MEDIA RELEASE

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Nuclear weapons and nicotine alternatives a no-go zone for responsible investors

Nuclear weapons production and the manufacture of nicotine alternatives will no longer be permitted in more than 200 investment products certified by the Responsible Investment Association Australasia (RIAA) following an update to the minimum requirements of its Responsible Investment Standard.

RIAA’s Responsible Investment Standard - which informs investment-related legislation and policy, and underpins its pioneering Responsible Investment Certification Program - specifies that a responsible investment product must, at a minimum, avoid significant harm. This means investors must exclude producers of tobacco, manufacture of nicotine alternatives and tobacco-based products, controversial weapons and nuclear weapons from their portfolio.

The addition of nuclear weapons to the minimum requirements of ‘avoiding significant harm’ is a result of a changing international norm, with the Treaty on the Prohibition of Nuclear Weapons entering into force in January 2021. As a result, investors seeking Responsible Investment Certification will no longer be able to invest in companies which derive revenue from the development, production and maintenance of nuclear weapons, effective 1 January 2022.

“The overwhelming majority of the world’s nations – including New Zealand – have recognised the catastrophic humanitarian consequences of nuclear weapons usage. With the adoption of this landmark global agreement to ban nuclear weapons, it is now incumbent on responsible investors to follow suit with their investment decision-making and portfolio construction” said RIAA CEO Simon O’Connor.

“The majority of leading practice responsible investors already exclude nuclear weapons, however some investors will need to divest from particular companies in order to comply with the standard.”

“Nuclear weapons are inhumane, immoral and now illegal. We warmly welcome the role that RIAA’s updated requirements will play in putting the nuclear weapons industry on notice and assisting more of the superannuation landscape to be nuclear weapons free” said Gem Romuld, Director of the International Campaign to Abolish Nuclear Weapons, Australia.

The minimum requirements of the Standard now also prescribe that in addition to avoiding tobacco products, responsible investors must avoid nicotine alternatives including e-cigarettes and delivery products such as vaping devices.

“E-cigarettes and other electronic nicotine delivery systems contain nicotine, which is addictive, and other toxic substances that are harmful to both users, and non-users who are exposed to aerosols second-hand. The addition of nicotine alternatives to the minimum requirements of the Standard follows the recommendation by the World Health Organization to broaden consideration of ‘harms’ from these new forms of nicotine delivery,” said O’Connor.

RIAA’s Responsible Investment Certification Program is the leading initiative for distinguishing quality responsible, ethical and impact investment products and services, which meet the Responsible Investment Standard, in Australia and New Zealand.

For more information or to arrange an interview please contact Carly Hammond on carlyh@responsibleinvestment.org or 0430 448 422