

## ÖGUT RIS

BASIC ▶ 10 | 2017

RESPONSIBLE  
INVESTMENT  
STANDARD



# ÖGUT RIS: *Responsible Investment Standard*

## INVESTING CAPITAL SUSTAINABLY

How can your company invest capital more sustainably? One answer to this question is the **ÖGUT RIS: *Responsible Investment Standard - basic***.

The approach is based on divestment: starting from a blacklist, companies with business activities that are linked to serious ethical problems and states with particularly unethical practices are excluded from the portfolio.

**ÖGUT RIS**, which has been developed in collaboration with **rfu - Reinhard Friesenbichler Unternehmensberatung**, is a tool which companies voluntarily commit themselves to using. It is applied to a company's entire investment volume, and compliance is checked by ÖGUT once a year on a date not known in advance.

For your company **ÖGUT RIS** is an aid to active risk management and sustainable development. Companies and states far removed from any sustainable perspective are excluded from the portfolio.

### ÖGUT RIS

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## METHODOLOGY

**ÖGUT RIS** is applied to a company's entire investment volume. The starting-point is an up-to-date list published annually by the **management consultancy rfu**; it covers companies and states that are indisputably in breach of defined criteria.

### Companies:

- ➔ Leading arms manufacturers worldwide
- ➔ Leading nuclear technology suppliers worldwide
- ➔ Leading nuclear power suppliers worldwide
- ➔ Leading companies deploying genetic engineering in agriculture worldwide
- ➔ Leading contributors to climate change worldwide

### States:

- ➔ States with wildly excessive military budgets
- ➔ States with exceptionally low standards as regards democracy and human rights
- ➔ States with widespread application of the death penalty

The choice of which securities to exclude is based on information from internationally recognized sources and codes. The approach adopted here fits in with the growing number of divestment initiatives and the demand that capital be withdrawn from (say) investments that harm the climate. **ÖGUT's** independent

## CURRENT BLACKLIST: ÖGUT RIS 2016 | 2017

### Criteria for companies quoted on stock exchanges (shares & bonds)

#### AR

##### Leading arms manufacturers worldwide

with arms sales (as listed by SIPRI) averaging > 10 billion USD over the last three years – provided that the relevant sales make up > 10 % of total turnover

LOCKHEED MARTIN	US
BOEING CO	US
BAE SYSTEMS PLC	GB
RAYTHEON CO	US
GENERAL DYNAMICS CORP	US
NORTHROP GRUMMAN CORP	US
AIRBUS GROUP NV	NL/FR
FINMECCANICA SPA	IT
UNITED TECHNOLOGIES CORP	US
L-3 COMMUNICATIONS HOLDING INC	US

#### NU1

##### Leading nuclear technology suppliers worldwide

equipping the nuclear power industry (≥10 reactors completed or under construction) – provided that the relevant sales make up > 10 % of total turnover

TOSHIBA CORP	JP
AREVA SA	FR
ATOMENERGOPROM JSC	RU
MITSUBISHI HEAVY INDUSTRIES LTD	JP
NUCLEAR POWER CORP OF INDIA	IN

#### NU2

##### Leading nuclear power suppliers worldwide

with a rated nuclear generating capacity of > 10 GW – provided that this makes up > 10 % of their total rated generating capacity

ELECTRICITE DE FRANCE SA	FR
EXELON CORP	US
KOREA ELECTRIC POWER CORP (KEPCO)	KR
TOKYO ELECTRIC POWER CO INC (TEPCO)	JP
ENERGOATOM	UA
CHINA GENERAL NUC. POWER GROUP	CH/HK
CHINA NATIONAL NUC. POWER CO	CN

#### GE

##### Leading companies deploying genetic engineering in agriculture worldwide,

as major actors in this field

MONSANTO CO	US
E I DUPONT DE NEMOURS AND CO	US
SYNGENTA AG	CH
DOW CHEMICAL CO	US

certification thus takes the initiative on a demand by voluntary organizations and makes it verifiable. A special feature of **ÖGUT RIS** is zero tolerance: it requires that all securities on the blacklist be excluded from the entire investment portfolio.

## PROCEDURE AND COST

1. **ÖGUT** cordially invites you to an informal informatory meeting.
2. If you decide on a voluntary commitment to **ÖGUT RIS**, you scrutinize your portfolio and eliminate any blacklisted securities.
3. You sign the declaration of commitment to complying with **ÖGUT RIS** (valid for one year from the date of

portfolio rectification).

4. We check your portfolio for compliance with **ÖGUT RIS** on a specific date – if blacklisted items are detected, they must be eliminated from the portfolio within one month.
5. We provide public-relations support.
6. The cost of certification depends on the size of your company, the extent of your portfolio and the quality of the data available; it lies in the range 3,400 € to 5,500 € (plus VAT).

## CC

### Leading contributors to climate change worldwide

oil, gas & coal companies with a carbon dioxide emission potential of > 20 million Gt per annum (basis: current reserves), as listed by Fossil Free Indexes

COAL INDIA LTD	IN
GAZPROM OAO	RU
CHINA SHENHUA ENERGY COMP LTD	CH
ADANI ENTERPRISES LTD	IN

### Criteria for states (bonds)

## MIL

### States with wildly excessive military budgets

averaging > 4.5 % of GDP over the last three years (as listed by SIPRI)

## DEM

### States with exceptionally low standards as regards democracy and human rights

with an average score of > 6 on the Freedom House Index scale (which goes up to 7) over the last three years

## DP

### States with widespread application of the death penalty

averaging > 1 execution per million inhabitants (as listed by Amnesty International) over the last three years

ALGERIEN	MIL		
ANGOLA	MIL		
ÄQUATORIALGUINEA		DEM	
ASERBAIDSCHAN	MIL	DEM	
ÄTHIOPIEN		DEM	
BAHREIN		DEM	
BELARUS		DEM	
CHINA		DEM	DP
GAMBIA		DEM	
ERITREA		DEM	
IRAK	MIL		DP
IRAN			DP
ISRAEL	MIL		
JEMEN	MIL	DEM	
KUBA		DEM	
LAOS		DEM	
LIBYIEN	MIL		
NORDKOREA		DEM	DP
OMAN	MIL		
RUSSLAND	MIL		
SAUDIARABIEN	MIL	DEM	DP
SOMALIA		DEM	DP
SUDAN		DEM	
SÜDSUDAN	MIL	DEM	
SYRIEN		DEM	
TADSCHIKISTAN		DEM	
TSCHAD		DEM	
TURKMENISTAN		DEM	
USBEKISTAN		DEM	
VEREINIGTE ARAB. EMIRATE	MIL		
ZENTRALAFRIK. REPUBLIK		DEM	



## ABOUT US



WE  
develop  
communicate  
link  
KNOWLEDGE

## ÖGUT - AUSTRIAN SOCIETY FOR ENVIRONMENT AND TECHNOLOGY

As an independent non-profit organization, ÖGUT has for 30 years promulgated sustainability as the basis for the economy and society. As a platform for sustainable development ÖGUT links together more than 100 organizations and institutions in the business world (companies involved in waste disposal, financial services, energy services etc., plus lobby organizations such as the Chamber of Commerce and the Confederation of Industry), the administration (Federal ministries, the Province of Lower Austria, the City of Vienna) and environmental advocacy (the largest Austrian environmental NGO's, Ökobüro and Umweltschutzverband). ÖGUT is a competence centre with a wide range of topics and services on offer. Our aim is to develop innovative responses to today's challenges and to get them implemented, in collaboration with our network.



## ÖGUT'S SIX FOCUSES



ENERGY



GENDER &  
DIVERSITY



GREEN  
INVESTMENT



INNOVATIVE  
BUILDING



PARTICIPATION



RESOURCES &  
CONSUMPTION

## HOW IS ÖGUT ACTIVE IN THE FIELD OF GREEN INVESTMENT?

- 1. Certification** – since 2004 ÖGUT has inspected and certified the investment criteria and policies of the Austrian severance pay funds and corporate pension funds in terms of sustainability.
- 2. Research and consultancy** – ÖGUT carries out surveys (e.g. of alternative funding models with a special focus on (energy) infrastructure projects in Vienna), writes reports and position papers, and evaluates companies/sectors and (financial) products in terms of sustainability. We also focus on developing and implementing alternative funding models (such as crowdfunding) for sustainable companies and projects.
- 3. Information and training** – ÖGUT oversees the information platform [www.gruenesgeld.at](http://www.gruenesgeld.at) and organizes events around the issue of Green Investment (e.g. the workshop “The Austrian Ecolabel and other certificates in the market for sustainable finance”). ÖGUT's experts are also available for lectures and training programs (e.g. advanced training on SRI – Socially Responsible Investment).
- 4. Networking** – ÖGUT initiated the platform “Ethical/ecological investment” in 2001 and the working group “Business-ecological and social benchmarking” in 2002, and has hosted both ever since. Issues of current and future importance to the financial sector are sketched out, discussed and summarized in statements and position papers from the perspective of sustainable development for society and the economy.

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