Ethical Leaders Fund

Our Investment Position: **Weapons and firearms**

There are more than one billion firearms in the world today and the majority are owned by ordinary people, even though evidence suggests that the fewer people who have access to firearms, the safer a community is.

The AMP Capital Ethical Leaders Funds have a very clear mission – to invest for the long term while making the world a better place.

We have a responsibility to our investors to seek out companies making a positive contribution to society and avoid those involved with industries we believe have a negative social or environmental impact.

We believe that investing in companies with any involvement in the manufacture or sale of controversial weapons or civilian firearms will lead to negative outcomes for our global community.

**Why we do not invest in weapons and firearms**

While there are legitimate reasons for the production and use of firearms, there are massive negative effects of armed violence.

**Loss of life**

The incidence of armed conflict (war) has declined, but the number of people killed by armed violence has not.

- More than 589,000 men, women and children died in 2017 as a result of armed violence.
- Most of these deaths – 403,000 – were intentional homicides.

**Economic cost**

- The global economic impact of violence was estimated to be US$14.76 trillion in 2017.
- The economic impact in the ten most affected countries was 45% of their GDP. This is over 19 times higher than the impact in the ten least affected countries.

**Social and environmental impact**

- Forces displacement, erodes social capital, and destroys infrastructure.
- Pollutes environments and impedes investment in reconstruction and reconciliation.
- Undermines public institutions, facilitates corruption, and is conducive to a climate of unlawfulness.
- Contributes to and sustains transnational crime, including human trafficking, drugs and arms trade.
- Unravels the fabric of families and communities and leaves lasting psychological and physical scars on survivors.

**How we invest**

**Supporting positive change in the world**

The AMP Capital Ethical Leaders Fund investment approach is designed to deliver positive outcomes – both for investors and for Environmental, Social and Governance (ESG) impact.

1. We seek to include companies, assets and managers we believe demonstrate a positive impact on ESG issues.
2. We also rule out companies making significant gains – more than 10% of revenue – from industries we believe have a negative impact.
3. We work with fund managers who engage with companies to influence reform in ESG policies and practices.

**Our position on weapons and firearms**

**Values** - We will not invest in companies which have any involvement in the manufacture or sale of controversial weapons or civilian firearms.

**Investment risk** - The costs of armed violence extend well beyond the massive loss of life and economic cost, and affect our global community.

**Make a difference** - The result of low gun ownership in Japan is almost no shooting deaths. We believe our position on investing in the manufacture or sale of controversial weapons or civilian firearms will support progress towards this outcome in other countries where gun ownership is more prevalent.

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AMP Capital Ethical Leaders Fund - Our Investment Position: Weapons and firearms
Our impact

Weapons and Firearms and the United Nations Sustainable Development Goals

In 2015 the United Nations introduced 17 Sustainable Development Goals (SDGs) as the practical objectives for their 2030 Agenda for Sustainable Development. They are a call to action for governments and businesses to improve the lives of all people in the world while protecting the planet.

The AMP Capital Ethical Leaders Fund seeks to support the UN SDGs in our investment choices. By not investing in companies which have any involvement in the manufacture or sale of controversial weapons or civilian firearms, we aim to advance progress towards Goal 16: Peace, justice and strong institutions.

The UN Secretary-General and the UN General Assembly have acknowledged the destructive impacts of armed violence on economic development. Today armed violence is recognized as one of the biggest obstacles to achieving the SDGs, specifically SDG 16, which focusses on promoting just, peaceful and inclusive societies.

Armed violence is worsened by the use of controversial weapons and civilian firearms. We believe our position on weapons and firearms supports action on the following target within SDG 16:

16.1 Significantly reduce all forms of violence and related death rates everywhere.

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