

Questions from Members of the Public 2

Palestine

Question from Ms J Cattell

(Please note this question follows on from a question asked by Ms Cattell at a previous meeting and which was responded to after the meeting following the receipt of information from Border to Coast).

Thank you for the reply to the question I posed at the last quarterly meeting . The answer talks about the number of Arab people employed by the banks in Israel. I presume here you are talking about employment within the current borders of Israel and not about the Palestinian lands under Israeli occupation. Can you confirm this.

My questions however concerned investments and business of the banks in the Palestinian settlements in contravention of international law.

As I said in my letter, Bank Leumi Le Israel, Bank Hapoalim B.M. Mizrah Tefahot and Altice all companies that are named on the United Nations list of companies linked to illegal Israeli settlements. The extensive human rights impact of settlements on the human rights of Palestinians has been well documented in successive reports of the Secretary General of the United Nations

While companies like these continue to invest money and do business in illegal settlements, it promotes the development of those settlements and other new settlements depriving Palestinians of their land and livelihoods. Palestinians are not allowed to live in the settlements and are generally prohibited by the Israeli authorities from building homes. schools and businesses on their own Palestinian land. That same land that is being used to develop Israeli Settlements

It is this issue of developing business in illegal settlements and the impact on the Palestinian people that I was wanting you to engage in with the companies. Any company making this sort of investments does not seem a suitable company to invest our pension fund in and at odds with SYPAs Responsible Investment policy which states that companies should have “Respect for the human rights of the communities with which they interact and their various stakeholders”

My question for this coming meeting is therefore “What engagement has been carried out or is planned concerning Bank Leumi Le Israel, Bank Hapoalim B.M. Mizrah Tefahot and Altice’s breaking of international law and human rights abuses in the illegal Israeli settlements.

Response

The following information has been provided by Border to Coast after consultation with the underlying fund managers who hold the stocks mentioned in the question.

In response to the point in the previous answer about the number of Arab people employed by the banks in Israel.

The data provided is on total operations, not split by Israel and POT. It is not possible in practice for Israeli companies to split out their workforce this way since Israel does not recognise the term Occupied Territories or the Palestinian State.

In response to the second question concerning previous or planned engagement.

The short answer, is that there is no update from either fund manager that holds debt instruments issued by these companies:

Ashmore (Bank Leumi Le Israel, Bank Hapoalim B.M. Mizrah Tefahot)

We have not carried out any further engagement beyond getting the information we provided in our original response.

We take Responsible Investment considerations very seriously. We seek to differentiate between factors that companies can either control or manage, and general political, country-level, factors that are the domain of political decision-makers. The former should be and are an integral to our ESG process and credit analysis as undertaken by our corporate debt team. Their conclusion is that the Israeli banks are managing these issues successfully in challenging circumstances. They have not been sanctioned or otherwise targeted for irresponsible behaviour. We believe they act reasonably, sensitively, and responsibly.

PIMCO (Altice):

We haven't engaged with Altice on this topic. They understand this controversy dates back several years and that Altice is not presently on any watch lists or flagged as being non-compliant with international standards on human rights and best practices, hence the lack of engagement.