

## Public Questions

### Question 1 – Ms June Cattell

It is clear from our petition and the people that we have talked to, that the residents of South Yorkshire are aware of the horror of what is happening in Gaza and the West Bank and many shocked at the complicity of SYPA in funding Israeli bonds and arms companies selling arms to Israel.

You will be aware that over 60,000 people have been killed in Gaza, including over 20,000 children many of whom have been killed in the tents and schools where they were sheltering. Many people in South Yorkshire have lost relatives and friends and are horrified of the daily news of genocide and destruction in Gaza and the ethnic cleansing of the West Bank.

I have been dismayed by the destruction of hospitals, schools and universities as well as the targeted killing of medical responders and journalists.. Gaza itself has been reduced to a wasteland and infrastructure destroyed.

Food, water, power and medicines have not entered Gaza for many weeks, Using starvation for collective punishment and a weapon of war is a war crime and all aid organisations and the United Nations are asking for this to stop.

It is hard to put ourselves in the place of the Palestinian people of Gaza and the West Bank and imagine how we would cope as our children and relatives are injured and killed and medicine and hospital facilities unavailable. There is not food to feed Gaza's children at a time when malnutrition is being diagnosed in Gaza. How must it feel not to be able to feed your children.

Also how would it feel to be in the West Bank where settlers and taking land, destroying houses and crops and where tens of thousands of Palestinians are arrested, tortured, and detained without trial. This is ethnic cleansing that is taking place in front of the whole world.

We all need to be raising our voices and taking any steps possible so we can to stop this Genocide. What is SYPA going to do? You can make a difference by withdrawing finance from companies that enable these atrocities. Will you do this?

People in South Yorkshire do not want to be inadvertently complicit in the atrocities. Will you listen to their views and revise your investment policies?

### Question 2 – Mr Ashraf

As-Salaam Alaikum

Good Afternoon Chair, Councillors and Officers,

We present this petition containing [ ] signatures by South Yorkshire taxpayers and South Yorkshire Pensions Authority scheme members.

Under the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, specifically Regulation 7(2), administering authorities must consider environmental, social, and governance (ESG) factors—including human rights risks—alongside financial considerations.

This aligns with the Supreme Court's ruling in *Palestine Solidarity Campaign Ltd v Secretary of State* [2020] UKSC 16, which confirmed that pension authorities may adopt ethical investment policies provided they do not pose a "significant risk of financial detriment" and members share the concern. Thereby satisfying the Law Commission's report on *Fiduciary Duties of Investment Intermediaries*, fiduciary test.

In addition, according to the Pension Policy Briefing Note Number 124, The financial implications of Environmental, Social and Governance (ESG) factors are becoming increasingly important considerations in pension schemes' investment decisions as these issues become more pressing, both in terms of being more widely recognised as material risks, as well as a result of external pressures such as increased regulation and a broader societal focus.

I would like to ask the following.

Will South Yorkshire Pensions Authority conduct a fiduciary risk assessment, to prove retaining these investments poses no "significant financial detriment," including:  
Analysis of reputational risks (e.g., alignment with UNHRC findings on corporate complicity in abuses);  
Projections of legal liability under evolving statutory obligations;  
Fulfill its fiduciary duty to mitigate the severe financial, legal, and reputational risks of maintaining such investments?

Given that SYPA's holdings in companies which manufacture weapons being used by Israel to kill Palestinian civilians and in Israel itself amount to around just 1% of the total value of the fund, at a time where SYPA is around 160% funded, does the Authority accept that it could divest without any risk of being unable to meet its liabilities?

In previous responses to questions regarding the legality of maintaining investments in companies which manufacture weapons being used by Israel and Israel itself, SYPA has relied on a single legal opinion by Nigel Giffin KC, does the Authority accept that his opinion contradicts the ICJ ruling that "States must immediately review all diplomatic, political and economic ties with Israel, inclusive of business and finance, pension funds, academia and charities."?

Are Authority members content to ignore the ruling of the ICJ, despite the innumerable human rights violations being committed on a daily basis, and how can this be reconciled with SYPA's existing RI policy?

Given the legal obligations outlined above, will South Yorkshire Pensions Authority update its Investment Strategy Statement to reflect the South Yorkshire taxpayers and scheme members' views on divestment as evidenced by the Petition which we are presenting today?

Thank you in advance to the officers for taking the time to answer my question.

### Question 3 – Ms Sue Owen

South Yorkshire Pension Divest for Palestine Campaign have collected signatures across South Yorkshire for a petition that calls on SYPA to divest from Israeli Government bonds and arms companies involved in human rights abuses, in particular those companies that contribute to ongoing genocide, occupation, apartheid and ethnic cleansing of Palestine.

The petition reads as follows

We the undersigned South Yorkshire residents or members of the South Yorkshire Pension Scheme are concerned that South Yorkshire Pensions Authority (SYPA) is investing our money in Israeli government bonds and companies that are currently helping to sustain or profit from Israel's illegal occupation of Palestine, and the ongoing genocide and forced displacement of the Palestine people;

It is the view of United Nations legal experts that "States must immediately review all diplomatic, political and economic ties with Israel, inclusive of business and finance, **pension funds**, academia and charities."

We therefore call on South Yorkshire Pensions Authority to develop an Ethical Investment Policy that specifically seeks to:

1. Divest from companies engaged in arms manufacture
2. Divest from companies that are complicit in human rights abuses in Palestine or on the UN's list of businesses operating in the illegal-settlements in the Occupied Palestine Territory
3. Divest from Israeli government bonds

We have collected signatures from people across South Yorkshire including people who are members of the pension fund. We have included members of the public living in South Yorkshire as all residents contribute through their Council Tax to the pension scheme for local authority workers, and those that have retired through the employer contribution to the pension for every employee. Local Authorities also underwrite the pension scheme. Everyone in South Yorkshire therefore has an interest in how pension money is invested.

We have collected signatures at council workplaces, as well as other public places throughout South Yorkshire giving the option of signing on line or on paper. We have been amazed at the response. The vast majority of the people we have approached have been willing to sign. They have been shocked that the pension scheme invests in arms companies, particularly investments in companies selling arms to Israel.

There is of course a duty on pension schemes like SYPA to take into account the views of members and explain how this impacts on your investment strategy.

#### *Pension Policy Briefing Note Number 124*

*'The financial implications of Environmental, Social and Governance (ESG) factors are becoming increasingly important considerations in pension schemes' investment decisions as these issues become more pressing, both in terms of being more widely recognised as material risks, as well as a result of external pressures such as increased regulation and a*

*broader societal focus. Schemes are now required to show that they have at least considered ESG factors when formulating their investment strategy.'*

It is clear that residents and members of the scheme, do not want their contributions to be invested in companies that supply arms to Israel, which are being used to fund genocide in Gaza and ethnic cleansing in the West Bank. We suggest this is causing you reputational damage.

The final petition will be presented to the meeting on June 5<sup>th</sup> and we would like to ask:

- **Will you take into account the views of pension members and residents across South Yorkshire, as illustrated by our petition, in your future investments?**
- **Instead of these investments that cause harm, are you looking at investing in companies that would generally be agreed to benefit people and society, such as in the green transition and social housing, as well as contributing to the local economy.**

#### **Question 4 – Mr Tariq Abdulkarim**

*We present this petition containing [X] signatures calling on South Yorkshire Pensions Authority to **Divest** from any entity materially complicit in the Occupied Palestinian Territory illegal occupation.*

I speak both as a member of this community and on behalf of my family. My immediate family, my three-year-old daughter and five-year-old son both hold Palestinian IDs; my father, naturalised in 1991, was born in Gaza and forced to flee at age four; my wife, naturalised last year, was born and raised in Hebron, the West bank, and lived her whole life under a violent and illegal occupation. My Palestinian/British direct family here in Rotherham count 9 tax payers amongst them some SYPA members. My extended family in Palestine, who's horrors I could not do justice to in three minutes, suffer racist occupation that you invest our money in.

Alongside my family's story, South Yorkshire residents have added their names to a petition calling on SYPA to end investments in Israeli government bonds and in companies that profit from or sustain the illegal occupation, forced displacement, and ongoing genocide in Palestine.

So, I ask, will SYPA now conduct immediate due diligence and guarantee that none of its investments in Israel—whether government bonds or corporate shares—directly or indirectly funds activities in the OPT?

Let me briefly explain why this matters:

1. **Illegal Occupation:** The International Court of Justice has confirmed that Israel's annexation, settlement expansion, and discriminatory practices in the OPT violate the Fourth Geneva Convention which was ratified by the UK in 1957. There is no higher authority to determine this.
2. **Complicity Through Investment:** When SYPA invests in firms that operate in the OPT or subjugate Palestinian workers in settlements—or even those in Israel

proper that draw on West Bank water or minerals without fair compensation—you become complicit in an illegal and racist occupation. You fail in your fiduciary duty and create liability for your members

3. **Modern-Slavery-Level Exploitation:** Palestinian labourers in settlements earn as little as \$1.50 per hour, without social protections—conditions akin to forced labour. Under Section 54 of the Modern Slavery Act 2015, SYPA must not facilitate such practices. To be clear, you cannot invest in companies based anywhere in the world that operate in the OPT or companies in Israel that hire Palestinians without fair compensation

**Resource Theft and Israeli bonds:** Israel withholds up to 17% of Palestinian municipal revenues illegally and uses it in Israel's economy, it also controls West Bank water, leaving many millions in water poverty according to WHO. Any company benefiting from these stolen resources poses a liability with no statute of limitation.

We demand that the pension fund aligns with international law and the ethical standards we uphold.

**Call to Action:** SYPA must:

- **Audit** all current holdings for links to settlement activity, resource expropriation, or forced-labour practices.
- **Divest** from any entity materially complicit in the OPT occupation, including companies on the UN's settlement list and Israeli government bonds.
- **Adopt** a binding Ethical Investment Policy that explicitly excludes arms manufacturers and all firms sustaining the illegal occupation.

Chair, will you commit today to safeguard members contributions—so that neither our children, nor our community, nor SYPA itself is ever complicit in oppression?

## Response

*As all four questions address the same topic and are related to the submitted petition a single answer covering the points raised is being provided.*

*Firstly, it is important to say that no one could fail to be moved by the human tragedy unfolding in Gaza. The solution to this tragedy will come through politics and diplomacy and not directly through the activities of the Pension Fund which exists solely to ensure pensions are paid to scheme members when they fall due and not to act as an instrument of policy.*

*There are a number of distinct questions posed in the four questions:*

*Will the Authority take notice and act on the views expressed by residents and scheme members through the submitted petition?*

*The Authority always takes note of the views expressed by stakeholders. However, in taking decisions the Authority must act in the “best interests” of scheme members and is required to consider scheme members views in considering how issues beyond financial return should be reflected in decision making. Therefore, while the views of residents are clearly important, they do not carry weight in the decision-making process. The views of scheme members do carry weight which is why the Authority recently undertook a survey of scheme members to establish their views on the way in which non-financial issues should be*



*considered in investment decision making. The views of scheme members expressed through the petition do carry limited weight in determining future policy, the limitation coming from the fact that the petition is focussed on a single issue rather than the whole range of issues the Authority needs to address. Nonetheless it is a valid expression of views.*

*The ability of the Authority to act in response to the views expressed in the petition is limited to expressing a view to partners within the Border to Coast Partnership. The Authority cannot divest from individual companies as investments are held in pooled funds. The only way for the Authority to achieve what is asked in the question unilaterally would be to withdraw all holdings from the relevant funds, which would in this case cover most of the Fund's equity and fixed income holdings. To do so would fundamentally undermine the ability of the Fund to deliver its investment strategy and would rightly be open to legal challenge as it would clearly be a disproportionate action and not be acting in the best interests of scheme members.*

*The Authority does raise the issues raised in the petition with Border to Coast partners on a regular basis and has asked officers to report in December on the options for taking a different stance in relation to divestment from companies where engagement has demonstrably failed. This work is currently ongoing.*

*Will the Authority look to invest in things other than those that do harm?*

*The Authority already makes significant investment allocations to things which have a positive effect whether that be on the environment or society more generally. For example, 13.5% of the Fund (c£1.2bn) is allocated to a climate impact portfolio which is made up of assets which will aid the transition of the world to a low/no carbon economy. A further 5% of the fund (more than £500m) is allocated to place based impact investments which includes recent allocations to small and medium sized businesses in South Yorkshire and housing in South Yorkshire. The performance targets for these investments are the same as for other parts of the portfolio. The Authority needs to maintain an effectively diversified portfolio so there are limits to how much can be invested in these types of assets as opposed to traditional stocks and shares. The balance of investments is reviewed every three years, and the next review is about to commence and will be reported to the Authority for decision in March 2026.*

*Investments related to Gaza pose significant risks, will the Authority therefore in line with its fiduciary duty divest from these assets?*

*As the question makes clear the Authority can take certain non-financial factors into account in investment decisions. However, there are several factors which need to be considered in coming to such decisions. Firstly, would such a decision be supported by scheme members? In this case the issues are contentious across society more generally and without comprehensive survey data on this specific issue it is not clear what scheme members views are. Secondly, would the damage from the risks identified outweigh the returns achieved from the investment? It is difficult to answer this question in the abstract but on balance this seems, at present, to not be the case. Thirdly, is the impact on the Fund material? The answer to this is no. The scale of the holdings involved in the context of the Fund is very small. On this basis, even if it were possible to unilaterally withdraw from specific holdings this would not be justified on the grounds suggested.*

*Will the Authority adopt a "binding ethical investment policy"?*

*As has been explained in answer to previous public questions the Authority cannot adopt an ethical policy. Such a policy would be rooted in a system of faith or belief. There is no such*

*system of faith or belief to which all or even a majority of scheme members subscribe. Such policies are acceptable for religious institutions, for example a quaker institution might exclude arms companies from its investments because of their pacifist ideals which will be supported by all members of the faith. SYPA must adopt an approach known as responsible investment which seeks to hold companies to standards which mean that they will deliver long-term value for investors. A more detailed explanation of the approach is available on our website [Policies](#).*

*By a “binding policy” it is assumed that the question means a policy which can be enforced on Border to Coast partners, to deliver particular divestment decisions. The answer to this is no. The Authority’s policy sets out the position that it wishes to influence all Border to Coast partners to move towards. This approach has delivered some movement for example in the exclusion of more companies involved in pure coal and tar sands, but it would be accepted that there is further to go in many areas where the Authority would like to see progress.*

*Will the Authority take action to disinvest given the legal risks it faces?*

*The question takes the view that the Authority is required to act given various international law judgements related to the situation in Gaza. The legal advice to the Local Government Pension Scheme on this is clear. This is that the international law obligations quoted in the question fall to the state, in this case central government. Beyond this the Supreme Court has made clear in the Palestine Solidarity Campaign case that the money held by LGPS funds is not public money, rather it belongs to scheme members. The advice from Nigel Giffin KC is clear that any legal challenge on the grounds indicated in the question would be unlikely to succeed.*

*None of the above means that the points made in the four questions are without merit. It is simply the case that the Authority must act in the best interests of scheme members, which are largely financial interests, and that the issues raised do not present a financially material risk to the value of the Fund’s investments. The Authority is continuing to develop its policies in this area and will be debating responsible investment matters in much more detail later in the year.*