

Guardians excludes five Israeli banks on responsible investment grounds

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The Guardians of New Zealand Superannuation, the manager of the NZ\$50 billion NZ Super Fund, has excluded five Israeli banks on responsible investment grounds.

Decisions on investments in certain companies, sectors or countries are governed by our [Responsible Investment Framework](#), which is guided by the UN's Principles for Responsible Investment, domestic and international law and policy positions of the New Zealand Government.

The rationale for the exclusions has been proactively released and is [available here](#).

Company	NZ\$ value of divested holdings
First International Bank of Israel	\$856,971.65
Israel Discount Bank	\$1,049,063.83
Bank Hapoalim	\$2,100,072.45
Bank Leumi	\$2,407,309.85
Bank Mizrahi-Tefahot	\$927,205.18
Total	\$6,528,441.54

There is credible evidence that the excluded companies provide project finance for the construction of Israeli settlements in the Occupied Palestinian Territories, which is an integral aspect of settlement construction. We believe that without the banks' involvement the settlement activity would not be proceeding at the scale seen in recent times.

In 2016 New Zealand co-sponsored a UN Security Council resolution demanding the cessation of Israeli settlement activities in the Occupied Palestinian Territories and in December 2020 the United Nations called for an immediate cessation of settlement activity.

In June 2020 the New Zealand Government released the [following press statement](#): "New Zealand is a long-standing supporter of Israel's right to live in peace and security. However, successive New Zealand governments have also been clear that Israeli settlements are in violation of international law and have negative implications for the peace process."

In our view, based on the information available to us, the companies' activities are inconsistent with the UN Global Compact, the key benchmark against which the Guardians measures corporate behaviour, and engagement with the companies is unlikely to be successful.

Given the small size of the holdings in the excluded companies the decision will not have a material financial impact on NZ Super Fund performance.

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Media Release URL: <https://www.nzsuperfund.nz/news-and-media/israeli-bank-exclusions/>