

C2 - Internal Use Only

Frequently Asked Questions - Responsible Investment

For FAQs on fossil fuel divestment and climate change see [#944792](#)

For Corporate Governance Forum, see #1663169.

Updated February 2017

...

Why have you excluded some companies active in the illegal settlements in the Occupied Palestinian Territories and not others?

In deciding whether a company is breaching the Fund's responsible investment standards and how material that breach is, we take account of the proximity and importance of the company's actions, and our ability to engage with the company to change its business or practices.

We draw a distinction between being directly and materially involved in an activity versus being a supplier of materials or services in the normal course of business. In doing so, we consider whether the product or service is integral to the activity and tailor-made, as opposed to being an off-the-shelf substitute or readily replaceable alternative.

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When making the decision to exclude Africa Israel, Elbit and Shikun & Binui from the Fund's portfolio in 2012, we also reviewed the activities of a number of other companies with business interests in the occupied Palestinian Territories, to ensure that our decision-making was consistently applied. We remain comfortable with where we drew the line on issues of materiality and proximity, and believe we have acted consistently on this issue.

Adoption of Resolution 2334 by the United Nations Security Council

Will this impact our Israel related exclusions?

INTERNAL ONLY

11 January 2017

Background

On 23 December 2016, the UN Security Council adopted Resolution 2334 which concerns Israeli settlements in occupied Palestinian territories. The resolution passed 14-0. Four members with veto power voted for the resolution (China, France, Russia, UK) and the US abstained. Historically the US has a long-standing tradition of vetoing resolutions targeting Israel over the issues of settlements. MW asked for a view on whether this might impact our Israel related exclusions. It should be noted that, alongside Malaysia, Senegal and Venezuela, New Zealand was one of the four countries that put the resolution forward.

Resolution 2334

Full resolution and decision available here: [SD#2079715](#)

Broadly, the Resolution states that Israel's settlement activity constitutes a "flagrant violation" of international law and has "no legal validity". It expresses 'grave concern that continuing Israeli settlement activities are dangerously imperilling the viability of the two-State solution'. It demands that Israel immediately cease all settlement activity and that it fully respect all of its legal obligations in this regard. It also demands that Palestinian Authority Security Forces maintain effective operations aimed at confronting all those engaged in terror and dismantling terrorist capabilities. It specifically calls for immediate steps to prevent all acts of violence against civilians, including acts of terror as well as acts of provocation and destruction and calls for accountability in this regard. It calls on both parties for a genuine commitment to the two-State solution and creating the conditions necessary for promoting peace. And finally, it urges intensification and acceleration of international and regional diplomatic efforts and support aimed at achieving just and lasting peace in the Middle East on the basis of relevant UN resolutions, the Madrid terms of reference (including the principle of land for peace), the Arab Peace Initiative and the Quartet Roadmap and an end to the Israeli occupation that began in 1967.

New Zealand's role in bring the Resolution forward

A draft resolution was originally presented by Egypt on the basis of a document prepared by British legal and diplomatic figures working together with the Palestinians. Britain was regarded as the key player in formulating the resolution and pressing for a vote. However, high pressures were exerted to avoid the vote. On 22 December, Donald Trump called on Egyptian president, Abdel Fattah el-Sisi to withdraw the proposal, which they did – citing "intense pressure".

On 23 December, the draft was taken up and proposed again by Malaysia, New Zealand, Senegal and Venezuela. Israel unsuccessfully pressured New Zealand to withdraw its support, with Netanyahu telling Foreign Minister, Murray McCully, that support for the proposal

would be considered by Israel as a "declaration of war". Britain encouraged New Zealand to keep pushing for a vote.

The resolution was passed 14 to 0; all members voted for the resolution except for the United States, which abstained. The United States Ambassador, Samantha Power, explained the abstention by saying that on one hand the United Nations often unfairly targets Israel, that there are important issues unaddressed by the resolution, and that the US did not agree with every word in the text; while on the other hand the resolution reflects facts on the ground, that it reaffirms the consensus that the settlement activity is not legal, and that the settlement activity has gotten "so much worse" as to endanger the viability of the two-state solution. As noted above, historically, the US has a long-standing tradition of vetoing resolutions targeting Israel over the issues of settlements.

Historical resolutions regarding Israel settlements in the occupied Palestinian territory (OPT)

New Zealand supports a lasting two-state settlement in accordance with UN Security Council resolutions and with subsequent agreements between Israel and Palestine. Historically, New Zealand has supported General Assembly Resolutions that have called the settlements illegal and counter-productive to a two-state settlement.¹ In December 2011, New Zealand voted for Res/66/78: Israeli settlements in the OPT including East Jerusalem and the occupied Syrian Golan, which reiterates the demand for the immediate and complete cessation of all Israeli settlement activities in all of the OPT.

Ramifications of the passing of Resolution 2334

There doesn't look to be any short term practical ramifications for Israel with regards to the settlement activities. The Fourth Geneva Convention already makes it illegal for nations to move populations and establish settlements in territories acquired in war. In addition, the resolution does not include any sanctions or coercive measure against those who violated it.

However, the resolution may influence how the International Criminal Court in The Hague treats lawsuits filed against Israel and may create justification for countries and individual organisations to impose sanctions on the settlements.

The Israeli government is said to be mulling retaliation against nations which sponsored or supported the resolution. Proposed measures include cutting funding to certain UN institutions, blocking work visas for employees of certain agencies, expelling Chris Gunness – the spokesperson for UNRWA (UN Relief and Works Agency for Palestine Refugees in the Near East), cancelling Israeli aid to Senegal directed at alleviating poverty and cancelling a scheduled visit to Israel by Ukraine's Prime Minister Volodymyr Groysman.

The passing of the resolution was welcomed by much of the international community. Notable opposition came from Donald Trump. Australia was one of the few countries to support the position of the Israeli government.

¹ <http://www.mfat.govt.nz/Foreign-Relations/Middle-East/New-Zealand-Voting.php>

In New Zealand, Foreign Minister Murray McCully welcomed the adoption of Resolution 2334, saying “New Zealand voted for and co-sponsored the resolution because it was consistent with long-held New Zealand policy positions on the Palestinian question”.

NZSF’s current position on Israel / Palestine

Full statement available (on public website) [here](#).

■ current thinking

When making exclusion decisions, we draw a distinction between a company being directly and materially involved in an activity, versus being a supplier of materials in the normal course of business. Previous decisions to exclude Israeli companies Africa Israel Investments and subsidiary Danya Cebus; Elbit Systems Limited; and Shikun & Binui from the Fund, were due to findings by the United Nations that that the West Bank Separation Barrier and settlement activities were illegal under international law. We also factored in votes by New Zealand for UN Security Council resolutions demanding the cessation and dismantling of the Separation Barrier, and the cessation of Israeli settlement activities in the Occupied Palestinian Territories.

In my view, Resolution 2334 does not draw any additional distinctions around any particular business activities that may lead us to look further into potential exclusions based on a business activity. It does, however, reaffirm New Zealand’s long standing position on the issue. The resolution fully recognises the illegality of Israeli settlements.

From here, we need to closely monitor how the Security Council will ensure this resolution is respected.

Resources

[IC paper: RI Engagement Decision: Africa Israel Investments \(& subsid. Danya Cebus\); Shikun & Binui Ltd](#)

[GNZS Statement on Israel/Palestine](#)

MWAT:

- [NZ welcomes UN resolution on Middle East Peace Process](#)
- [UN Security Council adopts historic resolution on Israeli settlements](#)

[Wikipedia](#)

Companies involved in Israel OPT

Notes: There are no companies red-flagged by MSD for operations in Israel and the OPT. There are some with yellow flag due to MSD campaign on OPT issues

The Ethical Council of the four Swedish AP buffer pension funds (AP1, AP2, AP3 and AP4) have included Motorola Solutions in its engagement programme focusing on its provision of services to the barrier. Also engaging with Alstom and Veolia to end their involvement in a train project linking Jerusalem and the occupied territories or transparently demonstrate that the project is carried out in accordance with the wishes and interests of the Palestinian people. AP excluded EBIT but has not excluded Motorola. Motorola also provides custom-designed security monitoring (according to AP fund) and AP is requesting it withdraw from these contracts. The Co-Op Investment Bank has responded to debates on Alstom and Veolia by saying they value a holistic view of the companies and will not exclude on the issue of operations in OPT - taking into consideration that infrastructure can also deliver benefits to the Palestinian population. There is broader but less heated of around 120 companies that OPT were reviewed from the OPT - no bodies or not comprehensive but based on Peer Facts and the Report to the UK in Feb 2012

Our approach to decision making

In deciding whether a company is breaching our 7th standard and how material that breach is, we take account of the proximity and importance of the company's actions to an illegal or unlawful activity. We draw a distinction between being directly and materially involved in an activity versus being a supplier of materials or services to the normal course of business. In doing so, we consider whether the product or service is integral to the activity rather than (as opposed to general use), and whether there are alternatives or off-the-shelf substitutes to the use of this product or service including financial services. There is an exhaustively long list of companies involved in some way in activities in the OPT. We do not add all such companies to our Red flag list as companies to monitor, engage with or review for potential exclusion.

Table with columns: Company, Industry, Country, Action, Hold, Description. Includes entries for Separation Barrier (Ebit systems, Motorola, GroupSecurity, Hewlett Packard), Settlements Construction (Ahtim Israel, Shikun & Brim, Caterpillar), Cement (Cemex, Inductra), Veolia, Nonregrat Council List (Bank Hapoalim, Etzaka Ltd, Teva Pharmaceuticals Industries, Israel Electric Corp - Band, Caterpillar), IF List to UN (Caterpillar Inc, Veolia Environment, GroupSecurity, The Denix Group, Alstom, The Volvo Group, The Rover Holding Group, Ebit systems, Hewlett Packard, Motorola Solutions Inc, Asia Heavy/Mid/Truck, M.Cemex), PFDM Israeli Bank Exclusions (Bank Leumi, Bank Mizrahi-Tefnut, First International Bank of Israel, Israel Discount Bank, Bank Hapoalim).

Additions (Feb 2018) from Whoaprofits.org

Table with columns: Company, Industry, Country, Action, Hold, Description. Includes entries for CRH (formerly Cement Resources Holdings), Atlas (Telecommunications), Arma Hader Properties and Investments, Ahtim Building Company, Ahtim, Ahtim Group, Atlas Capco, B Communications, B. Yair Building Corporation, Baran Group, Boreq, Bit Baran Land Works, Development Infrastructure, Baiter Company, Celcom Israel, CSR Industrial (formerly CSR Global), Cigal Investments and Holdings, Doreah Information Co. (formerly Doreah Overseas India), Electra, Elstra Construction, Heideggermanagement, Housing and Construction Holding Co., Houside Heavy Industries, Industrial Builders Corporation (IBC) - Mivner Tara, J&J Industries, Kardia TV, Marubeni Levantem Group Contracting and Exeter, Minerva Group, Moshelava Aviv Construction Industries, P.A.S. Lighting Engineering, Partners Brinkhoff, Partner Communications (Orange), Ramo Levy Chan, Stone Technology Marketing 2008, Rabatana Real Estate, Shikun Deyagan, Siemens, Telex Corporation, Tropic 21 Industries, Villar International, Y. H. Dorei Construction and Development, Z. H. H. Neeman, Zoko Enterprises (Zoko Shikun).

Adoption of Resolution 72/240 by the UN General Assembly on 20 December 2017

INTERNAL ONLY

3 July 2018

Background

On 20 December 2017, a resolution was adopted by the UN General Assembly that called for "Permanent sovereignty of the Palestinian people in the OPT, including East Jerusalem, and of the Arab population in the Occupied Syrian Golan over their natural resources".

The full resolution can be found [here](#).

The resolution was adopted by 163 votes to 6 with 11 abstentions.

- New Zealand voted in favour of the resolution.
- Voting against were: Canada, Israel, Marshall Islands, Micronesia, Nauru and America
- Abstaining were: Australia, Cameroon, DRC, Guatemala, Honduras, Mexico, Papua New Guinea, Paraguay, Togo, Tonga, Vanuatu

Minutes and voting outcomes can be found [here](#).

The resolution builds on Resolution 2334 from Dec 2016 (see SD#[2079722](#)). New Zealand was one of four countries that put the 2016 resolution forward. At this time, New Zealand was a member of the UN Security Council. This resolution was really aimed at preventing terrorism in the region.

The 2017 resolution builds on previous resolutions, research, international conventions and is guided by principles of the Charter of the UN and international law. It differs by stating the detrimental impact of Israeli settlements on Palestinian and natural resources including the destruction of orchards and crops and the seizure of water wells by Israeli settlers, and of the dire socioeconomic consequences. It seeks to (summarised and not fully conclusive):

1. Reaffirm the inalienable rights of the Palestinian people over their natural resources including land, waters and energy;
2. Demands that Israel cease the exploitation, damage, cause of loss or depletion and endangerment of the natural resources of the OPT;
3. Recognises the rights of the Palestinian people to claim restitution as a results of exploitation, damage, cause of loss or depletion and endangerment of the natural resources resulting from illegal measures taken by Israel and Israeli settlers;
4. Stresses the walks and settlements being constructed by Israel in the OPT are contrary to international lase and are seriously depriving the Palestinian people of their natural resources
5. Calls upon Israel to comply with its obligations under international law
6. Calls upon Israel to halt all actions harming the environment;
7. Calls upon Israel to cease destruction of vital infrastructure;

8. Calls upon Israel to remove all obstacles to implementation of critical environmental projects
9. Calls upon Israel to not impede Palestinian development and export of discovered oil and natural gas reserves
10. Calls for the immediate and safe removal of all unexploded ordnance in the Gaza strip
11. Encourages all states and organisations to respect obligations under international law

From: [REDACTED]@nzsuperfund.co.nz [REDACTED]
Sent: Tuesday, 5 March 2013 9:14 AM
To: Gavin Walker
Subject: FW: Letter for Gavin Walker attached
Attachments: Palestine - superfund - 4 March 2013.docx

Hi Gavin,

Just forwarding this on to you.

Regards,

[REDACTED]

DDI: [REDACTED]
Mobile: [REDACTED]
Email: [REDACTED]

PO Box 106 607, Auckland 1143, New Zealand
Level 12, Zurich House, 21 Queen Street, Auckland, New Zealand
Office: +64 9 300 6980 | Fax: +64 9 300 6981 | Web: www.nzsuperfund.co.nz



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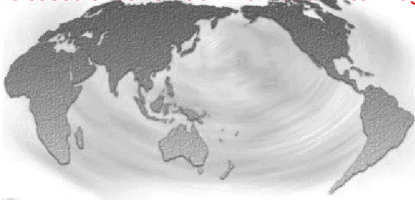
From: [REDACTED]
Sent: Monday, 4 March 2013 9:11 p.m.
To: Enquiries
Subject: Letter for Gavin Walker attached

Kia ora,

Please pass on the attached letter for Gavin Walker

Regards,

[REDACTED]



GLOBAL PEACE & JUSTICE AUCKLAND

www.gpja.org.nz

4 March 2013

Gavin Walker
Chair, Board of Guardians
NZ SuperFund
P O Box 106607,
Auckland 1143,

Email: enquiries@nzsuperfund.co.nz

Dear Gavin Walker and the Board of Guardians,

Firstly, congratulations on making the decision in December last year to exclude three companies involved in constructing illegal settlements in occupied Palestine and the construction of the separation barrier.

We believe that action was in line with the views of the majority of New Zealanders who do not want to see their money being used to prop up the occupation of Palestinian lands in violation of international law and the United Nations.

Your decision comes as the latest in a series of ethical exclusions such as your divestment from Freeport McMoran, Tokyo Electric Power Company, and companies involved in nuclear weapons and cluster munitions. It is essential that the SuperFund continues to ensure that its investments continue to be ethical and to reflect the wishes of the New Zealand public.

As you may be aware Israel is now subject to an international Boycott, Divestment and Sanctions (BDS) campaign because of its blatantly racist treatment of its Arab-Israeli citizens; its brutal military occupation of Palestinian territory; the construction of illegal Jewish-only settlements on Palestinian land and its blockade of the Gaza Strip.

The BDS campaign was launched in 2005 by some 260 Palestinian civil society organisations as the best way for the international community to support the Palestinian struggle for justice and human rights.

In 2009 a collection of NGOs focused on ending the Israeli occupation of Palestinian territories wrote to the Board to seek divestment of the New Zealand Superannuation Fund from corporations specifically engaged in activities that directly support the occupation of Palestinian land.

In light of the recent war on Gaza and the ongoing expansion of Israel's illegal settlements in the Palestinian West Bank we believe it is important that we reiterate our request that the

Superannuation Fund divest its monies specifically from all Israeli corporations until the occupation of Palestinian territories ends.

Israeli companies

We note that as at 30 June 2012 the SuperFund had \$7,678,104 invested in 42 Israeli corporations.

These include,

BANK HAPOALIM: Has branches in the illegal West Bank settlements Gilo, Pisgat Ze'ev, Ramot and provides mortgages to houses and building in illegal settlements in the West Bank. Provided finance for at least two settlement constructions. Of course the settlements are a violation of international law.¹

BANK LEUMI: '(TLV:LUMI) (PINK:BLMIF) is the second largest bank in Israel. According to the Coalition of Women for Peace, it has branches in the following settlements in the West Bank: Ma'ale Edomim, Oranit, Pisgat Ze'ev, Gilo, Kiryat Arba, Katzerin. The bank has partial control over several companies that are involved in the occupation: Paz Oil Company (15%), Super Pharm (18%) and Hot Communication Systems (cable TV) (15%). Super Pharm is an Israeli drugstore chain with branches in the following settlements: Ma'ale Edomim, Pisgat Ze'ev, Gilo. Super Pharm is also one of the owners of Blockbuster in Israel, which has DVD vending machines in the settlements of Ariel, Giv'at Ze'ev, Ma'ale Edomim, and Sha'arei Tikva. Bank Leumi is also one of the banks lending money to the Citypass Consortium, which is building a tramway to connect Jerusalem with illegal settlements in the West Bank.'²

MIZRAHI TEFAHOT BANK :'(TLV:MZTF) has branches in the illegal settlements of Alon Shvut and Karnei Shomron, in the West Bank.'³

PAZ OIL: '(TLV:PZOL) has gas stations in West Bank settlements including Ma'ale Edomim, Kiryat Arba, Pisgat Ze'ev, Gilo, Karnei Shomron and Ofra. Subsidiary company PazGas is supplying cooking gas to West Bank settlements including Ma'ale Edomim and the settlement outpost of Havat Maon.'⁴

To summarise, we believe it is unacceptable that the SuperFund is investing money with corporations that finance and operate in Israeli-only settlements on stolen land in the West Bank in violation of international law. The majority of New Zealanders would be horrified to know that their money is being given to banks which finance the construction of these settlements which violate Article 49 of the Fourth Geneva Convention.

Hans van den Broek, former Minister of Foreign Affairs of the Netherlands, wrote last year,

¹ Adri Nieuwhof, 'Israeli banks entrenched in settlement building', 26 October 2009, available at: <http://electronicintifada.net/content/israeli-banks-entrenched-settlement-building/8507>

² Interfaith Peace Initiative, 'Companies Supporting the Israeli Occupation of Palestinian Land', October 2009, available at: <http://www.interfaithpeaceinitiative.com/profitting.pdf>

³ Ibid.

⁴ Ibid.

“Almost 20 years have passed since the Oslo Accords were signed – and peace in the Middle East seems more remote than ever. That no comprehensive peace has been achieved is due to a number of reasons. The stagnation of the peace process cannot be attributed to a single factor.

However, one of the main reasons – I would say the decisive one – is Israel’s incessant settlement policy in the West Bank and East Jerusalem. In recent years, this policy has been preventing the resumption of meaningful peace negotiations. But its negative impact goes much further: it threatens the viability of the two-state solution and thus the very feasibility of peace.

During the past decades, the EU has consistently criticized and condemned the settlement policy. Dozens of official EU statements and positions reaffirm the illegality of the settlements under international law and regard them as major obstacles to peace. Repeatedly, the EU has stressed that it will not recognise any unilateral changes to the pre-1967 borders, including with regard to Jerusalem.

As settlement construction has continued and accelerated, however, we Europeans have failed to move from words to action. So far, we have refrained from deploying our considerable political and economic leverage vis-à-vis Israel to contain developments on the ground that contradict our basic values and that undermine our strategic interests.⁵”

We reiterate this concern. New Zealand must also move from words to action by deploying our economic leverage to contain settlement construction.

Caterpillar

In addition we note the SuperFund has \$2,017,530 invested in Caterpillar Inc. The value of this investment has nearly doubled in the last three years despite the fact that we highlighted to the Board in 2009 that Caterpillar,

Supplies bulldozers to the IDF [Israeli Defence Force]. The IDF uses these to destroy Palestinian homes, orchards and olive groves in the Occupied Territories. They are also used to clear Palestinian land for illegal Israeli settlements, segregated roads and the Separation Wall. Despite years of corporate engagement by investors, Caterpillar is expanding its role in the occupation, recently announcing a joint venture with InRobTech to develop unmanned remote-controlled bulldozers for Israel.

In June 2012 United States retirement fund, Teachers Insurance and Annuity Association – College Retirement Equities Fund, divested \$72 million in shares from Caterpillar in response to requests from New York University faculty opposed to the investment and a campaign by US based group Jewish Voices for Peace.⁶

Divestment

⁵ Hans van den Broek, ‘Foreword’, in *Trading Away Peace: How Europe helps sustain illegal Israeli settlements*, October 2012, available at: <http://www.rightsforum.org/media/doc/tradingawaypeace.pdf>

⁶ Cecilie Surasky, ‘BDS Victory: TIAA –CREF dumps CAT stock’, *Jewish Voices for Peace*, 21 June 2012, available at: <http://jewishvoiceforpeace.org/blog/bds-victory-tiaa-cref-dumps-cat-stock>

In the 2009 letter it was noted,

...that the New Zealand Superannuation Fund has obligations in legislation. Specifically, Section 58 of the New Zealand Superannuation and Retirement Income Act 2001, requires the Guardians of the Fund to invest so as to avoid prejudice to New Zealand's reputation as a responsible member of the world community.

Section 61(d) of the Act demands a Statement of Investment Standards and Procedures that provides for ethical investment to avoid prejudice to New Zealand's reputation as a responsible member of the world community.

Moreover, we understand from your statement of Responsible Investment Policy, that the Trust is a founding signatory to the United Nations' Principles for Responsible Investment. In particular we are further told that the Guardians have adopted the United Nations Global Compact, which sets 'core values' for investment using considerations of such matters as human rights. The relevant principles of the UN Global Compact are;

Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2. Make sure they are not complicit in human rights abuses.

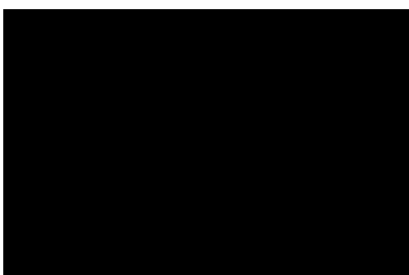
Divestment from the corporations listed above would end the New Zealand Superannuation Fund's complicity with the Israeli occupation of Arab lands and Israel's ongoing breaches of international law and violations of human rights therein.

We reiterate our call for divestment from the Superfund in Israeli corporations in general and specifically Caterpillar, which directly profits from the continued conflict in the occupied territories.

In light of Israel's recent announcement of new settlements and the latest Gaza conflict it is important that New Zealand ensures that it is not complicit in profiteering from these settlements and this conflict. Divestment would ensure this.

We look forward to hearing from you.

Regards,



Spokesperson
GPJA



From: [REDACTED]
Sent: Wednesday, 21 May 2014 2:57 PM
To: [REDACTED]
Subject: FW: RI data for the Wellington Palestine Group
Attachments: 1167177-R-RI_-_For_Wellington_Palestine_Group.XLSX.DRF

DDI:
Mobile:
Email:

[REDACTED]

A Great Team Building the Best Portfolio

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From: [REDACTED]
Sent: Wednesday, 21 May 2014 2:12 p.m.
To: [REDACTED]
Cc: [REDACTED]
Subject: RI data for the Wellington Palestine Group

Hi [REDACTED]

As requested please find attached.

Kind Regards

[REDACTED]


DDI:
Mobile:
Email:

[REDACTED]

A Great Team Building the Best Portfolio

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NAV Date 19 May 2014

Security Name	Number Units Held	Cost In NZD	Market Value In NZD
Caterpillar Inc Com	42,899	4,063,363	5,262,880
Caterpillar Inc Com	1,800	123,527	220,825
Caterpillar Inc Com	27,385	2,961,183	3,359,611
Caterpillar Inc Com	22,042	2,431,703	2,704,128
Total	94,126	9,579,776	11,547,445
Bank Hapoalim B.M. IIs1	65,324	362,877	441,421
Bank Hapoalim B.M. IIs1	31,659	188,802	213,933
Bank Hapoalim B.M. IIs1	28,926	181,586	195,465
Total	125,909	733,265	850,819
Bk Leumi Le Israel IIs1	79,585	361,207	364,928
Bk Leumi Le Israel IIs1	35,866	154,490	164,459
Bk Leumi Le Israel IIs1	33,746	149,392	154,738
Total	149,197	665,089	684,126
Bezeq Israel Telcm IIs1	125,563	299,193	264,308
Bezeq Israel Telcm IIs1	404,000	762,722	850,415
Bezeq Israel Telcm IIs1	219,729	416,181	462,527
Total	749,292	1,478,096	1,577,250
Delek Group IIs1	264	46,774	130,523
Delek Group IIs1	235	96,135	116,185
Delek Group IIs1	205	86,089	101,353
Total	704	228,998	348,060
Partner Communicat IIs0.01	4,370	34,053	43,943
Total	5,074	263,051	392,003
Mizrahi Tefahot Bank Ltd IIs0.01	8,061	100,917	127,262
Mizrahi Tefahot Bank Ltd IIs0.01	2,433	32,094	38,411
Mizrahi Tefahot Bank Ltd IIs0.01	1,176	15,513	18,566
Total	11,670	148,524	184,239
G4s Plc Ord 25p	105,449	567,865	540,883
G4s Plc Ord 25p	34,344	188,587	176,162
G4s Plc Ord 25p	88,569	400,362	454,300
G4s Plc Ord 25p	65,703	299,540	337,012
Total	294,065	1,456,354	1,508,357
Cellcom Israel Ltd IIs0.01	2,946	35,287	44,683
Total	2,946	35,287	44,683

[REDACTED]

From: [REDACTED]@mediaworks.co.nz>
Sent: Monday, 4 August 2014 1:41 PM
To: [REDACTED]
Subject: FW: NZ Govt must respond to Israel's Gaza onslaught - Green Party Media Release

[REDACTED] | 3 NEWS | 3NEWS.CO.NZ

Phone: [REDACTED] | Mobile: [REDACTED] | Twitter: [REDACTED] | Press Gallery, Parliament Buildings, Wellington, 6011

From: [REDACTED]@parliament.govt.nz]
Sent: Monday, 4 August 2014 12:18 p.m.
To: [REDACTED]
Subject: NZ Govt must respond to Israel's Gaza onslaught - Green Party Media Release

4 August 2014

NZ Govt must respond to Israel's Gaza onslaught

The Green Party is calling for new measures in response to the latest round of violence inflicted on Palestine by Israel, including divestment by the New Zealand Government and the expulsion of the Israeli ambassador.

The Green Party's response comes after yet another United Nations school has been shelled by the Israeli Defence Force, resulting in further loss of civilian life.

"Israel's refusal to heed the call of world leaders to stop the civilian slaughter in Gaza beggars belief," Green Party spokesperson on global affairs, Dr Kennedy Graham said today.

"The UN Secretary-General has described the indiscriminate bombardment of civilians in Gaza as 'a moral outrage and a criminal act'.

"We agree. There is no single action in the modern era more morally reprehensible than the slaughter of civilians of this scale coupled with a complete disregard for world opinion.

"The New Zealand Government cannot sit by and do nothing."

According to figures from 2013 the New Zealand Superfund, owned by the New Zealand public and operated for the public, has \$7 million invested in 38 Israeli companies.

"The Government must call on the Superfund to divest from these investments immediately," Dr Graham said.

"New Zealand cannot sit by and take no action as more innocent Palestinians are killed.

"New Zealand divesting from Israeli companies is a simple action that, along with other countries taking such an action too, can put real economic pressure on Israel to end the atrocities in Gaza.

"The Green Party is also calling on the Government to immediately expel the Israeli Ambassador from New Zealand. This is a clear diplomatic signal we should take in response to the senseless slaughter in Gaza.

"The continued presence of the Israeli Ambassador in New Zealand, coupled with the Government's soft approach to the Gaza crisis, sends a clear message to Tel Aviv that their actions are not sufficient to suspend diplomatic relations. We think they are serious enough, and we would take that step.

“New Zealand should cut off ties at ambassadorial level until Israel’s actions accord, once more, with proper international standards.”

For more information:

Dr Kennedy Graham MP, 021 242 3989
Kevin List, Political & Media Advisor, 04 817 6849, 027 4266 975

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Authorised by Dr Kennedy Graham, Parliament Buildings, Wellington

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Thank you.

[REDACTED]

From: [REDACTED]
Sent: Monday, 4 August 2014 3:22 PM
To: [REDACTED]
Subject: RE: NZ Govt must respond to Israel's Gaza onslaught - Green Party Media Release
Importance: High

Hi [REDACTED]

Thanks very much for sending that through.

We invest the Fund in line with very clear standards provided by New Zealand legislation and policy positions, international conventions that New Zealand has signed and the UN Global Compact. These are the benchmarks we follow in order to, as required by our legislation, invest the Fund without prejudicing New Zealand's reputation in the world community.

We do not exclude companies based on the country they are based in. We have clear standards relating to company activities, we continually monitor our portfolio against them, and, where a specific company has reportedly breached our standards, we review our investment in light of the directness and materiality of their involvement. With regard to Israel Chemicals, we are investigating and have asked our research provider MSCI to conduct further company research for us.

There are many clear examples of us acting consistently with this framework, for example, we are one of the few funds globally that has gone so far as to make exclusion decisions in relation to specific companies connected with the Occupied Palestinian Territories.

Transparency and consistency in decision-making is a key part of New Zealand's reputation in the world community.

Best regards

From: [REDACTED]@mediaworks.co.nz]
Sent: Monday, 4 August 2014 1:41 p.m.
To: [REDACTED]
Subject: FW: NZ Govt must respond to Israel's Gaza onslaught - Green Party Media Release

[REDACTED] 3 NEWS | 3NEWS.CO.NZ

Phone: [REDACTED] | Mobile: [REDACTED] | Twitter: [REDACTED] | Press Gallery, Parliament Buildings, Wellington, 6011

From: [REDACTED]@parliament.govt.nz]
Sent: Monday, 4 August 2014 12:18 p.m.
To: [REDACTED]
Subject: NZ Govt must respond to Israel's Gaza onslaught - Green Party Media Release

4 August 2014

NZ Govt must respond to Israel's Gaza onslaught

The Green Party is calling for new measures in response to the latest round of violence inflicted on Palestine by Israel, including divestment by the New Zealand Government and the expulsion of the Israeli ambassador.

The Green Party's response comes after yet another United Nations school has been shelled by the Israeli Defence Force, resulting in further loss of civilian life.

"Israel's refusal to heed the call of world leaders to stop the civilian slaughter in Gaza beggars belief," Green Party spokesperson on global affairs, Dr Kennedy Graham said today.

"The UN Secretary-General has described the indiscriminate bombardment of civilians in Gaza as 'a moral outrage and a criminal act'.

"We agree. There is no single action in the modern era more morally reprehensible than the slaughter of civilians of this scale coupled with a complete disregard for world opinion.

"The New Zealand Government cannot sit by and do nothing."

According to figures from 2013 the New Zealand Superfund, owned by the New Zealand public and operated for the public, has \$7 million invested in 38 Israeli companies.

"The Government must call on the Superfund to divest from these investments immediately," Dr Graham said.

"New Zealand cannot sit by and take no action as more innocent Palestinians are killed.

"New Zealand divesting from Israeli companies is a simple action that, along with other countries taking such an action too, can put real economic pressure on Israel to end the atrocities in Gaza.

"The Green Party is also calling on the Government to immediately expel the Israeli Ambassador from New Zealand. This is a clear diplomatic signal we should take in response to the senseless slaughter in Gaza.

"The continued presence of the Israeli Ambassador in New Zealand, coupled with the Government's soft approach to the Gaza crisis, sends a clear message to Tel Aviv that their actions are not sufficient to suspend diplomatic relations. We think they are serious enough, and we would take that step.

"New Zealand should cut off ties at ambassadorial level until Israel's actions accord, once more, with proper international standards."

For more information:

Dr Kennedy Graham MP, 021 242 3989
Kevin List, Political & Media Advisor, 04 817 6849, 027 4266 975

If you do not wish to receive future messages, send a reply with UNSUBSCRIBE in the subject line. Current photographs of Green MPs and Green Party logos can be downloaded from <http://www.greens.org.nz/node/20575>.

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Thank you.

From: [REDACTED]
Sent: Wednesday, 6 August 2014 12:14 PM
To: [REDACTED]
Subject: Op-ed from Adrian Orr, CEO NZ Superannuation Fund
Attachments: 1306191-5-How we invest op ed.DOCX

Hi [REDACTED]

Please find an op-ed from Adrian Orr to submit for publication in the Sunday Star Times. Would you mind passing this on to the right person?

Please call me if you would like to discuss it.

Many thanks


[REDACTED]

DDI: [REDACTED]
Mobile: [REDACTED]
Email: [REDACTED]

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Investing as a Responsible Member of the World Community

Our job is to invest public money (the NZ Super Fund) in order to smooth the increasing cost of future pension payments. In doing so, amongst other things, our legislation specifically requires us to “avoid prejudice to New Zealand’s reputation as a responsible member of the world community”.

Responsible investment for us means we deliberately rely on New Zealand and international law, conventions to which the NZ government is a signatory, and significant NZ Government policy positions for investment guidance.

We also deliberately rely on globally accepted corporate standards, and we take account of environmental, social, and governance (ESG) factors in our investment activities. We believe that ESG factors are material to long-term returns. These are the best collective indicators of New Zealand’s desired reputation in the world community.

Our role is not to make Government policy, or domestic or global political decisions. Inevitably, there will be those who disagree. For example, some people define responsible investment differently, such as wanting to exclude companies involved in gambling and alcohol, both activities that are legal in New Zealand.

We are highly transparent in all of our activity – our responsible investment framework and decisions are published on our website. We have full time staff working with our investment professionals specifically on these issues. We have received international recognition for responsible investing. We are a founding signatory to the UN Principles of Responsible Investment, the international benchmark for this field, and our performance is rated in the top quartile of investors globally.

We invest the public’s money in a highly diversified global portfolio and seek to minimize the costs of investing. We do this by investing according to broad global sharemarket and fixed income indices. These indices give us low-cost access to thousands of companies in 45 countries.

Across such a deliberately-diversified universe there are bound to be activities that do not meet our responsible investment standards. This is why we continuously monitor and assess company activities against our required standards, and respond when we see issues.

Even then, with more than 6,000 companies in our investment portfolio, it is not surprising that from time-to-time there are headlines expressing concern about the activities of companies which are in our portfolio. The most recent of these was *Superfund has deadly portfolio*.

When implementing our responsible investment framework, the key challenges for us are to:

- establish a clear definition of Responsible Investment, consistent with our legislative mandate – that is, define what it is we care about as investors;
- be clear about the environmental, social and governance standards we expect of companies in which we invest – that is, to draw the line;
- decide, based on the evidence available, whether a company is in material and continuing breach of our standards; and
- engage with a company in breach, with a view to improving their behaviour, before deciding whether to exclude or divest from the company.

If a business activity is illegal in New Zealand we will not invest in it e.g., nuclear bases. If a company breaches international conventions we will not invest in it e.g., manufacturing cluster munitions or commercial whaling. And activities where there is a clear New Zealand Government policy position may also be excluded e.g., tobacco manufacturing.

We also exclude companies whose activities have breached our responsible investment standards in a material and continuing way, and where we feel engaging with them to change their approach would be ineffective. We believe that responsible investors should engage first, and exclude or divest as a last resort. We are aware that, in some cases, engagement may be futile. In total, 163 companies have been excluded from the Fund to date.

When looking at a specific company's actions, we also need to decide whether it is directly and intimately involved in an activity that breaches our adopted standards. This involves assessing credible evidence. We have taken this approach in relation to the environmental impact of mining companies, other companies' safety practices, and companies operating in the occupied Palestinian territories.

In the case of the illegal Israeli settlements in Palestine, we decided some companies, such as Israeli banks and telecommunications companies, were not breaching our standards, while others, such as Elbit and Africa-Israel Investments, were, and were excluded. This required us to exercise our judgment.

These exclusions are directly tied to protecting *New Zealand's* reputation as a member of the world community. As a result, they will differ sometimes from other like-minded responsible investors, or from what some New Zealanders would wish. The Norwegian Fund, for example, an active UNPRI supporter and respected peer fund, does not exclude whaling activities. Likewise, Australia's Future Fund does not exclude companies involved in the manufacture of nuclear warheads. We exclude these activities because they are ruled illegal or are inconsistent with New Zealand's laws and conventions.

We will continue to take a transparent and evidence-based approach to responsible investment, taking our lead from NZ and international law, and significant policy positions of the NZ Government.

From: [REDACTED]
Sent: Thursday, 21 August 2014 1:29 PM
To: Adrian Orr; Matt Whineray
Cc: [REDACTED]
Subject: Petition circulating on internet - FYI

FYI a petition targeting us (details below) is being promoted online at https://secure.avaaz.org/en/petition/NZ_SUPER_FUND_Divest_from_Israeli_Apartheid. 30 people have signed it so far.

[REDACTED] – I understand you have stuff going to Gavin. As he is mentioned by name I suggest you include a note in the briefing pack.

NZ SUPER FUND: Divest from Israeli Apartheid!

Why this is important to me

The NZ Super Fund continues to invest in companies which supply Israel with the means to attack civilians, and in companies which profit from the Israeli occupation of the West Bank and East Jerusalem. These investments are an affront to international law and the principles of human rights.

The NZ Super Fund website claims that: “The [NZ Super Fund] Guardians are one of 27 founding signatories of the United Nations Principles for Responsible Investment (UNPRI). The UNPRI provides a framework for shareholders to work together to engage with companies and to improve investment analysis of ESG risks. The UNPRI conducts an annual assessment of progress against its six principles for responsible investment by signatories. From 2008 it was compulsory.”

To the Guardians of the NZ Super Fund:

Adrian Orr, Chief Executive Officer

Matt Whineray, General Manager Investments

Gavin Walker, Chair

We acknowledge that you have already divested from three construction companies for breaking international law in Palestine. However, we urge the Super Fund to divest from the following corporations immediately and from all companies that profit from the occupation, so that New Zealanders can rest assured that their money is not paying for Israel's illegal occupation of Palestine:

United Technologies: produces Blackhawk helicopters used to attack cities, refugee camps and villages. (\$7,290,126)

Boeing: sells Israel F-15A fighter jets and Apache AH 64 helicopters used in attacks on Gaza. (\$6,579,342)

General Dynamics: manufactures diesel engines used in Israel's Merkava battle tanks and produces bombs for Israel. (\$1,967,381)

Raytheon: produces bombs used in attacking Gaza. (\$1,797,902)

Caterpillar: produces militarised bulldozers used to destroy Palestinian homes.

Israel Chemicals: a manufacturer of white phosphorus, which, according to Amnesty International, the Israeli army has used as a smokescreen in Gaza City.

G4S: operates prisons holding Palestinian political prisoners from occupied Palestinian territory inside Israel in violation of Article 76 of the Fourth Geneva Convention which prohibits the transfer of prisoners from occupied territory into the territory of the occupier. They are also involved in the detention of refugees seeking asylum in Israel.

Delek: supplies petrol to the Israeli military.

Bank Hapoalim and Mizrahi Tefahot Bank: finance construction of settlements.



DDI: [Redacted]
Mobile: [Redacted]
Email: [Redacted]

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From: [REDACTED]
Sent: Thursday, 20 November 2014 11:40 AM
To: Stewart Brooks
Cc: [REDACTED]
Subject: As discussed

Superannuitants to protest unethical investments

Thursday, 20 November 2014, 10:58 am
Press Release: [Palestine Solidarity Network](#)

Superannuitants to protest NZ Superfund Investments supporting the Occupation of Palestinian land

A delegation of Auckland superannuitants will deliver a protest-card petition and protest letter to the New Zealand Super Fund this Thursday afternoon to call on the fund to divest from companies which support the Israeli occupation of Palestinian land.

The group of approximately a dozen will make the delivery at **2pm today - Thursday 20 November - to the Superfund office at Level 12, 21 Queen Street, Auckland.**

“We are appalled that the Superfund would invest in companies which are helping Israel to violate international law, ignore United Nations resolutions and assist in a brutal military occupation of Palestinian land” says delegation leader Phil McNeale.

“As superannuitants we don’t want to have our superannuation come from the suffering of Palestinian people. The fund must stop profiting from brutality.”

“We are pleased that last year the fund withdrew from three companies involved in building illegal Jewish-only settlements on Palestinian land and also from a company helping build Israel’s apartheid wall. However Palestinians are also calling for divestment from the likes of Israeli banks which help finance illegal Israeli settlements on Palestinian land.”

“The Superfund has only come half way and half-way is simply not good enough”, says Phil McNeale. “Older New Zealanders don’t want their superannuation dependent on unethical, immoral investments.”

DDI:
Mobile:
Email:

[REDACTED]

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From: [REDACTED]
Sent: Thursday, 20 November 2014 2:48 PM
To: Gavin Walker
Cc: Adrian Orr; Stewart Brooks; [REDACTED] Sarah Owen
Subject: NZ Super Fund - delegation from Palestine Solidarity Network
Attachments: Palestine Solidarity Network letter 20 November 2014.pdf

Categories: In SuperDocs, #1379864 : Leadership and Governance-Board : Board Circulations & Approvals

Dear Gavin,

We were visited by a delegation from the Palestine Solidarity Network today – a group of 13 superannuitants. Stewart and I met with them.

They presented Stewart with a letter to you (scanned copy attached), along with promotional postcards targeting a range of companies in our portfolio, and have asked to meet with you personally.

The group has now departed. They have engaged with media, but as yet there is no media interest in the story.

We will reflect on next steps and be in touch with a draft response and recommendations next week, following Adrian's return. They are expecting a response from us within a fortnight.

None of the issues raised or companies mentioned were new.

Best regards

[REDACTED]
[REDACTED]
[REDACTED]

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Palestine Solidarity Network

www.psn.net.nz

20 November 2014

Gavin Walker
Chair
Board of Guardians
New Zealand Superannuation Fund
Level 12
Queen St
AUCKLAND 1010

Kia ora Mr Walker,

**Re: Superfund investments in support of the illegal Israeli occupation
of Palestinian land**

We are a group of older New Zealanders appalled that the Superfund is continuing to invest in companies which are supporting the occupation of Palestinian land.

We are horrified that you are using our money to help Israel to violate international law, ignore United Nations resolutions and assist in a brutal military occupation of Palestinian land.

As superannuitants we don't want to have our income arise from the suffering of the Palestinian people. We are sure most New Zealanders would agree that we do not want this country to profit from brutality.

We are pleased that last year the fund withdrew from three companies involved in building illegal Jewish-only settlements on Palestinian land and also from a company helping build Israel's apartheid wall. However Palestinians are also calling for divestment from the likes of Israeli banks which help finance illegal Israeli settlements on Palestinian land.

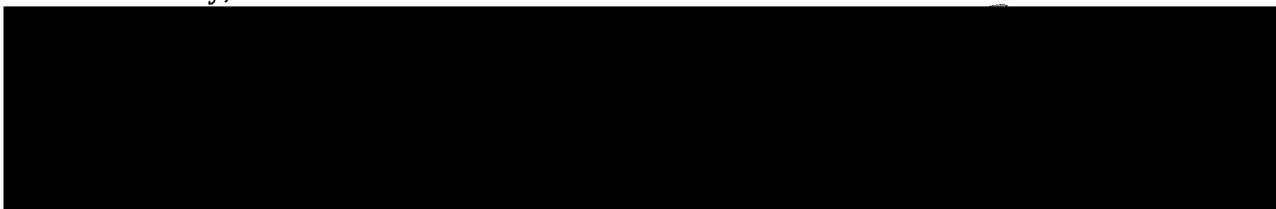
It's clear to us that there is no material difference between building illegal Jewish-only settlements and funding and supporting them.

We know you are aware of this issue and the companies involved because it was set out in detail to you earlier this year by Wellington supporters of Palestinian human rights.

The Superfund has only come half way and half-way is simply not good enough.

We wish to meet with you in person to discuss this and look forward to an early opportunity to do so.

Yours sincerely,



[Redacted]

From: [Redacted]
Sent: Friday, 12 December 2014 2:55 PM
To: [Redacted]
Subject: Letter from the Chairman & Meeting - Palestine Solidarity Network
Attachments: Letter to Palestine Solidarity Network from the Chairman, 10 December 2014.pdf

Good afternoon [Redacted]

Please find **attached** a letter for your attention from our Chairman, Mr Gavin Walker.

In relation to arranging an appointment with the Chief Executive Officer, Adrian Orr and [Redacted] both are available on January 28th at 2:00pm. Let me know if this timing is convenient for you so we may confirm.

Kind regards,

[Redacted]

DDI: [Redacted]
Mobile: [Redacted]
Email: [Redacted]

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10 December 2014

[REDACTED]
Palestine Solidarity Network
via email: [REDACTED]
ph [REDACTED]

Dear [REDACTED]

GUARDIANS OF NZ SUPERANNUATION – OCCUPIED PALESTINIAN TERRITORIES

Thank you for your letter of 20 November 2014. Your concerns have been noted.

The conflict between Israel and Palestine is an issue regarding which the Guardians' management team has undertaken substantial research, and one which we continue to monitor.

Given the complexity of the issues relating to the Occupied Palestinian Territories, the appropriate people to meet with you are the Chief Executive Officer of the Guardians, Adrian Orr, and the [REDACTED]

Adrian's Executive Assistance [REDACTED] will contact you to arrange a meeting at a mutually convenient time.

Yours sincerely

A handwritten signature in black ink, appearing to read "Gavin Walker".

Gavin Walker
Chairman
Guardians of New Zealand Superannuation

[Redacted]

From: [Redacted]
Sent: Tuesday, 27 January 2015 2:54 PM
To: [Redacted]
Subject: Re: Letter from the Chairman & Meeting - Palestine Solidarity Network

Hi [Redacted]
Just a note confirming our attendance at this meeting tomorrow 2pm.

[Redacted]
For senior citizens group & Palestine Solidarity Network.
Ph [Redacted]

Sent from my iPhone

On 12/12/2014, at 2:55 pm, [Redacted]<[\[Redacted\]@nzsuperfund.co.nz](mailto:[Redacted]@nzsuperfund.co.nz)> wrote:

Good afternoon [Redacted]

Please find **attached** a letter for your attention from our Chairman, Mr Gavin Walker.

In relation to arranging an appointment with the Chief Executive Officer, Adrian Orr and [Redacted] both are available on January 28th at 2:00pm. Let me know if this timing is convenient for you so we may confirm.

Kind regards,

[Redacted]

DDI: [Redacted]
Mobile: [Redacted]
Email: [Redacted]

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<image002.jpg>

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<Letter to Palestine Solidarity Network from the Chairman, 10 December 2014.pdf>

[REDACTED]

From: [REDACTED]
Sent: Tuesday, 17 February 2015 1:33 PM
To: [REDACTED]
Subject: RE: stakeholders

Thanks – email is all that is required

Re Palestine – suggest committing to informing them of any developments in our position but decline opportunity to meet again in person in the short term.

[REDACTED]

From: [REDACTED]
Sent: Tuesday, 17 February 2015 1:30 p.m.
To: [REDACTED]
Subject: stakeholders

Hi [REDACTED]

Will search for contact details -

[REDACTED] PGGM

[REDACTED] SRI-Invest

[REDACTED] RI Investor

CalPERS [REDACTED] [REDACTED]@CalPERS.CA.GOV)

Oxfam - [REDACTED]

[REDACTED] IGCC

[REDACTED] ICGN

See more at: <http://www.oxfam.org.nz/about-us/who-we-are#Executive> Director

FMA and NZX – I will get contacts

I need to go back to the Palestine Group – what should our approach be to promised follow up engagement?

Thanks

[REDACTED]

[REDACTED]

DDI: [REDACTED]
Mobile: [REDACTED]

Email:



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From: [REDACTED]
Sent: Sunday, 26 April 2015 1:06 AM
To: Enquiries
Cc: SCOOP NZ; green.party@parliament.govt.nz
Subject: NZSF complicit in Israel's war crimes against children in Gaza

Chair Gavin Walker , Deputy Chair Catherine Savage and Chief Executive Adrian Orr
New Zealand Super Fund
Level 12
21 Queen Street
Auckland 1010
New Zealand

Dear Mr Walker, Ms Savage and Mr Orr

I am gravely concerned that the NZ Super Fund (NZSF) shocking decision to not include Israel Chemicals for divestment blatantly violates the Responsibilities:

"ethical investment including policies, standards and procedures for avoiding prejudice to New Zealand's reputation as a responsible member of the world community"

and Standards for Human Rights: -1. Support and respect human rights 2. No complicity in abuses..set out in the NZSF Responsible Investment Framework.

NZSF acknowledges that Israel Chemicals is a supplier of white Phosphorus to the US Defense Force and its deplorable 16-8-14 decision was deliberated and made during Israel's monstrous war, Operation Protective Edge, against the trapped Gazan population proves NZ to be an irresponsible member of the world community and a collaborator in Israel's war crimes.

On the 16-8-14, little Hamza Mus'ab Almandani, 3 ,of Khan Younis, Gaza was in hospital in excruciating pain suffering from burns from artillery shells made in the USA fired on 25-7-14, that discharged white incendiary rain on Gaza in hundreds of phosphorous-impregnated felt wedges as Hamza and his family slept.



You are no doubt aware that phosphorous burns are only contained by blocking off oxygen but the extreme pain and, as you can see, the horrific tissue damage endures.

Little Hamza spent months in hospital and the above photo was taken recently. This once happy boisterous toddler, is now mute from trauma and pain. . . thanks, in part, to you and unaware NZ investors.

NZSF should, at the very least, be paying for this child to have burns treatment in Italy.

Hamza's suffering was **DELIBERATELY** inflicted in 2014 in blatant disregard of the 2009 UN Goldstone Report on Israel's war crimes that condemned its illegal use. Israel is also well aware of "Protocol III of the 1980 Convention on Conventional Weapons, which prohibits use of the substance as an incendiary weapon against civilian populations and in air attacks against military forces in civilian areas." Furthermore, Israel's blockade on Gaza prevents escape by land, sea and air.

You, executives, sit in your safe and comfortable offices making criminally negligent decisions to pour NZ workers' monies into supporting Israeli companies that are complicit in the illegal colonisation and brutal military oppression of Palestine's indigenous people that has spanned 68 long long years. . . so you cannot plead ignorance particularly if you also consider the parallels in New Zealand's shameful history of violence against the Maori peoples.

Other Israeli companies in the NZSF portfolio that also have grounds for divestment are Strauss Group Ltd which has close connections to the Israeli military, particularly the vicious Golani and Givati brigades that participated in war crimes in Gaza in 2008/9, 2011 and 2014.

And TEVA Pharmaceuticals which has a plant in Har Hotzvim, beyond the Green Line making it a settlement factory.

You should also check if the Israeli oil companies in your portfolio are involved in the theft of Palestinian oil and gas resources.

NZSF 'has a passive \$900,000 investment in Israel Chemicals' which ethically must be immediately divested.

I am certain that NZ members of the NZSF would, like all decent people, be horrified that their money is complicit in the suffering and deaths of Palestinian children like Hamza.

I look forward to hearing good news on this matter from you asap.

Sincerely


Justice for Palestine Matters
Sydney, Australia

FYI

Israel: White Phosphorus Use Evidence of War Crimes ...
www.hrw.org/fr/node/81821

- [Israelis rain phosphorous bombs over Gaza | The Electronic ...
electronicintifada.net/content/israelis...phosphorous-bombs...gaza/7965](http://electronicintifada.net/content/israelis...phosphorous-bombs...gaza/7965)

- [PressTV-Israel drops phosphorus bombs on Gaza
www.presstv.ir/detail/2014/07/.../israel-drops-phosphorus-bombs-on-gaz...](http://www.presstv.ir/detail/2014/07/.../israel-drops-phosphorus-bombs-on-gaz...)

- [Photos of Israeli White Phosphorus attacks on UN schools in ...
https://friendsofpalestine.wordpress.com/.../photos-of-israeli-white-phosp...](https://friendsofpalestine.wordpress.com/.../photos-of-israeli-white-phosp...)

From: [REDACTED]@nzsuperfund.co.nz
Sent: Friday, 15 May 2015 11:22 AM
To: [REDACTED] Adrian Orr
Subject: RE: Palestine Solidarity Network
Attachments: 1561669-R-Israel_Company_Holdings_26_April_2015.XLSX.DRF

Hi [REDACTED]/Adrian

We have made no change to our exclusion criteria on companies involved in the OPT. We are the same as the APG and NGPF *but differ from PGGM* on the issue of banks involved in finance in the OPT. We are cautious on excluding banks as it sets a precedent for banks elsewhere being excluded on their customers activities. Depends on view of indirect versus direct involvement – *which is what NGOs want us to shift on. We also don't exclude services such as telecommunications, or infrastructure such as rail or roads. Again the NGOs want these excluded.*

Excluding banks on loans they make is difficult to research. This type of analysis is better suited to *RI Integration* than RI exclusion - MSCI does rate banks on their ESG lending policies and so investors can build that into stock selection , tilting decisions and engagement.

See attached spreadsheet which we update to keep track of our Israeli holdings.

The only update is that the companies the PSN are targeting have changed their policies – Veolia and G4S are withdrawing – they have to let some contracts run their course/sell assets but then will be out. (Note: G4S commissioned an external human rights assessment which found that it was not breaching human rights law in Israel. However, we are also awaiting the results of an assessment by the UK contact point for OECD principles to review a complaint against G4S from NGO over Israel and Palestine).

On ICL – which is where the intense criticism is coming from the overseas NGO – is same as I sent previously (i.e. same as when IC made the decision). Only change is the new article claiming White Phosphorus was used – and as your media expert has looked into this again and confirmed there is no basis he can find in reliable media sources – e.g. Al Jazeera or BBC – we have no basis to review this decision.

See bullets below as a reminder on Israel Chemicals:

- We can only confirm that ICL won a contract to supply US with White Phosphorus WP to for armaments used to create smoke screens.
- We cannot confirm that ICL WP was used to make smoke screens – the stated legitimate use by US defence force – that were then sold to Israel.
- We can confirm that ICL was not supplying WP to US Defence Force in the prior Gaza conflict where there was evidence of misuse of projectiles containing WP by the Israeli Defence Force.
- We do not have credible UN evidence that WP was used in last Gaza conflict as an incendiary device – and we do not have reporting from credible news agencies that this was the case.
- We believe that if there was credible evidence then multiple news agencies such as BBC would have run with the story.
- If there was credible evidence we would still not be able to confirm that US projectiles using ICL WP was the source rather than older stockpiles of the Israel defence force.
- We did consult with EIRIS a very credible research agency who concluded that it was not possible to track a credible linkage between the company and a breach of human rights standards or international law by the Israeli Defence Force.
- If the Israeli Defence Force used the arms as incendiary weapons this is a misuse of the product, and it is the Israeli government that is responsible.

Contact with ICL – the company has confirmed that they do not have any contracts directly with the Israeli Defence Forces.

Thanks [REDACTED]

From: [REDACTED]
Sent: Friday, 15 May 2015 9:38 a.m.
To: Adrian Orr; [REDACTED]
Subject: RE: Palestine Solidarity Network

I don't think anything has changed. The issue is that they draw the line in a different place, as regards proximity of the companies' activities to the illegal settlements. My recommendation would be not to offer another meeting – there is nothing new to discuss.

[REDACTED] – your thoughts?

From: Adrian Orr
Sent: Thursday, 14 May 2015 5:42 p.m.
To: [REDACTED]
Subject: Re: Palestine Solidarity Network

Keen we chat about what if anything has changed and substance of their claims. We can then arrange a meeting. Cheers

Sent from my iPhone

On 14/05/2015, at 5:32 pm, Adrian Orr [REDACTED]@nzsuperfund.co.nz> wrote:

Sent from my iPhone

Begin forwarded message:

From: [REDACTED]
Date: 14 May 2015 5:29:26 pm NZST
To: [REDACTED]@nzsuperfund.co.nz" [REDACTED]@nzsuperfund.co.nz>, [REDACTED]@nzsuperfund.co.nz" [REDACTED]@nzsuperfund.co.nz>
Subject: Palestine Solidarity Network

Palestine Solidarity Network
[REDACTED]

14/05/15

Adrian Orr
CEO NZ Superfund

Level 12
21 Queen Street
Auckland 1010

Dear Mr Orr,

I was part of a group of super annuitants who met with you in Nov. and again in Jan. We discussed our serious concerns regarding NZ super funds being invested in any companies supporting illegal Israeli settlements. The humanitarian situation for Palestinians in both Gaza & the West bank has continued to deteriorate and we wondered if you could propose a date for us to discuss what progress has been made regarding divestment by the super fund.

Regards



Palestine Solidarity Network

Israeli company Holdings April 26 2015		Construction or essential for Separation barrier or settlement construction	Involvement in OPT	NGPF	PGGM	APG
Large Cap						
BANK HAPOLIM B.M. ILS1	Bank Hapoalim B.M. ILS1	Indirect - loans for construction	Indirect - mortgages and loans			
BK LEUMI LE ISRAEL ILS1	Bk Leumi Le Israel ILS1	Indirect - loans for construction	Indirect - mortgages and loans			Excluded
BEZEQ ISRAEL TELCM ILS1	Bezeq Israel Telcm ILS1	No	Services to settlements - telecommunications infrastructure including to army and checkpoints			Excluded
DELEK GROUP ILS1	Delek Group ILS1	No	Services to settlements - gas stations in West Bank and East Jerusalem via Delek Israel Fuel			
ICL-ISRAEL CHEM ILS1	Icl-Israel Chem ILS1	No	No - white phosphorus supplier - may be used by US defence force for smoke screen:			
NICE SYSTEMS ILS1	Nice Systems ILS1	Assume No - not on Who Profits website	Assume No - not on Who Profits website			
TEVA PHARMA IND ILS0.1 (subsidiaries Assia Chemical Industri	Teva Pharma Ind ILS0.1	No	Distributes pharmaceuticals			
ISRAEL CORP ILS1	Israel Corp ILS1	Assume No - not on Who Profits website	Assume No - not on Who Profits website			
MIZRAHI TEFAHOT BANK LTD ILS0.01	Mizrahi Tefahot Bank Ltd ILS0.01	Indirect - loans for construction	Indirect - mortgages and loans			Excluded
SMALL CAP						
ALONY HETZ ILS1	Alony Hetz ILS1	Assume No - not on Who Profits website	Assume No - not on Who Profits website	Media reports - leases property to DoD		
FIRST INTER BK ISR ILS0.05	First Inter Bk Isr ILS0.05	Indirect - loans for mortgages	Indirect - mortgages			Excluded
CLAL INSURANCE ENT ILS1	Clal Insurance Ent ILS1	Indirect - subsidiary is a cement provider	Indirect - supplies cement plus owns a retail store in one settlement related to Delek Israel Fuel			
DELEK AUTOMOTIVE S ILS1	Delek Automotive S ILS1	No	Assume No - not on Who Profits website - but has large holding in in Cellcorr			
DISCOUNT INV CORP ILS1	Discount Inv Corp ILS1	Assume No - not on Who Profits website	Assume No - not on Who Profits website			
STRAUSS GROUP LTD ILS1(SER'A')	Strauss Group Ltd ILS1 (Ser'a')	Assume No - not on Who Profits website	Assume No - not on Who Profits website			
TOWER SEMICONDUCTO ORD ILS1	Tower Semiconducto Ord ILS1	Assume No - not on Who Profits website	Assume No - not on Who Profits website			
FRUTAROM INDUSTRIE ILS1	Frutarom Industrie ILS1	Assume No - not on Who Profits website	Assume No - not on Who Profits website			
PARTNER COMMUNICAT ILS0.01	Partner Communicat ILS0.01	No	Cellular phone services and assembly plant in OPT.			
HAREL INVESTMENTS INSURANCE FINANCES LTDILS1	Harel Investments Insurance Finances Ltdils1	Assume No - not on Who Profits website	Assume No - not on Who Profits website			
ISRAEL DISCOUNT BK ILS0.10 SER'A'	Israel Discount Bk ILS0.10 Ser'a'	No	Subsidiary of Discount Bank which has indirect involvement through loans to construction and mortgage:			Excluded
MIGDAL INSURANCE ILS0.01	Migdal Insurance ILS0.01	Assume No - not on Who Profits website	Assume No - not on Who Profits website			
EZCHIP SEMICONDUCT ILS0.02	Ezchip Semiconduct ILS0.02	Assume No - not on Who Profits website	Assume No - not on Who Profits website			
MELISRON ILS1	Melisron ILS1	Assume No - not on Who Profits website	Assume No - not on Who Profits website			
MENORA MIVTACHIM ILS1	Menora Mivtachim ILS1	Assume No - not on Who Profits website	Assume No - not on Who Profits website			
GAZIT GLOBE ILS1	Gazit Globe ILS1	Assume No - not on Who Profits website	Assume No - not on Who Profits website			
NITSBA ILS1	Nitsba ILS1	Assume No - not on Who Profits website	Assume No - not on Who Profits website			
OSEM INVESTMENT ILS1	Osem Investment ILS1	Assume No - not on Who Profits website	Assume No - not on Who Profits website			
SHUFERSAL LTD ILS0.10	Shufersal Ltd ILS0.10	Assume No - not on Who Profits website	Assume No - not on Who Profits website			
ITURAN ILS0.333	Ituran ILS0.333	Assume No - not on Who Profits website	Assume No - not on Who Profits website			
PAZ OIL CO LTD ILS5	Paz Oil Co Ltd ILS5	No	Services to settlements AND Palestinian Authority - major petrol, and gas supplier in OPT			NOTE - Paz Oil is incorp. In Germa
MELLANOX TECHNOLOGIES LTD	Mellanox Technologies Ltd	Assume No - not on Who Profits website	Assume No - not on Who Profits website			
OIL REFINERIES LTD COM STK ILS1	Oil Refineries Ltd Com Stk ILS1	Assume No - not on Who Profits website	Assume No - not on Who Profits website			
CELLCOM ISRAEL LTD ILS0.01	Cellcom Israel Ltd ILS0.01	No	Cellular phone services and assembly plant in OPT.			
AZRIELI GROUP ILS0.01	Azrieli Group ILS0.01	Assume No - not on Who Profits website	Assume No - not on Who Profits website			
	Scoop article - other					

[Redacted]

From: [Redacted]
Sent: Friday, 22 May 2015 2:45 PM
To: [Redacted]
Subject: FW: Letter from Adrian Orr re. Palestine Solidarity Network
Attachments: Letter to [Redacted] Palestine Solidarity Network from A. Orr, 22 May 2015.pdf

Fyi

From: [Redacted]
Sent: Friday, 22 May 2015 2:32 p.m.
To: [Redacted]
Subject: Letter from Adrian Orr re. Palestine Solidarity Network

Good afternoon [Redacted]

Please find **attached** a letter for your attention, on behalf of Adrian Orr.

Kind regards,

[Redacted]

[Redacted]

DDI: [Redacted]
Mobile: [Redacted]
Email: [Redacted]

A Great Team Building the Best Portfolio

PO Box 106 607, Auckland 1143, New Zealand
Level 12, 21 Queen Street, Auckland, New Zealand
Office: +64 9 300 6980 | Fax: +64 9 300 6981 | Web:



22 May 2015

[REDACTED]
Palestine Solidarity Network
[REDACTED]

By email: [REDACTED]

Dear [REDACTED]

Thank you for making contact again in your letter of 14 May.

Our position regarding the exclusion of companies involved in the Occupied Palestinian Territories from the New Zealand Superannuation Fund is unchanged. We will therefore decline the opportunity to meet to discuss the issue at this time, however will keep you updated if this position changes.

For your information, we understand that Veolia and G4S are ceasing activities in the area, and are in the process of letting some contracts run their course and selling assets. Engagement by institutional investors has been influential in this regard.

We continue to monitor the activities of companies operating in the Occupied Palestinian Territories, including reviewing research reports by a range of independent and non-governmental organisations. If we make further exclusion decisions we will announce them publicly, and be sure to let you know.

Yours sincerely



Adrian Orr
Chief Executive

GUARDIANS OF NEW ZEALAND SUPERANNUATION
Level 12, 21 Queen Street, Auckland

PO Box 106 607, Auckland, New Zealand. Phone: +64 9 3006980 Fax: +64 9 3006981

www.nzsuperfund.co.nz

[REDACTED]

From: [REDACTED]
Sent: Thursday, 4 June 2015 4:29 PM
To: [REDACTED]
Subject: RE: NZSF complicit in Israel's war crimes against children in Gaza

Dear [REDACTED]

Thank you for your email. Your views have been noted and shared with our Board and CEO. Apologies for the delay in responding to you.

We have previously investigated the claims made against Israel Chemicals.

The company has been a supplier of white phosphorus to the US Defence Force for use as a smoke screening agent in smoke munitions. Israel Chemicals has confirmed it is not a supplier of white phosphorus to the Israeli government or any other Israeli entity. The US Defence Force's disclosure on this issue states the white phosphorus it purchases is for use in smoke munitions to protect US forces and is used because it produces smoke that is effective in blocking visual and weapon-tracking systems. We have no evidence that the white phosphorus supplied by Israel Chemicals was used by the US Defence Force for anything other than the intended purpose of legitimate and non-lethal use.

Further details of our position on this matter are set out on our website. See <https://www.nzsuperfund.co.nz/news-media/nz-super-fund-investment-israel-chemicals>

Best regards
[REDACTED]

From: [REDACTED]
Sent: Sunday, 26 April 2015 1:06 a.m.
To: Enquiries
Cc: SCOOP NZ; green.party@parliament.govt.nz
Subject: NZSF complicit in Israel's war crimes against children in Gaza

Chair Gavin Walker , Deputy Chair Catherine Savage and Chief Executive Adrian Orr
New Zealand Super Fund
Level 12
21 Queen Street
Auckland 1010
New Zealand

Dear Mr Walker, Ms Savage and Mr Orr

I am gravely concerned that the NZ Super Fund (NZSF) shocking decision to not include Israel Chemicals for divestment blatantly violates the Responsibilities:

"ethical investment including policies, standards and procedures for avoiding prejudice to New Zealand's reputation as a responsible member of the world community"

and Standards for Human Rights: -1. Support and respect human rights 2. No complicity in abuses..set out in the NZSF Responsible Investment Framework.

NZSF acknowledges that Israel Chemicals is a supplier of white Phosphorus to the US Defense Force and its deplorable 16-8-14 decision was deliberated and made during Israel's monstrous war, Operation

Protective Edge, against the trapped Gazan population proves NZ to be an irresponsible member of the world community and a collaborator in Israel's war crimes.

On the 16-8-14, little Hamza Mus'ab Almandani, 3 ,of Khan Younis, Gaza was in hospital in excruciating pain suffering from burns from artillery shells made in the USA fired on 25-7-14, that discharged white incendiary rain on Gaza in hundreds of phosphorous-impregnated felt wedges as Hamza and his family slept.



You are no doubt aware that phosphorous burns are only contained by blocking off oxygen but the extreme pain and, as you can see, the horrific tissue damage endures.

Little Hamza spent months in hospital and the above photo was taken recently. This once happy boisterous toddler, is now mute from trauma and pain. . . thanks, in part, to you and unaware NZ investors.

NZSF should, at the very least, be paying for this child to have burns treatment in Italy.

Hamza's suffering was **DELIBERATELY** inflicted in 2014 in blatant disregard of the 2009 UN Goldstone Report on Israel's war crimes that condemned its illegal use. Israel is also well aware of "Protocol III of the 1980 Convention on Conventional Weapons, which prohibits use of the substance as an incendiary weapon against civilian populations and in air attacks against military forces in civilian areas." Furthermore, Israel's blockade on Gaza prevents escape by land, sea and air.

You, executives, sit in your safe and comfortable offices making criminally negligent decisions to pour NZ workers' monies into supporting Israeli companies that are complicit in the illegal colonisation and brutal military oppression of Palestine's indigenous people that has spanned 68 long long years. . . so you cannot plead ignorance particularly if you also consider the parallels in New Zealand's shameful history of violence against the Maori peoples.

Other Israeli companies in the NZSF portfolio that also have grounds for divestment are Strauss Group Ltd which has close connections to the Israeli military, particularly the vicious Golani and Givati brigades that participated in war crimes in Gaza in 2008/9, 2011 and 2014.

And TEVA Pharmaceuticals which has a plant in Har Hotzvim, beyond the Green Line making it a settlement factory.

You should also check if the Israeli oil companies in your portfolio are involved in the theft of Palestinian oil and gas resources.

NZSF 'has a passive \$900,000 investment in Israel Chemicals' which ethically must be immediately divested.

I am certain that NZ members of the NZSF would, like all decent people, be horrified that their money is complicit in the suffering and deaths of Palestinian children like Hamza.

I look forward to hearing good news on this matter from you asap.

Sincerely


Justice for Palestine Matters
Sydney, Australia

FYI

Israel: White Phosphorus Use Evidence of War Crimes ...
www.hrw.org/fr/node/81821

- [Israelis rain phosphorous bombs over Gaza | The Electronic ...
electronicintifada.net/content/israelis...phosphorous-bombs...gaza/7965](http://electronicintifada.net/content/israelis...phosphorous-bombs...gaza/7965)

- [PressTV-Israel drops phosphorus bombs on Gaza
www.presstv.ir/detail/2014/07/.../israel-drops-phosphorus-bombs-on-gaz...](http://www.presstv.ir/detail/2014/07/.../israel-drops-phosphorus-bombs-on-gaz...)

- [Photos of Israeli White Phosphorus attacks on UN schools in ...
https://friendsofpalestine.wordpress.com/.../photos-of-israeli-white-phosp...](https://friendsofpalestine.wordpress.com/.../photos-of-israeli-white-phosp...)

[REDACTED]

From: [REDACTED]
Sent: Saturday, 5 September 2015 11:37 AM
To: [REDACTED]
Subject: White Papers
Attachments: Letter to [REDACTED] re white papers 050915.rtf

Seniors for Justice

[REDACTED]

05/09/2015

[REDACTED]

NZ Super Fund

Level 12 21 queen Street
Auckland 1010

Dear [REDACTED]

Thank you for the "How we invest" White Papers. We note "avoiding prejudice to New Zealand's reputation as a responsible member of the world community". Accordingly we call on you to divest from Israeli companies which support the illegal settlement of Palestinian lands such as Israel Bezek which provides telecommunication services to all Israeli settlements, army bases and checkpoints in the West Bank and Bank Leumi which has 18% stake in Israel Chemicals which supplies lethal white phosphorus.

The building and maintenance of illegal settlements on Palestinian Land makes the possibility of a lasting just peace in the Middle East impossible. We request the NZSF to divest from all Israeli banks and companies which contribute to the dire humanitarian crisis that exists in Palestine.

Yours Sincerely

[REDACTED]

for Seniors for Justice

[REDACTED]

From: Wellington Palestine Group [REDACTED]
Sent: Sunday, 28 August 2016 10:31 PM
To: Enquiries
Subject: Attention: Matt Whineray
Attachments: 2016-08 WPG NZ Superfund .pdf

Please find attached letter

Regards,

[REDACTED]

Wellington Palestine Group

[REDACTED]

WELLINGTON PALESTINE GROUP



28 August 2016

Matt Whineray
New Zealand Superannuation Fund
enquiries@nzsuperfund.co.nz

Dear Mr Whineray,

We write to again draw your attention to the activities of Israeli banks in maintaining the Israeli occupation of the West Bank and East Jerusalem by financing illegal settlements in these areas. Organisations active in opposing the Israeli occupation have seen the role of the Israeli banks to have been a crucial one in facilitating the occupationⁱ.

We have previously written to you about your failure to achieve a consistency with your 2012 exclusion of some Israeli companies active in settlements in the Occupied Palestinian Territories (OPT) by failing to exclude your full range of Israeli companies which are complicit in the occupation or for that matter companies which produce weaponry which is used against the population of Gaza.

We note that your exclusions in 2012 were based on factors such as an acceptance that the settlements are illegal and New Zealand's voting in the United Nations reflected this acceptance. We will not therefore need to revisit these matters.

We wish instead to draw your attention to the Israeli banks which are active in the OPT but in which you have since 2012 chosen to increase your investments.

We do so in the context of major divestments from Israeli banks in Europe in particularⁱⁱ, but also in the United Statesⁱⁱⁱ.

We firstly ask you to consider a Human Rights Watch (HRW) Report (the Report) of 19 January 2016, 'Occupation, Inc.: How Settlement Businesses Contribute to Israel's Violations of Palestinian Rights'.^{iv} This report has a focus on the role of Israeli banks in illegal settlement activities.

Allow me to quote various pertinent sections of the Report;

جمعية أصدقاء فلسطين في ولنتون
ص.ب ٦٤٢ ولنتون نيوزيلندة

Based on the findings of this report, it is Human Rights Watch's view that any adequate due diligence would show that business activities taking place in or in contract with Israeli settlements or settlement businesses contribute to rights abuses, and that businesses cannot mitigate or avoid contributing to these abuses so long as they engage in such activities. In Human Rights Watch's view, the context of human rights abuse to which settlement business activity contributes is so pervasive and severe that businesses should cease carrying out activities inside or for the benefit of settlements, building housing units or infrastructure, or providing waste removal and landfill services. They should also stop financing, administering, trading with or otherwise supporting settlements or settlement-related activities and infrastructure (p. 2).

By virtue of facilitating the settlement regime, settlement businesses, in Human Rights Watch's view, contribute to the discriminatory system that Israel operates for the benefit of settlements. These businesses also directly benefit from these policies in myriad ways. The report describes two such ways. One is the financial and regulatory incentives that the Israeli government provides to settlement businesses, but not to local Palestinian businesses, in order to encourage the economic development of settlements (p. 4).

By contributing to and benefitting from Israel's unlawful confiscation of land, the financing, construction, leasing, lending, selling and renting operations of businesses like banks and real estate agencies help the illegal settlements in the West Bank to function as viable housing markets, enabling the government to transfer settlers there (p. 6).

..... settlement business includes companies that manage the practical demands of constructing and maintaining settlements. Three of the report's case studies fall into this type: a bank that finances and provides mortgages for settlement homes, a real estate franchise that sells them, and a waste management company that processes settlement trash. The direct contribution these companies make to Israel's unlawful settlement regime is self-evident (p. 18)

Settlement businesses profiting from land and resources that Israel unlawfully appropriated from Palestinians may violate an international law prohibition—which also exists in many domestic legal systems—against an individual or company knowingly benefitting from the fruits of illegal activity. This principle is enshrined in Article 6 of the United Nations Convention Against Transnational Organized Crime, which prohibits “the acquisition, possession or use of property, knowing, at the time of receipt, that such property is the proceeds of crime (p. 27).

Could we now consider the Israeli banks which NZSF continues to invest in.

Bank Hapoalim BM

This is a major Israeli bank. NZSF has recently markedly increased its investment in this bank to where its investment stands at \$1,499,358 as of June 2015 (compared with an investment of \$915,806 in 2012, which was the year of your exclusion of other Israeli companies). In early 2014 there were European institutional disinvestments from Bank Hapoalim, including Germany's largest bank^v and Denmark's largest bank^{vi}.

Bank Hapoalim finances construction in Israel settlements in the OPT, and the Occupied Golan, acting as a guarantor and loan maker to contractors and construction companies, as detailed by the monitoring group Who Profits^{vii}.

The Bank provides financing for the construction of housing projects in Israeli settlements in occupied territory. Hapoalim Bank acted as a guarantor and loan maker to major contractors and construction companies who build in the Occupied Territories (e.g. Heftzibah). The bank also acted as a financial underwriter for Heftziba via IBI. In addition, Hapoalim Bank is a major creditor for Shikun & Binui – Housing and Construction.

Hapoalim Bank finances the Jerusalem light rail project: The bank is a guarantor of the state loans to the companies that built the Light Rail in Jerusalem, which is designed to connect the settlement neighborhoods around Jerusalem with the city center.

The project is run by an ad-hoc conglomerate of companies called Citypass, comprising of: Ashtrom (47.5%), Harel (20%), Israel Infrastructure Fund (27.5%) and Veolia (5%). According to an article (link is external) published in June 2009, "The funding agreement of the project with Bank Hapoalim and Bank Leumi included raising 280 million Euros in short-term loans and 100 million US dollars in long-term loans. [...] In light of the delays, Citypass asked the banks to increase the line of credit".

The bank provides mortgages for homebuyers in settlements. For example, the bank supplied mortgage for a house in Alfei Menashe in 2010.

Hapoalim bank provides loans and financial services to local authorities of settlements: The bank operates the account of the settlement regional council of Har Adar, which opened another account for the rehabilitation, maintenance and development of water and sewage systems; the bank operates the account of Katzerin settlement in the Golan Heights.

Hapoalim Bank manages the finances of Clal finance and Jerusalem equity portfolio, companies owned by the settlement of Efrat, along with Leumi Bank.

The Bank operates branches in the following settlements: Ariel, Beitar Illit, Modi'in Illit, Ma'ale Adumim, Pisgat Ze'ev and two branches in East Jerusalem (in Gilo and in Ramot). In addition, the bank operates a branch in Bnei Yehuda in the Golan Heights.

The bank benefits from access to the Palestinian monetary market as a captive market.

Hapoalim bank discriminates Palestinian citizens of Israel. On 5 June 2013, the Israeli news channel 10 published an investigative report (link is external) regarding discrimination of Palestinian costumers with an Israeli ID by Hapoalim Bank. According to the article, several Hapoalim branches refused to transfer accounts of Palestinian citizens to branches located in Jewish populated areas.

Hapoalim bank finances the military city project for the Israeli army in the Negev.

Hapoalim Bank has been found guilty of money laundering in the past^{viii}.

Bank Leumi Le-Israel BM

NZSF has hugely increased its investment in this bank to \$1,493,942 in June 2015 (compared with only \$77,476 in 2012). Bank Leumi Le-Israel BM provides extensive banking services in the Occupied West Bank, according to Who Profits^{ix}.

Leumi bank provides financing for the construction of housing projects in Israeli settlements in occupied territory. The bank provided financial support for 78 housing units in 6 buildings in Har Homa, constructed by Heftziba.

The bank provides loans and financial services to local authorities of settlements: The bank manages the funds of Clal finance and Jerusalem equity portfolio, owned by the settlement of Efrat, along with Hapoalim bank; Alfei Manashe settlement opened accounts for education funds and for development funds in Leumi Bank; Ma'ale Adumim settlement has signed an investment consultant agreement with Leumi Bank; Kiryat Arba settlement's property tax are saved in Leumi Bank.

The bank finances the Jerusalem light rail project, which was designed to connect the settlement neighborhoods around Jerusalem with the city center.

Through its subsidiary Leumi Mortgage Bank (100%), which specializes in providing mortgages, the bank also provides mortgages for homebuyers in settlements. For instance, a sign in the settlement of Tzofim says that special offers for mortgages by Leumi Mortgage Bank are given for private construction in the Tzofim View (Nofei Zufim) Project.

The bank supplies mortgages for homebuyers in the settlements of Ariel, Beitar Illit and Katzrin in the Golan Heights.

The bank benefits from access to the Palestinian monetary market as a captive market.

The bank has branches in the following settlements in the West Bank: Ma'ale Adumim, Oranit, Pisgat Ze'ev and Kiryat Arba, in the settlement neighborhoods of Ramot and Gilo in East Jerusalem and in Katzrin in the Golan Heights.

Leumi Mortgage Bank, has a branch in Ramat Eshkol settlement neighborhood in East Jerusalem.

The conduct of Bank Leumi in international tax evasion is another reason why New Zealand's Superannuation Fund should be removing investment in the bank rather than increasing it^x.

Mizrahi Tefahot Bank Ltd

NZSF has also massively increased its investment in Mizrahi Teahot to \$656,939 in June 2015 (only \$61,090 in 2012).

Who Profits has detailed Mizrahi Tefahot activities in West Bank settlements^{xi}.

The bank provides financing for constructing housing projects in the settlements of Ariel, Har Homa, Ramat Rachel, Ma'ale Adumim and Pisgat Ze'ev in the occupied West Bank and East Jerusalem. These projects include at least seven complexes of 377 housing units in Har Homa in the occupied East Jerusalem, carried out by Heftziba, Dona, Kotler Adika and Sasi construction companies. In Ma'ale Adumim settlement, the bank financed at least 10 construction projects, which include about 369 housing units, a commercial center and the Adumim park, carried out by Dona, Kotler-Adika and Sasi. The bank also financed a construction project by Kotler-Adika in Pisgat Ze'ev settlement, which includes 49 housing units. In addition, the bank financed a 128 housing units' project in Ramat Rachel in East Jerusalem by R. Ela construction company. Mizrahi Bank also provides financial safeguarding for a Hanan mor construction project in Ariel.

The bank advertises in its website construction projects in the settlements of Modi'in Ilit, Har Homa and Pisgar Ze'ev.

Mizrahi-Tefahot provides loans and financial services to local authorities of settlements and Israeli businesses operating in the occupied territories: The Kdumim settlement opened a current loan account in Mizrahi Bank, in Otsar Hahayal bank and in Igud Bank; The settlement of Karnei Shomron opened a current loan account in Mizrahi Bank in 2010, in addition to attachment of collateral of the settlement's incomes and property tax in Mizrahi Bank; The Gush Etzion settlements' regional council's operates an account in Mizrahi Bank, which is also used for development and education expenses; Efrat settlement operates two accounts in Mizrahi Bank branch in Alon Shvut: walfare fund and unordinary budget fund.

In addition, the bank provides mortgages for homebuyers in settlements. For example in Ariel (from 2000, 2005 and 2009), Beit Arye (Ofarim) from 2009, 2 houses and land in Beitar Illit from 2010 and a house in Beitar ilit from 2009. In addition, the bank provided mortgage for homebuyer in Immanuel from 2002 and four homebuyers in Modi'in Ilit from 2003, 2005, 2008 and 2012.

Bank Adanim, a fully owned subsidiary of Mizrahi, provides mortgages for houses in settlements, for example, a mortgage for a house in Beitar Illit from 2008.

The bank cooperated with Y.H. Dimri, an Israeli construction company for marketing housing exclusively for Israeli security officers.

The bank operates 3 branches in the illegal settlements of Alon Shvut and Karnei Shomron in the occupied West Bank and a branch in Ramat Eshkol settlement neighborhood in the occupied East Jerusalem.

A subsidiary of the bank (50%), Yahav Bank for Government Employees, has a branch in occupied East Jerusalem, a branch in the settlement of Ma'ale adumim and a branch in Pisgat Ze'ev.

In 29 July 2013, Ha'aretz newspaper reveled a recorded conversation with one of Mizrahi's representatives, who stated that the bank's policy is not to provide credit to Palestinian citizens of Israel in order to discourage them from opening an account in the bank. This is a violation of the Israeli law, which forbids banks from refusing costumers' requests to open accounts.

A news story^{xii} at the time on the Report gave more detail of the activities of the Mezrahi Tefahot Bank, though the bank is not identified by name in the Report;

According to an online brochure, an Israeli bank is financing Green Ariel through an “accompaniment agreement” with an Israeli developer. Such agreements, which govern most construction projects in Israel, provide the loan for the construction and protect buyers during the construction phase. The accompanying bank gives homebuyers a guarantee and deposits their payments in a dedicated bank account, while it monitors the financial status and development of the project. In some cases, the accompanying bank also holds the real estate property as collateral until the developer sells all the housing units in the project. Neither the bank nor the developer responded to separate letters from Human Rights Watch sharing our preliminary findings and requesting further information (p. 62).

NZSF Policy

You wrote to us on 27 May 2014, to state the New Zealand Superannuation Fund’s criteria for excluding companies.

“... we take account of the proximity and importance of the company’s actions, and our ability to engage with the company to change its business practices.

We draw a distinction between being directly and materially involved in an activity versus being a supplier of materials or services in the normal course of business. In doing so, we consider whether the product or service is integral to the activity and tailor-made, as opposed to being an off-the-shelf substitute or readily replaceable alternative.”

You have also made a similar, though not identical, statement in a press release;

Our exclusion decisions are guided primarily by United Nations and New Zealand Government legislation and policy positions. For example, in 2012, the Fund excluded Israeli companies Africa Israel Investments and subsidiary Danya Cebus; Elbit Systems Limited; and Shikun & Binui from the Fund. This decision followed findings by the United Nations that that the West Bank Separation Barrier and settlement activities were illegal under international law. We also factored in votes by New Zealand for UN Security Council resolutions demanding the cessation and dismantling of the Separation Barrier, and the cessation of Israeli settlement activities in the Occupied Palestinian Territories.

In making any exclusion decisions, we draw a distinction between a company being directly and materially involved in an activity, versus being a supplier of materials or services in the normal course of business^{xiii}.

As indicated above from the Report, at page 27, there is some potential legal liability, deriving in domestic legislation from such treaties as UNCATOC, should companies profit from illegal activities in a different jurisdiction.

This letter sets these obligation aside for the moment. We will address merely the NZSF criteria for exclusion as a policy position adopted by NZSF, whether based on international codes of practice or otherwise. We identify your Environmental, social and governance policy (ESG) to be the central such policy.

First we note that the HRW criteria of culpability of proximity to illegal settlements follows a different distinction to yours.

HRW considers there are two types of settlement businesses;

The first type of settlement business includes companies that manage the practical demands of constructing and maintaining settlements. Three of the report's case studies fall into this type: a bank that finances and provides mortgages for settlement homes, a real estate franchise that sells them, and a waste management company that processes settlement trash. The direct contribution these companies make to Israel's unlawful settlement regime is self-evident (p. 18)

The Report then compares this first category with the second;

The second type of settlement business (which) includes companies that engage in activities that do not directly provide services to residential settlements, yet nonetheless are based in settlements or settlement industrial zones (p. 19).

As we pointed out to you on 29 April 2014, we cannot see the difference in culpability between those companies which build the settlements and those which finance them. Human Rights Watch cannot see the difference either.

We have difficulty in interpreting your first paragraph above. Proximity is certainly a legal yardstick, employed in tort law, meaning, we suggest, in this policy instance here, a close relationship between the actions of a company NZSF has invested in, and the consequences of those actions to damage in some way the wellbeing of the Palestinian population of the OPT. Remoteness is essentially the same test expressed in contrary terms.

We suggest the Report has ample evidence of the almost inevitably negative results for Palestinians' wellbeing and rights from any Israeli economic activity in the OPT.

Consequently, the related and conceptually alternative test to proximity, that of foreseeability, becomes applicable. In tort law generally the tests are used concurrently where the greater the foreseeability the closer the proximity.

There may however be a high degree of foreseeability of a consequence of an action though the chain of proximity is not short. Conversely, there may be a low foreseeability even if the causal proximity is immediate. The case law on the two principles lies in favour of foreseeability^{xiv}

This is relevant in that the foreseeability of the result of the banks' activities in this instance is quite clear. We are not referring to a set of circumstances in a tort action where the defendant should have foreseen a single or cumulative action by them which then caused a damaging outcome.

This is a situation of a continuing ex post facto awareness by the banks of the worsening consequences for the Palestinians of the OPT arising from the continued construction of illegal Israeli settlements on their land. The evidence provided by HRW and Who Profits alone is ample. Much of the evidence, such as the location of bank agencies within the settlements, is incontrovertible.

We suggest that the outcome of this is that the threshold of satisfying the proximity test must have been achieved. The banks know the harm they are causing through financing the settlements - yet they persist in doing it.

In the next aspect of the NZSF policy, confusion derives from which end 'importance' is perceived. We presume that the importance is in the impact of the people who are affected: that is the Palestinian population. Were the importance to derive from the significance to the company of its OPT activities, then the NZSF policy would simply insulate from divestment the large companies which have a lot of activities outside the OPT and so proportionally the OPT would be less important to them. Conversely, small companies, with a conceivably less extreme activity, would be divested from by the NZSF simply because the OPT was proportionally more important to these companies. Through such a distinction the NZSF would be excluding small 'bad' companies but keeping its investments in large 'worse' companies. The outcome of this approach would be of little value to the very people it was designed to help.

A positive response from an Israeli company to a request from the NZSF, in order to stay listed as an investment, appears to be a sensible requirement. Though again, companies, operating in such a charged political environment as the OPT, are unlikely to respond to an approach from NZSF with any enthusiasm, and they have already demonstrated to the international community they are not interested in conforming to international law.

We can certainly understand the distinction you are drawing in the next criteria in your policy. A line can be drawn between a supplier of materials to an unknown customer and a company which is 'directly and materially involved' in the activities of another to which it is selling materials. But again it is the details in this situation which cause confusion. In this instance the

supplier of finance is well aware of who the settlement customer is and their location and purpose.

Moreover, in the supply of services in just about any situation it is difficult to imagine where the customer is not well known to the seller, compared with what could be a more anonymous transaction in the sale of physical materials. Either, we suggest, are 'in the normal course of business'.

A banking service in this instance is most clearly made available by Israeli banks well aware of who they are supplying that service to and what that service is being used for. It is inconceivable the banks' officials are unaware of the illegal nature of the settlements and their consequences on the Palestinian population. They would need at the very least to conduct due diligence on the financial and other security of the settlements they are lending to.

Presumably borrowing is integral to building settlements. If the builders did not need to borrow, then borrowing would not be integral, but it would also be unnecessary. The policy reasoning thus appears to be tautological.

Such banking services are surely tailor-made in the sense of NZSF policy, for reasons of scale alone, to extend beyond standard form 'off the shelf' contacts into specific and dedicated provisions of a financing contract in each case.


As such, the three banks are no less complicit in illegal construction activities in the OPT than were Africa Israel Investments and Shikun & Binui which you have excluded. The exemption which you appear to offer to the banks, that their resources in the settlements are 'readily replaceable', applied equally to the two construction companies.

In summary then, NZSF criteria for exclusion, even allowing for the ambiguities and contradictions within that policy, are not being followed by NZSF in regards the three Israeli banks NZSF is increasingly heavily investing in.

These banks have a questionable professional reputation. They are a direct, material and vital component of the construction of illegal Israeli settlements in the OPT. Without those services the settlements would be unlikely to be built as no alternatives to borrowing or underwriting conceivably exist. The three banks have been shown to be immune to international investor concerns. Their lending is on a scale and of a type which has to be tailor-made for the requirements of the settler constructors.

Finally, we presume you are aware of the adverse investment climate in Israel, where direct foreign investment figures have been severely impacted by the actions of the Israeli government.^{xv}

Yours faithfully,


Wellington Palestine Group

ⁱ Funding the Israeli Occupation – The Direct Involvement of Israeli Banks in Illegal Israeli Settlement Activity and Control over the Palestinian Banking Market, Coalition of Women for Peace, October 2010, available at; <http://www.whoprofits.org/company/mizrahi-tefahot-bank>

ⁱⁱ Major Dutch pension firm divests from Israeli banks over settlements, Reuters, 8 Jan 2014, available at <http://www.reuters.com/article/2014/01/08/netherlands-israel-divestment-idUSL6N0K11N220140108>

ⁱⁱⁱ 'A BDS victory – US churches pension board blacklists Israeli banks', Jerusalem Post, 13 January 2016, available at; <http://www.jpost.com/Israel-News/Politics-And-Diplomacy/A-BDS-victory-US-church-pension-board-blacklists-Israeli-banks-441348>

^{iv} 'Occupation, Inc. How Settlement Businesses Contribute to Israel's Violations of Palestinian Rights', Human Rights Watch, 19 January 2016, available at; <https://www.hrw.org/node/285045/>

^v 'Germany's largest bank flags Israel's Hapoalim as morally questionable investment', Haaretz, 17 Feb 2014, available at <http://www.haaretz.com/news/diplomacy-defense/1.574743>

^{vi} Denmark's largest bank blacklists Israel's Hapoalim over settlement construction, Haaretz, 1 Feb 2014, available at <http://www.haaretz.com/news/diplomacy-defense/1.571849>

^{vii} Who Profits – The Israeli Occupation Industry, available at; <http://www.whoprofits.org/company/hapoalim-bank>

^{viii} 'Gaydanah suspected in bank scandal', Jerusalem Post, 28 November 2005, available at; <http://www.jpost.com/Israel/Gaydamak-suspected-in-bank-scandal>

^{ix} Who Profits – The Israeli Occupation Industry, available at; <http://www.whoprofits.org/company/leumi-bank>

^x 'Israel's Bank Leumi under investigation after \$400 million settlement with USA, Jewish Political News & Updates, 14 January 2015; available at; <http://jpuupdates.com/2015/01/14/israels-bank-leumi-investigation-400-million-settlement-usa/>

^{xi} Who Profits – The Israeli Occupation Industry, available at; <http://www.whoprofits.org/company/mizrahi-tefahot-bank>

^{xii} 'End all business in Israeli settlements, says Human Rights Watch' Electronic Intifada, 19 January 2016, available at; <https://electronicintifada.net/blogs/ali-abunimah/end-all-business-israeli-settlements-says-human-rights-watch> (NB this story has further links from ')

^{xiii} New Zealand Superannuation Fund Statement on Israel/Palestine, NZSF media statement, 4 August 2014, available at; <https://www.nzsuperfund.co.nz/news-media/nz-super-fund-statement-israelpalestine>

^{xiv} *Overseas Tankship (UK) Ltd v The Miller Steamship Co Pty Ltd* [1967] 1 AC 617 (PC) [*The Wagon Mound (No 2)*]; *RWM Dias* (1967) 25 CLJ 62.

^{xv} Foreign direct investment in Israel dropped by 50% in 2014 and expert says it's due to the Gaza war and BDS (Updated), 25 June 2016; available at; <http://mondoweiss.net/2015/06/foreign-investment-dropped/>

[REDACTED]

From: [REDACTED]
Sent: Thursday, 1 September 2016 12:33 PM
To: [REDACTED]
Subject: Fwd: RE: Letter to Matt from Wellington Palestine Group - response needed

Hi [REDACTED]

I just noticed that you didn't receive this comment from [REDACTED] re. The WPG letter. I don't think it will change your response but thought I should forward anyway.

[REDACTED]

----- Forwarded message -----

From: [REDACTED]@nzsuperfund.co.nz>
Date: Tue, Aug 30, 2016 at 12:55 PM +0800
Subject: RE: Letter to Matt from Wellington Palestine Group - response needed
To: [REDACTED]@nzsuperfund.co.nz>

Hi

The commentary around proximity and tort law doesn't seem particularly relevant (and is quite muddled). The comments relate to an explanation of our exclusions policy (in particular, that we take account of proximity and importance of the relevant company's actions), rather than the policy itself.

The letter is essentially running the argument that Israeli banks have sufficient proximity to illegal settlements in the OPT to justify exclusion because (a) it is foreseeable that financing Israeli economic activity in the OPT is damaging for Palestinian wellbeing and (b) the banks have physical presence in the OPT.

[REDACTED]

From: [REDACTED]
Sent: Tuesday, 30 August 2016 3:48 p.m.
To: [REDACTED]@nzsuperfund.co.nz>
Cc: [REDACTED]@nzsuperfund.co.nz>
Subject: FW: Letter to Matt from Wellington Palestine Group - response needed

Hi [REDACTED] – Would you be able to have a look over this letter with a legal hat on. In particular on page 7 where the author is referring to tort law?

[REDACTED] and I are working on a reply. It would be good to get your view on the legal arguments they make.

Many thanks
[REDACTED]

From: [REDACTED]
Sent: Monday, August 29, 2016 2:39 PM
To: [REDACTED]@nzsuperfund.co.nz>
Subject: FW: Letter to Matt from Wellington Palestine Group - response needed

Hi [REDACTED] I've forwarded as an attachment in case that helps? I checked the doc in superdocs and you do have access – a bit odd

[REDACTED]

From: [REDACTED]
Sent: Monday, 29 August 2016 1:55 p.m.
To: [REDACTED]
Cc: [REDACTED]
Subject: Letter to Matt from Wellington Palestine Group - response needed

Hi [REDACTED]

Please see attached letter. I will send an acknowledgement of receipt.

If you are around tomorrow would be good to grab 10 mins to draft a response together.

[REDACTED] - can you please FYI to Matt and advise him that we will pull together a short reply.

Cheers

[REDACTED]

[REDACTED]

DDI: [REDACTED]
Mobile: [REDACTED]
Email: [REDACTED]

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[REDACTED]

From: [REDACTED]
Sent: Monday, 5 September 2016 12:40 PM
To: [REDACTED]
Subject: Sent on behalf of Mr Whineray - New Zealand Superannuation Fund
Attachments: NZSF MW Response to Wellington Palestine Group Sept 2016.pdf

Dear [REDACTED]

Please find attached a copy of Mr Whineray's response to your recent letter of 28 August regarding the New Zealand Superannuation Fund's investments in Israeli banks.


Kind regards

[REDACTED]

DDI: [REDACTED]
Email: [REDACTED]

PO Box 106 607, Auckland 1143, New Zealand
Level 12, 21 Queen Street, Auckland, New Zealand
Office: +64 9 300 6980 | Fax: +64 9 300 6981 | Web: www.nzsuperfund.co.nz



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1 September 2016

[REDACTED]
Wellington Palestine Group
[REDACTED]

Via email: [REDACTED]

Dear [REDACTED]

Thank you for your letter of 28 August 2016 regarding the New Zealand Superannuation Fund's "NZ Super Fund" investments in Israeli banks.

As previously communicated to the Wellington Palestine Group, in deciding whether a company is breaching the Fund's responsible investment standards and how material that breach is, we take account of the proximity and importance of the company's actions, and our ability to engage with the company to change its business or practices. We draw a distinction between being directly and materially involved in an activity versus being a supplier of materials or services in the normal course of business. In doing so, we consider whether the product or service is integral to the activity and tailor-made, as opposed to being an off-the-shelf substitute or readily replaceable alternative.

We remain comfortable that our decision-making in relation to companies with interests in the occupied Palestinian Territories is consistent and appropriate.

Please be aware that your claims that the NZ Super Fund has "markedly", "hugely" or "massively" increased its investments in Bank Hapoalim BM, Bank Leumi Le-Israel BM, and Mizrahi Tefahot Bank Ltd are potentially misleading. The amounts contained in the annual equity listings are the values of the physical holdings of shares in the companies concerned. The Fund's investments in these companies are passive, and changes in value cannot be interpreted as a reflection of a particular NZ Super Fund view of the company. As explained on our website at <https://www.nzsuperfund.co.nz/publications/annual-equity-listings>, factors influencing the size of these holdings include:

- changes in the market capitalisation of the company concerned and changes in the composition of the index in which they are represented;
- whether the NZ Super Fund's passive market exposure is obtained through physical shares or derivative instruments (the ratio of physical holdings to derivative instruments in our passive investments has increased significantly in recent years); and
- changes in the overall size of the NZ Super Fund.
- changes in the NZD exchange rate with foreign currencies.

For further information about our approach to responsible investment please see www.nzsuperfund.co.nz.

We note your views and thank you for the information you have provided.

Yours sincerely



Matt Whineray
Chief Investment Officer

[REDACTED]

From: [REDACTED]
Sent: Thursday, 31 May 2018 1:21 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: FYI

Categories: In SuperDocs, #2513173 : Responsible Investment / Exclusions : General

Hi [REDACTED]

I am a bit confused as to which publication this story has run in and therefore how much attention to give it. But as a reminder:

On the OPT, the companies we are excluding at those that are the actual firms owning and developing the settlements construction and where we don't see engagement as the best option (either we don't think it would be effective or we don't believe it is worth the resource/effort). This is because it is the management and board of those companies that are making the decision to pursue that activity.

We do not extend that to suppliers of materials, services or finance. If we did that for all our companies which are breaching international standards it would mean our engagement resources would be swamped and/or our exclusion lists would be too extensive.

There will be a refresh in June so some companies may change.

[REDACTED]

[REDACTED]

[REDACTED]

DDI: [REDACTED]
Mobile: [REDACTED]
Email: [REDACTED]

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From: [REDACTED]
Sent: Thursday, 31 May 2018 12:20 p.m.
To: Responsible Investment <ResponsibleInvestment@nzsuperfund.co.nz>
Cc: [REDACTED]@nzsuperfund.co.nz
Subject: FYI

'Human rights watch targets Israeli banks invested in by NZ Super Fund'

Home > National

Contributor:



Fuseworks Media

Thursday, 31 May, 2018 - 10:25

The Palestine Solidarity Network has renewed calls for the NZ Super Fund to divest its shareholding in Israeli banks which invest in the illegal construction of Jewish only settlements in the Palestinian Occupied Territories.

Human Rights Watch has just listed a number of Israeli banks which fund construction of these settlements, which Human Rights Watch says is complicit in the occupation of Palestinian land and in breach of international law.

The New Zealand Super Fund invests in four of the banks identified by Human Rights Watch; Bank Hapoalim, Bank Leumi, Mizrahi Tefahot and the First International Bank of Israel.

Human Rights Watch says Bank Hapoalim funds construction at the settlements of Efrat and Beitar Illit. The Super Fund's investment in Bank Hapoalim is worth \$2.9 million.

Bank Leumi is banking construction at Alfei Menashi. The Fund investment in Bank Leumi is \$2.6 million.

The greatest extent of revealed bank loans for Israeli settlements is with Mizrahi Tefahot, with loans to multiple settlements in all of Ariel, Efrat, Elkana, Ma'aleh Adumin.

Mizrahi Tefahot also funds building work at Kiryat Arba. This settlement is one of the oldest and most notorious of Israeli settlements. One settler from Kiryat Arba was Baruch Goldstein who murdered 29 Palestinians in the Cave of the Patriarchs in 1994.

The Super Fund lists its most recent shareholding in Mizrahi Tefahot at \$934,111.

Spokesperson for the Palestine Solidarity Network in Auckland, Janfrie Wakim, says the Super Fund divested its stake in three Israeli companies on 2012 because they were building Israeli settlements.

"Then the Super Fund appears to have got cold feet and claimed that while building illegal Israeli settlements was wrong, paying for their construction was not objectionable."

Wakim says if the Super Fund doesn't act on the Human Rights Watch information, then the New Zealand government must instruct the Super Fund.

"The government has powers to give direction to the Super Fund through the Finance Minister. We've just had the massacre of more than 100 Palestinians by Israeli snipers in Gaza and the Israeli Defence Minister has announced a massive speed up of illegal settlements in the occupied West Bank."

"New Zealand needs send a clear message to Israel that even if the United States is encouraging Israel to act outside the law, then other countries are not prepared to accept it."

<https://www.hrw.org/report/2018/05/29/bankrolling-abuse/israeli-banks-west-bank-settlements>

<https://www.nzsuperfund.co.nz/publications/annual-equity-listings>



DDI: [Redacted]
Mobile: [Redacted]
Email: [Redacted]

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[REDACTED]

From: [REDACTED]
Sent: Monday, 18 June 2018 9:11 AM
To: [REDACTED]@nzsuperfund.co.nz
Subject: Divestment of Israeli banks

Alert: External email.

Palestine Solidarity Network
[REDACTED]

15/06/2018

Matt Whineray

Acting CEO of NZ Super Fund

Level 12
21 Queen Street
Auckland 1010

Dear Mr Whineray,

I am a super annuitant and a member of the Palestine Solidarity Network, following our renewed calls for the New Zealand Superannuation fund to divest from Israeli banks investing in the illegal construction of Jewish only settlements in the Palestinian Occupied Territories, we would like to request a meeting with you to discuss divestment. The Boycott, Divest & Sanction (BDS) is the only peaceful means left the Palestinians to end the inhumane system of discrimination & slow genocide.

Human Rights Watch has just listed a number of banks which fund construction of these settlements, which Human Rights Watch says is complicit in the occupation of Palestinian land and & in breach of international law.

The New Zealand Super Fund invests in four of the banks identified by Human Rights Watch; Bank Hapoalim, Bank Leumi, Mizrahi Tefahot and the First International Bank of Israel.

Human Rights Watch says Bank Hapoalim funds construction at the settlements of Efrat and Beitar Illit. The Super Funds investment in Bank Hapoalim is worth \$2.9 million. Bank Leumi is banking construction at Alfei Menashi. The Fund investment in Bank Leumi is \$2.6 million

The greatest extent of revealed bank loans for Israeli settlements is with Mizrahi Tefahot, with loans to multiple settlements in all of Ariel, Efrat, Elkana, Ma'aleh Adumin. Mizrahi Tefahot also funds building work at Kiryat Arba. This settlement is one of the oldest and most notorious of Israeli settlements. One settler from Kiryat Arba was Baruch Goldstein who murdered 29 Palestinians in the Cave of the Patriarchs in 1994. The Super Fund lists its most recent shareholding in Mizrahi Tefahot at \$934,111.

In view of the move we urgently request that from both a humanitarian point of view & for the sake of New Zealand's international reputation The New Zealand Super Fund divests from the above banks & would be grateful for an opportunity to discuss this with you.

Yours faithfully
[REDACTED]

Sent from Outlook

From: [REDACTED]@nzsuperfund.co.nz] on behalf of Enquiries
Sent: Tuesday, 19 June 2018 2:13 PM
To: [REDACTED]
Subject: RE: Divestment of Israeli banks

Hi [REDACTED]

Thank you for your letter. We will be in touch with a response in due course.



Best regards,

[REDACTED]

DDI: [REDACTED]
Mobile: [REDACTED]
Email: [REDACTED]

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Please consider the environment before printing this e-mail.

From: [REDACTED]
Sent: Monday, 18 June 2018 9:11 a.m.
To: m.whineray@nzsuperfund.co.nz
Subject: Divestment of Israeli banks

Alert: External email.

Palestine Solidarity Network
P.O box 56150
Mt Eden

15/06/2018

Matt Whineray
Acting CEO of NZ Super Fund

Level 12
21 Queen Street
Auckland 1010

Dear Mr Whineray,

I am a super annuitant and a member of the Palestine Solidarity Network, following our renewed calls for the New Zealand Superannuation fund to divest from Israeli banks investing in the illegal construction of Jewish only settlements in the Palestinian Occupied Territories, we would like to request a meeting with you to discuss divestment. The Boycott, Divest & Sanction (BDS) is the only peaceful means left the Palestinians to end the inhumane system of discrimination & slow genocide.

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The New Zealand Super Fund invests in four of the banks identified by Human Rights Watch; Bank Hapoalim, Bank Leumi, Mizrahi Tefahot and the First International Bank of Israel.

Human Rights Watch says Bank Hapoalim funds construction at the settlements of Efrat and Beitar Illit. The Super Funds investment in Bank Hapoalim is worth \$2.9 million. Bank Leumi is banking construction at Alfei Menashi. The Fund investment in Bank Leumi is \$2.6 million

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In view of the move we urgently request that from both a humanitarian point of view & for the sake of New Zealand's international reputation The New Zealand Super Fund divests from the above banks & would be grateful for an opportunity to discuss this with you.

Yours faithfully

[Redacted signature]

Sent from [Outlook](#)

[REDACTED]

From: [REDACTED]
Sent: Wednesday, 20 June 2018 5:35 PM
To: Responsible Investment; Mark Fennell; Sarah Owen; [REDACTED]
Cc: [REDACTED]
Subject: NZ Super Fund subject of petition to parliament on Israeli investments

Hi all

A heads up - a petition has been set up that calls on Parliament to request the Fund “divest from any investment in Occupied Palestine as soon as practicable”. The petition references the Fund’s investments in the Israeli banks Bank Hapoalim, Bank Leumi, Mizrahi Tefahot and the First International Bank of Israel, investments which have also been the subject of a recent OIA as well as several letters we have received via our enquiries inbox.

The petition was started by journalist Donna Miles, and is to be presented to Parliament by Labour MP Duncan Webb. It currently has 173 signatures.

More on the petition here: <https://thedailyblog.co.nz/2018/06/12/petition-urges-the-government-to-stop-super-fund-from-investing-in-illegal-settlements-on-occupied-palestinian-territory/> and on the NZ parliament website here: https://www.parliament.nz/en/pb/petitions/document/PET_78417/petition-of-donna-miles-stop-super-fund-from-investing

The petition closes on the 31st July.

Regards,
[REDACTED]

19 June 2018

[REDACTED]
Palestine Solidarity Network

Email: [REDACTED]

Dear [REDACTED]

Thank you for taking the time to write to us with your concerns in your email dated 18 June 2018.

You are correct in that the NZ Super Fund does have holdings in a number of Israeli banks. These investments are held passively in the Fund's global equity portfolio, which is managed externally and includes shares in more than 6,500 companies around the world. Like many institutional investors, a sizeable proportion of the Fund tracks global equity indices in order to gain cost effective, diversified exposure to share markets around the world. Investments in these companies move in and out of the Fund primarily in line with their market capitalisation rather than through active stock picking.

In 2012 the Guardians of New Zealand Superannuation, the Crown entity that manages the Fund, excluded a small number of Israeli companies from the Fund because of their involvement in the construction of Israeli settlements on the Separation Barrier in the Occupied Palestinian Territories. The decision followed findings by the United Nations that the West Bank Separation Barrier and settlement activities were illegal under international law. The Guardians also factored in votes by New Zealand for UN Security Council resolutions demanding the cessation and dismantling of the Separation Barrier, and the cessation of Israeli settlement activities in the Occupied Palestinian Territories.

In deciding whether a company is in breach of the Fund's responsible investment standards and how material that breach is, the Guardians takes account of the proximity and importance of the company's actions, and our ability to engage with the company to change its business or practices. We draw a distinction between being directly and materially involved in an activity, versus being a supplier of materials or services, including banking services, in the normal course of business.

On this basis the Israeli banks listed by you in your letter are not captured by our exclusion decision. Given that the Guardians' position on the issue has not changed since we last met with you, we respectfully decline your request to meet again on the issue. We have noted your views and thank you, again, for the information that you have provided. We will continue to monitor the situation in the Occupied Palestinian Territories to ensure that our activity meets our responsible investment standards and remains in line with the New Zealand Government's position.

For further information about our approach to responsible investment please see <https://www.nzsuperfund.co.nz/how-we-invest/responsible-investment>.

Yours sincerely,

Matt Whineray
Chief Executive Officer