

**MINNESOTA  
STATE  
BOARD OF  
INVESTMENT**



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Rebecca Otto

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Mark Ritchie

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DATE: January 15, 2014

TO: Senator Tom Saxhaug, Chair, Senate Committee on  
State Departments and Veterans Division  
Senator Roger C. Chamberlain, Senate Committee on State  
Departments and Veterans Division

Senator Richard Cohen, Chair, Senate Committee on Finance  
Senator Michelle L. Fischbach, Senate Committee on Finance

Representative Michael V. Nelson, Chair, House Committee on  
Government Operations  
Representative Joyce Peppin, House Committee on Government  
Operations

Representative Lyndon Carlson, Sr., Chair, House Committee  
on Ways and Means  
Representative Mary Liz Holberg, House Committee on Ways  
and Means

Representative Mary Murphy, Chair, House Committee on  
State Government Finance and Veterans Affairs  
Representative Bob Dettmer, House Committee on State  
Government Finance and Veterans Affairs

FROM: Mansco Perry III, Executive Director *MP3*

**SUBJECT: Report on Sudan Required by *Minnesota Statutes*, Section  
11A.243.**

*Minnesota Statutes*, Section 11A.243 requires the State Board of Investment (SBI) to submit a report to the chairs of the legislative committees and divisions with jurisdiction over the State Board of Investment concerning the SBI's identification of, communication with, and discontinuance of investment in certain companies with operations in Sudan.

Section 11A.243, subdivision 8, specifies that the SBI include in the report:

1. a summary of correspondence with companies;
2. a list of all investments divested;
3. a list of prohibited investments;
4. a description of any progress in having investment management firms create investment funds that exclude Sudan companies.

As provided for in Section 11A.243, subdivision 2, the SBI relies on publicly available information provided by the EIRIS Conflict Risk Network regarding companies with business operations in Sudan.

Attachment 1 displays copies of communications received in 2013 to which the SBI sent correspondence. In March, June and September of 2013, the SBI sent letters to three different companies that were all removed from the restricted list later in the year. Two companies responded to these letters. Copies of the communications from both companies are attached. In December of 2013, the SBI sent letters to three additional companies as required by the law. To date, none of these companies has responded.

The law calls for divestment of securities of companies which do not publicly announce substantial action specific to Sudan within 90 days of the SBI correspondence. The SBI divested approximately 41,000 shares of stock of one company in 2013. Note that this company was subsequently removed from the restricted list later in the year.

Attachment 2 displays the current list of restricted stocks sent to SBI equity managers. The managers are explicitly instructed to refrain from purchasing shares in the stocks of companies on this list.

Enclosures



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June 26, 2013

LeaAnn M. Stagg  
Manager, Public Programs  
Minnesota State Board of Investment  
60 Empire Drive, Suite 355  
St. Paul, Minnesota 55103-3555

Dear Ms. Stagg:

I am Senior Counsel over SEC/Corporate at FMC Technologies, Inc. (the "Company") and am writing in response to the Minnesota State Board of Investment's ("MSBI") letter to the Company's CEO, Mr. John Grempe, dated June 17, 2013, regarding MSBI's requirements under the Minnesota Statutes, Section 11A.243.

I confirm that the Company does not have business in operations in Sudan. Please reference the section entitled "International Operations in Countries Subject to U.S. Restrictions" on page 9 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2012 regarding the Company's policy regarding sales to countries subject to U.S. restrictions. Specifically, in 2009, the Company adopted a policy directing our non-U.S. subsidiaries to effectuate an orderly withdrawal from doing business with various countries subject to U.S. restrictions, which includes Sudan.

Please feel free to contact me directly if you have any further questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "Lisa P. Wang".

Lisa P. Wang  
Senior Counsel

**Mader, Melissa (SBI)**

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**From:** hakan.osvald@se.atlascopco.com  
**Sent:** Thursday, December 19, 2013 11:14 AM  
**To:** \*SBI\_Minn SBI  
**Subject:** Your letter of September 13, 2013

For the attention of LeaAnn M. Stagg

Thank you for your letter to our CEO. He has asked me to reply to you.

Firstly the company you have invested in is a Swedish company governed by Swedish law. We do have subsidiaries in many places of the world e.g. USA. We adhere to the laws where we do business so if we do business in China we will comply with Chinese law etc.

Secondly as per the Minnesota state law you are referring to we are not a "scrutinized company" as per the definition of the law.

Thirdly our sales to Sudan in November 2013 were zero.

With this I hope you will continue investing in our company. For further information please also click on the link below:

<http://www.atlascopco.com/us/AtlasCopcogroup/sustainability/>

Best regards,

Håkan Osvald  
Senior Vice President, General Counsel

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Company Reg. No.: 556014-2720  
Company Reg. Office: Nacka, Sweden

Visit Atlas Copco at: [atlascopco.com](http://atlascopco.com)

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**Committed to sustainable productivity**

**ATTACHMENT 2**

<b>Restricted Sudan Stocks</b>	
<b>Company Name</b>	<b>Country of Origin</b>
Andritz AG	Austria
Orca Gold Inc.	Canada
Statesman Resources Limited	Canada
China Gezhouba Group Company Limited	China
China Hydraulic and Hydroelectric Construction Group AKA Sinohydro Group	China
Daqing Huake Group Company Limited	China
Jinan Diesel Company Limited	China
PetroChina AKA China National Petroleum Corporation (CNPC)	China
China North Industries Group Corporation AKA CNGC/Norinco	China
Norinco International Cooperation Ltd	China
Liaoning Huajin Tongda Chemical Co. Ltd.	China
Sichuan Nitrocell Co. Ltd	China
North Navigation Control Technology Co. Ltd (formerly China North Optical-Electrical Technology Company Limited)	China
AKM Industrial Company Limited	China
China Machinery Engineering Corporation	China
China Petroleum and Chemical Corporation AKA Sinopec Corp.	China
Sinopec Engineering Group Co. Ltd.	China
Kingdream PLC	China
Sinopec Shanghai Petrochemicals Ltd	China
Sinopec Yizheng Chemical Fibre Co Ltd	China
Jiangxi Hongdu Aviation AKA Hongdu Aviation	China
Dongfeng Motor Group Company Limited	China
Harbin Electric Company Ltd.	China
Egypt Kuwait Holding Company	Egypt
Alstom	France
Kunlun Energy Co. Ltd	Hong Kong
Sinopec Kanton Holdings Limited	Hong Kong
Alstom India Ltd	India
Alstom T&D India Ltd. (formerly Areva T&D India)	India
Bharat Electronics Limited	India
Bharat Heavy Electricals Limited	India
Indian Oil Corporation Ltd. AKA IOCL	India
Chennai Petroleum Corporation Ltd. AKA CPCL	India
Lanka IOC Limited	India
Oil and Natural Gas Company AKA ONGC	India
Mangalore Refinery and Petrochemicals Limited	India
Oil India Limited	India
Energy House Holding Co KSCC, The (formerly AREF Energy Holding Company)	Kuwait
Managem	Morocco
Societe Metallurgique D'imiter	Morocco
Petroliam Nasional Berhad AKA Petronas	Malaysia
KLCC Property Holdings Bhd	Malaysia
Malaysia International Shipping Company AKA MISC Berhad	Malaysia

## ATTACHMENT 2

<b>Restricted Sudan Stocks</b>	
<b>Company Name</b>	<b>Country of Origin</b>
Petronas Gas Berhad	Malaysia
Petronas Dagangan Berhad	Malaysia
Petronas Chemicals Group Berhad	Malaysia
Engen	Malaysia
Malaysia Marine and Heavy Engineering Holdings Bhd	Malaysia
Scomi Group Berhad	Malaysia
Scomi Engineering Berhad	Malaysia
Scomi Energy Services Bhd	Malaysia
GAZ Group	Russia
Avtodizel OAO	Russia
GAZ Auto Plant	Russia
Pavlovsky Bus Plant	Russia
Tverskoy Excavator OJSC	Russia
URAL Truck Plant	Russia
Yaroclavsky Diesel Equipment Plant OAO	Russia
LS Industrial Systems	South Korea

Note: List contains parent companies and subsidiaries publicly traded.

AKA means "Also Known As"

Source: EIRIS Conflict Risk Network

SBI Effective Date: December 17, 2013