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NZ Super Fund exposure to companies with links to Myanmar – statement on recent media reports

NZ Super Fund does not have any exposure to Aviation Industry Corporation of China (AVIC) mentioned in recent media reports. We have sought corrections from the media outlets regarding this point.

AVIC is a wholly Chinese state-owned company that is reported to have provided military aircraft to then civilian-administered Myanmar in 2018.

NZ Super Fund does have small investments, through external managers, in several companies that are subsidiaries of AVIC via listings on the Hong Kong and Shanghai stock exchanges. However, to the best of our knowledge, none of these companies have been involved in arms sales to Myanmar.

We publish a list of our portfolio holdings [here](#).

NZ Super Fund has a long-standing commitment to responsible investment, which we believe is fundamental to long term returns. This is integrated into all aspects of the Fund's investment activities through our [Responsible Investment Framework](#).

It is important to note we don't reflexively exclude companies when issues emerge. We use international experts to monitor the business practices of the more than 6,000 companies in the portfolio and we our preference is to engage with individual companies where concerns arise.

We are applying our Framework with regard to several other companies that have been linked to Myanmar and the information supplied will form part of our investigative process.

Where companies have not responded to engagement or we consider engagement is unlikely to be effective, the Guardians may consider whether exclusion is an appropriate response.

Decisions on investments in certain companies, sectors or countries are guided by the UN's Principles for Responsible Investment, domestic and international law and policy positions of the New Zealand Government.

When focusing on a specific company, we consider the proximity and importance of the company's actions to the illegal or unethical activity. Where breaches are directly caused by the company, the course of action is much clearer than where the breach of human rights, environmental standards or corrupt practice is committed by a customer, supplier or even a state. With trade sanctions being relatively rare, companies can find it a challenge to avoid becoming linked to these activities if they are operating in, supplying to or buying from that country or state.

Shareholders investing on global stock exchanges also find it challenging to screen for multiple environmental, social and governance (ESG) issues across these various complex corporate interactions. This is why we believe it's important to adopt a multi-stakeholder approach and work with others to ensure companies know a growing cohort of their shareholders expect them to adopt good business practices particularly in challenging and complex environments.

Our approach has been recognised internationally, including being appointed to UNPRI Leaders' Group as a result of demonstrating "a breadth of responsible investment excellence". Further, in 2019 our responsible investing practices were independently assessed by Willis Towers Watson who

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rated the Guardians' responsible investment approach as "excellent" and noted our approach to exclusions was aligned with best practice standards.

Released under the OIA

Working Notes: Human Rights & Myanmar Military

Commercially Sensitive

Subject:	BACKGROUND OF MYANMAR, MYANMAR MILITARY, AND HUMAN RIGHTS ISSUES.
Context:	Internal
Author:	[REDACTED] Section 9(2)(a) - privacy
Date:	31/05/2021

1 Purpose: For information

- 1.1 The purpose of this note is to gather preliminary information on the Myanmar Military and/or any relevant Myanmar related human rights violations and/or issues. The research will be used to help inform the CFIs and RI team on the current Myanmar situation and to inform thinking on possible next steps.
- 1.2 The information, analysis and opinions contained should be considered working notes and provisional only. Content should not be considered as final/formal positions or opinions.

2 Relevant Documents and Links

- 2.1 [The Dirty List – Burma campaign UK for Human Rights, Democracy & Development in Burma](#)
- 2.2 [Independent International Fact-Finding Mission on Myanmar](#)
- 2.3 Green MP presented AMO with a list of companies that NZSF holds linked with Myanmar situation. These holdings can be found eDocs # [3189764](#)

3 Background

- 3.1 The opening up of Myanmar in 2012 attracted investments and business from a wide range of sectors: energy, telecommunications, manufacturing, beverages, food, apparel, finance, etc. ¹

¹ <https://triponelconsulting.com/2021/05/12/the-role-for-business-in-human-rights-in-myanmar-confronting-dilemmas-and-improving-outcomes/amp/>

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- 3.2 Myanmar and its people wanted Western companies to enter the country, and they felt that this would help guarantee their rights: civil and political; economic, social and cultural.²
- 3.3 *Myanmar Brief History* (Link)
- 3.4 The ruling military changed the country's name from Burma to Myanmar in 1989. The two words mean the same thing but Myanmar is the more formal version. Some countries, including the UK, initially refused to use the name as a way of denying the regime's legitimacy. But use of "Myanmar" has become increasingly common, and in 2016 Ms Suu Kyi said it did not matter which name was used.
- 3.5 The military seized control on 1 February following a general election which Ms Suu Kyi's (*Discussed Below*) NLD party won.
- 3.6 The armed forces had backed the opposition, who were demanding a rerun of the vote, claiming widespread fraud. The election commission said there was no evidence to support these claims.
- 3.7 The coup took place as a new session of parliament was set to open.
- 3.8 Ms Suu Kyi has been held at an unknown location since the coup. She is facing various charges, including violating the country's official secrets act, possessing illegal walkie-talkies and publishing information that may "cause fear or alarm".
- 3.9 NLD MPs who managed to escape arrest formed a new group in hiding.
- 3.10 Military commander-in-chief Min Aung Hlaing has taken power. He has long wielded significant political influence, successfully maintaining the power of the Tatmadaw - Myanmar's military.
- 3.11 The protests over the coup have been the largest since the so-called Saffron Revolution in 2007. Protesters include teachers, lawyers, students, bank officers and government workers.
- 3.12 The military has imposed restrictions, including curfews and limits to gatherings.
- 3.13 Security forces have used water cannon, rubber bullets and live ammunition to try to disperse protesters.
- 3.14 On 27 March, in the deadliest day since the coup, more than 100 people were killed.
- 3.15 *Independent International Fact-Finding Mission on Myanmar Report & "The Dirty List"*
- 3.16 Independent International Fact-Finding Mission ("The Mission") on Myanmar report in 2018 submitted to the Human Rights Council at the 39th session presented the council with consistent patterns of serious human rights violations and abuses in Kachin, Shan and Rakhine States, in addition to serious violations of international humanitarian law between 2011 and 2018.
- 3.17 The Mission concluded that many of these violations amounted to crimes against humanity and included murder; imprisonment; enforced disappearance; torture; rape, sexual slavery and other forms of sexual violence; persecution and enslavement. In addition, in Rakhine State, the elements of the crimes against humanity of extermination and deportation were also found to be present.
- 3.18 The report states that violations were principally committed by the Myanmar security forces, particularly the military, or Tatmadaw.³

² IBID

³ <https://burmacampaign.org.uk/media/The-economic-interests-of-the-Myanmar-military.pdf>

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- 3.19 Independent International Fact-Finding Mission (“The Mission”) on Myanmar report in 2019 submitted to the Human Rights Council at its 42nd session presented the council with business links and interests associated with the Tatmadaw and based on its investigations, the Mission has concluded on reasonable grounds that:
- 3.20 Two Tatmadaw conglomerates, Myanmar Economic Holdings Limited (MEHL) and Myanmar Economic Corporation (MEC), are owned and influenced by senior Tatmadaw leaders, both companies responsible for gross violations of international human rights law and serious violations of international humanitarian law.
- 3.21 The Mission identified 120 MEHL and MEC owned businesses across diverse sectors of the economy – from construction and gem extraction to manufacturing, insurance, tourism and banking, and a further 27 businesses that are closely affiliated with the MEHL and MEC through corporate structures
- 3.22 Human rights and international humanitarian law violations, including forced labour and sexual violence, have been perpetrated by the Tatmadaw in mining areas. MEHL and MEC and 26 of their identified subsidiaries have numerous licenses for jade and ruby mining in Kachin and Shan States.
- 3.23 15 foreign companies have joint ventures and at least 44 foreign companies have other forms of commercial ties with Tatmadaw businesses. Through such joint venture and commercial relationships, the Mission finds that any foreign business activity involving the Tatmadaw and its conglomerates MEHL and MEC poses a high risk of contributing to, or being linked to, violations of international human rights law and international humanitarian law. At a minimum, these foreign companies are contributing to supporting the Tatmadaw’s financial capacity
- 3.24 At least 14 foreign companies from seven States have provided arms and related equipment to the Tatmadaw since 2016, after the Tatmadaw’s dismal human rights record was widely and publicly known.
- 3.25 MEHL and MEC subsidiaries, as well as the Tatmadaw directly, own sizable amounts of land throughout Myanmar – much of it highly valuable real estate, generating a major revenue stream. The Mission received credible information that these include MEHL-owned Pyinmabin Industrial Zone in Yangon, the Ministry of Defence-owned “Golden City” residential development in Yangon, and the Quartermaster General Office-owned land leased to the Sule Shangri-La Hotel and Sule Square commercial project
- 3.26 These following real estate “zones” are heavily referenced in the list of associated companies and organizations found on pages 70 – 111.
- 3.27 The Mission finds that any foreign business activity involving the Tatmadaw and its conglomerates MEHL and MEC poses a high risk of contributing to, or being linked to, violations of human rights law and international humanitarian law. At a minimum, these foreign companies are contributing to supporting the Tatmadaw’s financial capacity.
- 3.28 The Mission report puts a strong emphasis on foreign companies that own a certain percentage (17% - 70%) of Myanmar Tatmadaw operated or own businesses.
- 3.29 List of foreign companies in commercial partnerships with MEHL or MEC can be found in The Mission 2019 report ([here](#)) on page 96 – 106.
- 3.30 List of arms and military equipment supplies to the Tatmadaw can be found in The Mission 2019 report ([here](#)) on page 106 – 110.
- 3.31 “The Dirty List”

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- 3.32 The Dirty List is a public list posted on the Burma campaign UK for Human Rights, Democracy & Development in Burma website. The Dirty List names international companies doing business with the military in Myanmar. The list also includes international companies involved in projects where there are human rights violations or environmental destruction.⁴
- 3.33 There are 104 companies on The Dirty List, including Apple, Alphabet/Google, Facebook, and Adani Group, the Indian multinational conglomerate that was recently linked to NZSF in local news headlines ([Link](#), [Link](#), and [Link](#))
- 3.34 The Missions' 2019 report mentioned earlier foreign companies are engaged with MEHL, MEC and their subsidiaries more directly, paying Tatmadaw conglomerates for the use of their property. A stark example is that of Adani Group, of India, which is leasing land in Yangon from MEC for 50 years for USD 290 million for the construction of Ahlone International Port Terminal 2.353 The Mission has been unable to establish the origin of MEC's ownership of this land.⁵
- 3.35 *[Aung San Suu Kyi History \(Link\)](#)*
- 3.36 Ms Suu Kyi spent nearly 15 years in detention between 1989 and 2010. Her struggle to bring democracy to then military-ruled Myanmar (also known as Burma) - made her an international symbol of peaceful resistance.
- 3.37 In 2015, she led her National League for Democracy (NLD) to victory in Myanmar's first openly contested election in 25 years. But she was deposed by a coup in 2021 when the military took control and arrested her and the political leadership around her.
- 3.38 Despite her victory in 2015, the Myanmar constitution forbade her from becoming president because she has children who are foreign nationals.
- 3.39 During her time in power Ms Suu Kyi and the NLD government also faced criticism for prosecuting journalists and activists using colonial-era laws. While there was progress in some areas, the military continued to hold a quarter of parliamentary seats and controlled key ministries including defence, home affairs and border affairs.
- 3.40 In 2020, her NLD once again won. The still powerful military disputed the results, claiming election fraud. On the day parliament was to a sit for the first time, the military arrested Ms Suu Kyi along with many other political leaders.
- 3.41 It then declared a state of emergency, handing power to the military for a full year

4 Myanmar Today

- 4.1 On February 1st, 2021 Myanmar's military seized power in a coup sparking weeks of protests and escalating violence. Myanmar's military seized power in the country after overthrowing the government. More than 500 people - including dozens of children - have been killed so far as pro-democracy protesters demand a return to power of elected leader Suu Kyi and her National League for Democracy (NLD) party.⁶
- 4.2 The UN envoy has reported enforced disappearances, arbitrary detentions and torture in prisons. The UN High Commissioner for Human Rights (OHCHR) said authorities have "increasingly resorted to heavy weaponry such as rocket-propelled

⁴ <https://burmacampaign.org.uk/take-action/dirty-list/>

⁵ <https://burmacampaign.org.uk/media/The-economic-interests-of-the-Myanmar-military.pdf>

⁶ <https://www.rnz.co.nz/news/world/440057/myanmar-s-uk-envoy-says-military-attache-has-occupied-embassy>

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and fragmentation grenades, heavy machine guns, and snipers to kill demonstrators in massive numbers.⁷

4.3 The coup and subsequent deadly crackdown have been widely condemned internationally. The United States, United Kingdom and European Union have imposed sanctions on several generals in charge of the coup, as well as on military-owned companies.⁸

4.4 The people of Myanmar continue to demand the military hand back power to civilian control. Myanmar's many ethnic minority groups are also demanding the military-written 2008 constitution be abolished and a federal democracy be established.

5 Human Rights Dilemma for Companies Involved in Myanmar ([Link](#))

5.1 Total Energy Company

5.1.1 French energy company, Total. Total produces gas on the Yadana, Sein and Badamya fields – located off Myanmar's southwest coast. The gas from the fields is sold to Thai company, PTT, and PTT uses the gas to generate about 8 % of the electricity in Thailand. Total also supplies around 50% of the gas used to generate electricity for Yangon

5.1.2 In a widely reported Op-ed published on the 3rd of April, Patrick Pouyanné, Total's CEO discusses the three human rights dilemmas he sees for the company

5.1.3 First, Total has been asked not to pay its taxes to the military, or to pay this into an escrow account. This would mean withholding \$4 million on a monthly basis from the military. The argument goes that by paying money to the military, Total is strengthening and entrenching the military, and financing its crimes. Pouyanné responds that the company could do this, but this in turn would put the local managers at risk. They could be prosecuted and put into jail, since non-payment of taxes is a criminal offence.

5.1.4 Second, Total has been asked to discontinue its gas operations in Myanmar. To stop operations altogether. Pouyanné responds that the company could do this, but that in turn this would deprive half of Yangon from electricity (over 2.5 million people), and this would lead to greater suffering, for instance by hindering the operations of hospitals and businesses.

5.1.5 Third, Pouyanné also notes that if they choose to stop operations, local authorities could resort to forced labour to compel Total's employees to continue working, as they have been known to do in the past.

5.1.6 Total's decision therefore is to condemn the repressive action taking place and discontinue any new exploration in Myanmar. The company will continue ongoing operations – due to the risks to workers and employees – and will continue paying taxes, while committing to provide the equivalent amount to associations working on human rights in the country.

5.2 Telenor Telecommunications

5.2.1 Norwegian telecommunications company, Telenor. Telenor is one of two foreign operators in Myanmar, alongside Ooredoo. Telenor connects people in Myanmar – serving around a third of the population.

⁷ <https://edition.cnn.com/2021/04/08/asia/myanmar-zaw-min-tun-interview-intl-hnk/index.html>

⁸ IBID

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5.2.2 On the day of the coup, the military ordered Telenor and other operators to shut down networks. The orders from the military went from: you shall block social media sites like Facebook, to: you shall block internet services during the night, to: you shall cease mobile and wireless services.

5.2.3 The question then becomes: do we comply with military orders, or do we not comply with the orders – putting our local staff and the small access we still can provide to users at risk? Sigve Brekke, Telenor's CEO, said that the entirety of the company's \$782 million investment in Myanmar would need to be written off, but that the company will not exit the country. He notes that by staying present, the company can shine a spotlight on the military orders and try and exercise leverage to "make a difference."⁹

6 Conclusion and next steps

6.1 With increased governmental and global awareness and understanding of the situation in Myanmar certain companies associated with the Myanmar Military, or Tatmadaw, specifically, Myanmar Economic Holdings Limited (MEHL) and Myanmar Economic Corporation (MEC) could be positioned to portray support and/or assistance with the Tatmadaw initiatives and actions.

6.2 Companies, organizations, and affiliates of Tatmadaw are outlined in the 2019 Independent International Fact-Finding Mission ("The Mission") on Myanmar report.

6.3 NZSF to discuss appropriate next steps.

7 Update Since 12/04/2021 Meeting

7.1 Updates include the following: Adani's response to allegations and involvement with Myanmar Military, identification of NZSF holdings that have been linked to the Myanmar human rights issues, review of MSCI controversies associated with these holdings; assessment of what it takes for companies to be removed from the Dirty List.

8 Adani's Response

8.1 On April 13th 2021 S&P Dow Jones Indices removed Adani Ports from its Sustainability index due to links with Myanmar military. ([Link](#))

8.2 Adani has responded to the accusations made with involvements in Myanmar and the Myanmar military.

8.3 On March 31st 2021 Adani Group condemned "violations of fundamental rights of all people" and would continue to work with "partners and stakeholders," in response to recent media reports on the conglomerate's investments in the Myanmar. ([Link](#))

8.4 On March 30th 2021 The Australian Centre for International Justice and Justice for Myanmar released a report which claimed Adani Yangon International Terminal Co Ltd paid up \$30 million in land lease fees to Myanmar Economic Corporation, controlled by Myanmar's military.

8.5 Adani did not comment on the report, but said the land acquisition for its project was facilitated by the Myanmar Investments Commission. ([Link](#) and [Link](#))

9 NZSF Holdings that have been linked to Myanmar human rights issues

9.1 The following identified NZSF holdings have been linked to the Myanmar military and Myanmar human rights issues. These names were taken from the 2019 [Independent](#)

⁹ <https://www.ft.com/content/ba1f8db9-e2d1-4e45-80be-1f6f6fe1344b>

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International Fact-Finding Mission on Myanmar that was presented to the UN Council.

- 9.2 Reviewed holdings were foreign companies in commercial partnerships with MEHL or MEC and arms and military equipment supplies to the Tatmadaw.
- 9.3 Detailed findings of NZSF holdings can be found [here](#) and overview can be found below:

Overview of Involvement in Myanmar (according to UN report)

Name of Company	Domicile Country	Nature of Economic Relationship	MEHL or MEC	Sector
ADANI PORT AND SPECIAL ECONOMIC ZON LIMITED	India	Leasing Ahlone International Port Terminal 2 for 50 years	MEC	Trade
COSCO SHIPPING ENERGY TRANSPORTATIO 'A'CNY1 (STOCK CONNECT LINE)	China	China Shipping (Myanmar) Co Ltd, owned by New Golden Sea Shipping Pte Ltd, which is a subsidiary of COSCO. Rents space in the Myawaddy Bank Luxury Complex	MEHL	Trade
INFOSYS LIMITED	India	Contactor to Myawaddy Bank	MEHL	Finance and Insurance
PAN PACIFIC INTERNATIONAL HOLDINGS CORP	Republic of Korea	Myanmar WisePacific Apparel Bago Co Ltd is solely-owned subsidiary of PanPacific Ltd. Operates in Inndagaw Industrial Zone which is owned by MEHL	MEHL	Manufacturing
SIAM CEMENT CO THB1(ALIEN MKT)	Thailand	SCG Myanmar Concrete and Aggregate Co Ltd owned by Siam Cement Group	MEHL	Manufacturing
TRISTATE CAP HLDGS INC COM	Hong Kong, SAR	Tristate Myanmar Co Ltd is owned by Tristate Holdings. Located in the Pyinmabin Industrial Park which is owned by MEHL	MEHL	Manufacturing
POSCO CHEMICAL CO LTD	Republic of Korea	Myanmar Posco Steel Company Ltd. 70% by Posco Steel Co. Ltd.	MEHL	Manufacturing
ZHENGZHOU YUTONG BUS CO. LTD. 'A'CNY1 (STK CONNECT CNH)	China	Operates in Inndagaw Industrial Zone which is owned by MEHL	MEHL	Manufacturing
Aviation Industry Corporation of China (AVIC)	China	In November 2018, the Tatmadaw Air Force received its first six JF-17M "Thunder" combat aircraft out of a total of 16 aircraft ordered in 2015 on a USD \$560 million contract	Tatmadaw	Arms and military equipment suppliers
Bharat Dynamics Limited	India	Tatmadaw Navy procured 10 advanced light torpedo "Shyena" anti-submarine torpedoes, in a deal reportedly worth USD 38 million reportedly signed in March 2017.6	Tatmadaw	Arms and military equipment suppliers

Overview of NZD Investment

Foreign companies with contractual or commercial ties to MEHL and MEC (31/03/2021)	
CustodianSecurityLongName	MarketValueInBaseCurrency
ADANI PORT AND SPECIAL ECONOMIC ZON LIMITED	737,609
COSCO SHIPPING ENERGY TRANSPORTATIO 'A'CNY1 (STOCK CONNECT LINE)	22,831
INFOSYS LIMITED	7,725,836
PAN PACIFIC INTERNATIONAL HOLDINGS CORP	1,224,718
SIAM CEMENT CO THB1(ALIEN MKT)	164,078
TRISTATE CAP HLDGS INC COM	62,560
POSCO CHEMICAL CO LTD	331,708
ZHENGZHOU YUTONG BUS CO. LTD. 'A'CNY1 (STK CONNECT CNH)	29,667

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Enterprises and States that transfer conventional arms and related items to the Tatmadaw (31/03/2021)		
Name of Company	CustodianSecurityLongName	MarketValueInBaseCurrency
<i>Aviation Industry Corporation of China (AVIC)</i>	Government Enterprise	
<i>Subsidiary</i>	AVIC SHENYANG AIRCRAFT CO LTD 'A'CNY1 (STOCK CONNECT LINE)	179,345
<i>Subsidiary</i>	AVIC XI'AN AIRCRA 'A'CNY1	168,944
<i>Subsidiary</i>	AVIC HELICOPIER CO (STOCK CONNECT)	29,708
<i>Subsidiary</i>	AVIC ELECTROMECHAN 'A'CNY1	34,762
<i>Subsidiary</i>	AVIC AVIATION 'A'CNY1	33,484
<i>Subsidiary</i>	AVIC AERO-ENGINE 'A'CNY1 (STOCK CONNECT)	16,763
<i>Subsidiary</i>	AVICHINA INDUSTRY & TECHNOLOGY COMPANY	370,178
<i>Bharat Dynamics Limited</i>	AVIC	
<i>Bharat Forge - Supplying missiles for Bharat Dynamics</i>	BHARAT FORGE INR2	416,575

9.4 Military Deep Dive

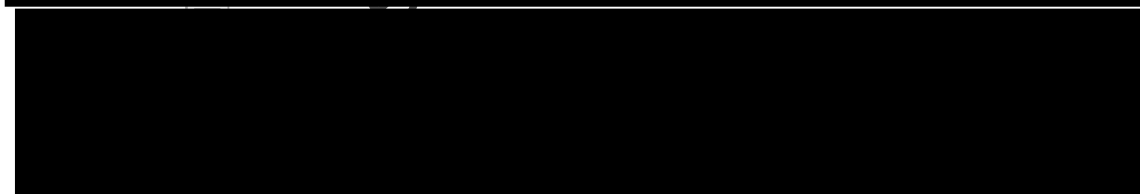
9.5 JIANJXI HANGDU & minority holding by AVICHINA INDUSTRY & TECHNOLOGY COMPANY

9.6 In November 2018, the Tatmadaw Air Force received its first six JF-17M “Thunder” combat aircraft out of a total of 16 aircraft ordered in 2015 on a USD \$560 million contract.^{10 11} Sections 9(2)(b)(ii), 9(2)(f) and 9(2)(ba)(i)

9.6.1



9.6.2



9.6.3 As of December 2019, AviChina owned 43.77% of Jiangxi Hongdu Aviation Industry. NZSF Does not own Jiangxi Hongdu

9.7 Sinotruk (Hong Kong) Ltd (\$402,542)- From Green MP List stated that this company Sells military vehicles to Myanmar. May also licence manufacturing to Myanmar military.¹²

9.7.1 This company is not mentioned in the UN Report

¹⁰ <https://burmacampaign.org.uk/media/The-economic-interests-of-the-Myanmar-military.pdf>

¹¹ https://www.ohchr.org/Documents/HRBodies/HRCouncil/FFMMyanmar/EconomicInterestsMyanmarMilitary/A_HRC_42_CRP_3.pdf

¹² <https://projekte.sueddeutsche.de/artikel/wirtschaft/myanmar-the-role-played-by-the-german-company-man-e692964/>

10 MSCI Flags Identified associated with Myanmar

11 Removal from “The Dirty List”

- 11.1 Reasons for grounds of removal off of “The Dirty List” is not well known or documented. However there are a few examples of companies being removed because they willingly cut ties with the Myanmar government.
- 11.2 02/03/2021 Coda Pay Removed From “Dirty List” Burma Campaign UK has today removed Coda Pay from the ‘Dirty List’ of companies linked to Burma’s military. Singaporean company Coda Pay has been providing payment services to the military owned Mytel mobile phone network. Coda Pay today informed Reuters that Mytel had been deactivated from its payment channels.
- 11.3 Mark Farmaner, Director of Burma Campaign UK. “There are still more than a hundred companies on our ‘Dirty List’ with links to the Burmese military. No company should be doing any form of business with the military.”
- 11.4 04/02/2021 Kirin beer company cuts brewery ties with Myanmar military over coup Japanese drinks giant Kirin Holdings will abandon its partnership with a Myanmar brewery part-owned by military generals

12 Other Notes

- 12.1 05/04/2020 Korean steelmaker Posco urged to cut ties with Myanmar’s junta APG said it was among a group of investors worried their holdings in Seoul-listed Posco would undermine responsible investing commitments after Myanmar’s military overthrew government
- 12.2 They pointed to Japan’s Kirin, which announced it would pull out of its two brewery joint ventures with a Myanmar military-owned company during the week of the coup, as an example to heap pressure on Posco.
- 12.3 AMO met with Green MP on 17/04/2021 and the Green MP presented AMO with a list of companies that NZSF holds linked with Myanmar situation. These holdings can be found eDocs # 3189764 under the tab “*List From Green MP*” and are separated between “Frist Category” and “Second Category” holdings.
- 12.4 31 May 2021, Joint Statement of Prime Ministers Jacinda Ardern and Scott Morrison were given in which Myanmar was addressed, “The Prime Ministers also expressed grave concerns about the ongoing crisis in Myanmar, and its implications for regional stability. They condemned the violence being perpetrated against the people of Myanmar and called on the military regime to exercise restraint, refrain from further violence, release all those arbitrarily detained, and engage in dialogue. The Prime Ministers underscored their strong support for ASEAN-led efforts to chart a course out of the current crisis and urged implementation of the five points of consensus on

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the situation in Myanmar, agreed at the ASEAN Leaders' Meeting on 24 April, as soon as possible.”¹³

13 Update Since 21/04/2021 Meeting

- 13.1 19/02/2021 *A Statement by Concerned Businesses Operating in Myanmar* was signed by numerous companies. It was discussed that review of this list will be cross-referenced with the “The Dirty List” to understand which companies are aware of situational exposure in Myanmar.
- 13.2 It was agreed that further examination of MSCI data associated with Myanmar, and in general human rights issues, needs to be examined.
- 13.3 Further analysis to determine guidance and expectations of business where there are State-sponsored human rights abuses in countries of operation and in situations where a military control businesses that they may become linked to.
- 13.4 06/01/2021
- 13.5 Added background information on Myanmar history and Aung San Suu Kyi
- 13.6 Added additional information on defining Myanmar involvement and the involvement NZSF held companies may have.

14 Next steps.

- 14.1 Guidelines and expectations – what business should do generally in conflict zones 7 weak states / what businesses caught in country should do now.
- 14.2 Focus list of companies.
- 14.3 Further analysis on their context. Engagement plan.
- 14.4 Public communications whilst retaining confidentiality under which to conduct engagement.

¹³ <https://www.beehive.govt.nz/release/joint-statement-prime-ministers-jacinda-ardern-and-scott-morrison>

PROPOSAL: INVITATION TO SIGN AN INVESTOR STATEMENT REGARDING BUSINESS ACTIVITIES IN MYANMAR AND POTENTIAL HUMAN RIGHTS IMPACTS

Author:



Section 9(2)(a) privacy

Date:

14/06/21

[CONFIDENTIAL / DRAFT]

1 Purpose: For decision

- 1.1 GNZS recommends that the CFIs sign an Investor Statement (the Statement) that asks companies to outline their business activities in Myanmar and address any potential human rights impacts.
- 1.2 The engagement is being led by The Storebrand Group (Norway), Domini (US) and the Heartland Initiative, a non-profit research organisation that promotes the fundamental rights and freedoms of people in conflict-affected areas. The Investor Alliance for Human Rights is providing some administration support.
- 1.3 This collaboration is aligned with our 'human rights' engagement priority.
- 1.4 BMO, our engagement service provider, has added its name to the Statement.
- 1.5 The information, analysis and opinions contained in this note are in preliminary draft form to facilitate discussion. They are not a final position on the relevant matters.

2 Background

- 2.1 *Information in 2.2 and 2.3 has been sourced directly from the Statement.*
- 2.2 On February 1, the Myanmar military carried out a coup d'etat against the country's democratically elected government. The military's increasingly repressive crackdown against pro-democracy protesters has led to hundreds of deaths, including summary executions, and thousands more detained, tortured, and injured. The coup followed the military's ethnic cleansing campaign against the minority Rohingya community, which began in 2017. That campaign led to over 700,000 Rohingyas fleeing to Bangladesh, their ongoing persecution in Rakhine State, and charges of genocide and crimes against humanity being brought against Myanmar and military officials.
- 2.3 International responses by states, multilateral institutions, and civil society organizations have included an increasing number of targeted sanctions against military officials and military-affiliated entities, the freezing of these individuals' and corporate assets, and international protest and condemnation. On March 25, the Biden Administration sanctioned the military's two largest conglomerates, Myanmar Economic Holdings Public Company Limited (MEHL) and Myanmar Economic Corporation Limited (MEC), and the European Union followed suit on April 20. These actions succeeded US sanctions against military officials and the state-owned gem and timber companies. The United Kingdom, Canada, Australia followed with similar action.

2.4 New Zealand's position on Myanmar: The New Zealand Government has stated it "is deeply concerned by the February 2021 military coup in Myanmar. New Zealand calls for the return to civilian government and the release of all those arbitrarily detained."¹

- On 9 February, the New Zealand Government has also announced a package of restrictions to guide Aotearoa New Zealand's engagement with Myanmar following the coup. These restrictions include the suspension of bilateral high level political and defence engagement with Myanmar; directing Ministry of Foreign Affairs and Trade officials to ensure New Zealand's aid programme to Myanmar does not include projects that are delivered with, or benefit, the military; and finalising targeted travel bans on senior Myanmar military figures.²
- In a joint statement issued on 31 May 2021 by Jacinda Ardern and Scott Morrison, the Prime Ministers "expressed grave concerns about the ongoing crisis in Myanmar, and its implications for regional stability. They condemned the violence being perpetrated against the people of Myanmar and called on the military regime to exercise restraint, refrain from further violence, release all those arbitrarily detained, and engage in dialogue. The Prime Ministers underscored their strong support for ASEAN-led efforts to chart a course out of the current crisis and urged implementation of the five points of consensus on the situation in Myanmar, agreed at the ASEAN Leaders' Meeting on 24 April, as soon as possible."³
 - The five points agreed between ASEAN and junta leader Sen. Gen. Min Aung Hlaing include: the "immediate cessation of violence in Myanmar and for all parties to exercise utmost restraint; future commencement of constructive dialogue between all parties in the interests of the people; the appointment of a special envoy to facilitate mediation of the dialogue process with the assistance of the ASEAN Secretary-General; the provision of humanitarian assistance through the ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management (AHA Center); and planned visit for the special envoy and delegation to meet with all parties concerned."⁴

3 What the CFIs would be committing to

3.1 This proposal invites investors to sign a joint statement which notes that as long-term investors "committed to addressing human rights risks in our portfolios, and specifically in the case of conflict-affected Myanmar, we expect companies to uphold their corporate responsibility to respect human rights by undertaking enhanced due diligence to address and prevent human rights harms and in so doing, mitigate risks associated with such violations."

¹ <https://www.mfat.govt.nz/br/countries-and-regions/asia/myanmar/>

² <https://www.beehive.govt.nz/release/new-zealand-takes-measures-against-myanmar-following-military-coup>

³ <https://www.beehive.govt.nz/release/joint-statement-prime-ministers-jacinda-ardern-and-scott-morrison>

⁴ <https://thediplomat.com/2021/04/aseans-next-steps-for-ending-the-myanmar-crisis/>

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3.2 The Statement calls on companies across all sectors with business activities or business relationships in Myanmar to:

- Immediately map their business activities, relationships and/or investments across their value chain in Myanmar to identify and assess human rights risks and harms that they may have or are causing, contributing to, or are linked to including:
 - any and all business relationships, activities and communications involving the Myanmar military, or military owned, controlled or affiliated entities;
 - any revenues from such business relationships and activities that may enrich military owned, controlled, or affiliated business and/or provide funding or support to the Myanmar military made before or after the February 1 coup.
- Assess and address all identified actual and potential human rights impacts of their business activities and relationships and take steps to mitigate and prevent them.
- Design and implement processes to enable the remediation of adverse human rights impacts including those impacts on their in-country staff and local stakeholders.
- Regularly publicly report on such due diligence efforts and procedures in place to cease, prevent and mitigate those negative human rights impacts.
- Provide support to in-country staff and employees to ensure their physical safety and do not retaliate against employees for strikes.
- Use leverage and participate and initiate collective action by business in support of human rights.

3.3 The Statement acknowledges that companies are facing substantial safety risks, to both workers and assets in Myanmar. However, it also notes the opportunity for the private sector to show leadership in navigating and assisting Myanmar's transition to peace, justice, and democracy.

3.4 The Statement has already been released publicly (see [here](#)) but remains open for signing.

3.5 The list of target companies has not been disclosed publicly. We have requested to see the list and are currently waiting a response from the leading organisations.

3.6 Currently 77 investors have agreed to sign the statement. This is publicly available information and can be found in the link to the Statement.

3.7 Expectation of commitment / involvement (lead/supporter): Currently the invitation is only to sign the Statement. There are some plans to follow up with an engagement. We have sought clarification and are awaiting a response.

4 Workload

4.1 Low: The CFIs would be signing the Statement only.

Document Number: 3226973

Version: 1

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5 Timing

5.1 The Statement is currently open to signing.

6 How to sign

6.1 You can access a google docs form which requests your name, email, organisation and AUM [here](#) or via the PRI collaboration platform.

CONFIDENTIAL & COMMERCILLY SENSITIVE ENGAGEMENT MATERIALS
Released under the OIA

Myanmar

We are applying our Framework with regard to several companies that have been linked to Myanmar and the information supplied will form part of our investigative process.

We have also co-signed an investor statement on human rights and business activities in Myanmar. This proposal notes that as long-term investors, we are “committed to addressing human rights risks in our portfolios, and specifically in the case of conflict-affected Myanmar, we expect companies to uphold their corporate responsibility to respect human rights by undertaking enhanced due diligence to address and prevent human rights harms and in so doing, mitigate risks associated with such violations.”

The Statement calls on companies across all sectors with business activities or business relationships in Myanmar to:

- Immediately map their business activities, relationships and/or investments across their value chain in Myanmar to identify and assess human rights risks and harms that they may have or are causing, contributing to, or are linked to including:
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 - any revenues from such business relationships and activities that may enrich military owned, controlled, or affiliated business and/or provide funding or support to the Myanmar military made before or after the February 1 coup.
- Assess and address all identified actual and potential human rights impacts of their business activities and relationships and take steps to mitigate and prevent them.
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- Provide support to in-country staff and employees to ensure their physical safety and do not retaliate against employees for strikes.
- Use leverage and participate and initiate collective action by business in support of human rights.

Why are you invested in companies that are supporting the Myanmar military?

It is important to note - several recent media reports stated we were invested in a company called AVIC, which supplied the then civilian-administered Myanmar with military aircraft in 2018. These reports were incorrect.

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AVIC is a Chinese state-owned entity – we therefore do not have exposure to it.

We do have passive index exposure to several companies that are subsidiaries of AVIC via listings on the Hong Kong and Shanghai stock exchanges. However, to the best of our knowledge, none of these companies have been involved in arms sales to Myanmar.

We sought for these media reports to be corrected.

In terms of other areas of exposure to Myanmar, lists provided to us included entities such as Deutsche Post, Kirin Breweries and the Japanese telco KDDI. Deutsche Post and KDDI had historic business in Myanmar providing infrastructure and services and consumer products used by the civilian population. Kirin Breweries has announced it has/is ending its relationship with a company owned by Military enterprises.

We have made public comment on one of the companies highlighted to us with regard to its relationship with Myanmar - Adani Ports and Special Economic Zone Ltd. It is building a port in Myanmar and is leasing land from a military-controlled company. Adani has been the subject of other investors' engagement and has subsequently made statements and has said it condemns human rights violations and is reviewing its operations to ensure mitigation of human rights violations.

Context: we invest in global indices of companies, many of which are multinationals operating in 100s of countries, often through subsidiaries. Some of these companies have set up businesses in Myanmar. After 2011, with the release of Aung San Suu Kyi and the subsequent elections and win by her party the NLD was influential in more businesses entering the country. However, the prevalence of the military involvement in business enterprise was made clear in the UN HRC reports in 2019. It is not clear if companies were unaware

Companies:

Our focus is on the 7 companies held on the portfolio identified in the UN HRC 2019 report with relationships with military-owned enterprises. These companies rent or lease space – either in retail or industrial – from MEHL or in a Myawaddy Bank commercial complex; or have supplied information technology or software services to Myawaddy Bank or MyTel; or have substantial long-term land-leases with MEHL.

There are a number of other companies we have under review that are not on the UN list but have been highlighted by other sources. We have a number of ESG research service firms who are also focused on companies and their business activity in Myanmar and are updating their research platforms.

Companies should seek alternative accommodation for their businesses. The one company that has a more material relationship is Adani Port. The project was approved by the Civilian government which makes the analysis of why the company entered into this arrangement more complex. Deeper due diligence on the human rights implications should have been

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undertaken by the company. We will consider Adani's response. Its first priority should be protection of its employees under the current circumstances (for example, as per the Myanmar responsible business statement).

UN HRC List Companies on NZ Super Fund Portfolio

Adani Port	Adani Yangon International Terminal Company owned by Adani Ports & Special Economic Zone Ltd (Zone that is in military control). Signed a 50-year lease agreement with MEHL. The Civilian government minister of the MIC approved the project.
China Shipping (Myanmar) Co Ltd, owned by New Golden Sea Shipping Pte Ltd, which is a subsidiary of COSCO.	Rents space in the Myawaddy Bank Luxury Complex
Infosys	Supply of payment systems and contractor to Myawaddy Bank
Kirin Holdings	Kirin issued a statement committing to exiting relationship between its 51% owned Myanmar Brewery business and a Military-owned business.
Pan Pacific	Operates in Inndagaw Industrial Zone which is owned by MEHL
Siam Cement	SCG Myanmar Concrete and Aggregate Co Ltd owned by Siam Cement Group. Operates in Pyinmabin Industrial Zone which is owned by MEHL.
Tristate Holdings Limited	Tristate Myanmar Co Ltd is owned by Tristate Holdings. Located in the Pyinmabin Industrial Park which is owned by MEHL

REVERT TO ENGAGEMENT KEY MESSAGE

Out of scope

Working Notes: Preliminary guidance on communicating the application of the RI Framework to businesses operating in conflict-zones or countries subjected to State-sponsored Human Rights abuses (for approval)

[Confidential)

Subject:	Businesses and Human Rights & RI Framework
Context:	Background for Communications
Author:	[REDACTED] 9(2)(a) Privacy
Date:	18/06/21

1 Purpose

Guidance notes for discussion with Communications team for preparation for the Select Committee.

- 1.1 The purpose of this note is to draft guidance for external communications on the RI procedures on country-related human rights related issues, particular in relation to Myanmar. *The information, analysis and opinions are working notes and provisional only.*

2 Background

- 2.1 **Business and country-level human rights risks and international standards for investors.**
- 2.2 Some of the more challenging human rights situations for businesses arise when operating in countries involved in conflict or post-conflict situations or operating in countries where the State itself is involved in human rights abuses.
- 2.3 There are a number of international standards for companies and investors to apply in this situation, of which the UN Guiding Principles on Business and Human Rights (UN GPs) is central. The OECD Guidance for Responsible Business Conduct for Institutional Investors (OECD Guidance) is fully aligned with, and help investors apply the UN GPs. The UN Principles for Responsible Investment and the UN Global Compact supports the UN GPs and forms the foundation of our RI Policy Standards and Procedures. We utilise all these guidelines in our work to implement our RI policy according to best practice through our RI Framework.
- 2.3.1 The OECD Guidance for investors with large portfolios of companies (particularly portfolios that reflect a market as a whole) may be connected to a wide range of companies with adverse impacts and recognizes that investors cannot cover all these companies but should prioritise by materiality of the issue and shareholding to focus on a smaller number of companies.
- 2.4 The UN GPs make clear where it is the State that is committing the human rights abuse, it is the State that is responsible for that abuse. Through the UN or other international bodies, other States can hold them to account.
- 2.5 Whilst companies are not responsible for State human rights abuses, companies may become involved with the State in some way that the relationship contributes to or is linked to human rights abuses.

- 2.5.1 Similarly, the OECD Guidelines recognises Investors are not themselves responsible for addressing or providing a remedy for adverse impacts caused by or contributed to by investee companies. It remains the responsibility of the investee companies to mitigate impacts they cause or contribute to.
- 2.5.2 However, the OECD Guidance says investors are expected to use their 'leverage' with companies they invest in to influence those investee companies to prevent or mitigate adverse impacts, including by:
- direct engagement with investee companies
 - effectively exercising voting rights
 - directing capital towards responsible investee companies over time
 - involvement in industry initiatives targeting certain responsible business conduct risks
 - collective action on specific geographic or company-specific issues.
- 2.5.3 The OECD Guidance also addresses divestment as follows. Investors who lack (or have exhausted) leverage over an investee that is causing impacts may choose to maintain the investment or divest. Both divestment from, and continued investment in, an investee company may be appropriate outcomes following risk-based prioritisations. Even if an investor's leverage is very limited divestment may not necessarily be appropriate; without engaged investors there may be no other shareholder voice persuading the company to change its practices.
- 2.5.4 Our RI Framework aligns with the OECD Guidance. Our RI Policies, standards and procedures and RI Framework for implementation are available on our website.

3 Summary Brief: RI Framework and companies operating in Myanmar

- 3.1 We strongly condemn the Military coup and human rights abuses committed by the military in Myanmar.
1. We are planning action under our RI Framework to engage with companies included on the UN HRC report list with links to Myanmar military economic enterprises to urge them to improve and apply human rights policies in Myanmar.
 2. We are prioritising companies held on the NZ Super Fund portfolio but also engaging more broadly through collaborating with other investors.
 3. Our RI Framework follow the OECD Guidelines which recommend using leverage where we are able to with companies through engagement.
 4. We will also consider excluding companies from the portfolio.
- 3.2 Our focus is on the 7 companies held on the portfolio identified in the UN HRC 2019 report with relationships with military-owned enterprises. These companies rent or lease space – either in retail or industrial – from MEHL or in a Myawaddy Bank commercial complex; or have supplied information technology or software services to Myawaddy Bank or MyTel; or have substantial long-term land-leases with MEHL.

UN HRC List Companies on NZ Super Fund Portfolio

Adani Port	Adani Yangon International Terminal Company owned by Adani Ports & Special Economic Zone Ltd (Zone that is in military control). Signed a 50-year lease agreement with MEHL.
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China Shipping (Myanmar) Co Ltd, owned by New Golden Sea Shipping Pte Ltd, which is a subsidiary of COSCO.	Rents space in the Myawaddy Bank Luxury Complex
Infosys	Supply of payment systems and contactor to Myawaddy Bank
Kirin Holdings	Kirin issued a statement committing to exiting relationship between its 51% owned Myanmar Brewery business and a Military-owned business.
Pan Pacific	Operates in Inndagaw Industrial Zone which is owned by MEHL
Siam Cement	SCG Myanmar Concrete and Aggregate Co Ltd owned by Siam Cement Group. Operates in Pynmabin Industrial Zone which is owned by MEHL.
Tristate Holdings Limited	Tristate Myanmar Co Ltd is owned by Tristate Holdings. Located in the Pynmabin Industrial Park which is owned by MEHL

3.3 There are a number of other companies we have under review that are not on the UN list but have been highlighted by other sources. We have a number of ESG research service firms who are also focused on companies and their business activity in Myanmar and are updating their research platforms.

3.4 Golriz Ghahraman presented a list of companies with business operations or relationships in Myanmar she was concerned about. A subset of these companies have been said to be involved in military enterprise through lease or supply arrangements that are not on the UN list or the Burma Campaign UK list. We set these out in the table below but the information is yet to be validated. Information on at least two companies originates from a hack of the Civilian government systems. We will not use that information. Other companies on the list appear to be there simply for being incorporated in Myanmar but with no obvious link to the military, or for involvement in projects approved by the civilian government (not with military connections) but for which there is opposition on other environmental or social grounds. We have not currently added these to the table for future analysis as the primary issue raised in the UN report was around business relationships with military enterprises and the reports call for financial isolation of the military.

Table: Golriz Ghahraman – Companies on list which are said to be involved with military – Source: Links. Information is not verified or checked if up to date.

Daiwa House Industry, Tokyo Tatemono	According to an NGO website, A subsidiary of Daiwa House, Fujita Corporation (an engineering and construction firm) and Tokyo Tatemono (an architecture and design company) formed a special project company called
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	Yangon Museum Development which purportedly signed a lease with a company Yangon Technical & Trading that in turn is leasing land from the office of the Quarter Master General.
Eneos	7.73% indirect ownership of a pipeline company along with Myanmar Oil & Gas (20%), Petronas, PTT and the Japanese government.
Hitachi Transport Systems	Nisshin a subsidiary of Nisshin Transport Systems, operates an inspection centre on a site owned by MEHL. It is not clear if it pays rental to MEHL. It is not clear if Nisshin is a subsidiary of Hitachi (check).
SinoTruk	Sale of trucks to Military – newspaper article. Not included in UN list. Requires verification. Potential Focus List company.
Section 9(2)(i)	Information from a Hack – we will not use information of this sort.
Lotte Hotels	Still checking source material – it is in Japanese.

3.5 Super Fund joined other global investors in setting out a call to companies to address human rights in their activities in Myanmar with the **Investor Statement on Human Rights and Business Activities in Myanmar**. The Statement calls on companies across all sectors with business activities or business relationships in Myanmar to:

- Immediately map their business activities, relationships and/or investments across their value chain in Myanmar to identify and assess human rights risks and harms that they may have or are causing, contributing to, or are linked to including:
 - any and all business relationships, activities and communications involving the Myanmar military, or military owned, controlled or affiliated entities;
 - any revenues from such business relationships and activities that may enrich military owned, controlled, or affiliated business and/or provide funding or support to the Myanmar military made before or after the February 1 coup.
- Assess and address all identified actual and potential human rights impacts of their business activities and relationships and take steps to mitigate and prevent them.

- Design and implement processes to enable the remediation of adverse human rights impacts including those impacts on their in-country staff and local stakeholders.
- Regularly publicly report on such due diligence efforts and procedures in place to cease, prevent and mitigate those negative human rights impacts.
- Provide support to in-country staff and employees to ensure their physical safety and do not retaliate against employees for strikes.
- Use leverage and participate and initiate collective action by business in support of human rights.

4 International business context in Myanmar.

- 4.1 The release of pro-democracy activist Aung San Suu Kyi in 2010 following 15 years under house arrest was celebrated around the world and hope of a transition to democracy in Myanmar increased. This was particularly the case when in 2015 her party the NLD won the democratic elections. As diplomatic trade relationships improved during this period international business began to move into the country. Even concern and focus by campaign groups and responsible investors eased. The civilian ministries of the government – such as the Myanmar Investment C under the Minister for Investment and Foreign Economic Relations – approved much of this economic activity. International Trade Agreements, which encourage trade, continued to include Myanmar. Companies entering the country to set up business or source from businesses have said their intention was to contribute to the economy as Myanmar democratised.
- 4.2 However, companies should certainly have conducted more thorough due diligence on business relationships in Myanmar with links to the Military, on the fragility of the democratic process particularly with the 2008 constitution still in place, and on doubts over the NLD's own reputation in protecting human rights despite years of fighting for its own freedoms, in particular in relation to the persecution of Muslim ethnic minorities.
- 4.3 Fact-finding missions of the UN Human Rights Council in 2018 set out the recommendations to the UN and States and in 2019 included a focus on the military's economic interests with recommendations that companies avoid or end relationships enterprises linked to the military. By this stage Military-owned companies were prevalent throughout Myanmar. For companies, the involvement of Civilian government ministries in approving projects that included military owned enterprises may have reduced their perception of risk.
- 4.4 In February 2021, following NLD again winning elections, the Military enacted a coup and took control of the country, imprisoning Aung San Suu Kyi and many of her government officials and supporters. Severe persecution of the civilian population has followed. Companies operating in Myanmar fear for the safety of their employees and the viability of their business.
- 4.5 Wide-spread condemnation and sanctions by some countries have be re-enacted. Businesses are caught up in the volatile conflict.
- 4.6 Businesses must now deal with how to respond to the current conflict environment in the country. The safety of employees and provision of essential services is the most important immediate priority.
- 4.7 The following statement from business highlights the challenge in particular to employees:

4.8 Responsible business statement.

4.9 In February 21 following the coup and military crackdown, a group of companies – both International (circa 68) and Myanmar local businesses – released a Statement from Concerned Businesses operating in Myanmar.

4.10 Statement from Concerned Businesses in Myanmar

Our companies, as investors in Myanmar, have watched with growing and deep concern the developments in Myanmar since the declaration of a state of emergency on 1st February.

Through our investments, operations, local partnerships and products, we support over a hundred thousand local jobs. The safety, security and wellbeing of our employees and those employed by our suppliers remains our primary concern. In recent days, we have sought to adapt our operations to ensure the safety of our employees and the provision of essential services to the Myanmar people – whether food and drink, electricity, telecommunications, financial services, logistics, healthcare or manufacturing - while respecting the individual rights to freedom of expression of our employees and the people of Myanmar.

As investors, we inhabit a 'shared space' with the people of Myanmar, including civil society organisations, in which we all benefit from respect for human rights, democracy and fundamental freedoms – including freedom of expression and association - and the rule of law. The rule of law, respect for human rights, and the unrestricted flow of information all contribute to a stable business environment.

We have always sought to operate in Myanmar transparently, and in line with core ILO Conventions and the UN Guiding Principles on Business and Human Rights. This includes undertaking ongoing human rights and wider business integrity due diligence, and complying with applicable sanctions, as well as the US Foreign Corrupt Practices Act (FCPA), the UK Anti-Bribery Act and Myanmar anti-bribery laws.

We will also continue to work hand in hand with local business partners which share the same approach. We believe our business presence, practices, and advocacy for a level playing field for all businesses, and our commitment to international human rights standards contribute in a significant way to the journey of openness and democracy in Myanmar.

We remain committed to our employees and to the people of Myanmar. We hope to see a swift resolution of the current situation based on dialogue and reconciliation in accordance with the will and interests of the people of Myanmar.

5 Summary Brief: RI Framework – companies and other human rights issues.

5.1 Human rights has always been central to our engagement programme and is conducted in line with best practice for institutional investors. Forced labour in supply chains has been a focus of many engagements over the years. Company supply chain management is forever improving but still faces considerable challenges, including knowing if the supply chain includes goods from regions at high risk of forced labour due to poor governmental oversight or actual government involvement.

5.2

5.3

5.4

5.5

Out of scope

5.6

5.7

20 July 2021

Section 9(2)(a) privacy

Principal Lawyer & Executive Director
Australian Centre for International Justice

Re: NZ Super Fund's investments in Adani Ports and Special Economic Zone Ltd

Dear [REDACTED] Section 9(2)(a) privacy

We acknowledge your letter dated 8 April 2021 and accompanying report, and thank you for taking the time to write to us with your concerns with respect to our holding in Adani Ports and Special Economic Zones Ltd (Adani Ports).

We are concerned about the human rights situation in Myanmar. We have reviewed our portfolio to identify holdings in companies included in the UN report you refer to, with Adani Ports and Special Economic Zone Ltd a priority. The information you have supplied will form part of our process.

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 statutory review of the Guardians and Fund. Willis Towers Watson rated the Guardians' responsible investment approach as excellent, and noted that our approach to engagement and exclusions (where reputation issues are concerned) as aligning with best practice standard and meeting the requirements of our Act.

As noted by the New Zealand High Court, the Guardians has the discretion to determine how to give effect to the requirement to administer the Fund in a manner consistent with its mandate, including avoiding prejudice to New Zealand's reputation as a responsible member of the world community. The Statement of Investment Policies Standards and Procedures (SIPSP) and Responsible Investment Framework (RIF) are an expression of how we do this.

Our responsible investment process is guided by international standards for investors, in particular the UN-backed Principles for Responsible Investment, as well as other best practice guidance. These advocate that investors should engage with companies where there are concerns over human rights or other social or environmental issues. The guidance does not advocate for divestment as the first course of action, but rather to be considered where progress can't be made, subject to other constraints. We have procedures for both engagement and exclusion and we have a well-developed engagement programme which has human rights as a core focus.

Concerns over human rights in Myanmar is shared by many investors, and this has intensified following the military coup. In this case, we are seeking to improve our leverage with companies operating in Myanmar through a collective investor response. We have co-signed an investor statement on human rights and business activities in Myanmar. The immediate concern is the extent to which companies can support employees and communities.

This investor statement notes that as long-term investors, we are "committed to addressing human rights risks in our portfolios, and specifically in the case of conflict-affected Myanmar, we expect companies to uphold their corporate responsibility to respect human rights by undertaking enhanced due diligence to address and prevent human rights harms and in so doing, mitigate risks associated with such violations."

The Statement calls on companies across all sectors with business activities or business relationships in Myanmar to:

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- Regularly publicly report on such due diligence efforts and procedures in place to cease, prevent and mitigate those negative human rights impacts.
- Provide support to in-country staff and employees to ensure their physical safety and do not retaliate against employees for strikes.
- Use leverage and participate and initiate collective action by business in support of human rights.

We note that Adani Ports has been the subject of other investors' engagement, and has subsequently stated that if it is in breach of US sanctions it will write off its investment in its project in Myanmar and discontinue.

We will continue to work with other investors to promote better human rights policies and practices in line with the UN Guiding Principles, remain involved in collaborative investor action concerning Myanmar, and apply the Responsible Investment principles set down in our Responsible Investment Framework and Statement of Investment Principles Standards and Procedures.

Yours sincerely,



Matt Whineray
Chief Executive Officer
Guardians of New Zealand Superannuation

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Myanmar resources – from Investor Alliance on Human Rights

- [Investor Statement on Human Rights and Business Activities in Myanmar](#)
- [Engagement Tracker](#)
- Webinar, *Running on Empty: The Oil and Gas Industry in Myanmar's Current Human Rights Crisis*, can be viewed [here](#). Please enter the following password: [REDACTED] (Not to be shared.)
Section 9(2)(ba)(i) and Section 9(2)(i)
- IHRB, [Staying or leaving Myanmar? What's Needed is a Human Rights-led Approach](#)
- IHRB, [Telenor's Exit from Myanmar- A Cautionary Tale for the Just Transition](#)
- Report of the UN WG on Business and Human Rights, [Business, human rights and conflict-affected regions: towards heightened action](#) (See especially D. Heightened Corporate Due Diligence)

Released under the OIA

From: [REDACTED] Section 9(2)(a) - privacy
To: [REDACTED]@acc.co.nz; [REDACTED]
Cc: [REDACTED]
Subject: RE: Proposal to sign two investor statements (related to Myanmar and [REDACTED]) Out of scope
Date: Monday, 21 June 2021 12:39:25 PM
Attachments: image001.jpg
image002.png
image003.png
3226973-1-Proposal to join collaborative engagement re. human rights and business activities in Myanmar.DOCX
[REDACTED] Out of scope

Apologies – I sent you internal versions. Attached are copy versions that you will be able to open.

[REDACTED] Section 9(2)(a) - privacy

From: [REDACTED]
Sent: Monday, 21 June 2021 10:40 AM
To: [REDACTED]@acc.co.nz; [REDACTED]@annuitas.co.nz>; [REDACTED]
[REDACTED]@annuitas.co.nz> Section 9(2)(a) - privacy
Cc: [REDACTED]
Subject: Proposal to sign two investor statements (related to Myanmar and [REDACTED])

Hi all,

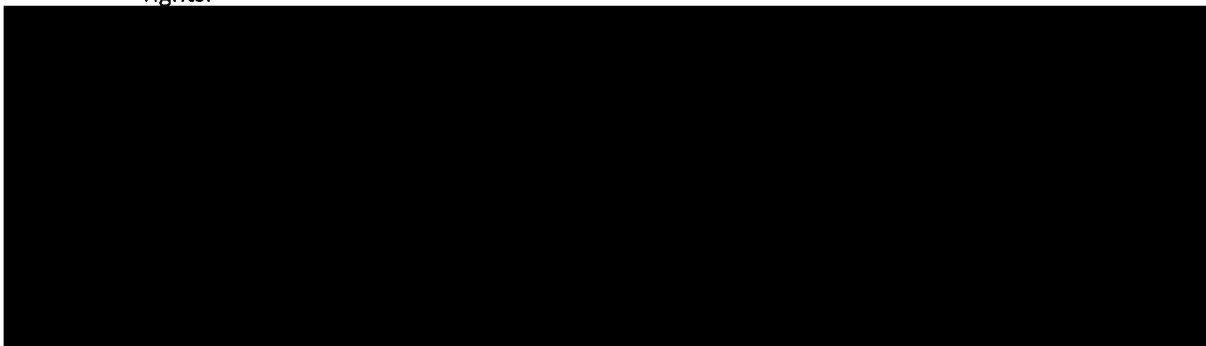
Please find attached two proposals for the CFIs to join global initiatives. NZSF is adding our name to both.

1. **Invitation to sign an Investor Statement on Human Rights and Business Activities in Myanmar.**

This proposal notes that as long-term investors, we are “committed to addressing human rights risks in our portfolios, and specifically in the case of conflict-affected Myanmar, we expect companies to uphold their corporate responsibility to respect human rights by undertaking enhanced due diligence to address and prevent human rights harms and in so doing, mitigate risks associated with such violations.” The Statement calls on companies across all sectors with business activities or business relationships in Myanmar to:

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- Provide support to in-country staff and employees to ensure their physical safety and do not retaliate against employees for strikes.
- Use leverage and participate and initiate collective action by business in support of human rights.

Out of scope



Out of scope



Cheers



Section 9(2)(a) - privacy

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Released under the OIA

From: [REDACTED] Section 9(2)(a) - privacy
To:
Subject: Burma/Myanmar Paper - Questions
Date: Thursday, 8 April 2021 1:13:38 PM
Attachments: [image001.jpg](#)
[image002.png](#)
[image003.png](#)

[REDACTED] Section 9(2)(a) - privacy

Given the conversation that happened in comms meeting today, I wanted to confirm that you wanted me to begin writing an informational background paper (2-3 pages) about Burma/Myanmar. I have developed the following questions to answer/write about within this paper. Please let me know if you would like me to steer the paper in a different way. Once confirmed, I will begin. Please let me know when you would like this to be completed.

- Brief overview of issue
- *Why is this issue of focus right now?*
 - *Why is Adani specifically signalled out?*
- *What are the accusations against the militia?*
- *What is the dirty list?*
 - *Why are the organizations, companies, etc. on this list?*
- *What are other investors and/or countries saying and/or doing with regard to this issue?*

Relevant information that has steered conversations:

<https://www.tvnz.co.nz/one-news/new-zealand/kiwis-unwittingly-helping-myanmar-military-through-nz-super-fund>

<https://www.tvnz.co.nz/one-news/new-zealand/national-wants-answers-nz-super-fund-after-links-myanmar-military-revealed>

<https://burmacampaign.org.uk/take-action/dirty-list/>

<https://burmacampaign.org.uk/media/The-economic-interests-of-the-Myanmar-military.pdf>

Thanks [REDACTED] Section 9(2)(a) - privacy
Best,

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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Please consider the environment before printing this e-mail.

From: [REDACTED] Section 9(2)(a) - privacy
To: [REDACTED]
Subject: FW: Myanmar questions
Date: Thursday, 3 June 2021 8:31:00 AM
Attachments: image001.gif
[NZ Super Publicly-listed companies connected to the Myanmar military and junta.xlsx](#)
[LIVE LINKS Publicly-listed companies connected to the Myanmar junta its businesses NZ Super.xlsx](#)
[AviChina Industry & Technology Company Limited BISR Report.pdf](#)
[AviChina Industry & Technology Company Limited BISR Report.pdf](#)
image002.jpg



Section 9(2)(a) - privacy

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From: [REDACTED]@nzsuperfund.co.nz
Sent: Wednesday, 2 June 2021 10:36 AM
To: [REDACTED]@nzsuperfund.co.nz
Cc: [REDACTED]@nzsuperfund.co.nz
Subject: FW: Myanmar questions

Section 9(2)(a) - privacy

Hi [REDACTED]

Here are the documents that supposedly provided the evidential link to our exposure to the Myanmar military
Points of note:

- AVIC is a Chinese state owned company
- It delivered NZ686m worth of aircraft to civilian controlled Burma in 2018 – the evidence for this is the UN piece: https://www.ohchr.org/Documents/HRBodies/HRCouncil/FFM-Myanmar/EconomicInterestsMyanmarMilitary/Infographic2_Arms_and_Military_Equipment_Suppliers.pdf and also: https://www.ohchr.org/Documents/HRBodies/HRCouncil/FFM-Myanmar/EconomicInterestsMyanmarMilitary/A_HRC_42_CRP_3.pdf
- We have disputed the RNZ claiming we are invested in AVIC which has supplied the Myanmar military
- The evidence provided by RNZ notes we are invested in AviChina Industry & Technology Company Limited, which is a subsidiary of AVIC – this is correct, it is a Hong Kong listed stock (this does not appear in the RNZ piece)
- [REDACTED] and I pulled the BMD report for AviChina Industry & Technology (attached) – it says:

Section 9(2)(a) - privacy

Sections 9(2)(b)(ii), 9(2)(i) and 9(2)(ba)(i)

- AviChina Industry & Technology Company Limited has a minority holding in Jiangxi Hongdu Aviation Industry – it was ~42% from memory
- We don't hold any Jiangxi Hongdu Aviation Industry
- And in any event, the Karakorum-8 (K8) aircraft are not the same as the ones in the original RNZ piece – but that's beside the point

Cheers



From: [REDACTED]
Sent: Thursday, 20 May 2021 11:54 AM
To: [REDACTED]@rnz.co.nz
Subject: RE: Myanmar questions

Section 9(2)(a) - privacy

Hi [REDACTED]

Thanks for taking the time to talk to me yesterday.

Further to our discussion, in investigating the commercial links in [RNZ's story](#), we have been able to establish:

- The company AVIC mentioned as supplying armaments to the Burmese military is in fact a Chinese state-owned company and as such we do not hold any stock (see: "The fund has a decade-long shareholding in one of them, the Aviation Industry Corporation of China or AVIC, which sold more than \$US500 million (\$NZ686m) worth of combat aircraft to the military in 2018 and is also believed to have sold it missiles".)
- Aside from not having stock in this company, the equipment (16 x JF-17M "Thunder" combat aircraft) was sold to Burma when the country was under civilian control
- The link in the story takes you to this page:
https://www.ohchr.org/Documents/HRBodies/HRCouncil/FFM-Myanmar/EconomicInterestsMyanmarMilitary/Infographic2_Arms_and_Military_Equipment_Suppliers.pdf
- which lists AVIC as the supplier
- The evidence of NZSF's exposure to the Burma military provided to us from RNZ (attached) lists us as being invested in AviChina Industry & Technology Company Limited, but this tied by way of being a listed subsidiary of AVIC – however AviChina was not involved in the military aircraft sale

As such the story is incorrect when it says "The New Zealand Super Fund has invested hundreds of thousands of dollars into a company that has supplied combat aircraft to the Myanmar military" and that we are invested in AVIC.

Are we able to amend?

Kind regards,

Section 9(2)(a) - privacy

From: [REDACTED]@rnz.co.nz>
Sent: Tuesday, 11 May 2021 4:57 PM
To: [REDACTED]@nzsuperfund.co.nz>
Subject: RE: Myanmar questions

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

Thanks for this [REDACTED]

Can I take from this line "We are applying our Framework with regard to companies that have been linked to Myanmar and the information supplied will form part of our investigative process." That you are looking investigating what links companies it has investments in have with Myanmar?
If that is the case, how long has that investigation been underway?

From: [REDACTED]@nzsuperfund.co.nz>
Sent: Tuesday, 11 May 2021 4:51 PM
To: [REDACTED]@rnz.co.nz>
Subject: RE: Myanmar questions

Hi [REDACTED]

Here is a statement you are welcome to attribute to a Guardians of NZ Superannuation spokesperson:

The Guardians of NZ Superannuation has a long-standing commitment to responsible investment, which we believe is fundamental to long term returns. This is integrated into all aspects of the Fund's investment activities through our Responsible Investment Framework.

It is important to note we don't reflexively exclude companies when issues emerge. We use international experts to monitor the business practices of the more than 6,000 companies in the portfolio and we our preference is to engage with individual companies where concerns arise.

We are applying our Framework with regard to companies that have been linked to Myanmar and the information supplied will form part of our investigative process.

Where companies have not responded to engagement or we consider engagement is unlikely to be effective, the Guardians may consider whether exclusion is an appropriate response.

Decisions on investments in certain companies, sectors or countries are guided by the UN's Principles for Responsible Investment, domestic and international law and policy positions of the New Zealand Government.

When focusing on a specific company, we consider the proximity and importance of the company's actions to the illegal or unethical activity. Where breaches are directly caused by the company, the course of action is much clearer than where the breach of human rights, environmental standards or corrupt practice is committed by a customer, supplier or even a state. With trade sanctions being relatively rare, companies can find it a challenge to avoid becoming linked to these activities if they are operating in, supplying to or buying from that country or state.

Shareholders investing on global stock exchanges also find it challenging to screen for multiple environmental, social and governance (ESG) issues across these various complex corporate interactions. This is why we believe it's important to adopt a multi-stakeholder approach and work with others to ensure companies know a growing cohort of their shareholders expect them to adopt good business practices particularly in challenging and complex environments.

From: [REDACTED]@rnz.co.nz> Section 9(2)(a) - privacy
Sent: Tuesday, 11 May 2021 3:14 PM
To: [REDACTED]@nzsuperfund.co.nz>
Subject: FW: Myanmar questions

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

And just like clockwork – here are all of the links

From: [REDACTED] Section 9(2)(a) - privacy
Sent: Tuesday, 11 May 2021 3:12 PM
To: [REDACTED]@nzsuperfund.co.nz>
Subject: FW: Myanmar questions

I've just spoken to my source who said they cross-checked everything with this information from the Super Fund. They are going to send me some of the missing links too. Will send them over asap.

From: [REDACTED]
Sent: Tuesday, 11 May 2021 2:39 PM
To: [REDACTED]@nzsuperfund.co.nz> Section 9(2)(a) - privacy
Subject: Myanmar questions

Kia ora [REDACTED]

I hope you're well.

Surprise – I'm not contacting you about Light Rail.

I'd like a response from the NZ Super Fund about its holdings linked to either the Myanmar military or the military junta.

RNZ has been sent figures – collated from publicly accessible information – that show the NZ Super Fund has more than \$100M invested in companies with links to either the Myanmar military or the military junta.

Some of the companies, including Sinotruk (Hong Kong) Ltd sells military vehicles to Myanmar, while another – AviChina – has sold combat aircraft and missiles to Myanmar military. I have attached the information about the investments to this email.

I'd like to know why the NZ Super Fund hasn't suspended these investments, considering the crisis in Myanmar.

Does the Superfund think these investments are in breach of its ethical investment framework?

Has the Superfund reviewed its investments into companies linked to the Myanmar military or military junta since the military coup on Feb 1st.

We are running a story on Morning Report tomorrow morning, so would appreciate a response ASAP this evening.

Cheers,

[REDACTED] - Political reporter

Section 9(2)(a) - privacy

[REDACTED]
[REDACTED]
[REDACTED]@radionz.co.nz

www.radionz.co.nz



Company name	NZ Super (31 Dec 2020) NZD
Adani Ports And SEZ	810,618
AviChina Industry & Technology Company Limited	370,178
Daiwa House Industry	4,150,655
Hilton Worldwide Holdings	7,652,061
Hitachi Transport System, Ltd.	115,636
Kirin Holdings	4,862,342
LOTTE Corp	262,357
Shangri-La Asia Ltd	116,347
Siam Cement Pcl.	2,080,023
Sinotruk (Hong Kong) Ltd	402,542
Tokyo Tatemono	342,632
Total	21,165,391

Released under the OIA

Address	Country
Adani House, Mithakhali Six Roads, Navarangpura, Ahmedabad 380 009	India
Tower A, No. 14 Xiaoguandongli, Chaoyang District, Beijing,	China
3-3-5 Umeda, Kita-ku, Osaka 530-8241	Japan
7930 Jones Branch Drive Mclean, Virginia 22102	USA
2-9-2, Kyobashi, Chuo-ku, Tokyo 104- 8350	Japan
Nakano Central Park South, 10-2, Nakano 4-chome, Nakano-ku, Tokyo 164-0001, Japan	Japan
30, Eulji-ro, Jung-gu	South Korea
28/F Kerry Centre, 683 King's Road, Quarry Bay, Hong Kong SAR	Hong Kong
1 Siam Cement Road, Bangsue, Bangkok 10800	Thailand
Units 2102-2103, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central	Hong Kong
Tokyo Tatemono Yaesu Building 1-4-16 Yaesu, Chuo-ku, Tokyo 103-8285	Japan

Released under the OIA

NZ Super (31 Dec 2020)		
Company name	NZD	Address
Chiyoda Corporation	52,156	Minatomirai Grand Central Tower, 4-6-2, Minatomirai, Nishi-ku, Yokohama 220-8765
CJ Logistcis	252,227	CJ Logistics Bldg., 53, Sejongdae-ro 9gil, Jung-gu, Seoul
Daiwa Securities Group	1,506,045	GranTokyo North Tower, 9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-6751
Deutsche Post AG	39,285,134	Platz der Deutschen Post, 53113 Bonn
ENEOS Holdings	1,244,194	1-1-2 Otemachi, Chiyoda-ku, Tokyo 100-816
Hong Kong and Shanghai Hotels, Limited	25,955	8/F, St. George's Building, 2 Ice House Street, Central, Hong Kong
IHI Corporation	253,340	Toyosu IHI Building, 1-1, Toyosu 3-chome, Koto-ku, Tokyo 135-8710
Japan Exchange Group	3,186,762	2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo 103-8224
Kamigumi Corporation	904,436	4-1-11, Hamabe-dori, Chuo-ku, Kobe, Hyogo, 651-0083
KDDI Corporation	23,953,861	Garden Air Tower, 3-10-10, Iidabashi, Chiyoda-ku, Tokyo 102-8460
Kerry Logistics Network	385,751	16/F Kerry Cargo Centre, 55 Wing Kei Road, Kwai Chung
Marubeni Corporation	4,869,737	Tokyo Nihombashi Tower, 7-1, Nihonbashi 2-chome, Chuo-ku, Tokyo, 103-6060
Sumitomo Corp	3,831,447	Otemachi Place East Tower, 3-2 Otemachi 2-Chome, Chiyoda-ku
Wilmar International	1,766,006	56 Neil Road Singapore 088830

		The Campus, 1 Office Park, Rain Tree Drive, Pun Hlaing Estate, Hlaing Thayar Township, Yangon 11401, Myanmar
Yoma Strategic Holdings	45,205	
Total	81,562,256	

Released under the OIA

Country	Relationship
Japan	Joint venture with Department of Bridge, Ministry of Construction
South Korea	Joint venture partner in I&H Engineering with the Ministry of Construction
Japan	Joint venture partner in Yangon Stock Exchange with Myanmar Economic Bank
Germany	Joint venture partner in Myanmar DHL with the Ministry of Transport and Communications
Japan	Investor in Yetagun gas field and Tanintharyi Pipeline, with Myanmar Oil and Gas Enterprise.
Hong Kong	Operator of hotel as part of Landmark development, on land leased from Myanmar Railways
Japan	Joint venture partner in CJ Logistics RT Myanmar with the Ministry of Transport and Communications
Japan	Joint venture partner in Yangon Stock Exchange with Myanmar Economic Bank
Japan	Operates International Bulk Terminal (Thilawa) under a build-operate-transfer agreement with Myanmar Port Authority
Japan	Joint operator of MPT mobile network with Ministry of Transport and Communications.
Hong Kong	Constructing dry port on land leased by Myanmar Railways
Japan	Developing gas-fired thermal power plant in partnership, in partnership with state-owned EPGE and Thilawa SEZ Management Committee
Japan	Joint operator of MPT mobile network with Ministry of Transport and Communications.
Singapore	Contracted for a port in Thilawa under a build-operate-transfer agreement with the Ministry of Transport and Communications

Myanmar	Lead investor of Landmark project, on land leased from Myanmar Railways

Released under the OIA

Stock Exchange	Stock ticker	Sector	Source
Tokyo	6366	Construction	DICA
Korea Exchange	120	Transportation	DICA
TYO	8601	Banking, & Finance	DICA
ETR	DPW	Transportation	Spiegel
TYO	5020	Energy and Utilities	DICA BO database
HKEX	45	Hotel, Gaming & Leisure	IFC disclosure
Tokyo	7013	Construction	DICA
TYO	8697	Banking, & Finance	DICA
TYO	9364	Transportation	MIC
TYO	9433	Telecommunications	MPT website
HKSE	636	Transportation	IFC disclosure
TYO	8002	Diversified Holdings	Marubeni website
TYO	8053	Diversified Holdings	MPT website
SGX	F34	Transportation	MIC

SGX	Z59	Diversified Holdings	IFC disclosure	

Released under the OIA

Company name	GAAP_Value_NZD	Address	Country
Chevron Corporation		6001 Bollinger Canyon	USA
China Power International Development		Suite 6301, 63/F, Cent Hong Kong	
Chiyoda Corporation	52156.13	Minatomirai Grand Ce	Japan
CITIC Ltd		32nd Floor, CITIC Tow	Hong Kong
CJ Logistcis	252227.22	CJ Logistics Bldg., 53, S	South Korea
Daiwa Securities Group	1,506,045	GranTokyo North Tow	Japan
Datang International Power Generation Company		No 482 Guanganmen	China
Deutsche Post AG	39,285,134	Platz der Deutschen P	Germany
Eneos Holdings	1,244,194	1-1-2 Otemachi, Chiyo	Japan
Eni SPA		Piazzale Enrico Mattei	Italy
GAIL India Ltd		GAIL Bhawan, 16 Bhik	India
Hong Kong and Shanghai Hotels, Li	25,955	8/F, St. George's Build	Hong Kong
IHI Corporation	253,340	Toyosu IHI Building, 1-	Japan
Interra Resources Ltd		1 Grange Rd, Singapor	Singapore
Japan Exchange Group	3,186,762	2-1 Nihombashi Kabut	Japan
JFE Holdings		2-2-3 Uchisarwaicho, C	Japan
Kajima Corporation	2,372,232	3-1, Motoakasaka 1-cl	Japan
Kamigumi Co Ltd	904,436	4-1-11, Hamabe-dori, J	apan
KDDI Corporation	23,953,861	Garden Air Tower, 3-1	Japan
Keppel Corporation		1 HarbourFront Avenu	Singapore
Kerry Logistics Network	385,751	16/F Kerry Cargo Cent	Hong Kong
Marubeni Corporation	4,869,737	Tokyo Nihombashi To	Japan
Mitsubishi Corporation		3-1, Marunouchi 2-Ch	Japan
Mitsui & Co., Ltd		2-1, Otemachi 1-chom	Japan
Myanmar Metals		Level 2 267 St George	Australia
ONGC		Deendayal Urja Bhaw	India
PetroChina		9 Dongzhimen North S	China
PTT Exploration and Production PCL		555/1 Energy Comple	Thailand
PTT PCL		555, Vibhavadi-Rangsi	Thailand
Royal Dutch Shell PLC		Carel van Bylandtlaan	Netherlands
Sembcorp Industries Pte. Ltd.		30 Hill Street, #05-04,	Singapore
Sumitomo Corp	3,831,447	Otemachi Place East T	Japan
Sun&L Co Ltd		96 Wolmi-ro, Jung-gu.	South Korea
Total SE		Tour Coupole - 2, plac	France
Wilmar International	1,766,006	56 Neil Road Singapor	Singapore
Woodside Energy		GPO Box D188 Perth V	Australia
Yoma Strategic Holdings	45205.03	The Campus, 1 Office	Myanmar
Grand Total	\$ 83,934,488.38		

Relationship	Stock Ticker	Sector	Source
Investor	NYSE CVX	Energy and Utilities	EITI
Shareholder	HKG 2380	Energy and Utilities	DICA
Joint	TYO 6366	Construction	DICA
Joint	HKG 267	Diversified Holdings	DICA
Joint	KRX 120	Transportation	DICA
Joint	TYO 8601	Banking, & Finance	DICA
Joint	SHA #####	Energy and Utilities	DICA
Joint	ETR DPW	Transportation	Memorandum of Association
Investor	TYO 5020	Energy and Utilities	DICA BO database
Onshore	BIT ENI	Energy and Utilities	Eni website
Investor	NSE GAIL	Energy and Utilities	EITI
Operator	HKG 45	Hotel, Gaming & Leisure	HSH and Yoma statement
Joint	TYO 7013	Construction	DICA
Operator	SGX 5GI	Energy and Utilities	EITI
Joint	TYO 8697	Banking, & Finance	DICA
Joint	TYO 5411	Construction	DICA
Developer	TYO 1812	Construction	DICA MIC files
Operator	TYO 9364	Transportation	DICA MIC files
Joint	TYO 9433	Telecommunications	MPT website
Joint	SGX BN4	Real Estate	DICA / DICA MIC files
Consolidator	HKG 636	Transportation	IFC disclosure
Investor	TYO 8002	Diversified Holdings	MJTD website
Operator	TYO 8058	Diversified Holdings	DICA MIC files
Developer	TYO 8031	Diversified Holdings	Sumitomo Corp statement
Developer	ASX MYL	Metals and Mining	Myanmar Metals website
Investor	NSE ONGC	Energy and Utilities	EITI
Purchaser	SHA 60185	Energy and Utilities	S&P Global
Investor	BKK PTTEP	Energy and Utilities	EITI
Partner	BKK PTT	Energy and Utilities	PTT website
Holder	AMS RDSA	Energy and Utilities	EITI
Lead	SGX U96	Energy and Utilities	IFC disclosure
Joint	TYO 8053	Diversified Holdings	MPT website
Operator	KRX 2820	Forest Products & Paper	DICA
Operator	EPA FP	Energy and Utilities	EITI
Contract	SGX F34	Transportation	DICA MIC files
Partner	ASX WPL	Energy and Utilities	EITI
Lead	SGX Z59	Diversified Holdings	HSH and Yoma release

From: [REDACTED] Section 9(2)(a) - privacy
To: [REDACTED]
Subject: FW: No surprises - Myanmar questions
Date: Wednesday, 12 May 2021 12:45:01 PM
Attachments: image001.gif

From: [REDACTED]
Sent: Wednesday, 12 May 2021 7:41 AM
To: [REDACTED]@nzsuperfund.co.nz > Section 9(2)(a) - privacy
Subject: FW: No surprises - Myanmar questions

Potentially you could also ask [REDACTED] to also cross check the list of companies with those that have signed this statement. Note that I haven't seen the list so there may not be any cross over.

<https://www.myanmar-responsiblebusiness.org/news/statement-concerned-businesses.html>

Statement by Concerned Businesses Operating in Myanmar

February 19, 2021

Myanmar Centre for Responsible Business (MCRB) has facilitated this statement to which the companies whose names are listed have aligned.

Since 1 February, Myanmar Centre for Responsible Business has engaged with many multinational and Myanmar businesses to help them navigate the business and human rights challenges which they are facing.

At the request of some of these companies, MCRB has facilitated the statement below, to which the companies whose names are listed have aligned. Any other company – international or Myanmar - which wishes to align to this statement is invited to contact MCRB.

Our companies, as investors in Myanmar, have watched with growing and deep concern the developments in Myanmar since the declaration of a state of emergency on 1st February.

Through our investments, operations, local partnerships and products, we support over a hundred thousand local jobs. The safety, security and wellbeing of our employees and those employed by our suppliers remains our primary concern. In recent days, we have sought to adapt our operations to ensure the safety of our employees and the provision of essential services to the Myanmar people – whether food and drink, electricity, telecommunications, financial services, logistics, healthcare or manufacturing - while respecting the individual rights to freedom of expression of our employees and the people of Myanmar.

As investors, we inhabit a 'shared space' with the people of Myanmar, including civil society organisations, in which we all benefit from respect for human rights, democracy and fundamental freedoms – including freedom of expression and association - and the rule of law. The rule of law, respect for human rights, and the unrestricted flow of information all contribute to a stable business environment.

We have always sought to operate in Myanmar transparently, and in line with core ILO Conventions and the UN Guiding Principles on Business and Human Rights. This includes undertaking ongoing human rights and wider business integrity due diligence, and complying with applicable sanctions, as well as the US Foreign Corrupt Practices Act (FCPA), the UK Anti-Bribery Act and Myanmar anti-bribery laws.

We will also continue to work hand in hand with local business partners which share the same approach. We believe our business presence, practices, and advocacy for a level playing field for all businesses, and our commitment to international human rights standards contribute in a significant way to the journey of openness and democracy in Myanmar.

We remain committed to our employees and to the people of Myanmar. We hope to see a swift resolution of the current situation based on dialogue and reconciliation in accordance with the will and interests of the people of Myanmar.

Signatories

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Acteus	adidas	Amer Sports
Artelia	Asian Research Institute for Environmental Affairs (ARIEL) Pty Ltd	ATALIAN Global Services Myanmar
Audaxia Global	Audier & Partners	Beiersdorf
Being (Myanmar)	BESTSELLER	Big Dutchman Myanmar
Bolloré Logistics	CANAL+	Carlsberg
CastGlobal Consulting (Myanmar) Co Ltd	Coca-Cola Myanmar	Daizen Myanmar
De Heus	Denso Industry Yangon Ltd	DSV Air & Sea
Emerging Markets Investment Advisers Pte Ltd	ENI	Ericsson Group
Facebook	Fresh Studio	Frontiir
GIC Myanmar Co Ltd	Gojo & Company, Inc	Golden Dowa Eco-System Myanmar
H&M Group	HEINEKEN	Hirokei Myanmar Systems Co Ltd (HIMS)
Hongo Tsuji Tax & Accounting Myanmar Co Ltd	Humology	Japan Create Engineering Co Ltd
Japan Valuers (Myanmar) Co Ltd	Jotun Myanmar	Kantar Myanmar
KappAhl	Kelvin Chia Yangon Ltd	Kubota Myanmar Co Ltd
LEOPALZ CHEMIE	LITHAN	L'Oréal
Maersk	MDF Asia Myanmar	Meranti Steel
METRO	Mintha Care Co Ltd (Bioderma)	Monkiri
MPRL E&P Pte Ltd.	Nestlé	Nishimura & Asahi Myanmar Ltd
Ooredoo	Otsuka Myanmar Co Ltd	PERM
Rice	Schenker Myanmar Co Ltd	SCS Global Consulting Myanmar Ltd
Telenor	TNY Legal Myanmar Co Ltd	TOTAL
Unilever	Unocal Myanmar (Chevron)	Woodside

Yara	Zuellig Pharma	
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As Myanmar companies, we are aligned with the concerns expressed in this statement. We too have sought to adapt our operations to ensure the safety of our employees and the provision of essential services to the Myanmar people while respecting the right to freedom of expression. We are also committed to operating responsibly, with integrity, and in line with international business and human rights standards.

360ed (EdTech)	ABC Beauty Co Ltd	ABC Content Solutions Co Ltd
ABC Convenience Stores	ABC Development Co Ltd	ABC Fashion Co Ltd
ABC Logistic Co Ltd	ABC Medical Solution Co Ltd	ABC Mobile Co Ltd
ABC Telecomm Co Ltd	ACP Management Co Ltd (Ascent Capital)	Agriculture & Food Services International Myanmar (AFSIM) Co Ltd
alba Group	All Myanmar Advisors	Alpha Power Engineering
Amata Holding Public Co Ltd	Amiways	ANNAM Myanmar Co Ltd
Anthem Asia	Arakan Nature Lodge Co Ltd	Ayeyarwaddy Seeds & Irrigation Co Ltd
Better HR	Better Life Education & Career Supporting Centre	Better Version Institute
BOD Tech Ventures Co Ltd	Botanical Cosmetics Co Ltd	Bridge
Bumble Bee Professional Cleaning Services	Burgundy Hills	Burma Watches
C-ACTO Myanmar Co Ltd	CCEducare Myanmar	CityMart Holdings Ltd (CMHL)
Clean Pro Professional Cleaning Company	Conyat Create	Cube Digital
D2D Co Ltd (Zay2Go)	Dagon Group of Companies	DedaaBox
Doh Eain	Doughnut Group Co Ltd	Early Dawn Microfinance
EcoStart Myanmar Co Ltd	Edify	ERA Myanmar
Ever Flow River Group Public Co Ltd	EXO Travel	Ever Sunny Industrial Co Ltd
	First Myanmar Investment	

Exploration Travel Myanmar	(FMI)	Flymya.com
Focus Asia Myanmar	Frontier Myanmar	Get All Myanmar Co Ltd
Global Sky Services Ltd	Global Wave Technology	Global United Myanmar Ltd
Greenovator Co Ltd	Green & Partners Architects	Hana Microfinance
HEKS/EPER Myanmar Ltd	H.I.S Myanmar Travels	Hla Day Myanmar
Howe Sustainable	IGE Group	IME Group
IMPACT Co Ltd	Information Matrix	Inle Heritage Co Ltd
Inle Princess Co Ltd	Innoveller Co Ltd (MMBUSTICKET)	Inspiral Creative
International Leadership University	Javelin Services	Jewel Palace Trading Co Ltd
JM Company Ltd	JobNet Myanmar	JP & MM Bridge Material Co Ltd
Kalaw Vista Bed & Breakfast	Kasante	KBZ Bank
KFC Myanmar	K Global Co Ltd	KMD Co Ltd
Legacy Music Network Co	L-IFT (Myanmar) Co Ltd	Linklusion
Lucy Wayne & Associates	Luther Myanmar	Maha Agriculture Public Co Ltd
Mahar Mobile App	Maia Travel & Tours	Mango Group
MAPCO	Mee Panyar	Memories Group
Mickey's Real Wood	Microfinance Delta International Co Ltd	Mira Travels & Enterprises Ltd
MODULAR - Myanmar Home Design Ltd	Monsoon Restaurant and Bar	Moonji Production
M Pride Co Ltd	Mr Chef & Pizzamaru Myanmar	MultiVerse Advertising
MVC Accounting	Mya Ayer Group	Myanma Awba Group
Myanmar B2B Management Magazine	The Myanmar Fly Fishing Project Co Ltd Gty	Myanmar Indobest Co Ltd
Myanmar Parkview Tours Ltd	Myanmar Polestar DMC & MICE Management	Myanmar Shalom Travels

Myanmar Survey Research	Myan Shwe Pyi Tractors Ltd (MSP CAT)	My Mentor Myanmar
Nexlabs	OnDoctor Co Ltd	Organic Valley
Pacific Andaman (SEA) Co., Ltd.	Parami Energy Group including 8484 Co Ltd.	Pegu Partners
The Pink Sun	Platform	Pochi
Pro Niti Co Ltd	Proven Group	Proximity Designs
Pun Hlaing Hospitals	Red House Bar & Restaraurant Ltd (Kalaw)	Sampan Travel
Sanctum Inle Resort	SCM Legal	Seagram Myanmar
Shwe Bank	ShweProperty	Shin Sar Bar
SITHAR Coffee	Smart Way Travel	Strategy First Education Group Ltd.
Sushi Academy	Thibi	ThitsaWorks
TMW Group of Companies	The Tokyo Enterprises Co Ltd	Top HR Solutions
Tour Mandalay	uab bank	uab securities
Uncharted Horizons	Zero Public Relations	Victoria Hospital
Virya Myanmar	The Warehouse Myanmar Co Ltd	The Water Agency
Wave Money	Yangon Door2Door	Yangoods
Yeve	YKKO	Yoma Bank
Yoma Group	Zingo Myanmar (Guava Ventures Ltd)	

The statement has also been endorsed by [EuroCham Myanmar](#) and circulated to members by a number of other international Chambers of Commerce in Myanmar.

From: [REDACTED]@nzsuperfund.co.nz> Section 9(2)(a) privacy
Sent: Wednesday, 12 May 2021 7:32 AM
To: Responsible Investment [REDACTED]
Subject: Fwd: No surprises - Myanmar questions
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From: [REDACTED]@nzsuperfund.co.nz> Section 9(2)(a) privacy
Sent: Tuesday, May 11, 2021 6:30 PM
To: Matt Whineray; Board Member - Catherine Drayton
Cc: [REDACTED] Sarah Owen; [REDACTED]
Subject: No surprises - Myanmar questions

Hi Matt and Catherine,

This afternoon I was contacted by a journalist from Radio NZ (see bottom of this email) who had received a list of companies

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that we were invested in (as of December 2020) that allegedly have links to the Myanmar military. We looked into the list, but are not in a position to form a substantive view on the links involved. Some of the companies involved have cut ties with Myanmar – such as Kirin Beverages, some of the evidence provided is quite old and some companies have previously said they will examine their in-country practices. I have made these points with the journalist. We also didn't have time to cross check our holdings with each company. In any event, our response to issues in Myanmar is to follow our normal RI assessment processes with MSCI. [REDACTED] and I put the following response together (based off a previous story on investments linked to Myanmar). I expect the story will appear (likely prominently) on Morning Report tomorrow (Wednesday). Do you require me to give a heads up to the LT and/or board this evening?

I have already advised MoF/Treasury.
Kind regards,

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[REDACTED]
Hi [REDACTED]
Here is a statement you are welcome to attribute to a Guardians of NZ Superannuation spokesperson:
The Guardians of NZ Superannuation has a long-standing commitment to responsible investment, which we believe is fundamental to long term returns. This is integrated into all aspects of the Fund's investment activities through our Responsible Investment Framework.
It is important to note we don't reflexively exclude companies when issues emerge. We use international experts to monitor the business practices of the more than 6,000 companies in the portfolio and we our preference is to engage with individual companies where concerns arise.

We are applying our Framework with regard to companies that have been linked to Myanmar and the information supplied will form part of our investigative process.

Where companies have not responded to engagement or we consider engagement is unlikely to be effective, the Guardians may consider whether exclusion is an appropriate response.

Decisions on investments in certain companies, sectors or countries are guided by the UN's Principles for Responsible Investment, domestic and international law and policy positions of the New Zealand Government.

When focusing on a specific company, we consider the proximity and importance of the company's actions to the illegal or unethical activity. Where breaches are directly caused by the company, the course of action is much clearer than where the breach of human rights, environmental standards or corrupt practice is committed by a customer, supplier or even a state. With trade sanctions being relatively rare, companies can find it a challenge to avoid becoming linked to these activities if they are operating in, supplying to or buying from that country or state.

Shareholders investing on global stock exchanges also find it challenging to screen for multiple environmental, social and governance (ESG) issues across these various complex corporate interactions. This is why we believe it's important to adopt a multi-stakeholder approach and work with others to ensure companies know a growing cohort of their shareholders expect them to adopt good business practices particularly in challenging and complex environments.

[REDACTED]
NZ Super Fund
[REDACTED]

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From: [REDACTED]
Sent: Tuesday, May 11, 2021 4:45:35 PM
To: [REDACTED]@rnz.co.nz>
Subject: RE: Myanmar questions

We are looking into it – but as I say these things can take a bit of time to substantiate exactly what the situation is. There are a few 'lists' out there that detail company links to Myanmar – here's one from the UK Burma Campaign - <https://burmacampaign.org.uk/take-action/dirty-list/> - we try to incorporate a range of sources of information into our RI analysis
Statement to follow

[REDACTED]
From: [REDACTED]@rnz.co.nz>
Sent: Tuesday, 11 May 2021 4:31 PM
To: [REDACTED]@nzsuperfund.co.nz>
Subject: RE: Myanmar questions

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Thanks for this. Not sure if you will have this information your end but at the end of the statement it says "We will be taking steps as a matter of urgency to put this termination into effect." Has that happened?

From: [REDACTED]@nzsuperfund.co.nz>
Sent: Tuesday, 11 May 2021 4:26 PM Section 9(2)(a) - Privacy
To: [REDACTED]@rnz.co.nz>
Subject: RE: Myanmar questions

Hey – some of them are out of date so probably shouldn't be included in the list. See:
https://www.kirinholdings.co.jp/english/news/2021/0204_01.html

From: [REDACTED]@rnz.co.nz>
Sent: Tuesday, 11 May 2021 3:14 PM Section 9(2)(a) - Privacy
To: [REDACTED]@nzsuperfund.co.nz>
Subject: FW: Myanmar questions

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And just like clockwork – here are all of the links

From: [REDACTED]
Sent: Tuesday, 11 May 2021 3:12 PM Section 9(2)(a) - Privacy
To: [REDACTED]@nzsuperfund.co.nz>
Subject: FW: Myanmar questions

I've just spoken to my source who said they cross-checked everything with this information from the Super Fund. They are going to send me some of the missing links too. Will send them over asap.

From: [REDACTED]
Sent: Tuesday, 11 May 2021 2:39 PM
To: [REDACTED]@nzsuperfund.co.nz> Section 9(2)(a) - Privacy
Subject: Myanmar questions

Kia ora [REDACTED]
I hope you're well.

Surprise – I'm not contacting you about Light Rail.

I'd like a response from the NZ Super Fund about its holdings linked to either the Myanmar military or the military junta. RNZ has been sent figures – collated from publicly accessible information – that show the NZ Super Fund has more than \$100M invested in companies with links to either the Myanmar military or the military junta.

Some of the companies, including Sinotruk (Hong Kong) Ltd sells military vehicles to Myanmar, while another – AviChina – has sold combat aircraft and missiles to Myanmar military. I have attached the information about the investments to this email.

I'd like to know why the NZ Super Fund hasn't suspended these investments, considering the crisis in Myanmar.

Does the Superfund think these investments are in breach of its ethical investment framework?

Has the Superfund reviewed its investments into companies linked to the Myanmar military or military junta since the military coup on Feb 1st?

We are running a story on Morning Report tomorrow morning, so would appreciate a response ASAP this evening.

Cheers,

[REDACTED] – Political reporter

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[REDACTED]
[REDACTED]@radionz.co.nz

www.radionz.co.nz



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From: [REDACTED] Section 9(2)(a) - Privacy
To: [REDACTED]
Subject: FW: Stuff opinion piece on NZSF link to Myanmar
Date: Wednesday, 2 June 2021 4:04:00 PM
Attachments: [image001.jpg](#)
[image002.png](#)
[image003.png](#)
[image004.jpg](#)

FYI

[REDACTED] Section 9(2)(a) - Privacy

PO Box 106 607, Auckland 1143, New Zealand
Level 12, Zurich House, 21 Queen Street, Auckland 1010, New Zealand
Office: +64 9 300 6980 | Fax: +64 9 300 6981 | Web: www.nzsuperfund.co.nz

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From: [REDACTED]@nzsuperfund.co.nz> Section 9(2)(a) - Privacy
Sent: Wednesday, 2 June 2021 3:12 PM
To: [REDACTED]@nzsuperfund.co.nz>; [REDACTED]@nzsuperfund.co.nz>; Sarah Owen [REDACTED]@nzsuperfund.co.nz>
Subject: FW: Stuff opinion piece on NZSF link to Myanmar
Hello,

The Stuff story has now been amended to clarify the nature of our investment links (from points raised below):
<https://www.stuff.co.nz/world/asia/125308757/super-fund-should-stop-doing-business-with-firms-linked-to-myanmar>

Stuff papers that carried the story today will include the following correction tomorrow:
Correction

Yesterday's article *Super Fund's links with Myanmar junta* wrongly stated that the NZ Super Fund invests in companies supplying the Myanmar military. It invests in subsidiaries of a Chinese state-owned company that supplies the military. There is no evidence those subsidiaries are involved in weapons sales.
Also, after several follow ups, Radio NZ has now also clarified in its story that we are in fact not invested in AVIC.

I have had several private exchanges with people on social media on this matter and am drafting something up for the emails we have received following the original stuff story
Thanks,

[REDACTED] Section 9(2)(a) - Privacy

From: [REDACTED]@stuff.co.nz>
Sent: Wednesday, 2 June 2021 2:34 PM
To: [REDACTED]@stuff.co.nz>
Cc: NZ-Opinion-Group [REDACTED]@stuff.co.nz>
Subject: RE: Stuff opinion piece on NZSF link to Myanmar
Hi [REDACTED]

Thanks for your consideration on this matter. I agree that the amendments more accurately reflect the Fund's commercial arrangements and the other matters are ones of opinion.

On a related note, would Stuff be open to carrying an opinion piece from NZ Super Fund explaining our Responsible Investment Framework and the nature of our engagement/exclusion approach? There seems to be considerable public interest in how we operates and I believe your readers would benefit from the insight.

Kind regards,

[REDACTED]
From: [REDACTED]@stuff.co.nz> Section 9(2)(a) - Privacy
Sent: Wednesday, 2 June 2021 2:24 PM
To: [REDACTED]@nzsuperfund.co.nz>
Cc: NZ-Opinion-Group [REDACTED]@stuff.co.nz>
Subject: Re: Stuff opinion piece on NZSF link to Myanmar

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Thanks [REDACTED]. I take the point about the "war crimes" line. I think it is best to lose it altogether, rather than attempt to qualify it.

I also think the final lines about the Hongdu JL8 aircraft, and who makes them, just gets confusing. I would propose to retain, and end with, this line:

This leads back to where we started: the claims of "responsible investment" by the NZ Super Fund.

and lose the rest. I think Jagger has made his point well enough that he is entitled - as a matter of personal opinion - to query the existing investments, regardless of established evidence about military supplies.

If we can agree on this, I will republish.

Best wishes,

Patrick

On Wed, 2 Jun 2021 at 14:05, [REDACTED]@nzsuperfund.co.nz> wrote:

Hi [REDACTED]

Thanks for taking the time to talk to me and consider this matter.

As stated, we understand fair-minded people can disagree with the contention that ownership of subsidiary companies means we are not linked directly to the events in Myanmar. We simply seek to ensure our commercial relationships and their effects are reported accurately.

As such, can I suggest the following two sentences (highlighted in the copy and reproduced here) are still misleading or incorrect:

- *Divesting from companies complicit in war crimes matters.*

There is no indication that the companies we are invested in are complicit in war crimes. As noted, we are invested in subsidiaries of the company that sold military aircraft to then civilian-administered Burma. In the context of the piece it reads like we are invested in companies that are currently involved human rights abuses. We suggest this line is cut – or amended so that it accurately reflects our commercial relationships, namely: "Divesting from subsidiaries of companies that are complicit in war crimes, even though the subsidiary company is not involved in them, matters"

- *This leads back to where we started: the claims of "responsible investment" by the NZ Super Fund. According to the 2021 Flight International World Air Forces Directory, the Myanmar air force operates more than 60 Chinese-built ground attack aircraft, including the Hongdu JL8 that has previously been deployed in ethnic minority areas. These aircraft are made and sold to the Myanmar military by subsidiaries of AVIC. The Super Fund does not invest in AVIC itself, which is state-owned.*

Although I note you added we are not invested in AVIC, the entire passage insinuates we are invested in the subsidiary company that supplied the aircraft. The Hongdu JL8 aircraft were produced by Jiangxi Hongdu Aviation Industry Group (another AVIC subsidiary). We do not own shares in this particular subsidiary – meaning the section is also inaccurate and should be removed (you could add *The Super Fund does not invest in AVIC itself, which is state-owned, nor the subsidiary company that sold Hongdu JL8 aircraft* – although doing so highlights how incorrect and tenuous the rest of the section is, hence why it should be cut)

Thanks,

[REDACTED]

From: [REDACTED]@stuff.co.nz>

Sent: Wednesday, 2 June 2021 1:34 PM

To: [REDACTED]@nzsuperfund.co.nz>

Cc: NZ-Opinion-Group [REDACTED]@stuff.co.nz>

Subject: Re: Stuff opinion piece on NZSF link to Myanmar

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

Dear [REDACTED]

Thanks for talking through this article with me just now. I do accept your essential point that there is no evidence the NZSF invests directly in companies that supply the Myanmar military. I propose to republish the article, once you give your approval, as follows:

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Super Fund should stop doing business with firms linked to Myanmar

Stan Jagger

The Nelson Myanmar community held a protest march to draw attention to the plight of the people in Myanmar after a military coup in February. Video first published on May 1, 2021.

OPINION: Recent reports that the New Zealand Super Fund invests in subsidiaries of a company that has supplied the Myanmar military with weaponry, including ground attack aircraft, should be of deep concern. According to its website, the Guardians, the Super Fund's managers, are required by legislation to "avoid prejudice to New Zealand's reputation in the world community".

The New Zealand Government took a strong early stance on the Myanmar coup on February 1, "suspending all high-level political and military contact with Myanmar". However, it seems the wheels of global finance tend to move more slowly. It should not have taken long to establish that the Aviation Industry Corporation of China (AVIC) makes and sells weapons used against the people of Myanmar.

The Super Fund invests in several subsidiaries of AVIC. It says it has no evidence that these subsidiaries are involved in weapons sales.

Anti-coup protesters in Mandalay, Myanmar, in March let off fire extinguishers to counter the effect of tear gas fired by police.

The coup was four months ago. More than adequate time to connect the dots in the case of the links to AVIC. Since the coup, Myanmar's military – the Tatmadaw – has waged war against its own population, killing nearly 800 people, arresting thousands and displacing tens of thousands.

[read more](#)

[Myanmar protester death toll surpasses 300 as military violence against civilians continues](#)[Myanmar's UN envoy dramatically opposes coup in his country](#)[Pro-military marchers in Myanmar attack anti-coup protesters](#)

This is not a new development. There is a decades-long and well-documented history of war crimes and crimes against humanity committed by the Myanmar military against civilians in ethnic border areas of the country.

Divesting from companies complicit in war crimes matters. Over the past four months it has become clear that the international community, in the form of the United Nations, will do little to help in Myanmar, aside from issuing weak and ineffectual statements. Ongoing great power politics in the UN Security Council between the United States, China and Russia will prevent any real action such as a global embargo on the sale of weapons to the Myanmar military.

And in the region, some Asean leaders likely see more in common with a brutal anti-democratic military regime than they do with the interests of the 54 million people in Myanmar, or even with the interests of their own peoples.

One concrete action that can be taken against the junta in Myanmar is to deny it financial support and weapons. The people of Myanmar have overwhelmingly rejected the coup and maintained protests and a civil disobedience movement for months. Denying the Tatmadaw the ability to buy more ammunition, equipment or spare parts will make a real difference in the coming months.

The Myanmar military has deep economic roots spread throughout the economy. People inside the country

know this and are boycotting goods produced by military-owned companies and subsidiaries, such as beer, cigarettes and military-controlled telecoms services.

Halting NZ Super Fund's investments in companies linked to AVIC is about the real-world economic means, in lieu of other meaningful international action, through which a murderous regime can be weakened and face consequences for its actions.

This is also a collective action New Zealand could take alongside other like-minded countries that claim to uphold the "international rules-based order". For example, Dutch pension funds have also received attention for holding shares in companies doing business with the junta.

This leads back to where we started: the claims of "responsible investment" by the NZ Super Fund. According to the 2021 Flight International World Air Forces Directory, the Myanmar air force operates more than 60 Chinese-built ground attack aircraft, including the Hongdu JL8 that has previously been deployed in ethnic minority areas. These aircraft are made and sold to the Myanmar military by subsidiaries of AVIC. The Super Fund does not invest in AVIC itself, which is state-owned.

** This article has been amended to make clear that the NZ Super Fund does not invest directly in any companies proven to have sold military equipment to Myanmar.*

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On Wed, 2 Jun 2021 at 12:24, [REDACTED]@nzsuperfund.co.nz wrote:

Hi [REDACTED]

Just following up on this. Have you had the chance to consider this matter? We continue to receive correspondence from the public based off the erroneous claim that we are invested in a company (AVIC) that supplied the Burmese military with weaponry.

Key issues:

- We do not have exposure to AVIC – it is a Chinese state-owned company
- While we have exposure to other subsidiary companies of AVIC, these companies did not supply the equipment in question
- It is therefore still incorrect for the piece to say: *Recent reports that the New Zealand Super Fund invests in companies that supply the Myanmar military with weaponry, including ground attack aircraft, should be of deep concern.*
- This line is also incorrect: *It should not have taken long to establish that the Aviation Industry Corporation of China (AVIC), and subsidiaries in which the Super Fund had invested, make and sell weapons used against the people of Myanmar.* - We have seen no evidence that the subsidiaries we are invested in are involved in the weapons sale
- This line is also incorrect: *This leads back to where we started: the claims of "responsible investment" by the NZ Super Fund. According to the 2021 Flight International World Air Forces Directory, the Myanmar air force operates more than 60 Chinese-built ground attack aircraft, including the Hongdu JL8 that has previously been deployed in ethnic minority areas. These aircraft are made and sold to the Myanmar military by subsidiaries of the state-owned AVIC, and the NZ Super Fund has been a shareholder in some of those subsidiaries for the past decade.*
This aircraft was sold to the Burmese military by AVIC subsidiary company Hongdu Aviation Industry Group – NZSF does not own any shares in this company.
- Given these issues, the headline "Super Fund should stop doing business with firms that supply Myanmar military" is misleading

Given the substantial inaccuracies in the piece, can I suggest you pull it? Or otherwise, can it be substantially amended to reflect the actual commercial exposure?

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Kind regards,

From: [REDACTED]
Sent: Wednesday, 2 June 2021 9:46 AM
To: [REDACTED]@stuff.co.nz' [REDACTED]@stuff.co.nz>
Subject: Stuff opinion piece on NZSF link to Myanmar

Hi [REDACTED]

Further to our discussion, in investigating the commercial links in RNZ's story, we were able to establish:

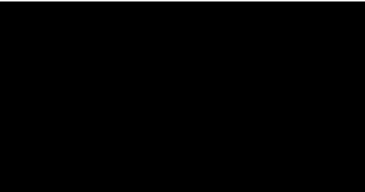
- The company AVIC mentioned as supplying armaments to the Burmese military is in fact a Chinese state-owned company and as such we do not hold any stock (see RNZ claim: "The fund has a decade-long shareholding in one of them, the Aviation Industry Corporation of China or AVIC, which sold more than \$US500 million (\$NZ686m) worth of combat aircraft to the military in 2018 and is also believed to have sold it missiles".)
- Aside from not having stock in this state-owned company, the equipment (16 x JF-17M "Thunder" combat aircraft) was sold to Burma when the country was under civilian control
- The evidential link in the RNZ story takes you to this page:
https://www.ohchr.org/Documents/HRBodies/HRCouncil/FFM-Myanmar/EconomicInterestsMyanmarMilitary/Infographic2_Arms_and_Military_Equipment_Suppliers.pdf
- which lists AVIC as the supplier

We publish a list of our portfolio holdings [here](#).

As such the story is incorrect when it says "The New Zealand Super Fund has invested hundreds of thousands of dollars into a company that has supplied combat aircraft to the Myanmar military" and that we are invested in AVIC.

Are you able to amend or remove these claims from the Stuff story, and the call to action at the bottom to email the Super Fund to complain, given it's based off factually incorrect information?

Kind regards,



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Military Linked Pre-Coup (First Category)

Company	NZD (31/12/20)
Adani	810,618
AviChina	370,178
Daiwa House Industry	4,150,655
Hilton Worldwide Holdings	7,652,061
Hitachi Transport System	115,636
Kirin Holdings	4,862,342
LOTTE Corp	262,357
Shanri-La Asia	116,347
Siam Cement	2,080,023
Sinotruk	402,542
Tokyo Tatemono	342,632
Total	21,165,391

JUNTA Linked Pre-Coup (Secondary Category)

Company	NZD (31/12/20)
Chiyoda Corp	52,156
CJ Logistics	252,227
Daiwa Securities Group	1,506,045
Deutsche Post AG	39,285,134
ENEOS Holdings	1,244,194
Hong Kong and Shanghai Hotels	25,955
IHI Corp	253,340
Japan Exchange Group	3,186,762
Kamigumi Corp	904,436
KDDI Corp	23,953,861
Kerry Logistics	385,751
Sumitomo Corp	3,831,447
Wilmar International	1,766,006
Yoma Strategic Holdings	45,205
Total	76,692,519

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Overview of Lists

List	Issue	Background	Date List Issued	How Many Companies on List	How Many NZSF Held as of 31/05/2021	MSCI					Important Notes
						Number of NZSF Held Companies with MSCI Rating	MSCI Flags - Green	MSCI Flags - Yellow	MSCI Flags - Orange	MSCI Flags - Red	
UN Report	Myanmar	Independent International Fact-Finding Mission ("The Mission") on Myanmar report in 2019 submitted to the Human Rights Council at its 42nd session presented the council with business links and interests associated with the Tatmadaw (Myanmar Economic Holdings Limited (MEHL) and Myanmar Economic Corporation (MEC)). The Mission finds that any foreign business activity involving the Tatmadaw and its conglomerates MEHL and MEC poses a high risk of contributing to, or being linked to, violations of human rights law and international humanitarian law. At a minimum, these foreign companies are contributing to supporting the Tatmadaw's financial capacity	5/08/2019	147 (59 that are relevant to NZSF)	8						
The Dirty List	Myanmar	The Dirty List is a public list posted on the Burma campaign UK for Human Rights, Democracy & Development in Burma website. The Dirty List names international companies doing business with the military in Myanmar. The list also includes international companies involved in projects where there are human rights violations or environmental destruction.	1/03/2021	104	16						
Green MP	Myanmar	AMO met with Green MP on 17/04/2021 and the Green MP presented AMO with a list of companies that NZSF holds linked with Myanmar situation. These holdings can be found eDocs # 3189764 under the tab "List From Green MP" and are separated between "First Category" and "Second Category" holdings.	17/04/2021	24	23						
RNZ Radio List	Myanmar	RNZ has been sent figures – collated from publicly accessible information – that show the NZ Super Fund has more than \$100M invested in companies with links to either the Myanmar military or the military junta.	11/05/2021	57	27						
MYANMAR			TOTAL	194	52 (6 Are Just Fixed Income)						

Released under the

While NZSF doesn't directly hold AVIC, NZSF does hold a number of AVIC subsidiaries, including AVICHINA and According to MSCI As of July 2020, AviChina Industry & Technology Company (AviChina), through its subsidiary Jiangxi Hongdu Aviation Industry, sold military equipment to Burma. The Stockholm International Peace Research Institute (SIPRI) reported that Karakorum-8 (K8) aircraft were delivered to Burma from 2011 to 2016. These trainer aircraft were manufactured by Jiangxi Hongdu. NZSF does not hold Jiangxi Hongdu.