

Controversial weapons policy



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- Definition** While there exists no official definition of what constitutes a controversial weapon, at least one of the following criteria is usually met:
- **Indiscrimination:**
The weapon does not distinguish between military and civilian targets.
 - **Disproportionality:**
The weapon causes disproportionate suffering relative to the expected military advantage.
 - **Illegality:**
Production and use of the weapon is prohibited by international treaties.

Description of in-scope weapons Nuclear weapons
Nuclear weapons use nuclear fission or fusion to produce an explosion. Due to this kind of explosion's very high potential for destruction, these are considered weapons of mass destruction whose use can be expected to result in a large number of fatalities, especially civilian.

The proliferation of nuclear weapons is prohibited by the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), which entered into force in 1970. The NPT prohibits their proliferation and requires the disarmament of nuclear weapons by signatories and provides for the right to the peaceful use of nuclear energy. The NPT was initiated by the five nuclear powers at the time; the US, Russia, the People's Republic of China, France and the UK, and has to date been ratified by 190 states.

Chemical weapons

The "Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction", which entered into force in 1997, aims to completely eliminate these weapons of mass destruction. This is to be achieved by prohibiting the development, production, trafficking, stockpiling, transportation and use of chemical weapons by the signatory states. The convention on chemical weapons has 193 signatory states.

Biological weapons

Biological weapons are also considered weapons of mass destruction. The "Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction" entered into force in 1975. It has 182 signatories.

Anti-personnel mines

Anti-personnel mines are explosive weapons that are usually concealed beneath the earth's surface and are triggered by the victim stepping on them or through other forms of contact by the victim. One of the problems with these weapons is that it is impossible to distinguish between combatants and civilians and the fact that they pose a lethal threat even after a military conflict has ended.

The 1997 Ottawa Convention, formally known as the "Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction", is an international treaty that prohibits all anti-personnel mines. The treaty defines "anti-personnel landmines" as mines intended to be detonated by the presence, proximity or contact of a person and which incapacitates, injures or kills one or more persons. Mines designed to be detonated by vehicles of all kinds, however, are not prohibited.

Cluster munitions

Cluster munitions are bombs, grenades or warheads that do not explode as a whole but release a large number of smaller so-called submunitions. Many of these submunitions do not explode but remain duds – this is the case for up to 20 percent of these submunitions, depending on the type. In addition to the large share of duds, they are also difficult to find due to their small size. These characteristics make cluster munitions problematic because, as with anti-personnel mines, civilians often become victims thereof long after a conflict has ended.

Cluster munitions are banned under the international Convention on Cluster Munitions (Oslo Convention, CCM). The Convention prohibits the use, stockpiling, production and transfer of cluster munitions and came into force in 2010. Currently, 106 states have ratified this agreement.

Depleted uranium munitions

Uranium munitions are armor-piercing munitions whose projectiles contain depleted uranium. The high density of the uranium results in a strong penetration force when the projectiles hit the target. The problem with uranium munitions is the toxicity of the uranium dust produced when it hits a target. The dust can damage the internal organs of the body. Depleted uranium also has a low level of radioactivity.

Currently, there is no international treaty prohibiting the use of uranium munitions. However, since the uranium dust produced when deployed is highly toxic, uranium munitions break the 1925 Geneva Protocol, which prohibits the use of toxic substances in conflicts.

Incendiary weapons and white phosphorus munitions

Incendiary weapons are weapons designed to start fires or destroy sensitive equipment using fire that use materials such as napalm, thermite, magnesium powder, chlorine trifluoride, or white phosphorus. The strong burns caused by their use and the high toxicity of the materials used are problematic. The use of incendiary weapons can easily lead to collateral damage and deploying them against civilians is therefore prohibited under the ban of all attacks on civilians in the Additional Protocols (1977) to the Geneva Conventions of 1949. However, their use is generally not prohibited. White phosphorus munitions cannot only be regarded as incendiary weapons, but also as chemical weapons due to their toxicity.

Assessment factors

Determining a company's involvement in controversial weapons can be challenging. There is likely to be considerable room for interpretation when deciding whether a company violated the exclusion criterion.

Factors that need to be taken into consideration include:

- **Standards and regulation:**
Has there been a consensus established on what constitutes an involvement? What are the laws we have to abide by?
- **Involvement:**
Is the company directly involved or indirectly through another company? What does the ownership structure look like?
- **Instrumentality:**
Is the company's contribution instrumental for the lethal use of the weapon? Does weapon refer only to the weapon system or is a broader interpretation applicable?
- **Feasibility:**
The scope of application must be reasonable, allowing for a thorough assessment of all in-scope activities. Mere support activities or activities concerning the transport system of the weapon will be disregarded.
- **Customization:**
Is the product or service provided by the company bespoke? How should dual use items, which can be used for both civil and military applications, be treated?

Procedure

Companies that are determined by Bonafide to be involved in controversial weapons as per the assessment factors listed above will be excluded from future investment if relevant revenues surpass the threshold of 0%.

Companies already included in the portfolio will be engaged. If no amicable solution can be found, a divestment shall be carried out within three months and a clarifying statement published to investors.



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