Cllr Paul Convery, Chair of Pensions Committee
Cllrs Sophia Brown, Benali Hamdache, Hannah McHugh and Michael O'Sullivan, Members of Pensions Committee
Cllr Benjamin Gregg, Substitute Member of Pensions Committee
Paul Clarke, Corporate Director of Resources
Joana Marfoh, Assistant Director, Treasury and Pensions
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31 August 2026

Dear Cllrs Convery, Brown, Hamdache, McHugh, O'Sullivan and Gregg, and Mr Clarke, Ms Marfoh and Mr Ward

Islington Pension Fund Investment Strategy Statement Consultation

UK Lawyers for Israel (UKLFI) is an association of lawyers who support Israel and seek the proper application of laws and regulatory requirements in matters relating to Israel. We write to you in your capacities as members of Islington's Pensions Committee or officers of Islington advising this committee.

We refer to the survey carried out earlier this year regarding the above and the reporting of it to the Pensions Committee on 21 July 2026. Regrettably, the survey was accompanied by false information.

Several significant statements in both the letter introducing the survey and the survey itself were misleading, as described below. These misrepresentations were further compounded by leaflets produced by the Palestine Solidarity Campaign (PSC) and UNISON (copies attached), which were distributed to Islington Council staff inside and at entrances to Islington Council premises and also circulated on the Council's computer network.

This has the following consequences:

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- Firstly, the responses do not constitute evidence of informed views of members of the pension fund.
- Secondly, reliance on the survey as evidence of informed views of members is liable to result in breaches of fiduciary duties and of relevant regulations.
- Thirdly, reliance on the unsatisfactory information would itself be liable to result in breaches of fiduciary duties and of relevant regulations.
- Fourthly, reliance on the survey without properly taking into account the impact of the unsatisfactory information would be likely to breach the Public Sector Equality Duty (PSED) in section 149 of the Equality Act 2010.

Unfortunately, the reporting of the survey to the Pensions Committee on 21 July 2026 did not address the unsatisfactory information and its consequences, even though I had previously drawn most of the issues to the attention of the Pensions Committee in its former composition, as well as officers and the market research company that had carried out the survey and reported on it.

The officers' report for the meeting on 21 July 2026 even repeated the false statement that "the Fund already excludes weapons manufacturers from its passive and active holdings" (para 3.5(c)) and contained the further inaccurate statement that the consultation background materials "provided the context needed to support informed responses" (para. 8.4.2).

In addition, one of the three proposals put forward in the consultation is plainly incompatible with applicable national government guidance. Proceeding with it would contravene the requirement to formulate an investment strategy statement in accordance with that guidance, as laid down by applicable regulations.

The statements regarding legal implications in the officers' report for the meeting of 21 July 2026 were insufficient in themselves for members to make a properly informed decision. However, we note that the officers' report proposed that legal advice should be obtained before any decisions are made and we assume that the Committee accepted this. We invite officers to draw this letter and accompanying attachments to the Committee's legal and other advisers, so that they are aware of our concerns. In our view, the Committee cannot properly rely on legal or other advice unless those advising were aware of and addressed these concerns when they gave the advice.

We set out below:

A. Details of the misrepresentations in the introductory letter and survey

B. Details of the misrepresentations in the PSC / UNISON leaflets

C. The legal framework and consequences of the above.

A. Misrepresentations in the Introductory Letter and Survey

1. The statement that *"The Fund has already excluded weapons manufacturers from its active and passive holdings"*

Taken in its context, this statement was likely to be understood as saying that the Fund has completely divested and will remain divested from all companies manufacturing weapons. This was (and is) untrue. The Fund has avoided investing in companies that make certain controversial weapons, but has not divested from all weapons manufacturers.

The list of the Fund's equity holdings as at 31 March 2026 published on Islington's website included the following weapons manufacturers: Daikin Industries, Larsen & Toubro, Mahindra & Mahindra, Minebea, Mitsubishi Electric Corp and Saab. A number of other companies on the list produce military equipment: Bombardier, Fuji Heavy Industries (Subaru), Fujikura, Hitachi, Korea Aerospace Industries, Motorola Solutions Inc, Mtu Aero Engines, Nec Corp, Parker-Hannifin Corp, Sectra and Trelleborg.

These holdings were also included in the list of the Fund's equity holdings as at 31 December 2025. Although the Council has not yet published any list later than 31 March 2026, it would be surprising if all of these holdings had been divested when the survey was conducted in May and June 2026.

The Council's response on 6 May 2026 to my freedom of information request (ref. 7704654) *"Has the Islington Pension Fund divested on ESG grounds from companies that manufacture weapons or parts intended for inclusion in weapons in the last three years?"* was *"No"*.

Paul Clarke had earlier explained in his letter of 10 April 2026: *"The Islington Pension Fund's equity interests are held in several pooled funds, passively and actively managed. The rules of our active mandates or passive trackers determine which companies are held. Over several years, the Fund's holdings in defence manufacturers have changed according to those mandates and trackers. Islington's largest single pooled fund is passively managed by Legal and General and tracks the Solactive ESG Paris Aligned Index. The fund was bought into in 2022 and it specifically excludes controversial weapons, pornography, tobacco and predatory lending. Being "Paris Aligned", the fund prioritises companies with low and reducing carbon intensity. The Pension Fund has not taken an active decision to specifically divest from any area on ESG grounds alone, but it is the cumulative impact of following market leading responsible investment indices."*

The consultation also informed consultees (correctly) that
"investments can only be based upon non-financial factors where two conditions are both satisfied.
• Doing so does not involve significant risk of financial detriment to the Fund.
• There is good reason to think that scheme members would support the decision."

The combination of this statement with the (false) statement *"The Fund has already excluded weapons manufacturers from its active and passive holdings"* misleadingly informed consultees that excluding weapons manufacturers did not involve significant risk of financial detriment to the fund. This misrepresentation was further reinforced by statements extolling the Islington Fund's performance, conveying to consultees the false message that this was achieved at the same time as excluding weapons manufacturers.

Defence shares have substantially outperformed many other areas in recent years and look set to continue to do so. The misrepresentation that excluding weapons manufacturers does not involve a significant risk of financial detriment is likely to have had a real impact on the results of the consultation.

2. **The statement: *"[Palantir's] advanced AI tools and other technological solutions have been deployed in circumstances which include the current conflict between Israel and Palestine. The Committee's present view is that, by analogy with the existing policy, the Fund should not invest in such undertakings. Subject to taking appropriate steps to confirm the nature of Palantir's relevant activities, the Committee would therefore propose to dispose of this investment."***

The information in the first sentence quoted above is unbalanced in not mentioning that Palantir also supplies its solutions to the Ukraine and UK armed forces, amongst others. As such it is liable to give consultees a distorted understanding of the position, leading them to a particular point of view. Indeed, it appears to be a kind of dog-whistle, activating antisemitic responses. It also invalidates the survey as a reliable basis for assessing the *"member support"* condition.

The second and third sentences quoted above further undermine the reliability of the survey. Questions that begin with a statement indicating a pre-existing position typically bias the beneficiary's response, as PRI has observed in its pertinent paper *Understanding and Aligning with Beneficiaries' Sustainability Preferences*.

3. **The statement in Issue/Question Three: *"As before, there is unlikely to be any material change in the performance of the fund if such divestment takes place."***

The phrase *"such divestment"* in this sentence was ambiguous: it was not clear, in the context, whether it referred to divestment from Palantir or to divestment from companies in the category in the question, namely companies supplying software which has significant weapons applications. Many consultees would have understood it in the latter sense.

Excluding companies supplying software which has significant weapons applications would mean divesting from four of the top five companies in the world by market capitalisation, namely NVIDIA, Alphabet (Google), Microsoft, and Amazon. Holdings in these companies constitute some 7.5% of the Fund's total assets and have probably contributed a substantially higher proportion of its growth in recent years. Accordingly, this statement was also likely to have misled many consultees and distorted the result.

4. **The claim that the OHCHR database *"represents a reasonably robust basis upon which to identify one group of companies which are likely to be making a material contribution to serious human rights violations"***

Conducting business activities in an area of the West Bank currently under Israeli administration does not of itself violate human rights, as the UK Supreme Court observed in *Richardson v DPP* and the Court of Appeal of Versailles found in *AFPS v Alstom and Veolia*.

Indeed, far from violating human rights, many of the companies operating in the vicinity of Israeli communities in the West Bank employ Palestinians at much higher salaries than are available from employers in areas of the West Bank under Palestinian administration. Thousands of Palestinians work in these businesses and their earnings make a significant contribution to the Palestinian economy.[1] In addition, their working alongside Israelis contributes to the mutual understanding required for any durable peace.[2]

Inclusion in the lists produced by the Office of the UN High Commissioner for Human Rights (OHCHR) does not constitute any legal or other finding of violation of any human rights. On the contrary, these lists merely identify companies which the OHCHR believes to be engaged in certain activities in the West Bank that the UN Human Rights Council (UNHRC) thought might violate human rights.

As stated at paragraph 16 of the Report containing the current list ("the 2025 Report"), document A/HRC/60/19, *"The work on the present update does not purport to constitute a judicial or quasi-judicial process of any kind, nor does it provide any legal characterization of the listed activities or business enterprises' involvement therein."* Similar statements accompanied earlier lists.

The 2025 Report is titled *"Database of all business enterprises involved in the activities detailed in paragraph 96 of the report of the independent international fact-finding mission ..."* As it explains in its paragraphs 2-4, the database identifies business enterprises engaged in activities specified in UNHRC Resolution 31/36. That Resolution in turn referred in its paragraph 17 to paragraph 96 of Report A/HRC/22/63 ("the 2013 Report"), which identified activities that it said *"raise particular human rights violations concerns"*.

Those activities are reproduced in paragraph 4 of the 2025 Report. They include, for example, (e) the provision of transport services and utilities and (g) the use of water or land for business purposes. Indeed, most of the companies have been listed solely on the basis of one or both of these two categories. These activities do not necessarily violate human rights. They include, for example, using water to provide sanitary facilities for Palestinian staff. Nor do they justify any difference in treatment of companies operating in the West Bank and

[1] Palestinian Central Bureau of Statistics, *The Results of the Labour Force Survey, in the West Bank Second Quarter (April – June, 2026) Round* and *On the occasion of the International Workers' Day, presents the current status of the Palestinian labour force in 2023*; Gisha, LEAP and Kav LaOved, *Back to Work – The Implications of the Ban on Access by Palestinian Residents of the West Bank to Work in Israel*, April 2025, page 3.

[2] See Dan Diker (ed), "Defeating Denormalization: Shared Palestinian and Israeli Perspectives on a New Path to Peace".

those operating in other disputed territories, which doubtless use land and water and may provide transport or other utilities.

In addition, the OHCHR relies on unverified information from unidentified sources alleging that particular businesses have engaged in activities specified by the UNHRC. The OHCHR then refuses to provide even the most basic information regarding the allegations to the businesses concerned. Where targeted businesses have requested specific information to enable them to address the allegations, the OHCHR has only provided standard form responses and no factual information. Targeted businesses are unable to defend themselves effectively by refuting the anonymous allegations.

There could also be potential manipulation of the OHCHR's process by competitors, politically motivated actors, or anyone wishing harm upon these businesses. We wrote to the UN Office of Legal Affairs raising these concerns but did not receive any reply. This treatment reflects the fact that the UNHRC and OHCHR are notoriously and structurally biased against Israel.[3]

In view of the points made above, the claim that the OHCHR database *"represents a reasonably robust basis upon which to identify one group of companies which are likely to be making a material contribution to serious human rights violations"* is misleading.

5. The claim that "there is unlikely to be any material change in the performance of the fund" if divestment from companies on the OHCHR database takes place

It should first be noted that there is a material risk that the OHCHR will add further companies to its database in the future, thereby increasing the impact of excluding all such companies on the fund's performance. The first iteration of the database in 2020 listed 112 enterprises; the most recent iteration published in September 2025 lists 158.

Secondly, the draft Investment Strategy Statement, as amended by the Pensions Committee on 8 December 2025, states in its section 6: *"With regard to responsible investment the Committee is mindful of the following legal principles, which are based on recent decisions in the courts and which apply to all pension schemes: ... g. The Fund will engage with companies so that human rights as reflected in UN International Bill of Human Rights, the UN Convention on Genocide, the Geneva Conventions, and ILO conventions are respected <u>regardless of geography and sector</u> and conduct human rights due diligence to identify, avoid, manage and mitigate human rights risk in our investments."* [emphasis added]

In order to comply with this statement and the underlying legal requirements, including the Equality Act, the Committee must adopt a similar approach in relation to similar situations in other territories.

[3] See e.g. the Written Statement of the European Leadership Network and UK Lawyers for Israel in ICJ Case No. 186 https://www.uklfi.com/wp-content/uploads/2024/10/ELNET-Submission-to-ICJ-29-9-23-final.pdf paras 14-20 and 28-33; UNWatch Database https://unwatch.org/database/ and *"7 Problems with the Human Rights Council"* https://unwatch.org/database/problems/unhrc/

Many major companies have operated in occupied Western Sahara and Northern Cyprus, in which the occupying powers (Morocco and Turkey, respectively) have settled large numbers of their own populations. These companies include: Orange, Credit Agricole, Santander, Siemens, Engie, Agrium, Potash Corp, Veolia, Eurochem, Heidelberg Cement, Wartsila, Chint Group, Acwa Power, BNP Paribas, Lafarge Holcim, Vodafone, Telenor, Koc Holding, Sekerbank, Altinbas Holding, Axa, PSA Peugeot Citroen, Allianz, OMV, Adidas, Coca Cola, Norges Bank, Booking Holdings, ENEL Group, Caterpillar, Bombardier, Jacobs Engineering Group, Atlas Copco, Shell, AirBnB, Zurich Insurance Group, Danske Bank, Fedex, Ford Motor Company and Telia Company.[4]

These companies are also likely to have used land and water in their activities in Western Sahara and Northern Cyprus, and would thus be included in a database compiled similarly to the OHCHR database in relation to these territories.

We note that the proposed consultation states: *"The fact that the same level of information may not be as readily available in relation to other sectors or locations where human rights issues exist does not currently seem to the Committee to be a reason not to act upon this information. As set out in this consultation document, the Committee's proposal is also for monitoring of human rights concerns more generally."*

The Pensions Committee is thus committing itself to follow the same approach in relation to occupied territories such as Western Sahara and Northern Cyprus as to the West Bank. Even if the Committee disregards the KPF Reports cited in the footnote on the basis they are now out of date or inadequate in some other way, there is a material risk that updated and enhanced reports will be prepared by KPF or another organisation, and that the Fund will then be committed to making substantial divestments and exclusions that would be liable to result in a material change in its financial performance.

In these circumstances, it was materially misleading to say that *"there is unlikely to be any material change in the performance of the fund"* if divestment from companies in the OHCHR database takes place. Again, this was likely to have distorted the results of the survey.

B. Misrepresentations in the PSC / UNISON Leaflets

6. *"The UN, Amnesty International and many experts have concluded that Israel is committing apartheid and genocide in Palestine."*

The UN itself has not concluded that Israel is committing genocide in Palestine. South Africa's claim that Israel has breached the Genocide Convention in the Gaza Strip is being considered by the International Court of Justice (ICJ), which is one of the UN's principal organs. However, no determination has yet been made. South Africa recently sought and obtained an extension of time of over 20 months to reply to Israel's defence to the claim

[4] Kohelet Policy Forum (KPF), *Who Else Profits – First Report June 2017* and *Who Else Profits – Second Report, November 2018*.

"given the complexity of the case". This indicates that Israel has submitted a substantial defence.

A *"conference room paper"* of the Independent International Commission of Inquiry on the Occupied Palestinian Territory, including East Jerusalem, and Israel concluded *"on reasonable grounds"* that the Israeli authorities and security forces had committed and were committing genocide against the Palestinians in the Gaza Strip. However, its then members have been criticised by the governments of the US, UK, Germany, Canada, Austria, The Netherlands and France for antisemitism and defending antisemitism.[5] It is inaccurate to conflate this Commission with the UN as a whole and misleading to invoke its conclusions without referencing its members' antisemitism.

The ICJ's non-binding, majority advisory opinion of 19 July 2024 considered that *"Israel's legislation and measures impose and serve to maintain a near-complete separation in the West Bank and East Jerusalem between the settler and Palestinian communities"* in breach of Article 3 of the Convention on the Elimination of Racial Discrimination. However, this was not a finding of apartheid, as Judge Nolte (a member of the majority) emphasised in his Separate Opinion. Moreover this statement in the majority opinion is palpably untrue as anyone who visits East Jerusalem can see with their own eyes.

Amnesty International found it necessary to change the definitions of apartheid[6] and genocide[7] to make its claims that Israel is guilty of these alleged crimes, as well as relying on false information.[8] It was misleading and one-sided to refer to these claims without mentioning well-founded critiques of them.

7. "Your Pension is invested in companies that profit from these humanitarian crimes."

This was misleading. Firstly these alleged crimes have not been committed. Secondly, there was no evidence that companies in which the Islington Pension Fund holds shares have profited from the alleged crimes.

8. "Your Pensions Committee is currently consulting members on ending investments (divesting) the pension fund holds in companies involved in violations of international law in Palestine and beyond"

This was also misleading. There was no evidence that the pension fund holds investments in companies involved in violations of international law in Palestine or beyond, or that the proposals covered by the consultation related to any such companies.

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[5] https://www.ejiltalk.org/biased-selective-antisemitic-accusations-against-the-un-commission-of-inquiry-on-israel-and-the-occupied-palestinian-territories/

[6] https://ngo-monitor.org/pdf/NGOMonitor_ApartheidReport_2021.pdf; https://ngo-monitor.org/pdf/NGOMonitor_ApartheidReport_2022.pdf

[7] https://www.justsecurity.org/105790/critical-amnesty-international-gaza-genocide/; https://thinc-law.org/wp-content/uploads/2024/12/Response-to-Amnesty-International.pdf

[8] https://ngo-monitor.org/pdf/SaloAizenberg_Amnesty_Rebuttal.pdf

9. ***"If the pension fund is successful in making the divestments it is proposing, IT WILL SET AN IMPORTANT PRECEDENT"***

This statement was misleading, particularly as it does not mention that Avon Pension Fund rejected proposed divestment after carrying out an accurately and objectively framed member survey in which more members opposed the proposed divestment than supported them, and that Oxford Pension Fund also carried out a survey in which more responses opposed divestment than supported it.

C. The legal framework and consequences of the above.

The legal framework

As the Administering Authority, Islington Council is required by Regulation 10(2) of the Local Government Pension Scheme (Pooling, Management and Investment of Funds) Regulations 2026 ("the Regulations") to formulate an investment strategy in accordance with the requirements set out in guidance issued by the Secretary of State.

The Secretary of State's guidance, titled "Local Government Pension Scheme: preparing and maintaining an Investment Strategy Statement" issued on 29 June 2026 ("the Guidance") states the following:

> *"**5. Responsible investment***
>
> *5.1. Administering authorities as public authorities are rightly expected to be particularly transparent with their approach to responsible investment and must maintain the highest standards in managing financial risk. ...*
>
> ***Key considerations***
>
> *5.5. The administering authority's primary obligation is to act in the best financial interests of the fund. As set out in Chapter 2, in setting their investment strategy administering authorities should consider all factors, including ESG factors, that are financially material to the performance of their investments. Administering authorities may also take non-financial considerations into account provided that doing so would not involve risk of significant financial detriment to the fund and that they have good reason to think that scheme members would support their decision.*
>
> *5.6. In setting out their approach to responsible investment, administering authorities may include a preference for investments which have a positive non-financial impact as well as an acceptable financial return. Authorities may indicate that a different approach to return to achieve a positive non-financial impact is acceptable provided that this meets the 2 criteria for consideration of non-financial factors as outlined in paragraph 5.5 above. ...*
>
> *5.8. Administering authorities should exercise caution against undue influence from campaign groups whose positions may not reflect the views of members or align with the fund's fiduciary responsibilities. Administering authorities should ensure that any*

consideration of member sentiment takes place with due account given to long-term risk management and regulatory compliance.

5.9. As set out in Chapter 3, the role of the administering authority is to set the ISS, including the high-level objectives, but not to specify the individual holdings, managers or geographic zones of investment. The responsible investment approach should not set exclusions for investments in individual countries, investment styles or companies."

The misrepresentations identified in Section A above constitute a serious violation of the requirement of transparency emphasised in paragraph 5.1 of the Guidance. In addition the proposal to exclude Palantir, an individual company, is clearly contrary to paragraph 5.9, as is the proposal to exclude companies because they operate in parts of the West Bank under Israeli administration (an individual geographic zone).

The key criteria for taking into account non-financial considerations specified in paragraph 5.5 of the Guidance and reiterated in paragraph 5.6 clearly reflect the tests formulated by the Law Commission at paragraph 6.34 of its 2014 Report on Fiduciary Duties of Investment Intermediaries:

"In general, non-financial factors may only be taken into account if two tests are met:

(1) trustees should have good reason to think that scheme members would share the concern; and

(2) the decision should not involve a risk of significant financial detriment to the fund."

These tests were endorsed in the Supreme Court in the Palestine Solidarity Campaign case (see e.g. at paragraph 43 per Lord Carnwath).

Taking into account non-financial factors (i.e. considerations other than those which optimise the financial return) in the preparation of the investment strategy would therefore breach both the Regulations and your fiduciary duties unless both of the above tests are satisfied.

Proportion of members supporting required

With regard to the second condition, Nigel Giffin KC advised the LGPS Advisory Board in an Opinion dated 13 January 2025 as follows:

"The member support criterion

56. Although there is no caselaw on precisely what level of perceived[18] support is required, the analysis of Michael Green J in the Butler-Sloss case[19] at [52] tends to suggest that one is looking in effect for something tantamount to consent given by the body of members as a whole. This must mean, I would think, that a very high proportion of members would either positively support the reliance placed upon the non-financial factor in question, or at any rate have no objection to it[20]. Although it cannot be the case that the authority needs to be convinced that there is no one at all amongst the *membership who would raise any objection to what is proposed, I do not believe that it would be consistent with the Guidance to take account of a non-financial factor in a way that was likely to be significantly controversial amongst members, simply because it was believed that a bare majority would support the decision."*

"18 I say "perceived", because it is clear that whether the necessary support exists is a matter left to the authority's judgment – there is no requirement to carry out any sort of poll.

19 See paragraph 21 above.

20 Although I suggest here that it should not matter that a proportion of members would be simply indifferent to the investment policy in question, I think that there would need to be at any rate a substantial groundswell of positive support for it. If the vast majority of the scheme members simply had no opinion on the subject one way or the other, any reliance upon the non-financial factor in question would seem to represent the administering authority (or the pensions committee members) using the fund as a vehicle to advance their own personal views, which in my view would not be a correct use of their fiduciary position."

[emphasis added]

Both the Council and UNISON / Palestine Solidarity Campaign made every effort to encourage members of the Pension Fund to respond to the survey. As noted in paragraph 3.14 of the officers' report for the Committee meeting on 21 July 2026, all active members were sent an email inviting them to participate in the survey and all UK based pensioners and deferred members were sent the background document with an Internet link to participate. In addition, telephone interviews were conducted, prioritising under-represented groups.

The PSC/UNISON leaflet distributed to Islington staff forcefully urged them to complete the survey. In addition to the emotive and false statements identified in section B above, it emphasised:

*"**USE YOUR VOICE Respond to the consultation survey on Divestment!***

We ALL have a moral duty to stop this …

You can do your part and fill out the consultation in support of the divestment today

*IT IS VITAL THAT **AS MANY SCHEME MEMBERS PARTICIPATE** IN THE CONSULTATION AS POSSIBLE AND RESPOND THAT THEY **"STRONGLY AGREE" WITH THE DIVESTMENT PROPOSAL***

RESPOND TO THE CONSULTATION TO DIVEST!

*Get Involved! *Encourage other pension members to complete the consultation"*

Despite all this, only 6.1% of those eligible to participate responded. While prevision research suggested that this was a *"very respectable response rate for this kind of survey"*, it does not appear that the authors of their report took into account the distribution of the PSC/UNISON leaflet.

Moreover, while a substantial majority of those who responded, likely swayed by the misrepresentations identified above, expressed support for the proposals, significant minorities expressed opposition, particularly on proposals 2 and 3.

In our view, this outcome comes nowhere near the *"substantial groundswell of positive support"* which Nigel Giffin KC advised in his footnote 20 is required. On the contrary, it appears that, in his words, *"the vast majority of the scheme members simply had no opinion on the subject one way or the other, [so] any reliance upon the non-financial factor in question would seem to represent the administering authority (or the pensions committee members) using the fund as a vehicle to advance their own personal views, which in [Mr Giffin's] view would not be a correct use of their fiduciary position."*

It would, of course, be incorrect to treat those responding as a representative sample, since they are self-selecting and likely to over-represent those who have opinions on the subject. It is therefore impermissible to draw conclusions from the responses as to the views (if any) of those who did not respond.

<u>Requirement for member support to be properly informed</u>

Quite apart from the overwhelming lack of response discussed above, the survey also failed to satisfy the "member support" test because respondents were seriously misinformed by the misrepresentations identified in sections A and B above. These misrepresentations were highly relevant and likely to have distorted the responses.

The officers' report for the meeting on 21 July 2026 rightly recognised at paragraph 8.4.2 that support needed to be "informed". Regrettably the minor premise of the syllogism was not satisfied, since respondents were misinformed, with the consequence that no valid conclusions can be reliably drawn.

Reliance on the survey or on the false information conveyed in it would breach both the Regulations and fiduciary duties.

<u>Financial detriment test</u>

Reliance on misinformation in the survey would also be likely to lead to non-compliance with the second test formulated by the Law Commission and incorporated in the statutory Guidance, that the decision should not involve a risk of significant financial detriment to the fund.

By inaccurately stating that all weapons manufacturers have already been excluded from the Fund, the survey misinforms readers that the exclusion of such investments has not had and is not likely to have any adverse effect on investment returns.

In proposing the exclusion of Palantir, the survey misinforms readers that this company can lawfully be excluded without also excluding other major technology companies whose products and services form essential components of modern weapons systems.

In proposing the exclusion of companies carrying on activities in areas of the West Bank under Israeli administration, the survey misinforms readers that companies operating in these areas can be lawfully excluded without also excluding the many major companies that operate in other disputed territories, such as Western Sahara and Northern Cyprus.

Public Sector Equality Duty

The officers' report for the meeting on 21 July 2026 rightly recognised that the Public Sector Equality Duty in section 149 of the Equality Act 2010 applies in relation to the formulation of the investment strategy. The Committee is thereby required to have due regard to the need to eliminate discrimination or harassment prohibited by or under the Act and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Organising boycotts against Jews has frequently served as a tool to mobilise, normalise and intensify antisemitism. By demonising Jews, boycott campaigns have successfully shifted social attitudes from latent prejudice to open hostility and violence. Historical examples include Karl Lueger's economici campaigns in late 19th century Vienna, the Limerick boycott and pogrom in 1904, and the Nazi boycott from 1933 which set in train the persecution that culminated in the Holocaust.

Extensive modern research by the Amcha Initiative at US campuses has found close associations between BDS activity and hostility towards Jewish students and staff.[9] As one report concluded, "The best statistical predictor of anti-Jewish hostility, as measured by actions that directly target Jewish students for harm, is the amount of BDS activity."[10]

The survey itself targeted the world's only Jewish state. It singles out disputed territory under Israeli administration, ignoring other disputed territories such as Northern Cyprus, West Sahara and Tibet. It also singles out the use of Palantir's technology by the Israeli Defence Forces, even though they are used by other armed forces.

Proceeding with the proposed divestments and exclusions will further escalate already very high levels of antisemitism.[11] The existence of support for such measures by a small minority of Jews does not negate their propensity to promote antisemitism, nor their impact in alarming the majority of Jews.

Conclusion

Adopting an investment strategy excluding (a) Palantir and/or (b) companies on the OHCHR "database" would breach the Regulations and fiduciary duties since:

9 https://amchainitiative.org/reports

10 Amcha Initiative, Report on Antisemitic Activity in 2015 at U.S. Colleges and Universities With the Largest Jewish Undergraduate Populations at page 19

11 CST, *Antisemitic Incidents January-June 2026*

1. Excluding an individual company or geographic zone would conflict with paragraph 5.9 of the Guidance;

2. In view of the misinformation in the survey, it would also involve a lack of transparency conflicting with paragraph 5.1 of the Guidance;

3. The survey of members does not satisfy the member support test since (i) the proportion of respondents was insufficient and (ii) respondents were misinformed by the survey and the PSC/UNISON leaflets;

4. Reliance on misinformation in the survey would likely result in erroneous assessment of the financial detriment test; and

5. The targeting and dog-whistling of the survey indicate a lack of due regard to the need to eliminate antisemitic harassment and to foster good relations between persons of different ethnicities, religions and/or philosophical beliefs, as required by the PSED.

We hope the above analysis of assistance. We stand ready to provide further explanation or assistance if required.

Yours sincerely

Jonathan Turner

Chief Executive