Münster: nuclear weapons free and sustainable investments

On December 3, 2014, the city council of Münster decided to divest public funds from companies not conforming with minimum standards of environmental, social and governance (ESG) criteria.

The new guidelines, adopted in August 2015, do not define the environmental standards. However, in the reasoning for the motion to divest, the city councillors proposing the initiative cited the unprecedented weather phenomena that hit Münster in 2014 and the ensuing deaths of citizens as one reason for the initiative. Additionally, the city saw the reform of the investment guideline as a way to gain more control over their investments and by prohibiting direct and indirect funding of climate-damaging companies to contribute to the 2°C Celsius limit.

In addition, the new criteria specifically prohibit the city and its funds - the VUS-Münster funds and WVR funds - from investing in companies which sell or produce ‘military weapons’, nuclear energy or tolerate child labour. These commercial activities comprise the ‘negative list’.

In addition to ending investments in the negative list, the fund managers are obliged to use a Best-in-Class approach to their investment decisions. The approach ensures compliance with the ESG criteria by constant monitoring and evaluation.

As in some other German cities’ divestment decisions, the implementation of the guidelines with respect to weapons systems leaves room for some interpretation as there is no clear legal definition of the term ‘military weapons’. However, a guide for such interpretation could be Article 26 Section 2 of the German Constitution which defines ‘weapons of war’. This definition includes nuclear weapons and dedicated nuclear weapons delivery systems.

Further, the negative list excludes companies involved in severe cases of corruption, animal testing for cosmetics and genetically manipulated seeds and plants.

The divestment initiative, which took effect in 2016, was led by the Social Democratic Party (SPD) and The Greens.

In 2018 the City of Münster won the German Sustainability Award for Cities and Towns 2019 as the most sustainable German city, with Eschweiler and Saerbeck winning awards for the most sustainable towns. Münster City’s divestment policies were specifically mentioned as one of the criteria for making this award.