

## Bank of New Zealand selects FTSE Russell ESG index for Managed Investment Schemes

- New Zealand asset owner licences custom version of FTSE Global Choice Index for two Managed Investment Schemes including the BNZ KiwiSaver scheme
- Transparent exclusion methodology screens stocks according to social and environmental impacts
- Custom index excludes Controversial Weapons and Tobacco companies

FTSE Russell, the global index provider, announces that Bank of New Zealand (BNZ) has licenced a custom index based on the FTSE Global Choice Index Series. Launched last year, the FTSE Global Choice Index Series uses a transparent, rules-based framework to apply values-based exclusions to broad FTSE Russell indexes. The index applies screens to filter companies based on the impact of their products and conduct on society and the environment. In addition to the standard index family, clients can construct bespoke 'Choice' indexes using an innovative 'building blocks' approach, to customise alignment with their particular values.

The custom 'Choice' index that BNZ has licenced currently uses a screening methodology to exclude companies involved in manufacturing weapons banned under international treaties, such as cluster munitions and land mines, and tobacco firms. The transparent, rules-based construction reflects the market-cap weighted performance of eligible securities from the FTSE All-World® Index minus Australian and New Zealand securities. The index's ESG screens are also adaptable – meaning that the screening criteria can be adjusted as responsible investing policies evolve.

**Tony Campos, Director, ESG Product Management, FTSE Russell:**

"We are delighted to work with BNZ to help design index tools that allow their index-managed security holdings to be aligned with their responsible investment commitments. Our FTSE Global Choice Index Series helps meet the growing demand for integrating ESG preferences into investments and draws on our extensive experience in designing indexes that account for social and environmental impacts."

**Peter Forster, General Manager, Wealth, BNZ:**

"A huge focus for the BNZ Wealth team in the past year has been refreshing our Managed Investment Scheme offerings, including the BNZ KiwiSaver Scheme. We know how important investing responsibly is for our customers, so we have built a KiwiSaver scheme with that in mind. Using the bespoke index from FTSE Russell, combined with our move to individual mandates for our security holdings, gives us the flexibility to move with the changing expectations that our customers have. It's a big part of our low-cost, high-quality offering."

The FTSE Global Choice Index Series is part of FTSE Russell's extensive sustainable investment index and data offering which includes the Smart Sustainability indexes, FTSE4Good indexes, Green Revenues data model and ESG Ratings. London Stock Exchange Group is a pioneer in supporting the growing global green and sustainable financing movement, providing a comprehensive green and sustainable product offering.



# Press Release



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– Ends –

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## Notes to editors:

### About FTSE Russell:

FTSE Russell is a global index leader that provides innovative benchmarking, analytics and data solutions for investors worldwide. FTSE Russell calculates thousands of indexes that measure and benchmark markets and asset classes in more than 70 countries, covering 98% of the investable market globally.

FTSE Russell index expertise and products are used extensively by institutional and retail investors globally. Approximately \$15 trillion is currently benchmarked to FTSE Russell indexes. For over 30 years, leading asset owners, asset managers, ETF providers and investment banks have chosen FTSE Russell indexes to benchmark their investment performance and create ETFs, structured products and index-based derivatives.

A core set of universal principles guides FTSE Russell index design and management: a transparent rules-based methodology is informed by independent committees of leading market participants. FTSE Russell is focused on applying the highest industry standards in index design and governance and embraces the IOSCO Principles. FTSE Russell is also focused on index innovation and customer partnerships as it seeks to enhance the breadth, depth and reach of its offering.

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