

## Policy paper

### Weapons Are Not Sustainable!

As a long-term, ethical and sustainable investor, we criticize efforts to define investments in arms companies as sustainable investments. Even if weapons are needed to maintain national security, including for the police, they cannot be considered sustainable.

Excluding investment in weapons and other armaments is widespread among sustainable investors. After many years of peace in much of the global North (but not the world), this attitude was widely accepted. Events such as the war of aggression in Ukraine have led to these certainties being questioned in Germany and other countries. Is it not necessary - also for the sake of peace - to enable the invaded to defend themselves? Isn't effective deterrence needed more than ever?

From our point of view, we can firmly adhere to the exclusion criterion of armaments and still stand by the right to self-defense without reservation. National defense is a sovereign task of constitutional states. The money of ethically oriented investors is not needed to accomplish this task.

For us, ethical investment means that we do not want to earn money from everything that promises a good return. We do not want to profit from war! Therefore, we also advise our clients against such investments.

The Steyler Ethik Bank recognizes that a weapons-free world is utopian. There are various reasons for producing and using weapons. The central point for us remains that weapons are designed to kill or injure people. For this reason, the exclusion criterion of armaments remains an integral part of our investment guidelines.

It should also be noted that the manufacture of weapons has a considerable negative impact on the environment. The resources required for production - such as metals, energy and chemicals - can contribute to environmental degradation. The use of weapons also leads to environmental pollution and the destruction of habitats. It also results in very high direct and indirect CO<sub>2</sub> emissions, which are not compatible with the Paris climate targets.

#### Investment principles of the Steyler Ethik Bank for military equipment

Steyler Ethik Bank does not invest in producers of armaments. The following rules apply in detail:

**Controversial Weapons:** We rigorously exclude companies that manufacture controversial weapons or key components for them, maintaining a strict 0 percent sales threshold. This includes prohibited weaponry as outlined in the Rome Statute of the International Criminal Court, such as nuclear, biological, and chemical weapons, as well as landmines.

**Civilian Weapons:** We also maintain a 0 percent sales threshold for the production of civilian-use weapons.

**Military Equipment:** We do not invest in producers of military equipment. A 0 percent threshold applies to equipment used in combat and its distribution, while a 5 percent threshold applies to other military-related equipment. Companies that derive more than 5 percent of their revenue from the trade of military equipment for combat operations are also excluded.

These principles reflect our commitment to ethical investment and the protection of human rights and are part of our Steyler Sustainability Guidelines.

We publish the currently valid version of our Steyler Sustainability Guidelines in German language on our website under the following link:

- [www.steyler-bank.de/richtlinien](http://www.steyler-bank.de/richtlinien)

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