

North Rhine-Westphalia: Sustainable investments for the long-term protection of pensions

On June 1, 2017, the federal state of North Rhine-Westphalia [decided](#) to divest the pension fund of the state of about 10 billion euros, taking into account sustainable investment criteria (Economic, Social and Governance). These criteria form an exclusion list of stocks and funds in which the state may no longer invest. Investments owned by the state that violate this negative list will be reallocated.

Ethical and sustainable investment criteria [are explicitly cited](#) in the motion as important factors to better secure the long-term investment, and thus the retirement provision of civil servants in the state.

Exclusion criteria include the production of controversial weapons (cluster bombs, landmines, ABC weapons) and conventional weapons, if the turnover of the company exceeds 5% of their total turnover. A desirable addition to the ban on the production of ABC weapons would be the exclusion of their delivery systems.

The governance criteria for the negative list is based on the UN Global Compact which guides business management and corporate practice to ensure respect for human and labour rights, environmental protection and anti-corruption.

Furthermore, the criteria exclude investment in nuclear power plant operators, and manufacturers of important components, but only if such production comprises more than 5% of the company's turnover.

In addition to these criteria, investments must comply with the requirements of the Seal of Approval of the [Forum Nachhaltige Geldanlagen e.V.](#) Investments are made according to the best-in-class approach.
