations in more than one hundred countries promoting the abolition of nuclear weapons, including full adherence to and implementation of the United Nations Treaty on the Prohibition of Nuclear Weapons. ICAN was awarded the 2017 Nobel Peace Prize for our *“work to draw attention to the catastrophic humanitarian consequences of any use of nuclear weapons”* and our *“ground-breaking efforts to achieve a treaty-based prohibition of such weapons”*.

ICAN works with partners, including PAX, on a joint effort *“Don’t Bank on the Bomb”*. This project is intended to build the global stigma around the continued production of (key components for) nuclear weapons, and encourage investors, including institutional investors to end their involvement with any company associated with the nuclear weapon industry. Building up on the input from ICAN Norge, Nei til atomvåpen, Norske leger mot atomvåpen og Norges Fredsråd, we would like to provide our own input to the Ethics Committee.

The Norwegian Council of Ethics has previously helped to shape global norms around weapons investment. The foundational concept behind the guidelines *“establish that the fund assets shall not be invested in companies that, themselves or through entities they control: produce weapons that violate fundamental humanitarian principles through their normal use.”*<sup>[1]</sup> The landmark decision to include cluster munitions producers in the exclusion lists for the Norwegian Pension Funds reverberated around the world, and inspired countless other institutions to follow suit. Similarly, although the guidelines don’t specifically mention nuclear weapons, the recent changes to the interpretation of the guidelines to broaden the interpretation of key components for nuclear weapons has had a positive influence for other institutional investors. The decision of the fund in early 2018 to exclude AECOM, BAE Systems, Fluor Corp and Huntington Ingalls Industries Inc was warmly welcomed.

However, in seeking to interpret the policy and use the power of the fund responsibly and towards an end to weapons that cause indiscriminate human suffering, there is scope for including other companies associated with the production of nuclear weapons. Whereas a Norwegian Official Report in 2003 directed an exclusion of companies that produce key components for nuclear weapons, in 2005 it was specified that production of dual-use products is not sufficient to be excluded. This means a number of companies are permitted in the investment universe of the GPF, despite their production of key components designed to contribute directly to the lethality of nuclear weapons.

Another ICAN partner, the Norwegian People’s Aid in their publication *The Nuclear Ban Monitor*, interprets key components of nuclear weapons to include *“the missile, rocket, or other munition,*

*including both the container and any means of propulsion. Delivery platforms such as bombers and submarines are not key components of nuclear weapons as such, but they may be integral to a nuclear-weapon system and, in certain circumstances, investment in such a system, or the transfer of nuclear-capable bombers or submarines, could amount to prohibited assistance.”[2]*

Other institutional investors, for example APG in the Netherlands, have avoided these types of investments by having policies that exclude companies involved in the “production, development, sale and/or distribution of the core weapon system” and for specifically designed or key components.[3]

We therefore recommend the ethical guidelines for the Norwegian Pension Fund specifically mention nuclear weapons and strengthen the guidelines to ensure that all companies that take part in the development and production of components that can be used in the development of, or in, nuclear weapons, including companies that are involved through the development and production of dual use components, are excluded. These companies are complicit in the maintenance and potential future use of weapons of mass destruction, which would cause indiscriminate suffering and for which there is no adequate humanitarian response. Continued investment in these companies helps to perpetuate the increased risk of nuclear weapons use and therefore the increased risk of catastrophic humanitarian consequences.

## Exclusions

Currently, to ensure the full application of the policy, it would be logical to exclude the following companies from the investment universe of the GPF:G:

### Larsen & Toubro

L&T advertises their involvement in the development of launching systems and key components for the Indian nuclear arsenal, specifically for the nuclear-capable Prithvi II missile[4], described by the Bulletin of Atomic Scientists as “the first missile to be developed under India’s Integrated Guided Missile Development Program... The Prithvi-II can deliver a nuclear or conventional warhead to a range of 250 kilometres (155 miles).”[5]

### Leidos

Leidos is involved in US nuclear weapon production facilities, including Pantex. The Pantex site is currently involved in life extension programme for the W76 warheads deployed on Trident II (D5) ballistic missiles[6], the W80-1 nuclear warhead[7], as well as other warheads.

### Leonardo



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Leonardo (Italy) (formerly Finmeccanica) is involved in the production of medium-range air-to-surface missiles for the French. MBDA-Systems, a joint venture between BAE Systems (37.5%), Airbus (37.5%) and Leonardo (25%), supplies the medium-range air-to-surface missile ASMPA to the French air force.[8]

### **Raytheon**

Raytheon is involved in missile production and development for the US nuclear arsenal. Involvement includes contracts for Minuteman MEECN (Minimum Essential Emergency Communication Network) programme and the Minuteman MEECN programme upgrade[9], the Long-Range Standoff weapon[10], and the Ground Based Strategic Deterrent.[11]

### **Thales**

Thales is involved in the French nuclear-armed medium-range air-to-surface missile ASMPA.[12] Thales, via Naval Group, is also involved in the integration of the M51 nuclear missiles in the French nuclear-armed submarines.[13]

### **United Technologies Corp**

United Technologies Corporation (UTC), acquired Rockwell Collins in November 2018. Rockwell Collins was subsequently renamed Collins Aerospace Systems. Since October 2017, this company has been involved in the modernisation programme for the US Minuteman III intercontinental ballistic missile weapon system.[14]

Recommending these companies for exclusion from investment would send a clear and focused signal that nuclear weapons are unacceptable and illegitimate, and there exists a nearly fifty-year old commitment to negotiate their disarmament. It would also demonstrate a fulfilment of the core principles underpinning the guidelines, by ending investment in companies that produce weapons designed to violate fundamental humanitarian principles.

Thank you for your consideration of these matters, we remain at your disposal should you require additional information.

Sincerely,

Beatrice Fihn, Executive Director

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- [2] Nuclear Weapons Ban Monitor, “The Definition of Nuclear Weapons”, Ban Monitor website (<https://banmonitor.org/the-history-of-the-tpnw/the-definition-of-nuclear-weapons>), viewed 31 October 2019.
- [3] APG Asset Management, “Responsible investment & Stewardship policy”, December 2018, p. 14, available at [https://www.apg.nl/pdfs/APG%20Responsible%20Investment%20-%20Stewardship%20Policy%20FINAL\\_ENG.pdf](https://www.apg.nl/pdfs/APG%20Responsible%20Investment%20-%20Stewardship%20Policy%20FINAL_ENG.pdf), last viewed 27 August 2019.
- [4] Larsen & Toubro, “Strategic Systems”, Larsen & Toubro website ([www.larsentoubro.com/heavy-engineering/products-services/defence-aerospace/land-weapon-systems/strategic-systems/](http://www.larsentoubro.com/heavy-engineering/products-services/defence-aerospace/land-weapon-systems/strategic-systems/)), viewed in January 2019.
- [5] Kristensen, H. and Korda, M., “Indian nuclear forces, 2018”, Bulletin of the Atomic Scientists, 74:6, 361-366, DOI: 10.1080/00963402.2018.1533162; Missile Threat, “Prithvi-I/II/III”, Missile Threat website ([missilethreat.csis.org/missile/prithvi/](http://missilethreat.csis.org/missile/prithvi/)), viewed in January 2019.
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- [8] Ministère de Finances et des Comptes Publics, “PLF 2018: Extrait du Bleu Budgétaire de la Mission: Défense – Programme 146: Équipement Des Forces”, Ministère de Finances et des Comptes Publics, 3 October 2017 ([www.performance-publique.budget.gouv.fr/sites/performance\\_publique/files/farandole/ressources/2018/pap/pdf/DB\\_GPGMPGM146.pdf](http://www.performance-publique.budget.gouv.fr/sites/performance_publique/files/farandole/ressources/2018/pap/pdf/DB_GPGMPGM146.pdf)), pp. 25-29; Warwick, G. & L. Dickerson, “Arming New Platforms Will Push Up Value Of Missiles Market”, Website Aviation Week, 5 January 2015 ([aviationweek.com/defense/arming-new-platforms-will-push-value-missiles-market](http://aviationweek.com/defense/arming-new-platforms-will-push-value-missiles-market)).
- [9] Federal Procurement Data System – Next Generation, “Contract FA820413C0009 P00038”, 13 August 2018, FPSD NG, viewed January 2019.
- [10] InsideDefense, “Long-Range Standoff Missile Development Pushed Back By Three Years”, InsideDefense, 5 March 2014; Malenic, M., “Industry expects LRSO RfP in months”, IHS Jane’s 360, 16 March 2016.
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