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Berlin, 27 April 2021

Statement on the White Paper on new investment guidelines for the Norwegian Government Pension Fund Global

Dear members of the Finance Committee,

we the signing NGOs and financial institutions look back on a long cooperation with Norwegian NGOs which includes a common engagement for sustainable finance regulation.

In our perspective the Norwegian Government Pension Fund Global (GPFG) has been regarded worldwide for decades as a model of investment based on ethical and ecological criteria. Investors from all over the globe follow the Pension Fund's recommendations.

With this joint stakeholder letter, we want to emphasize our strong support to many of the last year's recommendations of the GPFG Ethics Committee, in particular those concerning the arms sector, even though, unfortunately, not all recommendations were included in the White Paper, especially with regard to Autonomous Weapon Systems (AWS).

WEAPONS EXPORTS TO STATES INVOLVED IN ARMED CONFLICT

The criterion proposed by GPFG Ethics on the «*sale of weapons to states in armed conflict using such weapons in ways that constitute serious and systematic violations of the international law of armed conflict*» has been included in the White Paper.

As the GPFG Ethics committee mentioned, there is an urgent need for such a criterion in order to, prevent complicity in possible war crimes that arms companies worldwide are in part responsible for.

The Ethics Committee recommends excluding companies where there is an **unacceptable** risk that the military equipment will be used in operations that lead to **serious** and **systematic** violations of international law.

This proposal is, in principle, in line with the rules of the International Arms Trade Treaty (ATT) and also with the EU Common Position on exports of military equipment and technology. It

prohibits arms exports where there is a clear risk that they could contribute to a serious violation of international humanitarian law (IHL).

The example of the current **war in Yemen** shows that comprehensive exclusion criteria for arms exporters to war zones is urgently needed to prevent serious violation of IHL. Several reports by the UN Panel of Experts, the UN Group of Eminent Experts and NGOs have documented alleged violations of International Humanitarian Law committed by members of the Saudi- and UAE-led Coalition in Yemen.¹

Airstrikes, that are central to the Saudi Arabia and the UAE strategy, have resulted in the largest number of civilian casualties. Of 20,000 airstrikes carried out by coalition forces, Saudi Arabia and the UAE are responsible for the vast majority².

[An analysis of the 2020 GPFG Portfolio](#) (913 billion \$) shows investments in over 50 of Sipri's 100 top arms-producing companies of the world, worth more than **28 billion \$**. These investments include companies **that i.e. have supplied military equipment to coalition countries warring in Yemen**. These companies include **Leonardo** (Eurofighter Typhoon and Tornado fighter jets), **Dassault** (Mirage fighter aircraft), **Raytheon UK** (Paveway IV bombs, guidance system), **Rheinmetall** (MK-80 series bombs), **Thales** (Damocles and Talios pots (can be integrated in Eurofighter, Mirage and Tornado) and **General Dynamics** (MK-84 series bombs). The investments made in these 6 companies alone amount to 1,87 billion \$.

In-depth research by non-governmental organisations including Mwatana, Amnesty International and Human Rights Watch has shown that these arms have been used in Yemen in violation of international humanitarian law against causing harm to civilians. In response, in 2019, the European Center for Constitutional and Human Rights (ECCHR) along with a number of NGOs submitted a communication to the International Criminal Court (ICC), asking the Office of the Prosecutor to investigate criminal liability of for aiding and abetting war crimes.

We therefore would like to stress once again that we support strongly the call for an exclusion criterion for arms exporters to war zones.

The suggested reform of the guidelines on arms companies would allow the Norwegian Government Pension Fund Global to demonstrate once again its pioneering role in ethical investment. Finally, this would help to keep control over the use of force and might help to prevent wars and related causes of flight and human rights violations.

Yours sincerely,

The signatories

Association of Ethical Shareholders Germany e.V. - Bank für Kirche und Caritas eG (BKC), Corporate Responsibility Interface Center e.V. (CRIC) - European Center for Constitutional and Human Rights e.V. (ECCHR) - Facing Finance e.V., Fondazione Finanza Etica (FFE) – Pax Bank eG - Ohne Rüstung Leben - Shareholders for Change (SfC), Steyler Bank GmbH - United Sustainability Group - Urgewald e.V.

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¹ In its third report on human rights in Yemen, titled 'Yemen: A Pandemic of Impunity in a Tortured Land' the UN Group of Experts on Yemen has concluded that indiscriminate attacks have been carried out by the Coalition, inflicting harm on civilians and civilian objects. It notes that disproportionate and indiscriminate attacks constitute **war crimes** under customary international law; <https://www.ohchr.org/Documents/HRBodies/HRCouncil/GEE-Yemen/2020-09-09-report.pdf>

² <https://www.yemendataproject.org/>