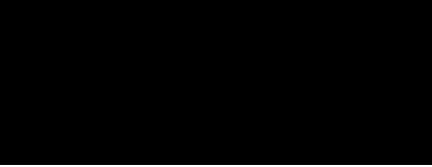


13 December 2021



REQUEST UNDER THE OFFICIAL INFORMATION ACT 1982

Thank you for your request of 17 November 2021 to the Guardians of New Zealand Superannuation (“Guardians”), manager of the New Zealand Superannuation Fund (“NZ Super Fund”, “Fund”), made pursuant to the Official Information Act 1982 (“OIA”).

Your Request

You have requested further information relating to the Guardians' engagement activities. Details of the information we have identified as being within scope of your request are set out below.

Our Response

1. Further to Q1, could you please break down the 58 companies under consideration by country and/or industry?

The table below sets out a breakdown of the 58 companies on our focus list referred to in our previous response of 10 November 2021 by the country in which it is headquartered, the country where the potential issue occurred, and by industry sector.

<u>Breakdown by country</u>	<u>Breakdown by country</u>	<u>Breakdown by industry</u>
Breakdown of the 58 companies by the country in which it is headquartered.	Breakdown of the 58 companies by country where the potential issue occurred.	Breakdown of the 58 companies by industry.
Australia (3) Brazil (2) China (6) Egypt (1) Germany (3) India (1) Israel (1) Italy (1) Japan (2) Malaysia (2) Mexico (4) The Netherlands (1) Russia (3) Singapore (1) South Africa (2)	Algeria (1) Australia (1) Bangladesh (1) Brazil (5) China (7) Colombia (1) Ecuador (1) El Salvador (1) Ghana (1) Greece (1) India (1) Indonesia (5) Italy (1) Iran (1) Malaysia (2)	Aerospace and Defence (2) Automobile manufacturing (2) Banks (2) Casinos and gambling (1) Chemicals (3) Communications (1) Construction and engineering (2) Consumer staples (1) Electrical equipment (2) Food products (2) Health care, equipment and supplies (1) Highways and rail tracks (1) Industrial conglomerates (1)

South Korea (2) Switzerland (1) Taiwan (2) United Kingdom (4) United States (15)	Mexico (5) Myanmar (1) New Zealand (5) Nigeria (3) Occupied Palestinian Territories (2) Peru (1) Philippines (1) Russia (3) South Africa (3) Sudan (1) Syria (1) Taiwan (1) Tanzania (1) United Kingdom (2) United States (10) Vietnam (1)	Interactive media and services (3) Metals and mining (12) Oil and gas (7) Pharmaceuticals (2) Real estate (1) REITs (1) Retail (1) Software and services (1) Steel (2) Technology hardware (1) Textiles, apparel and luxury (1) Trading companies and distributors (2) Utilities (3)
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2. Further to Q2, could you please outline the stages of consideration under your RI Framework and give counts of the companies at each one?

As a reminder, our core responsible investment processes are set out in our Responsible Investment Framework. The Framework provides for, broadly as relevant for this context, research/analysis, monitoring, engagement and exclusion.

While you have used the term “stages of consideration”, please note that these are not always sequential in the sense that a recommendation to exclude a company would typically, but not always, follow a period of engagement. Similarly, our engagement priority issues and approach may change over time based on our assessment of overall responsible investment responsibilities and other matters. Refer to our Responsible Investment Framework for further details.

The table below sets out the stages in the engagement process and the number of companies at each stage:

Stage of engagement	Number of companies
Research/analysis	4
Engagement	17
Monitoring	37
Exclusion	0

3. Could you please break down the # of engagements by country/company (I assume they all relate to the same 58), and also include the number of engagements you had with Israeli banks for a clear comparison?

A breakdown of the BMO-led engagements on human rights matters by country over the first three quarters of 2021 is set out below, as per the table set out in question 3 of our response to your original request.

The companies on our focus list (and that are the subject of questions 1 and 2) are not necessarily the same as those led by BMO. This is because we carry out engagement in different ways (directly, via BMO or via collaborative engagement). BMO also conducts a wider range of

engagements that reflect its prioritisation based on wider client feedback and focus areas in addition to the companies on our focus list.

We decline to provide a breakdown by company on the basis that we have a good reason to do so, principally under sections **9(2)(b)(ii), 9(2)(ba)(i) and (ii), and 9(2)(i)** of the Act. The Guardians' engagements with investee companies (or by extension, BMO on the Guardians' behalf) on responsible investment issues is conducted on a confidential basis in order to ensure we maintain our influence as a shareholder. Publicising the fact of specific engagements will undermine the efficacy of current and future engagements, as companies are not likely to work with us if the confidentiality of the fact of the engagement cannot be upheld. It is in the public interest that we can maintain the highest standards of confidentiality and commercial sensitivity with those we work with so that we can maintain an effective engagement programme.

Disclosing the companies engaged with would also breach our confidentiality agreement with BMO as our engagement supplier. This could exclude us from the ability to have BMO as a provider of engagement services. This would also jeopardise the willingness of other investors in BMO's client collaboration to work with us, prejudicing our ability to join collaborative engagement initiatives alongside other investors.

As you are aware, we did not engage with the banks with activities within the Occupied Palestinian Territories prior to exclusion for reasons summarised on page 16 of the [Investment Committee paper](#).

Quarter	# of company engagements	Countries of companies engaged with (by headquarter)
Q1 2021	89	United Kingdom (52), United States (11), Australia (3), Sweden (3), Germany (3), Canada (3), Russia (2), Jordan (1), France (1), Chile (1), The Netherlands (1), Mexico (1), China (1), Italy (1), Peru (1), Ireland (1), Bermuda (1), Cyprus (1), Switzerland (1)
Q2 2021	41	United States (9), Japan (6), United Kingdom (5), Germany (4), China (3), Thailand (2), Italy (2), India (2), Canada (1), France (1), Chile (1), Switzerland (1), Denmark (1), Brazil (1), Malaysia (1), The Netherlands (1)
Q3 2021	24	United States (8), United Kingdom (5), Germany (2), Japan (2), Mexico (2), Switzerland (2), China (1), France (1), India (1)

4. **Could you please tally the number of written complaints with respect to the Israeli banks over the same time period in 2020 and 2019?**

Year	Number of written complaints
2019	1
2020	1

Note that we have interpreted this question as written complaints addressed to the Guardians that concerned the Israeli-owned banks over the years 2019 and 2020. The Guardians was also consulted with by Treasury in respect of complaints on this matter received by the Minister of Finance within this time period.

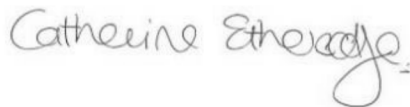
5. **Could you please list the dates and details of any engagements with politicians that involved the Israeli banks?**

No engagements were undertaken with politicians on this matter, other than briefing the Office of the Minister of Finance, under our no surprises protocol, that the stocks had been excluded. This briefing was undertaken on 22 February 2021.

General

You have the right to seek a review by the Ombudsman's Office of our decision to withhold some of the information you have requested. Contact details for the Ombudsman's Office can be found [here](#). Please note we may choose to publish our response to your request on our [website](#).

Yours sincerely,



Catherine Etheredge
Head of Communications
Guardians of New Zealand Superannuation