

Reference: 20210247

4 August 2021

Dear [REDACTED]

Thank you for your Official Information Act request, received on 2 June 2021. You requested:

We request all documents you hold that relate to discussion around possible divestment of New Zealand funds on the grounds of "human rights" over the past two years (from 01 June 2019).

If any information is to be withheld, I would ask that each element is considered separately, described as best it can be, and reasons for any information being declined set against the information sought.

I would like to register my desire to have the information provided electronically. If it is to come in another form, I would appreciate being told prior to it being sent. Further, I request documents be sent as they are discovered, if there is to be any delay beyond the legislated 20 working days.

The Treasury contacted you on 9 June 2021 asking for which specific NZ funds the OIA request was referring to. Your response is copied below:

We are referring to all funds. We can narrow down the divestment decisions to focus on possible divestment from businesses in particular countries on the basis of "human rights" issues, which may be easier for you to find. Those countries we are interested in are:

- Australia*
- Armenia / Azerbaijan / Artsakh*
- Canada*
- Cyprus / Turkey*
- Crimea / Russia*
- Israel*
- United States*
- Western Sahara / Morocco.*

A second clarification email was sent on 25 June 2021 acknowledging your previous OIA requests to the Ministry for Foreign Affairs and Trade and the New Zealand

Superannuation Fund and offering an initial tranche of 15 Treasury documents. The email also asked whether you wanted any remaining documents, which were described as internal Treasury administrative correspondence on the issue. Your response is copied below:

Can you just confirm that the only discussion of divestments over the past 2 years on the grounds of "human rights" relate to Israeli companies (i.e. there has been no internal discussion about divesting from companies involved in the occupations of Northern Cyprus, Crimea, Western Sahara, Tibet; or in companies of any other country)?

We are happy to receive the advice to the Minister in the first tranche and understand the need for an extension for the remainder of the documents; we are interested in 'administrative' correspondence on this issue also.

We do not require replicated documents that we received from MFAT and the Guardians.

Therefore, we have interpreted this subsequent request as being internal Treasury administrative correspondence only. The Treasury, on 30 June 2021, advised a need to extend the time limit for responding to the request by an additional 20 working days. The extension was needed because of the large quantity of internal correspondence and related consultation.

Information being released

Please find enclosed the following documents:

Item	Date	Document Description	Decision
1.	15 October 2019	RE: Letter for the Minister	Release in part
2.	15 October 2019	FW: Letter for the Minister	Release in part
3.	16 October 2019	RE: Letter for the Minister2	Release in part
4.	16 October 2019	FW: 2009 Ministerial Direction	Release in part
5.	8 September 2020	RE: Guardians/Israeli Banks – draft advice	Release in part
6.	23 February 2021	RE: In confidence – no surprises briefing on exclusion of Israeli banks	Release in part

I have decided to release the relevant parts of the documents listed above, subject to information being withheld under one or more of the following sections of the Official Information Act, as applicable:

- personal contact details of individuals, under section 9(2)(a) – to protect the privacy of natural persons, including that of deceased natural persons,
- certain sensitive advice, under section 9(2)(g)(i) – to maintain the effective conduct of public affairs through the free and frank expression of opinions,

- names and contact details of officials, under section 9(2)(g)(ii) – to maintain the effective conduct of public affairs through protecting ministers, members of government organisations, officers and employees from improper pressure or harassment,
- under section 9(2)(h) – to maintain legal professional privilege, and
- direct dial phone numbers of officials, under section 9(2)(k) – to prevent the disclosure of information for improper gain or improper advantage. We have redacted the direct dial phone numbers of officials under section 9(2)(k) in order to reduce the possibility of staff being exposed to phishing and other scams. This is because information released under the OIA may end up in the public domain, for example, on websites including Treasury’s own website.

Information to be withheld

There are additional documents covered by your request that I have decided to withhold in full under the following section of the Official Information Act:

- section 9(2)(h) – to maintain legal professional privilege.
- section 9(2)(g)(i) – to maintain the effective conduct of public affairs through the free and frank expression of opinions.

Item	Date	Document Description	Proposed Action
7.	25 September 2019	FW Letter for the Minister	Withhold in full
8.	25 September 2019	RE Letter for the Minister ³	Withhold in full
9.	29 January 2020	RE Draft email for TSY International_MFAT	Withhold in full
10.	26 February 2020	FW IB - next steps	Withhold in full
		FW IB - next steps (Attachment 1)	
		FW IB - next steps (Attachment 2)	
		FW IB - next steps (Attachment 3)	
11.	27 July 2020	Guardians of New Zealand Superannuation	Withhold in full
12.	31 July 2020	RE Israeli banks advice to Guardians	Withhold in full
13.	14 August 2020	FW Follow up on Guardians_Treasury phone call yesterday C3 Confidential and Privileged	Withhold in full
14.	18 August 2020	RE Letter to Minister of Finance ³	Withhold in full
15.	18 August 2020	Treasury Report_ Update on NZ Super Fund Ministerial (version 2)	Withhold in full
16.	2 September 2020	RE Guardians - update	Withhold in full
17.	4 September 2020	RE TSY_Guardians - legal discussion	Withhold in full
18.	15 September 2020	RE: Talking points and background	Withhold in full
19.	21 September 2020	RE: Update on Israeli Bank Ministerial	Withhold in full

In making my decision, I have considered the public interest considerations in section 9(1) of the Official Information Act.

Please note that this letter (with your personal details removed) and enclosed documents may be published on the Treasury website.

This reply addresses the information you requested. You have the right to ask the Ombudsman to investigate and review my decision.

Yours sincerely

Joseph Sant
Manager, Financial Institutions

OIA 20210247

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From: Greg Low [TSY]
Sent: Tuesday, 15 October 2019 3:17 pm
To: Katherine Reinhold [TSY]
Subject: RE: Letter for the Minister

s9(2)(h)

Kind regards,

Greg



Greg Low (he/him) | Senior Solicitor | Te Tai Ōhanga – The Treasury

Tel: s9(2)(k) | Email/IM: Greg.Low@treasury.govt.nz

Visit us online at <https://treasury.govt.nz/> and follow us on [Twitter](#), [LinkedIn](#) and [Instagram](#)

From: Katherine Reinhold [TSY] <Katherine.Reinhold@treasury.govt.nz>
Sent: Tuesday, 15 October 2019 12:29 PM
To: Greg Low [TSY] <Greg.Low@treasury.govt.nz>
Subject: Fwd: Letter for the Minister

s9(2)(h)

K

Sent from my iPhone

Begin forwarded message:

From: Keiran Kennedy <Keiran.Kennedy@parliament.govt.nz>
Date: 15 October 2019 at 12:27:34 PM NZDT
To: "Michael Eyre [TSY]" <Michael.Eyre@treasury.govt.nz>
Cc: "Ben Roberts [TSY]" <Ben.Roberts@treasury.govt.nz>, "Haylee Isaacs [TSY]" <Haylee.Isaacs@treasury.govt.nz>, "Katherine Reinhold [TSY]" <Katherine.Reinhold@treasury.govt.nz>
Subject: RE: Letter for the Minister

Thanks for sending this across to test. John Minto rang the office yesterday querying why he hadn't received a response. s9(2)(h)

[Redacted block]

A couple of further questions:

- s9(2)(h)
- Do you have the updated info from NZSF re their investments in this area (ie has anything changed since 2018 when this group engaged with the NZSF?)

- s9(2)(h)

Keiran

Keiran Kennedy

Revenue and Finance Advisor

Office of the Hon Grant Robertson | Minister of Finance, Minister Responsible for the Earthquake Commission, Minister for Sport and Recreation

7.6 Executive Wing, Parliament Buildings, PO Box 18041, Wellington

Phone: s9(2)(k) | Mobile: s9(2)(g)(ii) | Email: Keiran.Kennedy@parliament.govt.nz

From: Michael Eyre [TSY] [<mailto:Michael.Eyre@treasury.govt.nz>]
Sent: Monday, 14 October 2019 11:19 AM
To: Keiran Kennedy <Keiran.Kennedy@parliament.govt.nz>
Cc: Ben Roberts [TSY] <Ben.Roberts@treasury.govt.nz>; Haylee Isaacs [TSY] <Haylee.Isaacs@treasury.govt.nz>; Katherine Reinhold [TSY] <Katherine.Reinhold@treasury.govt.nz>
Subject: FW: Letter for the Minister

Hi Keiran,

We have this Ministerial due on the 17th October requesting the MoF to direct the NZ Super Fund to sell it's holding in Israeli Banks. s9(2)(h)

[REDACTED]

we have addressed the point around directions, stating that the Minister cannot intervene on specific investments, which is how we typically respond to requests to direct the Fund's investments.

We are proposing the below response which I want to consult with you on before sending over hard copies so we can incorporate any feedback ahead of that.

Are you able to provide feedback by 12pm Thursday 17th?

Dear John

Thank you for your email of 25 September 2019 regarding the New Zealand Superannuation Fund's (NZSF) investments in Israeli Banks and their responsible investing framework.

Responsible investing is an area of particular importance to this government and an area I take very seriously. I drew comfort from the recently completed independent review¹ of the Guardians of New Zealand Superannuation (Guardians), which highlighted that the Guardians' responsible investment framework is of a high standard relative to global peers, and the reviewer specifically highlighted that their approach to environmental, social and governance (ESG) integration, including their exclusions policy, aligns with best practice.

However, the independent review also acknowledged that responsible investing is a developing area and I expect the Guardians to continue to evolve their approach to responsible investing. I will be engaging with them as they respond to the responsible investing findings from the review and will

be particularly interested in how the Guardians consider the specific concerns you have raised to me.

The Guardians are an autonomous Crown entity and have independence in respect of investment decisions, subject to the constraints set out in the New Zealand Superannuation and Retirement Income Act 2001. As a Minister, I cannot intervene in specific investments, and I can only issue 'have regard to' directions to the Guardians regarding performance expectations. The governance settings of the NZSF have been recognised as global best-practice in the recently completed independent review¹ and have been a factor in the success of the NZSF since its inception.

Thank you for taking the time to write.

Yours sincerely

Hon Grant Robertson
Minister of Finance

Kind regards,

Michael

From: Ministerial Services Inbox [TSY] <Ministerial.Services@treasury.govt.nz>
Sent: Wednesday, 25 September 2019 3:40 PM
To: Joseph Sant [TSY] <Joseph.Sant@treasury.govt.nz>
Subject: FW: Letter for the Minister

Hi Joseph! Is this one for your team to respond?

Ngā mihi



**TE TAI ŌHANGA
THE TREASURY**

Haylee Isaacs | Kaitohutohu mō ngā Minita | Te Tai Ōhanga – The Treasury

Email/IM: s9(2)(k) | Haylee.isaacs@treasury.govt.nz

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[IN-CONFIDENCE]

From: Hon Grant Robertson <Grant.Robertson@parliament.govt.nz>
Sent: Wednesday, 25 September 2019 3:03 PM
To: Ministerial Services Inbox [TSY] <Ministerial.Services@treasury.govt.nz>
Subject: FW: Letter for the Minister

Hi – Is this for Tsy?



s9(2)(a)

| **Private Secretary**

Office of Hon Grant Robertson

Minister of Finance | Minister for Sport and Recreation | Minister Responsible for the Earthquake Commission
Associate Minister for Arts, Culture and Heritage | MP for Wellington Central

From: s9(2)(a)
Sent: Wednesday, 25 September 2019 3:00 PM
To: G Robertson (MIN) <G.Robertson@ministers.govt.nz>
Subject: Letter for the Minister

Kia ora koutou,

Please pass on to the Minister the attached legal opinion and covering letter.

We look forward to hearing from you.

Na,

John Minto

s9(2)(a)



"Charity provides crumbs from the table; justice provides a place at the table"
Bill Moyers

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- any use, dissemination or copying of this email is strictly prohibited and may be unlawful.

From: Katherine Reinhold [TSY]
Sent: Tuesday, 15 October 2019 4:05 pm
To: Aedeon Boadita-Cormican [TSY]; Yi Nicholl [TSY]
Cc: Greg Low [TSY]
Subject: FW: Letter for the Minister
Attachments: Legal opinion - 25 September 2019.pdf; Letter to Finance Minister - Final - 25 September 2019.docx

Hi Aedeon and Yi

I am sorry to report that I have another matter that needs escalation. I should have done this earlier, and I apologise for not doing so.

Per the below (and **attached** above for your reference), we received a ministerial letter in from John Minto re: NZ Superfund investments in Israeli Banks. s9(2)(h)

Our position (i.e. the Financial Institutions’ team) has been that MoF does not have the power to issue directions as regards individual or particular investments.

s9(2)(h)

Happy to discuss.

Katherine



Katherine Reinhold | Senior Solicitor | Te Tai Ōhanga – The Treasury

Tel: s9(2)(k) | Email/IM: Katherine.Reinhold@treasury.govt.nz

Visit us online at <https://treasury.govt.nz/> and follow us on [Twitter](#), [LinkedIn](#) and [Instagram](#)

Please kindly note I am not in the office on Thursdays

From: Katherine Reinhold [TSY]
Sent: Tuesday, 15 October 2019 1:08 PM

To: Michael Eyre [TSY] <Michael.Eyre@treasury.govt.nz>
Cc: Greg Low [TSY] <Greg.Low@treasury.govt.nz>
Subject: RE: Letter for the Minister

s9(2)(h)

Kind regards

Katherine



Katherine Reinhold | Senior Solicitor | Te Tai Ōhanga – The Treasury

Tel: s9(2)(k) | Email/IM: Katherine.Reinhold@treasury.govt.nz

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Please kindly note I am not in the office on Thursdays

From: Michael Eyre [TSY] <Michael.Eyre@treasury.govt.nz>
Sent: Tuesday, 15 October 2019 1:02 PM
To: ^Parliament: Keiran Kennedy <Keiran.Kennedy@parliament.govt.nz>
Cc: Ben Roberts [TSY] <Ben.Roberts@treasury.govt.nz>; Haylee Isaacs [TSY] <Haylee.Isaacs@treasury.govt.nz>; Katherine Reinhold [TSY] <Katherine.Reinhold@treasury.govt.nz>
Subject: RE: Letter for the Minister

Thanks Keiran,

s9(2)(h)

On the other queries:

- s9(2)(h)
- I believe the NZSF still owns these assets, but I haven't had confirmation in the last few weeks in regard to this particular Ministerial - they are not on their exclusions list and are still part of global equity indices, so their position won't have changed.

Out of scope

Kind regards,

Michael

From: Keiran Kennedy <Keiran.Kennedy@parliament.govt.nz>
Sent: Tuesday, 15 October 2019 12:27 PM
To: Michael Eyre [TSY] <Michael.Eyre@treasury.govt.nz>

Cc: Ben Roberts [TSY] <Ben.Roberts@treasury.govt.nz>; Haylee Isaacs [TSY] <Haylee.Isaacs@treasury.govt.nz>; Katherine Reinhold [TSY] <Katherine.Reinhold@treasury.govt.nz>
Subject: RE: Letter for the Minister

Thanks for sending this across to test. John Minto rang the office yesterday querying why he hadn't received a response.

s9(2)(h)

A couple of further questions:

- s9(2)(h)
- Do you have the updated info from NZSF re their investments in this area (ie has anything changed since 2018 when this group engaged with the NZSF?)
- s9(2)(h)

Keiran

Keiran Kennedy

Revenue and Finance Advisor

Office of the Hon Grant Robertson | Minister of Finance, Minister Responsible for the Earthquake Commission, Minister for Sport and Recreation
7.6 Executive Wing, Parliament Buildings, PO Box 18041, Wellington
Phone: s9(2)(k) | Mobile: s9(2)(g)(ii) | Email: Keiran.Kennedy@parliament.govt.nz

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Cc: Ben Roberts [TSY] <Ben.Roberts@treasury.govt.nz>; Haylee Isaacs [TSY] <Haylee.Isaacs@treasury.govt.nz>; Katherine Reinhold [TSY] <Katherine.Reinhold@treasury.govt.nz>
Subject: FW: Letter for the Minister

Hi Keiran,

We have this Ministerial due on the 17th October requesting the MoF to direct the NZ Super Fund to sell it's holding in Israeli Banks.

s9(2)(h)

we have addressed the point around directions, stating that the Minister cannot intervene on specific investments, which is how we typically respond to requests to direct the Fund's investments.

We are proposing the below response which I want to consult with you on before sending over hard copies so we can incorporate any feedback ahead of that.

Are you able to provide feedback by 12pm Thursday 17th?

Dear John

Thank you for your email of 25 September 2019 regarding the New Zealand Superannuation Fund's (NZSF) investments in Israeli Banks and their responsible investing framework.

Responsible investing is an area of particular importance to this government and an area I take very seriously. I drew comfort from the recently completed independent review¹ of the Guardians of New Zealand Superannuation (Guardians), which highlighted that the Guardians' responsible investment framework is of a high standard relative to global peers, and the reviewer specifically highlighted that their approach to environmental, social and governance (ESG) integration, including their exclusions policy, aligns with best practice.

However, the independent review also acknowledged that responsible investing is a developing area and I expect the Guardians to continue to evolve their approach to responsible investing. I will be engaging with them as they respond to the responsible investing findings from the review and will be particularly interested in how the Guardians consider the specific concerns you have raised to me.

The Guardians are an autonomous Crown entity and have independence in respect of investment decisions, subject to the constraints set out in the New Zealand Superannuation and Retirement Income Act 2001. As a Minister, I cannot intervene in specific investments, and I can only issue 'have regard to' directions to the Guardians regarding performance expectations. The governance settings of the NZSF have been recognised as global best-practice in the recently completed independent review¹ and have been a factor in the success of the NZSF since its inception.

Thank you for taking the time to write.

Yours sincerely

Hon Grant Robertson
Minister of Finance

Kind regards,

Michael

From: Ministerial Services Inbox [TSY] <Ministerial.Services@treasury.govt.nz>
Sent: Wednesday, 25 September 2019 3:40 PM
To: Joseph Sant [TSY] <Joseph.Sant@treasury.govt.nz>
Subject: FW: Letter for the Minister

Hi Joseph! Is this one for your team to respond?

Ngā mihi



TE TAI ŌHANGA
THE TREASURY

Haylee Isaacs | Kaitohutohu mō ngā Minita | Te Tai Ōhanga – The Treasury

Email/IM: s9(2)(k) | Haylee.isaacs@treasury.govt.nz

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[IN-CONFIDENCE]

From: Hon Grant Robertson <Grant.Robertson@parliament.govt.nz>
Sent: Wednesday, 25 September 2019 3:03 PM
To: Ministerial Services Inbox [TSY] <Ministerial.Services@treasury.govt.nz>
Subject: FW: Letter for the Minister

Hi – Is this for Tsy?



s9(2)(a)

Private Secretary

Office of Hon Grant Robertson

Minister of Finance | Minister for Sport and Recreation | Minister Responsible for the Earthquake Commission
Associate Minister for Arts, Culture and Heritage | MP for Wellington Central

From: s9(2)(a)

Sent: Wednesday, 25 September 2019 3:00 PM

To: G Robertson (MIN) <G.Robertson@ministers.govt.nz>

Subject: Letter for the Minister

Kia ora koutou,

Please pass on to the Minister the attached legal opinion and covering letter.

We look forward to hearing from you.

Na,

John Minto

s9(2)(a)

*“Charity provides crumbs from the table; justice provides a place at the table”
Bill Moyers*

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 - b. any use, dissemination or copying of this email is strictly prohibited and may be unlawful.
-

From: ^Parliament: Keiran Kennedy
Sent: Wednesday, 16 October 2019 3:24 pm
To: Michael Eyre [TSY]
Cc: Ben Roberts [TSY]; Katherine Reinhold [TSY]; Joseph Sant [TSY]; Yi Nicholl [TSY]; Greg Low [TSY]
Subject: RE: Letter for the Minister

Looks good please arrange to come in tomorrow's bag

Sent with BlackBerry Work
(www.blackberry.com)

From: Michael Eyre [TSY] <Michael.Eyre@treasury.govt.nz>
Date: Wednesday, 16 Oct 2019, 2:52 PM
To: Keiran Kennedy <Keiran.Kennedy@parliament.govt.nz>
Cc: Ben Roberts [TSY] <Ben.Roberts@treasury.govt.nz>, Katherine Reinhold [TSY] <Katherine.Reinhold@treasury.govt.nz>, Joseph Sant [TSY] <Joseph.Sant@treasury.govt.nz>, Yi Nicholl [TSY] <Yi.Nicholl@treasury.govt.nz>, Greg Low [TSY] <Greg.Low@treasury.govt.nz>
Subject: RE: Letter for the Minister

Hi Keiran

s9(2)(h)

Do you think this will suffice?

Draft Response for Israeli Bank Ministerial

Dear John

Thank you for your email of 25 September 2019 regarding the New Zealand Superannuation Fund's (NZSF) investments in Israeli Banks and their responsible investing framework.

I have referred your letter and the attached legal opinion to Treasury officials.

s9(2)(h)

Thank you for taking the time to write.

Yours sincerely

Hon Grant Robertson

Minister of Finance

Cheers,

Michael

From: Keiran Kennedy <Keiran.Kennedy@parliament.govt.nz>
Sent: Tuesday, 15 October 2019 12:27 PM
To: Michael Eyre [TSY] <Michael.Eyre@treasury.govt.nz>
Cc: Ben Roberts [TSY] <Ben.Roberts@treasury.govt.nz>; Haylee Isaacs [TSY] <Haylee.Isaacs@treasury.govt.nz>; Katherine Reinhold [TSY] <Katherine.Reinhold@treasury.govt.nz>
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s9(2)(h)

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- s9(2)(h)

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- s9(2)(h)

Keiran

Keiran Kennedy

Revenue and Finance Advisor

Office of the Hon Grant Robertson | Minister of Finance, Minister Responsible for the Earthquake Commission, Minister for Sport and Recreation

7.6 Executive Wing, Parliament Buildings, PO Box 18041, Wellington

Phone: s9(2)(k) | Mobile: s9(2)(g)(ii) | Email: Keiran.Kennedy@parliament.govt.nz

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Cc: Ben Roberts [TSY] <Ben.Roberts@treasury.govt.nz>; Haylee Isaacs [TSY] <Haylee.Isaacs@treasury.govt.nz>;

Katherine Reinhold [TSY] <Katherine.Reinhold@treasury.govt.nz>

Subject: FW: Letter for the Minister

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Yours sincerely

Hon Grant Robertson

Minister of Finance

Kind regards,

Michael

From: Ministerial Services Inbox [TSY] <Ministerial.Services@treasury.govt.nz>

Sent: Wednesday, 25 September 2019 3:40 PM

To: Joseph Sant [TSY] <Joseph.Sant@treasury.govt.nz>

Subject: FW: Letter for the Minister

Hi Joseph! Is this one for your team to respond?

Ngā mihi



**TE TAI ŌHANGA
THE TREASURY**

Haylee Isaacs | Kaitohutohu mō ngā Minita | Te Tai Ōhanga – The Treasury

Email/IM: s9(2)(k) | Haylee.isaacs@treasury.govt.nz

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From: Hon Grant Robertson <Grant.Robertson@parliament.govt.nz>

Sent: Wednesday, 25 September 2019 3:03 PM

To: Ministerial Services Inbox [TSY] <Ministerial.Services@treasury.govt.nz>

Subject: FW: Letter for the Minister

Hi – Is this for Tsy?



s9(2)(a) | Private Secretary

Office of Hon Grant Robertson

Minister of Finance | Minister for Sport and Recreation | Minister Responsible for the Earthquake Commission
Associate Minister for Arts, Culture and Heritage | MP for Wellington Central

From: s9(2)(a)

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To: G Robertson (MIN) <G.Robertson@ministers.govt.nz>

Subject: Letter for the Minister

Kia ora koutou,

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Bill Moyers

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From: Greg Low [TSY]
Sent: Wednesday, 16 October 2019 2:19 pm
To: Greg Low [TSY]
Subject: FW: 2009 Ministerial Direction
Attachments: Out of scope

s9(2)(h)

Kind regards,

Greg



Greg Low (he/him) | Senior Solicitor | Te Tai Ōhanga – The Treasury

Tel: s9(2)(k) | Email/IM: Greg.Low@treasury.govt.nz

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From: Michael Eyre [TSY] <Michael.Eyre@treasury.govt.nz>

Sent: Wednesday, 16 October 2019 2:07 PM

To: Yi Nicholl [TSY] <Yi.Nicholl@treasury.govt.nz>; Greg Low [TSY] <Greg.Low@treasury.govt.nz>; Katherine Reinhold [TSY] <Katherine.Reinhold@treasury.govt.nz>

Cc: Ben Roberts [TSY] <Ben.Roberts@treasury.govt.nz>

Subject: 2009 Ministerial Direction

FYI...2009 Direction on NZ Investments + Draft cabinet paper supporting this decision.



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

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From: Greg Low [TSY]
Sent: Tuesday, 8 September 2020 9:20 am
To: Michael Eyre [TSY]
Subject: RE: Guardians/Israeli Banks - draft advice
Attachments: Treasury Report_ Update on NZ Super Fund Ministerial (version 2).doc

Hi Mike,

Here's a rejigged version (which I haven't saved into MOTO yet because I don't know how...).

Can we have a bit of a chat about steps between here and Thursday?

Nāku noa, nā

Greg



Greg Low (he/him) | Senior Solicitor | Te Tai Ōhanga – The Treasury

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From: Greg Low [TSY]
Sent: Monday, 7 September 2020 3:49 PM
To: Michael Eyre [TSY] <Michael.Eyre@treasury.govt.nz>
Subject: RE: Guardians/Israeli Banks - draft advice

Thanks Mike.

FYI having discussed with Anthea, we're going to move big chunks of this advice into annexes, to keep the front body short and snappy. So keep that in mind when reviewing.

Nāku noa, nā

Greg



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From: Michael Eyre [TSY] <Michael.Eyre@treasury.govt.nz>
Sent: Monday, 7 September 2020 2:56 PM
To: Greg Low [TSY] <Greg.Low@treasury.govt.nz>
Subject: RE: Guardians/Israeli Banks - draft advice

Thanks Greg,

I'll look at this now.

I've pulled together the below purpose and background sections, I'm sure they will need adjusting after I review the body, I've aimed to keep these concise.

Cheers,

Mike

Purpose of Report

1. The purpose of this report is to provide you with substantive advice on the Ministerials you have received from Mr John Minto over the last twelve months, starting on 26 September 2019, in relation to the New Zealand Superannuation Fund's (NZSF) exposure to Israeli Bank investments.
2. This follows an interim report of 18 June 2020 (*T2020/1941 refers*) and draws on further dialogue between the agencies and also new information received from the Guardians of New Zealand Superannuation (Guardians), the Ministry of Foreign Affairs and Trade (MFAT) and independent advisors.
3. Treasury officials are now in a position to present you with a range of options to respond the issue, s9(2)(h) We also provide a draft letter for you to respond to Mr Minto.

Background

4. The interim report of 18 June 2020 (*T2020/1941 refers*) set out the background to this Ministerial, including the communication between yourself and Mr Minto. Subsequent to this, Mr Minto sent another letter to you requesting an update, which you replied to (*T2020/2762 refers*) setting out that the issue was still under active consideration by officials who were waiting on further information before providing substantive advice which you expected in the near term.
5. s9(2)(h)
6. [Redacted]
7. s9(2)(g)(i) we are now in a position to consider the issue from multiple perspectives, and believe that presenting this to you for consideration prior to the election is prudent, particularly given the time since Mr Minto first made contact with you on this issue.

From: Greg Low [TSY] <Greg.Low@treasury.govt.nz>
Sent: Monday, 7 September 2020 11:49 AM
To: Michael Eyre [TSY] <Michael.Eyre@treasury.govt.nz>
Cc: Anthea Williams [TSY] <Anthea.Williams@treasury.govt.nz>
Subject: FW: Guardians/Israeli Banks - draft advice

Hi Mike,

I have made further amendments (marked up) in this same version, in light of Joe's comments.

Happy to discuss.

Nāku noa, nā

Greg



Greg Low (he/him) | Senior Solicitor | Te Tai Ōhanga – The Treasury

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From: Joseph Sant [TSY] <Joseph.Sant@treasury.govt.nz>
Sent: Friday, 4 September 2020 4:20 PM
To: Greg Low [TSY] <Greg.Low@treasury.govt.nz>; Anthea Williams [TSY] <Anthea.Williams@treasury.govt.nz>; Michael Eyre [TSY] <Michael.Eyre@treasury.govt.nz>
Subject: RE: Guardians/Israeli Banks - draft advice

Thanks very much Greg.

I have saved comments directly into the briefing. Key things are:

- s9(2)(h)
- [Redacted]
- No action or a verbal conversation create the same recommended output – a letter back to Mr Minto to confirm he will not be issuing a direction and he consistently expresses his expectation that the Guardians maintain a best practice responsible investment framework. Can we have this letter drafted for an attachment on Thursday?

I've also attached some comments I've made against the Guardians response. I agree, some targeted questions to the Guardians could elicit beneficial information (but I don't think it changes our choice of action, so could potentially come after we hear back from the MoF.

You could potentially include something like the following into the briefing "if you are uncomfortable with the position based on the information gathered to date, we could ask the Guardians to provide further information on these points: x, y, z". This resolves the fact that we want to get this briefing up in a timely manner but restrains

significant action until we have full details – the request for further information can then be stated with more clarity to the Guardians that the Minister is actually uncomfortable and would likely need to have a discussion on the topic. This means we would not have to press the Guardians next week (save your time, effort and Anthea’s relationship capital on this) but also provide comfort that our advice is positioned to get the MoF’s view only and no ‘negative’ action would come about without a discussion first.

Hope that’s helpful as you bring the advice together. Thanks as always for the excellent work you do..

All the best,
Joe

Ps. Mike is the lead on this anyway, but he is the sole resource on Monday/Tuesday. He has my personal number if you’re really unsure what action to take and I can join a phone call as required. A text in advance would be the best way to organise.

From: Greg Low [TSY] <Greg.Low@treasury.govt.nz>
Sent: Friday, 4 September 2020 12:45 PM
To: Anthea Williams [TSY] <Anthea.Williams@treasury.govt.nz>; Joseph Sant [TSY] <Joseph.Sant@treasury.govt.nz>; Michael Eyre [TSY] <Michael.Eyre@treasury.govt.nz>
Subject: Guardians/Israeli Banks - draft advice

Kia ora tatou,

Here’s a link to advice that’s a bit more fleshed out. I have nearly run out of steam for the week, and have some other things to tick off before the weekend, so it’s unlikely I will do much more on this today. I’m sending to you now because I know Joe is away Monday and Tuesday next week and wanted to give him the chance to look at it on this side of the weekend.

Note this is very much still a draft, not least because there’s information we still need from the Guardians. It also feels quite long at the moment (sorry about that) – I tend to be very wordy in my first cuts, and then condense more later on. I

Happy to discuss.

Nāku noa, nā

Greg



Greg Low (he/him) | Senior Solicitor | Te Tai Ōhanga – The Treasury

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From: Kim Martin [TSY]
Sent: Tuesday, 23 February 2021 8:18 am
To: Michael Eyre [TSY]
Subject: RE: - no surprises briefing on exclusion of Israeli banks

Thankyou Michael



Kim Martin | Acting Director, Capital Markets | Te Tai Ōhanga – The Treasury
New Zealand Debt Management

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From: Michael Eyre [TSY] <Michael.Eyre@treasury.govt.nz>
Sent: Monday, 22 February 2021 4:33 PM
To: Andrew Hagan [TSY] <Andrew.Hagan@treasury.govt.nz>; Kim Martin [TSY] <Kim.Martin@treasury.govt.nz>
Cc: Joseph Sant [TSY] <Joseph.Sant@treasury.govt.nz>
Subject: FW: - no surprises briefing on exclusion of Israeli banks

Hi Andy, Kim,

Another sensitive FYI for today - The Guardians have provided this no surprises update to the Minister of Finance relating to its divestment of investments in five Israeli Banks on responsible investment grounds (including formally adding these companies to its exclusions list).

- This is an independent investment decision, however the Minister of Finance has been subject to a number of Ministerials relating to these investments over the last 18 months, so there could be a perception this is explicitly linked to that political pressure or advice received on this issue.
- This is likely to generate media interest and could also trigger international relations considerations when it is publicly announced (previous sovereign wealth fund divestments of these banks has result in diplomatic discussions).
- It's not public information yet, but the Guardians will be transparent with this decision once the appropriate Ministers/Departments have been briefed.
- The Guardians will consult with MFAT after the MoF has been briefed (tonight), and prior to any public announcement to ensure the international relations impacts are considered in advance.

Please let me know if you have any queries on this.

Kind regards,

Michael

From: Catherine Etheredge <CEtheredge@nzsuperfund.co.nz>
Sent: Monday, 22 February 2021 11:36 AM
To: ^Parliament: Paul Young <paul.young@parliament.govt.nz>
Cc: Michael Eyre [TSY] <Michael.Eyre@treasury.govt.nz>; Conor Roberts <CRoberts@nzsuperfund.co.nz>
Subject: - no surprises briefing on exclusion of Israeli banks

Hi Paul, Michael,

Thanks for your time on Zoom this morning.

To recap –

- At this stage the stocks have been sold but the companies have not yet been advised.
- Please find the IC paper, media statement and Q&A attached.
- Once we have confirmation from yourself that the Minister has been briefed, and we are comfortable that MFAT and the Minister of Foreign Affairs have also been adequately briefed, we will advise the companies concerned; and post the updated exclusion list on our website. Concurrent with updating the exclusion list, we will proactively disclose the IC paper on our website. We will then advise some regular correspondents on this issue of our decision.
- No proactive media announcement is planned. The media statement and Q&A are drafts for reactive use as needed.
- We will give the other CFIs a heads up.
- Conor will keep you apprised per no surprises of any media interest/enquiries. We have drafted the following comment for the Minister’s consideration: “The decision to divest was the Guardians’ alone and the Government had no involvement in the decision.”

Kind regards
Catherine Etheredge

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Head of Communications

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