

07 September 2018

██████████
Email: ██████████

Dear ██████████

Thank you for your response to our letter dated 26 July 2018. I apologise for the time it has taken to address your requests.

We have decided not to exclude Israeli banks with operations in the Occupied Palestinian Territories (OPT). We have excluded a number of companies that are property developers directly involved in building Israeli settlements in the OPT. As mentioned in our last response, our decisions on whether or not to exclude a security from our portfolio are based on the clear process and principles outlined in our Responsible Investment Framework (which is available on our website). The factors that our decision-making process takes into account include:

- international conventions to which New Zealand is a party,
- New Zealand law,
- significant policy positions of the New Zealand Government,
- actions of our peers, and
- severity of breach/action.

In applying your concern to our Responsible Investment Framework, we note:

1. The United Nations has not imposed sanctions in relation to the Israeli banks, nor has the United States or the European Union.
2. We are not aware of any international proceedings which have determined that Israeli banks are acting contrary to international law.
3. We note that even if a company were to act in breach of international or national law, it does not automatically follow that holders of securities in that company are acting illegally. Our investments are in the main acquired via market exchange from other investors rather than new issues by the company.
4. New Zealand law does not prohibit investment in the securities of Israeli banks operating in the OPT.

We will of course continue to monitor developments in line with our Responsible Investment Framework.

Yours sincerely,

Matt Whineray
Chief Executive Officer

Document Number: 2559639

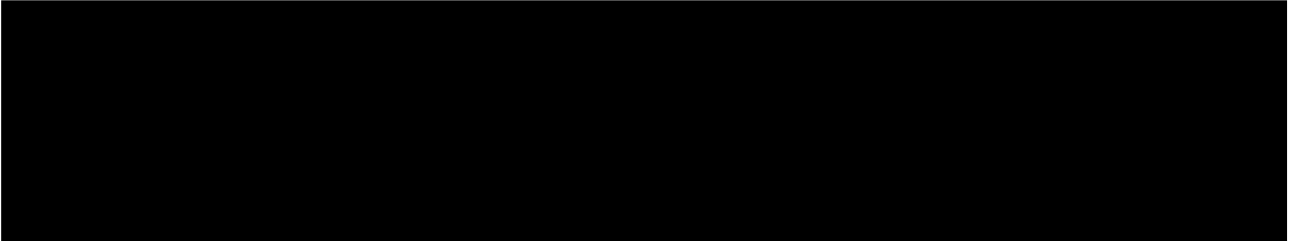
Version: 1

05 September 2018

John Minto
Email: jminto@nzsuperfund.co.nz

Dear Mr Minto

Thank you for your letter dated 25 August.



I refer you to our previous letter for a fuller description of the factors we consider when assessing whether a company is in breach of the Fund's responsible investment standards.

Yours sincerely,

Matt Whineray
Chief Executive Officer

Released under the OIA

16 November 2018

Email: [REDACTED]

Dear [REDACTED]

Thank you for taking the time to write to us with your concerns in your letter dated 25 September 2018.

As mentioned in our last letter to you of 28 June 2018, decisions on whether or not to exclude securities from our portfolio are based on the clear process and principles outlined in our Responsible Investment Framework (which is available on our website).

At a country level, we do apply exclusions on sovereign securities (sovereign bonds) issued by States where the international community and New Zealand has imposed meaningful diplomatic, economic or military sanctions aimed at that Government. Israel is not currently included on those sanctions lists.

At the company level, applying our Responsible Investment Framework, the Guardians excluded from the Fund a number of Israeli companies because of their direct involvement in the construction of Israeli settlements and of the Separation Barrier in the Occupied Palestinian Territories. The decision followed findings by the United Nations that the West Bank Separation Barrier and those 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 deciding whether a company is in breach of 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 monitor our equity universe on this basis, including reviewing companies with involvement in the Occupied Palestinian Territories. We believe that the basis on which we have applied our exclusion decisions is consistent and appropriate.

We continue to monitor United Nations developments and the New Zealand Government's position on Israel and the situation in the Occupied Palestinian Territories to ensure that our activity meets our responsible investment standards.

Yours sincerely,

Matt Whineray
Chief Executive

3 December 2018

██████████
Email: ██████████

Dear ██████████

Thank you for taking the time to write to us with your concerns in your letter dated 15 November 2018. In your letter, you requested that we:

1. demonstrate transparency by publishing the companies that the NZ Super Fund invests in,
2. implement a system where superannuates have input into investments,
3. divest from all investments in Israel, and
4. live up to our mission statement and invest in ethical companies.

You are correct in that the NZ Superannuation Fund does have holdings in a number of Israeli companies. You can view a comprehensive list of the companies the Fund invests in on our external website here: <https://www.nzsuperfund.nz/publications/annual-equity-listings>. We update this list on an annual basis.

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 from around the world. Like many institutional investors, a sizable portion 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.

Our Responsible Investment framework, among other objectives, sets out clear processes and principles that guide our decision-making on matters of ethical exclusions. This framework is available on our website here: <https://www.nzsuperfund.nz/how-we-invest/responsible-investment>.

In deciding whether a company is in breach of our responsible investment standards and how material that breach is, we take account of the proximity and importance of the company's actions. We draw a distinction between being materially involved in, and responsible for, the activity, versus being a supplier of materials or services in the normal course of business. We will also consider if engagement with the company would be able to influence an end to the activity before making an exclusion decision.

In 2012 we excluded a number of development and construction companies directly involved in constructing settlements in the Occupied Palestinian Territories (OPT). Our exclusion decision followed findings by the United Nations that the West Bank Separation Barrier and settlement activities were illegal under international law. The decision also considered New Zealand's position, reflected in voting on UN Security Council resolutions that demand the cessation and dismantling of the Separation Barrier, the cessation of Israeli settlement activities in the OPT and support a lasting two-state solution. We are satisfied that our previous exclusion decisions should continue to apply to these companies.

Whilst we acknowledge that financial accompaniment for any property development project is always necessary, our focus is on the company with primary responsibility for the activity. Extending the boundaries of our exclusion policy to companies with less direct involvement, including the provision of

bank financing, would increase the number of companies captured to such an extent as to make our exclusion policy unworkable, given the range of activities to which our exclusions apply.

Similarly, our exclusion boundary for weapons manufacturing takes heed of national and international policy, and extends to companies involved in the manufacture of cluster munitions, anti-personnel mines and nuclear explosive devices (which we define as warheads). On this basis, General Dynamics has been excluded by the Guardians for its involvement in the manufacture of warheads.

A full list of the companies we exclude is available on our external website here: <https://www.nzsuperfund.nz/how-we-invest-responsible-investment/exclusions>. This list is updated biannually. We continually monitor and review the activities of the companies in our portfolio in order to ensure that we are complying with our exclusion policy, including those of United Technologies, Boeing and Israel Chemicals.

Information on our decision not to exclude Boeing is available on our website here: <https://www.nzsuperfund.nz/news-media/board-gnzns-confirms-commitment-its-ri-policy-12-february>. Following our investigation into Israel Chemicals, we could not find evidence that it had supplied white phosphorus that was used as an illegal weapon in Israel. A full statement on the Fund's investment in Israel Chemicals can be viewed here: <https://www.nzsuperfund.co.nz/news-media/nz-super-fund-investment-israel-chemicals>.

As you note in your email, our Responsible Investment Framework uses New Zealand legislation, major Government policy positions and international conventions that New Zealand has signed, as a guide for decision-making. We take this approach in order to ensure, as best possible, that the Fund's investment activities are consistent with the views of the New Zealand public, as expressed through Parliament.

For your information, the NZ Super Fund is governed by an Act, the [NZ Superannuation and Retirement Income Act 2001](#). The Act established the Guardians of NZ Superannuation, a Crown entity charged with managing the Fund. The Guardians invests the money the Government has contributed in a growth-oriented and highly diversified portfolio of investments: the Fund. The Government uses the Fund to save now in order to help pay for the future cost of superannuation between today's taxpayers and future generations.

The terms of the Act mean that decisions about investments are within the sole discretion of the Guardians acting in accordance with its Statement of Investment Policies, Standards and Procedures required by the Act. As noted above, this includes our Responsible Investment Framework which brings together our ethical investment and voting rights policies, standards and procedures. To change this would require an amendment to the Act, which is a decision for the Government, and not the Guardians.

We do note your views and thank you, again, for the information that you have provided. We will continue to monitor the situation in the OPT and involvement of companies against our responsible investment standards.

Yours sincerely,

Matt Whineray
Chief Executive Officer

12 February 2019

██████████
Email: ██████████

Dear ██████████

Thank you for taking the time to write to us with your concerns in your letter dated 1 February 2019.

You can view a comprehensive list of the companies the NZ Super Fund invests in on our external website here: <https://www.nzsuperfund.nz/publications/annual-equity-listings>, as at our financial year-end.

The NZ Super Fund's global equity investments are largely passive. Like many institutional investors, a sizable portion 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.

The NZ Superannuation Fund has exposure to Bank Leumi, Mizrahi Bank, Bank Hapoalim, Caterpillar, United Technologies, Boeing and Raytheon. We do not, however, invest in General Dynamics, as it is one of a number of companies we exclude on ethical grounds. A full list of the companies we exclude, and details about our approach, are available on our external website here: <https://www.nzsuperfund.nz/how-we-invest-responsible-investment/exclusions>.

Our Responsible Investment framework, among other objectives, sets out clear processes and principles that guide our decision-making on matters of ethical exclusions. This framework is available on our website here: <https://www.nzsuperfund.nz/how-we-invest/responsible-investment>.

In 2012 we excluded a number of development and construction companies directly involved in constructing settlements in the Occupied Palestinian Territories (OPT) from the Fund. Our exclusion decision followed findings by the United Nations that the West Bank Separation Barrier and settlement activities were illegal under international law.

The decision also considered New Zealand's position, reflected in voting on UN Security Council resolutions that demand the cessation and dismantling of the Separation Barrier, the cessation of Israeli settlement activities in the OPT and support a lasting two-state solution. We are satisfied that our previous exclusion decisions should continue to apply to these companies.

Re: Bank Leumi, Mizrahi Bank, Bank Hapoalim

Whilst we acknowledge that financial accompaniment for any property development project is always necessary, our focus is on the company with primary responsibility for the activity. Extending the boundaries of our exclusion policy to companies with less direct involvement, including the provision of bank financing, would increase the number of companies captured to such an extent as to make our exclusion policy unworkable, given the range of activities to which our exclusions apply and given the global nature of our investment universe.

Re: Caterpillar, United Technologies, Boeing, General Dynamics, Raytheon

Similarly, our exclusion boundary for weapons and equipment manufacturing takes heed of national and international policy, and extends to companies involved in the manufacture of cluster munitions,

anti-personnel mines and nuclear explosive devices (which we broadly define as warheads). On this basis, General Dynamics has been excluded by the Guardians for its involvement in the manufacture of nuclear warheads. We note that information on our decision not to exclude Boeing is available on our website here: <https://www.nzsuperfund.nz/news-media/board-gnzs-confirms-commitment-its-policy-12-february>.

On a country-specific basis, when determining our responsible investment position relative to sovereign states, we identify if countries are subject to New Zealand or International sanctions. If a country is subject to an international sanction their sovereign securities would not be approved for investment.

As you note in your letter, our Responsible Investment Framework uses New Zealand legislation, major Government policy positions and international conventions that New Zealand has signed, as a guide for decision-making. We take this approach in order to ensure, as best possible, that the Fund's investment activities are consistent with the views of the New Zealand public, as expressed through Parliament.

We do note your views and thank you, again, for the information that you have provided. We will continue to monitor and review the activities of the companies in our portfolio in order to ensure that we are complying with our Responsible Investment standards.

Yours sincerely,

Matt Whineray
Chief Executive Officer

Released under the OIA

26 February 2021

John Minto
Palestine Solidarity Network Aotearoa
Email: johnminto@orcon.net.nz

Kia ora Mr Minto,

I acknowledge your letter dated 11 December 2020 and thank you for taking the time to write to me with your concerns. I also acknowledge our previous correspondence as referenced, along with correspondence between the Guardians of New Zealand Superannuation (Guardians) and other individuals who have written to us in relation to the NZ Super Fund's investment in companies with activities connected with the Occupied Palestinian Territories (OPT).

The Guardians has a long-standing commitment to responsible investment. In 2019 our responsible investing practice was independently assessed by Willis Towers Watson in the course of their independent review of the Guardians and Fund. Willis Towers Watson rated the Guardians' responsible investment approach as excellent, and noted our approach to exclusions (where reputation issues are concerned) as aligning with best practice standards. The Guardians' approach to responsible investment has been recognised internationally, including being named by the UNPRI in 2019 as one of 47 asset owners on the UNPRI Leaders' Group as demonstrating "a breadth of responsible investment excellence".

The Guardians has researched the situation in the OPT and continued to monitor developments for some time. As you know, in 2012 several companies were excluded from the NZ Super Fund whose activities were considered to be in breach of the UN Global Compact Principles on human rights due to their direct and material involvement in construction of settlements or the separation barrier in the OPT. We continue to analyse relevant information as it comes to hand, and to apply our Statement of Investment Policies Standards and Procedures (SIPSP) and Responsible Investment Framework (RIF) in the light of that information. This work is ongoing.

The list of companies involved in certain specified activities related to the Israeli settlements in the OPT published by the United Nations Human Rights Council (UNHRC) in 2019 is one of a number of sources of information considered by us when assessing whether companies in our portfolio are breaching standards under our RIF. The list provides a database of companies believed by the UNHRC to be involved in certain specified activities but does not provide detail about the extent of a company's involvement or express a view as to the legality or otherwise of the activities of the companies on the list.

We have long utilised other sources of information on this issue which provide more detail on the nature and degree of involvement, which is important under our RIF in determining if we

conduct further research, engage, hold or exclude companies with some link to an issue flagged as a concern.

In January this year, the Chief Investment Officer approved a recommendation by the Guardians' Investment Committee to exclude securities issued by First International Bank of Israel, Israel Discount Bank, Bank Hapoalim, Bank Leumi and Bank Mizrahi-Tefahot from the portfolio. The decision to exclude was made applying considerations set down in the SIPSP and the RIF. The exclusions were implemented in February 2021. For further information about this decision please refer to our [website](#) where we have proactively disclosed the relevant Investment Committee paper.

We will continue to monitor the situation as it relates to Israel and the Occupied Palestinian Territories and apply the principles set down in our SIPSP and RIF to our investment portfolio.

Ngā mihi

Matt Whineray
Chief Executive Officer

From: Sarah Owen
To: Catherine Etheredge; Matt Whineray
Cc: Stephen Gilmore; [REDACTED] Conor Roberts; [REDACTED]
Subject: RE: Confidential - draft communications plan - Israeli banks - for review
Date: Monday, 15 February 2021 9:06:46 AM
Attachments: image001.jpg
image002.png
image003.png
3141128-1-SO s_comments 15 Feb -Communications Plan exclusion of Israeli Banks.DOCX.DRF

Hi team

Well done. I attach my comments. I accidentally wrote them in the copy so I have saved the doc to SO's comments .

Kind regards
Sarah

From: Catherine Etheredge [REDACTED]
Sent: Friday, 12 February 2021 5:17 PM
To: Matt Whineray [REDACTED]; Sarah Owen [REDACTED]
Cc: Stephen Gilmore [REDACTED] Conor Roberts

Subject: Confidential - draft communications plan - Israeli banks - for review

Hi Matt, Sarah,

Please find the draft communications plan attached. We had a useful chat with [REDACTED] today, which has informed the messaging and approach.

The plan is in line with the approach discussed at the RI Comms meeting, with the main development being our intention to do a proactive disclosure of the IC Paper. Sarah, [REDACTED] and I are all in agreement on this approach. [REDACTED] will meet early next week to agree on any redactions to the paper.

The team is working through the process of selling the stocks and receiving the necessary confirmations - we expect this will be complete early next week.

Happy to talk to the rationale if you have any questions. When reading the media release and Q&A, please note that these are intended as reactive only – we would consider the approach and wording used at the time, depending on the situation/enquiry. Consider them to be templates for adaptation as needed. In making any edits please note that the language is intentionally aligned with the IC paper.

Kind regards
Catherine

Catherine Etheredge
Head of Communications
DDI: [REDACTED]
Mobile: [REDACTED]
Email: [REDACTED]

Office: +64 9 300 6980 | Fax: +64 9 300 6981 | Web: www.nzsuperfund.nz

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Released under the OIA

From: [REDACTED]
To: Catherine Etheredge
Subject: Fwd: NZ SUPER FUND Investments. Atn Matt Whineray
Date: Saturday, 17 November 2018 9:57:58 AM

Sent from my iPhone

Begin forwarded message:

From: [REDACTED]
Date: 15 November 2018 at 1:10:59 PM NZDT
To: [REDACTED]
Subject: NZ SUPER FUND Investments. Atn Matt Whineray

Alert: External email.

I am writing because I am greatly disturbed that the NZ Super fund, despite its mission statement that it is involved in ethical investments and guided "by UN and NZ government legislation and policy", is still investing in companies and Banks that finance the government of Israel's Zionist policies and colonial takeover of the West Bank of Palestine. (e.g Bank Leumi, Mizrahi Bank, Bank Hapoalim; and weapons manufacturers: United Technologies, Boeing, General Dynamics, Israel Chemicals which supplies white phosphorus dropped on the citizens of Gaza; Caterpillar tractors which are used to destroy both Palestinian houses, olive groves and orchards and general infrastructure) I find this absolutely appalling and am writing to demand that those responsible for investing my tax money in the NZ super fund:

1. Demonstrate transparency by publishing the companies that the NZ Super fund invests in
2. Implement a system where those of us who receive Super have input into investments.

But most importantly:

1. Divest from all investments in Israel. The links between Israel and its occupation policies and instruments used in the Palestinian Occupied Territories is continuously blurred.
2. Live up to your mission statement and invest in companies whose work really is ethical.

The continued occupation of Palestine by Israel is an open sore that feeds radicalism and hatred throughout the Middle East. I speak from the knowledge of having lived in the Middle East for more than twenty years. I expect to receive a response to this email.

Yours faithfully,

[REDACTED]

Released under the OIA

From: Enquiries
To: [REDACTED]
Subject: RE: Please fwd to Guardian Simon Botherway
Date: Wednesday, 24 October 2018 10:32:00 AM

Good morning [REDACTED]

Please accept our apologies for the delay in responding to your concerns, addressed to our board members.

We have received your letters and are working on a response for you now.

Best regards,

[REDACTED]

From: [REDACTED]
Sent: Tuesday, 25 September 2018 9:27 AM
To: Enquiries <E2@nzsuperfund.co.nz>
Subject: Please fwd to Guardian Simon Botherway
Alert: External email.

[REDACTED]

25 September 2018

Simon Botherway

Guardians Board

New Zealand Superannuation Fund

Wellington

enquiries@nzsuperfund.co.nz

Kia ora Simon,

Superfund investment in Israel

While acknowledging the good work your Board does on behalf of all New Zealanders, I wish to draw attention to the disjunct between the Board's stated principles and continued investment by the NZSF in the state of Israel.

The Super Fund Responsible Investment Benchmark Report 2018 states that there is "an ever-greater acceptance that environmental, social and corporate governance (ESG) factors are critical to consider as part of investment practice." And that "we are seeing an acceptance, and increasingly, an expectation, that super funds take a strong stance on activities within their portfolio companies that are harmful to humans, society and the environment."

My concern is that investment in Israel directly or indirectly supports activity which is harmful to humans at this time, namely the people of Gaza who are demonstrating for their land rights.

There are numerous reports citing the use by the IDF of butterfly bullets, banned under international law, which are designed to inflict massive injury on largely unarmed civilians - the use of live fire in itself could constitute a war crime. On these grounds alone I believe that it is no longer appropriate for the NZSF to be investing in Israel and the Occupied Territories.

In addition, I believe that divestment from Israel and the OPTs is a matter of urgency because in July this year the Israeli parliament passed legislation codifying discrimination against Palestinian Israelis, effectively formalising the de facto apartheid state which has existed since 1948. While Palestinian Israelis have always been treated as second-class citizens, the new law more formally establishes a state with separate and unequal rights for citizens of Jewish origin and citizens of Palestinian origin, very similar to the situation in white South Africa from 1948 until the early 1990s.

Meanwhile illegal settlement building on occupied Palestinian land; another 1000 homes were approved recently.

The world community needs to send a strong message about these and the many other human rights abuses that Israel perpetrates daily in Gaza and the West Bank – I do not whitewash the Palestinian side but believe the playing field is very far from level.

I would appreciate hearing from you as to the Superfund's attitude to these issues.

I am requesting the Superfund reconsider its investments in Israel and withdraw them until a non-racist, democratic solution is established in Palestine / Israel, based on equal rights.

I look forward to hearing from you.

Na mihi nui



Released under the OIA

Catherine Etheredge

From: Catherine Etheredge
Sent: Friday, 4 October 2019 1:05 PM
To: Michael Eyre [TSY]
Cc: Conor Roberts; [REDACTED]; Joseph Sant [TSY]; Ben Roberts [TSY]
Subject: RE: Ministerial - Israeli investments
Attachments: Letter_Response_-_Investments_in_Israel- John Minto.pdf;
Letter_Response_-_Investments_in_Israel- John Minto.pdf; Superfund letter - 17 June 2018.docx;
Superfund letter (3) - 25 August 2018.docx

Hi Michael,

Please find the correspondence attached.

<i>Letters from Mr Minto to the NZSF dated 17 June 2018 and 25 August 2018</i>			
2523662	John Minto to GNZS	Letter for Acting CEO	17 June 2018
2570579	John Minto to GNZS	FW: Letter for Acting CEO of Superfund	25 August 2018
<i>Responses from the NZSF to Mr Minto dated 28 June and 20 September 2018</i>			
2531036	MW to John Minto	Letter from NZ Super Fund re. Israel	28 June 2018
2572912	SB to John Minto	Letter John Minto from Stewart Brooks 20 Sept 2018	20 September 2018

Kind regards
Catherine

From: Michael Eyre [TSY] [REDACTED]
Sent: Friday, 4 October 2019 12:09 PM
To: Catherine Etheredge [REDACTED]
Cc: Conor Roberts [REDACTED]; Joseph Sant [TSY] [REDACTED]; Ben Roberts [TSY]
[REDACTED]
Subject: Ministerial - Israeli investments

Alert: External Email.

[IN-CONFIDENCE]

Hi Catherine,

We have received a Ministerial in relation to the NZSF's holdings in Israeli Banks from Mr John Minto.

The Ministerial refers to correspondence between the NZSF and Mr Minto, comprising of letters from Mr Minto to the NZSF dated 17 June 2018 and 25 August 2018, and responses from the NZSF to Mr Minto dated 28 June and 20 September 2018.

Are you please able to share these four letters with us so that we have all the information in forming a response to the Ministerial?

For your awareness, the Ministerial also refers to a legal opinion that the NZSF's responsible investment framework doesn't comply with the NZSRI Act, that the holdings of the Israeli Banks doesn't comply with the NZSRI Act and that the Minister can direct the NZSF on particular, or classes of, investments.

We're planning out how to respond to this and will be in touch in due course to discuss with you.

Kind regards,

Michael



**TE TAI ŌHANGA
THE TREASURY**

Michael Eyre | Senior Analyst Financial Institutions | Te Tai Ōhanga – The Treasury

Tel: [REDACTED]

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Released under the OIA

28 June 2018

John Minto
Email: johnminto@orcon.net.nz

Dear John

Thank you for taking the time to write to us with your concerns in your letter dated 17 June 2018.

You are correct in that the Fund does have holdings in a number of Israeli banks. These investments are held passively in its 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 excluded from the Fund a small number of Israeli companies 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. 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 deciding whether a company is in breach of 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.

On this basis we remain comfortable that our decision making in relation to companies with interests in the Occupied Palestinian Territories is consistent and appropriate, and that the Israeli banks listed by you in your letter are not captured by our exclusion decision.

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

We do note 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.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Whineray', written in a cursive style.

Matt Whineray
Chief Executive Officer

Released under the OIA

28 June 2018

John Minto
Email: johnminto@orcon.net.nz

Dear John

Thank you for taking the time to write to us with your concerns in your letter dated 17 June 2018.

You are correct in that the Fund does have holdings in a number of Israeli banks. These investments are held passively in its 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 excluded from the Fund a small number of Israeli companies 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. 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 deciding whether a company is in breach of 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.

On this basis we remain comfortable that our decision making in relation to companies with interests in the Occupied Palestinian Territories is consistent and appropriate, and that the Israeli banks listed by you in your letter are not captured by our exclusion decision.

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

We do note 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.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Whineray', written in a cursive style.

Matt Whineray
Chief Executive Officer

Released under the OIA

21 York Street
Waltham
Christchurch

17 June 2018

Matt Whineray
Acting CEO
New Zealand Superannuation Fund
Wellington

enquiries@nzsuperfund.co.nz

Kia ora Mr Whineray,

Investing in apartheid Israel

For many years the New Zealand Superannuation Fund has invested in Israeli companies while the Israeli state had continued to act in defiance of international law and thumbing its nose at resolutions of the United Nations Security Council.

Your latest annual equity listing for 2017 identifies NZSF investments in no fewer than 46 Israeli companies some of which are directly complicit in funding illegal, Jewish-only settlements on occupied Palestinian land.

For example, the Bank Hapoalim, Bank Leumi, Mizrahi Tefahot and the First International Bank of Israel have been repeatedly identified by Human Rights Watch as supporting blatant violations of international law and yet despite repeated appeals, NZSF continues to invest in them.

The recent massacres of unarmed Palestinians near the boundary fence with Gaza as they protested Israeli policies should drive home to NZSF that Israel is acting as a brutal oppressor of Palestinians in a similar manner to that of white South Africa towards black South Africans in the darkest days of apartheid South Africa.

I urge the NZSF to stand on the right side of history with the Palestinian people and withdraw all investments from Israel until such time as a non-racist, democratic state is established in the Middle East with equal rights for everyone.

I look forward to your response.

Na,

John Minto
0220850161
johnminto@orcon.net.nz

21 York Street
Waltham
Christchurch 8023

25 August 2018

Matt Whineray
Acting CEO
New Zealand Superannuation Fund
Wellington

enquiries@nzsuperfund.co.nz

Kia ora Mr Whineray,

**Superfund response to Israel's apartheid legislation and ongoing settlement building on occupied
Palestinian land**

Since sending my letter of to you dated 22 July dramatic events have unfolded which add urgency to my appeal for the Superfund to reconsider the issue of its investments in Israel and the territories Israel occupies.

Last month the Israeli parliament passed legislation codifying discrimination against Palestinian Israelis.

While Palestinian Israelis have always been treated as second-class citizens, the new law more formally establishes an apartheid state with separate and unequal rights, enshrined in law, for citizens of Jewish origin and citizens of Palestinian origin.

Just as the white South Africa regime codified discrimination against black South Africans in 1948 through its apartheid policies, Israel has now done the same against Palestinian Israelis.

Meanwhile settlement building on occupied Palestinian land continues apace in defiance of international law with another 1000 Jewish-only homes approved just last week.

I would appreciate hearing from you as to the Superfund's attitude to these new developments which give no room for doubt as to Israel's intention to keep building an apartheid state in the Middle East.

As I did in my 22 July letter I am requesting the Superfund reconsider the issue of its investments in Israel and withdraw them until such time as a non-racist, democratic state is established in the Middle East with equal rights for everyone.

I look forward to hearing from you shortly.

Na,

John Minto
0220850161
johnminto@orcon.net.nz

Catherine Etheredge

From: Catherine Etheredge
Sent: Friday, 4 October 2019 2:03 PM
To: Michael Eyre [TSY]
Cc: Conor Roberts; [REDACTED] Joseph Sant [TSY]; Ben Roberts [TSY]
Subject: RE: Ministerial - Israeli investments
Attachments: 2572913-R-Letter to [REDACTED] re. Israeli Banks, 7 September 2018.PDF

Hi Michael

The attached 2018 letter from us to a [REDACTED] may also be of use to you in crafting a response.

[REDACTED] email to us is included below FYI.

Kind regards
Catherine

From: [REDACTED]
Sent: Tuesday, 4 September 2018 11:02 a.m.
To: [REDACTED]
Cc: 'grant.robertson@parliament.govt.nz'; 'amy.adams@national.org.nz'; 'golriz.ghahraman@parliament.govt.nz'
Subject: FW: Attn - Matt Whineray, Catherine Savage & Lindsay Wright - Are Israeli Banks involved in Pillage? - 2nd Follow Up

To: Matt Whineray Acting Chief Executive New Zealand Superfund

CC: Grant Robertson Minister of Finance
Catherine Savage CHAIR
Lindsay Wright DEPUTY CHAIR
Amy Adams National Party spokesperson on Finance
Golriz Ghahraman Green party spokesperson for Global Affairs

Are Israeli Banks involved in Pillage? – Follow up

Mr. Whineray

This email is a follow up of the email I sent to you on 27th July 2018 – More than 5 weeks ago.

As yet, I have not received an acknowledgement of it being received or a response to the request I made.

In short, based on International Law, the NZ Superfund seems to be aiding Israeli Banks in what is a War Crime in the Occupied Palestinian Territories. Namely Pillage.

My requests to you as the Acting Chief Executive of the NZ Superfund were:

- The NZ Superfund gain access to International Legal advice as to whether the Israeli Banks, and therefore the NZ Superfund, are acting Lawfully in regards to International Law.
- Based on that Legal advice, take any appropriate action that is required to stay within International Law.

Can you assure me that the NZ Superfund is indeed looking into whether it is aiding a War Crime (Pillage) or whether International Law does not factor into the NZ Superfund's considerations on investing?

From: Catherine Etheredge
Sent: Friday, 4 October 2019 1:05 PM
To: Michael Eyre [TSY] [REDACTED]
Cc: Conor Roberts [REDACTED]; Joseph Sant [TSY] [REDACTED]; Ben Roberts [TSY] [REDACTED]
<Ben.Roberts@treasury.govt.nz>
Subject: RE: Ministerial - Israeli investments

Hi Michael,

Please find the correspondence attached.

<i>Letters from Mr Minto to the NZSF dated 17 June 2018 and 25 August 2018</i>			
2523662	John Minto to GNZS	Letter for Acting CEO	17 June 2018
2570579	John Minto to GNZS	FW: Letter for Acting CEO of Superfund	25 August 2018
<i>Responses from the NZSF to Mr Minto dated 28 June and 20 September 2018</i>			
2531036	MW to John Minto	Letter from NZ Super Fund re. Israel	28 June 2018
2572912	SB to John Minto	Letter John Minto from Stewart Brooks 20 Sept 2018	20 September 2018

Kind regards
Catherine

From: Michael Eyre [TSY] [REDACTED] >
Sent: Friday, 4 October 2019 12:09 PM
To: Catherine Etheredge [REDACTED] >
Cc: Conor Roberts [REDACTED]; Joseph Sant [TSY] [REDACTED]; Ben Roberts [TSY] [REDACTED]
Subject: Ministerial - Israeli investments

Alert: External Email.

[IN-CONFIDENCE]

Hi Catherine,

We have received a Ministerial in relation to the NZSF's holdings in Israeli Banks from Mr John Minto.

The Ministerial refers to correspondence between the NZSF and Mr Minto, comprising of letters from Mr Minto to the NZSF dated 17 June 2018 and 25 August 2018, and responses from the NZSF to Mr Minto dated 28 June and 20 September 2018.

Are you please able to share these four letters with us so that we have all the information in forming a response to the Ministerial?

For your awareness, the Ministerial also refers to a legal opinion that the NZSF's responsible investment framework doesn't comply with the NZSRI Act, that the holdings of the Israeli Banks doesn't comply with the NZSRI Act and that the Minister can direct the NZSF on particular, or classes of, investments.

We're planning out how to respond to this and will be in touch in due course to discuss with you.

Kind regards,

Michael



Michael Eyre | Senior Analyst Financial Institutions | Te Tai Ōhanga – The Treasury

Tel: [REDACTED]

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Released under the OIA

07 September 2018

██████████
Email: ██████████

Dear ██████████

Thank you for your response to our letter dated 26 July 2018. I apologise for the time it has taken to address your requests.

We have decided not to exclude Israeli banks with operations in the Occupied Palestinian Territories (OPT). We have excluded a number of companies that are property developers directly involved in building Israeli settlements in the OPT. As mentioned in our last response, our decisions on whether or not to exclude a security from our portfolio are based on the clear process and principles outlined in our Responsible Investment Framework (which is available on our website). The factors that our decision-making process takes into account include:

- international conventions to which New Zealand is a party,
- New Zealand law,
- significant policy positions of the New Zealand Government,
- actions of our peers, and
- severity of breach/action.

In applying your concern to our Responsible Investment Framework, we note:

1. The United Nations has not imposed sanctions in relation to the Israeli banks, nor has the United States or the European Union.
2. We are not aware of any international proceedings which have determined that Israeli banks are acting contrary to international law.
3. We note that even if a company were to act in breach of international or national law, it does not automatically follow that holders of securities in that company are acting illegally. Our investments are in the main acquired via market exchange from other investors rather than new issues by the company.
4. New Zealand law does not prohibit investment in the securities of Israeli banks operating in the OPT.

We will of course continue to monitor developments in line with our Responsible Investment Framework.

Yours sincerely,



Matt Whineray
Chief Executive Officer

Document Number: 2559639

From: Catherine Etheredge
To: Michael Eyre [TSY]
Cc: Conor Roberts; [REDACTED]; Joseph Sant [TSY]; Ben Roberts [TSY]
Subject: RE: Ministerial - Israeli investments
Date: Friday, 4 October 2019 3:31:26 PM
Attachments: Letter John Minto from Stewart Brooks 20 Sept 2018.PDF
image001.png

Apologies – here it is

From: Michael Eyre [TSY] [REDACTED]
Sent: Friday, 4 October 2019 3:09 PM
To: Catherine Etheredge [REDACTED]
Cc: Conor Roberts [REDACTED]
[REDACTED] Joseph Sant [TSY] [REDACTED] Ben Roberts [TSY] [REDACTED]
Subject: RE: Ministerial - Israeli investments

Alert: External Email.

[IN-CONFIDENCE]

Hi Catherine,

Thanks for sending through these letters and also the other email with a similar query.

You've attached the 28 June letter twice, rather than the 20 September letter– are you please able to send the 20 Sep one?

Kind regards,

Michael

From: Catherine Etheredge [REDACTED]
Sent: Friday, 4 October 2019 1:05 PM
To: Michael Eyre [TSY] [REDACTED]
Cc: Conor Roberts [REDACTED]
[REDACTED] Joseph Sant [TSY] [REDACTED] Ben Roberts [TSY] [REDACTED]
Subject: RE: Ministerial - Israeli investments

Hi Michael,

Please find the correspondence attached.

<i>Letters from Mr Minto to the NZSF dated 17 June 2018 and 25 August 2018</i>			
2523662	John Minto to GNZS	Letter for Acting CEO	17 June 2018
2570579	John Minto to	FW: Letter for Acting CEO of Superfund	25 August 2018

	GNZS		
<i>Responses from the NZSF to Mr Minto dated 28 June and 20 September 2018</i>			
<u>2531036</u>	MW to John Minto	Letter from NZ Super Fund re. Israel	28 June 2018
<u>2572912</u>	SB to John Minto	Letter John Minto from Stewart Brooks	20 September 2018

Kind regards
Catherine

From: Michael Eyre [TSY] [REDACTED]
Sent: Friday, 4 October 2019 12:09 PM
To: Catherine Etheredge [REDACTED]
Cc: Conor Roberts [REDACTED]; Katherine Reinhold [TSY]
[REDACTED]; Joseph Sant [TSY] [REDACTED] Ben Roberts [TSY] [REDACTED]
Subject: Ministerial - Israeli investments

Alert: External Email.

[IN-CONFIDENCE]

Hi Catherine,

We have received a Ministerial in relation to the NZSF's holdings in Israeli Banks from Mr John Minto.

The Ministerial refers to correspondence between the NZSF and Mr Minto, comprising of letters from Mr Minto to the NZSF dated 17 June 2018 and 25 August 2018, and responses from the NZSF to Mr Minto dated 28 June and 20 September 2018.

Are you please able to share these four letters with us so that we have all the information in forming a response to the Ministerial?

For your awareness, the Ministerial also refers to a legal opinion that the NZSF's responsible investment framework doesn't comply with the NZSRI Act, that the holdings of the Israeli Banks doesn't comply with the NZSRI Act and that the Minister can direct the NZSF on particular, or classes of, investments.

We're planning out how to respond to this and will be in touch in due course to discuss with you.

Kind regards,

Michael



Michael Eyre | Senior Analyst Financial Institutions | Te Tai Ōhanga – The Treasury

Tel: [REDACTED]

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Released under the OIA

20 September 2018

John Minto
Email: johnminto@orcon.net.nz

Kia ora Mr Minto

Thank you for taking the time to write to us with your concerns in your letter dated 25 August 2018.

As mentioned in our last letter to you of 2 July 2018, decisions on whether or not to exclude securities from our portfolio are based on the clear process and principles outlined in our Responsible Investment Framework (which is available on our website).

We continue to monitor United Nations developments and the New Zealand Government's position on the situation in the Occupied Palestinian Territories, which encompasses the information you have provided to ensure that our activity meets our responsible investment standards.

Yours sincerely,



Stewart Brooks
Acting Chief Executive Officer

From: Catherine Etheredge
To: [REDACTED]
Cc: [REDACTED]; Conor Roberts (croberts@nzsuperfund.co.nz)
Subject: FW: UN human rights report
Date: Thursday, 13 February 2020 3:25:54 PM
Attachments: image003.png

Hi [REDACTED], further to chat this morning, this email has just come in from Treasury – are you able to put together a response please? Conor can assist as needed.

Kind regards
Catherine

From: Michael Eyre [TSY] [REDACTED]
Sent: Thursday, 13 February 2020 3:18 PM
To: Catherine Etheredge [REDACTED]
Subject: UN human rights report

Alert: External Email. If unknown sender or email address do not click links/attachments and never give out your username or password.

[IN-CONFIDENCE]

Hi Catherine,

I hope you're well.

I came across this article today (<https://www.bbc.com/news/world-middle-east-51477231>) referring to a UN Human Rights office report that was issued this week identifying 'business enterprises involved in certain activities related to settlements in the Occupied Palestinian Territory'. I see that the report lists the Israeli Banks that the Fund is invested in.

Would you be able to ask the RI team how the findings from this UN report feeds into the RI framework's exclusion factors and whether it could affect the rationale that has been previously set out for owning these investments?

I note that in the past UN sanctions have formed part of the 'international conventions to which New Zealand is a party' exclusion factor, but I'm not sure if this report would be covered by that factor?

Kind regards,

Michael



Michael Eyre | Senior Analyst Financial Institutions | Te Tai Ōhanga – The Treasury

Tel: [REDACTED]

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From: Catherine Etheredge
To: [REDACTED]
Cc: Conor Roberts [REDACTED]
Subject: Draft comms plan - Israeli Bank exclusions
Date: Wednesday, 10 February 2021 5:39:55 PM
Attachments: image001.jpg
image002.png
image003.png
3137626-1-Communications Plan – exclusion of Israeli Banks.DOCX.DRF

Hi all,

Please find the draft plan attached. I will talk through the proposed approach at our meeting tomorrow.

Kind regards

Catherine

Catherine Etheredge

Head of Communications

DDI:

Mobile:

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.nz

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From: Catherine Etheredge
To: [REDACTED]
Cc: [REDACTED]
Subject: Comms Plan - Exclusion of Israeli Banks - revised
Date: Friday, 12 February 2021 11:36:39 AM
Attachments: [image001.jpg](#)
[image002.png](#)
[image003.png](#)
3137626-1-Communications Plan – exclusion of Israeli Banks.DOCX.DRF

Hi [REDACTED] & [REDACTED], thank you very much for your input into the communications plan yesterday.

Please find the revised plan attached. Let me know if you have any further comments – I'd like to send the plan to Matt and Sarah by **COB today**.

[REDACTED] and [REDACTED] comments have been incorporated – thank you both for these – very helpful. NB I have refined the answer on the government bonds question in the Q&A since you reviewed it, in case you want to take another look.

[REDACTED] – any updates on whether all the securities have been sold?

[REDACTED], can you please find a time for [REDACTED] and [REDACTED] to meet on Monday for ½ hour – 45 minutes approx. to review the IC paper and decide if any information needs to be withheld. This is the main outstanding piece of work left to do.

Kind regards

Catherine

Catherine Etheredge

Head of Communications

DDI:

Mobile:

Email:

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.nz

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From: Catherine Etheredge
To: Matt Whineray, Sarah Owen
Cc: Stephen Gilmore, Conor Roberts
Subject: Confidential - draft communications plan - Israeli banks - for review
Date: Friday, 12 February 2021 5:16:45 PM
Attachments: image001.jpg
image002.png
image003.png
3137626-1-Communications Plan – exclusion of Israeli Banks.DOCX
3137626-1-Communications Plan – exclusion of Israeli Banks.DOCX.DRF

Hi Matt, Sarah,

Please find the draft communications plan attached. We had a useful chat with [redacted] today, which has informed the messaging and approach.

The plan is in line with the approach discussed at the RI Comms meeting, with the main development being our intention to do a proactive disclosure of the IC Paper. Sarah, [redacted] and I are all in agreement on this approach. [redacted] will meet early next week to agree on any redactions to the paper.

The team is working through the process of selling the stocks and receiving the necessary confirmations - we expect this will be complete early next week.

Happy to talk to the rationale if you have any questions. When reading the media release and Q&A, please note that these are intended as reactive only – we would consider the approach and wording used at the time, depending on the situation/enquiry. Consider them to be templates for adaptation as needed. In making any edits please note that the language is intentionally aligned with the IC paper.

Kind regards
Catherine

Catherine Etheredge
Head of Communications
DDI: [redacted]
Mobile: [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.nz

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From: Catherine Etheredge
To: [REDACTED]
Cc: [REDACTED]; Conor Roberts; [REDACTED]
Subject: Israeli banks comms plan - finalisation
Date: Thursday, 18 February 2021 2:31:33 PM
Attachments: image001.jpg
image002.png
image003.png
3137626-1-Communications Plan – exclusion of Israeli Banks.DOCX.DRF

Hi [REDACTED], thank you very much for your track changes and comments.

I have made a couple of comments and accepted some non-material changes you made in the Q&A, but thought [REDACTED] would want to review the remaining suggestions – guys, can you please do this?

[REDACTED] – I am also comfortable with the proposed redactions to the IC paper and don't have any further suggestions to make on this. I understood you wanted to have some explanatory comments included – can you set these out please? Either [REDACTED] or [REDACTED] can add these in and make the redactions using Rapid Redact.

We now have the final figures on the value of the stocks sold from Ops so once this plan is agreed and we have the redacted version of the IC paper we can push ahead. I would very much like to try and get our briefing note to the Minister's office today or tomorrow morning at the latest so it can go into the Minister's weekend reading pack.

Kind regards

Catherine

Catherine Etheredge

Head of Communications

DDI:

Mobile:

Email:

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.nz

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From: Catherine Etheredge
To: Matt Whineray; Sarah Owen
Cc: Stephen Gilmore; [REDACTED]
Subject: RE: Confidential - draft communications plan - Israeli banks - for review
Date: Friday, 19 February 2021 2:38:03 PM
Attachments: image001.jpg
image002.png
image003.png
R - GNZS IC Paper - Exclusion of Israeli Banks January 2021.pdf
3137626-1-Communications Plan – exclusion of Israeli Banks.DOCX.DRF

Hi Matt,

I understand [REDACTED] has emailed you directly in response to the query you had on FDC and, in response to your other question, as at 31 Jan 2021 the NZSF held (all via [REDACTED]) 1.3 million Israeli State Bonds valued at NZ\$2.3m.

All our holdings in the Israeli banks have now been sold and, **subject to your OK**, we are going to contact the Minister's office this afternoon to start the process of briefing the Minister, his staff, the Minister of Foreign Affairs and MFAT under no surprises. I expect it will take a few days to ensure Ministers and MFAT are briefed & any questions answered, so we wouldn't be writing to the companies and starting the rest of the communications plan till (probably) later next week.

The redacted version of the IC paper is attached – this has been agreed between Comms, RI and Legal.

Kind regards
Catherine

From: Catherine Etheredge
Sent: Monday, 15 February 2021 8:59 AM
To: Matt Whineray [REDACTED] Sarah Owen [REDACTED]
Cc: Stephen Gilmore [REDACTED] [REDACTED] Conor Roberts

Subject: RE: Confidential - draft communications plan - Israeli banks - for review

Thanks Matt. It will just go on the website – here:
<https://www.nzsuperfund.nz/publications/disclosures/oia/proactive-disclosure/>

For some information about the benefits of taking a proactive disclosure approach see:
<https://www.ombudsman.parliament.nz/sites/default/files/2020-12/Proactive%20release.pdf> (section 3).

Kind regards
Catherine

From: Matt Whineray [REDACTED]
Sent: Monday, 15 February 2021 8:41 AM
To: Catherine Etheredge [REDACTED] Sarah Owen [REDACTED]
Cc: Stephen Gilmore [REDACTED] [REDACTED] Conor Roberts

[REDACTED]

Subject: RE: Confidential - draft communications plan - Israeli banks - for review

Thanks Catherine

I have marked a couple of comments in the doc.

When we say a proactive disclosure of the IC paper, does this mean we just put it on the website, or does it get pushed to all of our subscribers?

Thanks

Matt

From: Catherine Etheredge [REDACTED]

Sent: Friday, 12 February 2021 5:17 PM

To: Matt Whineray [REDACTED] Sarah Owen <[REDACTED]>

Cc: Stephen Gilmore [REDACTED]

[REDACTED]

Subject: Confidential - draft communications plan - Israeli banks - for review

Hi Matt, Sarah,

Please find the draft communications plan attached. We had a useful chat with [REDACTED] today, which has informed the messaging and approach.

The plan is in line with the approach discussed at the RI Comms meeting, with the main development being our intention to do a proactive disclosure of the IC Paper. Sarah, [REDACTED] and I are all in agreement on this approach. [REDACTED] will meet early next week to agree on any redactions to the paper.

The team is working through the process of selling the stocks and receiving the necessary confirmations - we expect this will be complete early next week.

Happy to talk to the rationale if you have any questions. When reading the media release and Q&A, please note that these are intended as reactive only – we would consider the approach and wording used at the time, depending on the situation/enquiry. Consider them to be templates for adaptation as needed. In making any edits please note that the language is intentionally aligned with the IC paper.

Kind regards

Catherine

Catherine Etheredge

Head of Communications

DDI:

Mobile:

Email:

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.nz

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From: [Catherine Etheredge](#)
To: [Michael Eyre \[TSY\]](#)
Cc: [Conor Roberts](#)
Subject: RE: In confidence - no surprises briefing on exclusion of Israeli banks
Date: Monday, 22 February 2021 3:26:37 PM
Attachments: [image001.jpg](#)
[image002.png](#)
[image003.png](#)

Thanks Michael, we'll contact MFAT tomorrow once we have had confirmation from Paul that the Minister of Finance is briefed.

Sarah will likely contact the Treasury legal team directly on this issue as well.

Catherine

From: Michael Eyre [TSY] [REDACTED]
Sent: Monday, 22 February 2021 2:03 PM
To: Catherine Etheredge [REDACTED]
Cc: Conor Roberts [REDACTED]
Subject: RE: In confidence - no surprises briefing on exclusion of Israeli banks

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[IN-CONFIDENCE]

Hi Catherine,

The MFAT contact details to discuss this issue with are listed below:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Kind regards,

Michael

From: Catherine Etheredge [REDACTED]
Sent: Monday, 22 February 2021 11:36 AM
To: ^Parliament: Paul Young [REDACTED]
Cc: Michael Eyre [TSY] [REDACTED] Conor Roberts [REDACTED]
Subject: In confidence - no surprises briefing on exclusion of Israeli banks

Hi Paul, Michael,

Thanks for your time on Zoom this morning.

To recap –

- At this stage the stocks have been sold but the companies have not yet been advised.
- Please find the IC paper, media statement and Q&A attached.

Once we have confirmation from yourself that the Minister has been briefed, and we are comfortable that MFAT and the Minister of Foreign Affairs have also been adequately briefed, we will advise the companies concerned; and post the updated exclusion list on our website. Concurrent with updating the exclusion list, we will proactively disclose the IC paper on our website. We will then advise some regular correspondents on this issue of our decision.

- No proactive media announcement is planned. The media statement and Q&A are drafts for reactive use as needed.
- We will give the other CFIs a heads up.
- Conor will keep you apprised per no surprises of any media interest/enquiries. We have drafted the following comment for the Minister's consideration: "The decision to divest was the Guardians' alone and the Government had no involvement in the decision."

Kind regards
Catherine Etheredge

Catherine Etheredge
Head of Communications

DDI:
Mobile:
Email:

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.nz

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From: [REDACTED]
To: [REDACTED]@acc.co.nz;
[REDACTED]@annuitas.co.nz"
Cc: [Conor Roberts](#)
Subject: Exclusion of companies with operations in the Occupied Palestinian Territory in relation to poor ESG practices
Date: Wednesday, 24 February 2021 2:31:00 PM
Attachments: [image003.png](#)
[image004.png](#)
R - GNZS IC Paper - Exclusion of Israeli Banks January 2021.pdf
[3148561-1-Q&A - for exclusions of banks with operations in the OPT - FOR CFIs.DOCX](#)
[image005.jpg](#)

PRIVATE AND CONFIDENTIAL

Hi CFIs,

As eluded to recently, we have been considering exclusion of a number of companies with operations in the Occupied Palestinian Territory in relation to poor ESG practices.

We are now in a position to share more detail with you – but please note this information is not yet in the public domain. However, our Minister and MFAT have been informed and our holdings in the excluded companies have been sold.

Background information

We have recently made the decision to exclude 5 Israeli banks with operations in the Occupied Palestinian Territory. These banks are:

Name	ISIN
<i>First International Bank of Israel</i>	[REDACTED]
<i>FIBI Holdings</i>	[REDACTED]
<i>Israel Discount Bank</i>	[REDACTED]
<i>Bank Hapoalim</i>	[REDACTED]
<i>Bank Leumi</i>	[REDACTED]
<i>Bank Mizrahi-Tefahot</i>	[REDACTED]

In broad terms, the decision was based upon credible evidence that the banks provide project finance for the construction of settlements in the Occupied Palestinian Territories (**OPT**) and, due to the human rights impacts associated with the construction of the settlements, we view this activity as being inconsistent with our RI standards.

Attached is the IC paper that **we plan to put on our website on Friday** (along with an updated exclusion list) that provides all the detail on our decision. Please note that we are not planning proactive communications but have prepared a reactive Q&A (also attached in this email).

We are planning to send letters to the companies tomorrow – informing them of our decision to divest.

Any questions – please don't hesitate to contact me.

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



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Released under the OIA

From: Matt Whineray
To: Sarah Owen; [REDACTED]
Cc: [REDACTED] <Conor.Roberts>
Subject: RE: Israeli bank exclusions - update on timing/actions
Date: Thursday, 25 February 2021 1:49:52 PM
Attachments: [image001.jpg](#)
[image002.png](#)
[image003.png](#)

I've told the chair and briefly discussed it with her

From: Sarah Owen [REDACTED]
Sent: Thursday, 25 February 2021 1:44 PM
To: Matt Whineray [REDACTED]
Cc: [REDACTED] <Conor.Roberts@nzsuperfund.co.nz>
Subject: Re: Israeli bank exclusions - update on timing/actions

Hi

It might be good to give chair and or board another reminder about this today.

Kind regards Sarah

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From: Conor Roberts <[REDACTED]>
Sent: Thursday, February 25, 2021 1:33:06 PM
To: Responsible Investment <[REDACTED]>
[REDACTED] Sarah Owen <[REDACTED]>
[REDACTED] Matt Whineray <[REDACTED]> Catherine Etheredge
[REDACTED] Stephen Gilmore <[REDACTED]>
Subject: Israeli bank exclusions - update on timing/actions

Kia ora,

Here is the current state-of-play:

- I've had a couple of conversations with MFAT. It wants to brief the Israeli ambassador before letters are received by the banks and the issue becomes public. Following previous diplomatic incidents our respective governments agreed a no surprises approach to issues and MFAT feels this current matter fits that understanding. I have also briefed the Minister of Finance's office and Minister of Foreign Affairs' offices directly.

[REDACTED]

[REDACTED] RI will issue letters to the banks. These will arrive at 3.45am Israeli time and so will be picked up first thing Thursday morning their time.

- This afternoon [REDACTED] will send exclusion letters to final managers (Robeco, Devon and Mint), and [REDACTED] will ask NT to turn on monitoring.

[REDACTED]



- First thing tomorrow morning we will post the IC paper and update the exclusion list and on our website, then send a letter to Mr Minto and contact other correspondents. Internal comms will also be posted. These actions can be brought forward if there is an immediate reaction from the Israeli government or the matter somehow becomes public tonight.
- We have prepared reactive messaging for any media/public/social enquiries.

It is fair to say MFAT believes there is likely to be a strong response from Israel.

We expect the divestment decision will attract media interest once the activists release our communications with them.

Let me know if you have any questions.

Kind regards,

Conor

Conor Roberts
Senior Communications Strategist
DDI: [Redacted]
Mobile: [Redacted]
Email: [Redacted]

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Released under the OIA

From: Catherine Etheredge
To: Conor Roberts
Cc: [Redacted]
Subject: Publication of IC paper and query on timing
Date: Friday, 26 February 2021 11:24:52 AM
Attachments: [image001.jpg](#)
[image002.png](#)
[image003.png](#)
[R - GNZS IC Paper - Exclusion of Israeli Banks January 2021.pdf](#)
Importance: High

Hi all,

Here is the IC paper to be published on the website at:

<https://www.nzsuperfund.nz/publications/disclosures/oia/proactive-disclosure/>

I have drafted suggested copy for the accompanying explanatory table below – [Redacted] do you have any suggestions on this:

Date	Details	Document Links
26 February 2021	Names of staff members have been withheld for privacy reasons. Information has been withheld for reasons of confidentiality and free and frank advice.	January 2021 Investment Committee paper – Israeli Banks and Construction of Settlements in the Occupied Palestinian Territories.

[Redacted]

[Redacted] – as an aside, the links to documents we have previously proactively disclosed are broken in the table entries from 2017/18 on this page – this may be a website migration issue – anyway it needs to be resolved. Seems odd this hasn't been picked up before or maybe it is a recent issue. Presumably the docs remain in the back end of the website. [Redacted] may be able to assist. Can you please sort this ASAP.

Kind regards, Catherine

Catherine Etheredge
Head of Communications
DDI: [Redacted]
Mobile: [Redacted]
Email: [Redacted]

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