

News Release

17 February 2021

Statement on ANZ Investments

Given the New Zealand public's view on recent matters related to Saudi Arabia and their involvement in the war in Yemen, ANZ Investments has a review underway of any holdings we might have with companies that may supply components to their military.

Across ANZ NZ Funds under management of over \$33 billion we have identified exposure of 0.005% for Raytheon Technologies, 0.016% for Textron and 0.028% for BAE Systems.

Our system for reviewing which companies we exclude from our investment options is robust. Like many fund managers in NZ we have small holdings in these companies because they meet our criteria for investment.

However, our responsible investing approach will always evolve given community expectations along with changing regulatory requirements

In general, around weapons our principal methodology is concerned with identifying those companies that manufacture weapons that may be described as controversial - these include manufacturers of cluster munitions, anti-personnel land-mines, biological and chemical weapons.

We also exclude a number of companies directly involved with nuclear weapons manufacture and testing, and we have divested from manufacturers of automatic and semi-automatic weapons, and ancillary equipment, for the civilian market.

We use a test to review those companies that are not meeting broad environmental, social or governance (ESG) requirements. The test looks for companies with poor ESG scores or ratings, controversy "red flags" or a failure to comply with the principles of the UN Global Compact (UNGC).

Our policy for reviewing weapons is robust and linked to the types of weapons made while also looking for companies that fail broad compliance around human rights, labour, the environment and corruption.

For international companies we use our own research, third party research from MSCI (Morgan Stanley Capital International) and the views of our external fund managers to help make these calls.

In recent years we have excluded 35 companies across these weapons definitions.

None of the three companies you have enquired about have been excluded using this research. We also note they are listed on major exchanges in the UK and US.

We regularly formally review our portfolios.