

19 April 2021

Pastor Nigel Woodley PhD

Flaxmere Christian Fellowship

By email: [nigel@fortheProtectionofZion.com](mailto:nigel@fortheProtectionofZion.com)

Dear Pastor Woodley,

### **Bank Exclusions**

Thank you for your email of 6 March and letter of 31 March 2021 (the latter received on 7 April 2021) to our Board Members about the Guardians of NZ Superannuation's ("**Guardians**") decision to exclude First International Bank of Israel; Israel Discount Bank; Bank Hapoalim; Bank Leumi and Bank Mizrahi-Tefahot from the NZ Super Fund's investment portfolio. Our Chair Catherine Drayton has asked me to respond to you on the Board's behalf.

By way of background, the Guardians was specifically established as an autonomous Crown entity to manage the NZ Super Fund in order to ensure that investment decisions were not subject to political interference. We manage the NZ Super Fund on a prudent, commercial basis in line with a statutory investment mandate.

We take responsible investment very seriously and were one of the 27 founding signatories of the UN Principles for Responsible Investment. We are recognised for having leading Responsible Investment practices.

Exclusion decisions such as this are not made lightly. The reasons for this particular decision, which was made under our [Responsible Investment Framework](#), are set out in detail in the Investment Committee [paper](#). The decision was made utilising our professional judgement and expertise in responsible investment and based on the information available to us at the time.

We reject any notion of racial or identity bias in our decisions, which are made under this structured and transparent framework. Our decision to exclude the banks is not connected in any way with the Boycott, Divestment, Sanctions (BDS) movement. I note that the NZ Super Fund's investment portfolio continues to hold both Israeli sovereign

#3189239

bonds and around 75 other listed Israeli companies, worth in total more than NZ\$40 million.

*Legitimacy of UN resolutions and standards and our reliance on these in our decision-making process*

In considering company exclusions our focus is on corporate practices and how companies conduct business responsibly in the countries in which they operate. Our use of the UN Global Compact as a benchmark for corporate behaviour is normal practice for institutional investors worldwide. For the sake of clarity, the domicile of a company is not the key issue in this particular decision; we are focused on the activities of the companies as opposed to where they are based.

We have taken into account a number of sources of information, including the UN resolutions you refer to. In our judgement, the long history and number of UN resolutions on this matter is relevant. In making our decision, we also considered a number of third party and NGO reports and information, including the stated position of the New Zealand Government:

“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.”<sup>1</sup>

We remain confident that our decision on this matter is consistent in all respects with the New Zealand Superannuation and Retirement Income Act.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Matt Whineray', is positioned above the printed name.

Matt Whineray

Chief Executive Officer

---

<sup>1</sup> June 2020: <https://www.beehive.govt.nz/release/new-zealand-expresses-concerns-over-proposed-israeli-annexation-plans>