

15 August 2024

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By email: [REDACTED]

Dear [REDACTED]

### **Official Information request regarding NZ Super Fund Investments In weapons companies**

I refer to your official information request dated 26 July 2024.

In order to provide you with further context in terms of the information you have requested, please note that as at 30 June 2024, the NZ Super Fund did not hold any shares in the following companies named by you: Rolls-Royce Holdings PLC; RTX Corp and Textron Inc. The Fund held 1,515,677 shares in BAE Systems and 5,979 shares in L3 Harris Technologies.

The Guardians, the Crown entity that manages the Fund, excludes a number of defence and weapons companies from the Fund, for ethical reasons. These include companies that are involved in the:

- manufacture of cluster munitions
- manufacture or testing of nuclear explosive devices
- manufacture of anti-personnel mines
- manufacture of civilian automatic and semi-automatic firearms, magazines or parts.

As a Crown entity managing a sovereign wealth fund, we have selected these categories and exclusion boundaries based on restrictions or prohibitions by international conventions New Zealand has signed, and of New Zealand law or significant Crown actions. Further information including background papers on these specific categories of exclusion is available on our website at: <https://nzsuperfund.nz/how-we-invest/sustainable-finance/exclusions/>.

In response to the point made in your briefing document regarding divestment from Russian investments as a response to the Ukrainian war, vis a vis the Gaza conflict, please note that the New Zealand Government has put in place specific sanctions relating to Russia, which we comply with. No equivalent New Zealand Government sanctions are in place in connection with the Israel nor the Gaza conflict.

Answers to your specific questions are set out below.

#### **1) Why has the NZSF funded/Invested In the listed companies contributing to the war In Gaza?**

The Fund invests in many hundreds of companies worldwide in order to gain diversified exposure to global share markets. This includes companies in the aerospace and defence industries, subject to the exclusions highlighted above.

**2) Were the Guardians aware of the listed companies' involvement as manufacturers of weapons or weapons parts and systems?**

Yes. We monitor our portfolio on an ongoing basis for compliance with our exclusion categories and update our exclusion list six monthly based on information from a range of sources.

**3) Were the Guardians aware that Israel was using the listed companies' products in the war in Gaza?**

We have become aware of these allegations.

**4) What do the Guardians of the NZSF plan to do about the unethical investments in the listed companies?**

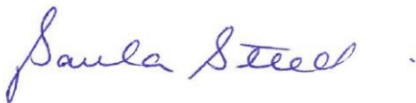
We do not agree with your suggestion that these investments contravene our ethical obligations and are satisfied that we are investing consistently with our mandate.

We continue to monitor the situation in Palestine and Israel, along with the response of both the New Zealand Government and the international community.

Under our Sustainable Investment Framework we are also currently undertaking a broader review of our approach to the armaments and defence sector. This work is not specific to the Israel/Palestinian conflict. Any changes as a result of this work will be communicated publicly if and when they occur.

Please note that it is our policy to proactively release our responses to official information requests where we consider the request to be a material one. Our response to your request will be published shortly at <https://www.nzsuperfund.nz/publications/disclosures/oia/>, with your personal information removed.

Yours sincerely

A handwritten signature in blue ink that reads "Paula Steed".

Paula Steed  
**Acting Chief Executive**