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## Super fund blacklists cluster bomb makers

**The Government's New Zealand Superannuation fund has turned its back on investing in companies which make cluster bombs, the fund's guardians said today.**

This follows the signing at a Wellington conference in February of the draft of an internationally binding treaty banning the use of cluster munitions.

The exclusion of cluster munition manufacturing companies will be implemented when the Government signs the new treaty expected to be at an international meeting in Dublin in May, the fund's guardians said.

Guardians' chief executive Adrian Orr said they had been reviewing the issue against responsible investment guidelines for some time.

"We are legally obliged to manage the fund in line with best-practice portfolio management, to maximise return without undue risk to the fund as a whole, and to avoid prejudice to New Zealand's reputation as a responsible member of the world community.

"Cluster munitions are not currently subject to specific restrictions under international or national law. To date it has been very rare for funds to engage with, or exclude investments in, companies involved in the manufacture of cluster munitions."

At June 30 last year, the fund held about \$26 million investments, 0.2 percent of the fund's total assets, in companies identified by an external screening agency as being potentially involved in some way in the manufacture of cluster munitions.

Mr Orr said the investments were made by external investment managers.

The Guardians had a transparent Responsible Investment Policy, screening mechanisms, and a decision-making framework which included consideration of globally accepted responsible investment standards, international conventions, national law, and significant crown actions, Mr Orr said.

They seek to influence a company as a shareholder where responsible investment issues arise, but, in some circumstances, exclusions are considered.

Past exclusions were made regarding landmines, whaling and tobacco.

**- NZPA**

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