Subject: Response to the Committee's Refusal to Consider Divestment from Companies Complicit in Israel's Violations of International Law

Date: 09 February 2026

Dear Members of the Dorset Pension Fund Committee and wider council members.

We, the undersigned organisations, write to formally respond to the Committee's report dated 24 June 2025, which addresses but ultimately rejects calls to divest the Dorset Pension Fund from companies complicit in serious violations of international law by the State of Israel.

This response outlines our collective concerns and recommendations regarding that decision. We believe the report fails to uphold the legal, ethical, and fiduciary standards expected of a public body managing pension assets on behalf of local authority employees and the interest of the community as a whole. It avoids meaningful public engagement, relies on unquantified assumptions of financial risk, and inconsistently applies ESG principles.

We urge the Committee to fully reconsider its position and in the interim take immediate steps to:

1. Acknowledge legal obligations under international humanitarian and human rights law in specific relation to genocide and apartheid.

2. Apply ESG (Environmental, Social and Governance) standards consistently across all sectors.

3. Recognise there is clear evidence of members' views - namely dissatisfaction in investment in human rights violations - and as such action should be taken to rectify this.

4. Set out realistic divestment strategies from companies identified by authoritative bodies and established human rights organisations as complicit in human rights violations.

5. Publicly and clearly correct your stance that you do not invest in companies named by the UN and put in corrective measures immediately with a clear framework of how this will be monitored and managed going forwards.

1. Failure to Engage with Established International Law

Public funds must not be complicit in grave breaches of international law. The Fund's continued investment in companies operating in or profiting from illegal settlements, or aiding military and surveillance infrastructure used in human rights abuses, puts it at serious legal and moral risk.

The opinion you have provided is wholly inadequate. We would remind the council that you have sought advice from a Corporate Legal Adviser who seems to have failed to engage with any Human Rights or International Law professionals on this matter.

The Committee's report diminishes critical legal determinations made by authoritative international bodies including:

- The International Court of Justice (ICJ), which in January 2024 ruled that there is a plausible case that Israel is committing genocide in Gaza and issued provisional measures.

- Numerous UN Security Council and General Assembly resolutions declaring Israel's settlements illegal.

- Findings by Amnesty International, Human Rights Watch, and B'Tselem that Israel is operating an apartheid system against Palestinians. With two leading Israeli human rights organisation join international groups in identifying the violence against Gazans as Genocide.

- Recognise the UN has now agreed Israel has committed genocide in the Gaza Strip, UN Commission finds | OHCHR

It also fails to recognise that almost all international ruling took place after the fact. The Human rights act prohibiting genocide were in place after the Holocust and yet the Numenburg trials still charged complicit companies and people under human rights violation and repperation were demanded under rulings that had not previously existed, the same applies to Apartheid South Africa. The UN has already taken action and regardless of the fact the trial still takes place the Council's complicity will still be deemed illegal.

We note the opinion does permit the council to have an option to divest and remind the council there have been several authorities that have already taken the moral and legal choice of divestment, on facing legal challenge to this it has been clear that the law is in favour of LGPS right and obligation to divest as all legal challenges to the divestment have failed.

When the government attempted to target Boycott and Divestment movements associated with human rights violations by Israel the Supreme Court ruled that this was unlawful and attempting to curb LGPS ethical investment was an infringement of the scheme's freedoms. The LGPS is completely within their right to divest and to be able to divest for ethical reasons has been upheld by the most senior court as a valid and salient grounds to do so.

For the council report to decide it does not have that right to divest on ethical ground is a dangerous precedent to set and will seriously impact local councils ability to shape the world around us. It lays a path that will be used against environmental and social justice issues in the future and we warn the council against such a reckless and short sighted act taken in a bid to avoid the topic of divestment from Israel.

Beyond the fact the councils clearly do have the right to choose its investment based on *possible* legal risk or current ethical grounds we now move on to its legal obligation to do so on its actual legal risks.

<u>The opinion provided underestimates the relevance and binding nature of international law obligations on public authorities, including local government bodies:</u>

a. Doctrine of Consistency with International Law

Under UK law, domestic legal interpretation presumes consistency with international obligations unless clearly legislated otherwise (see *R v Lyons* [2002] UKHL 44). LGPS authorities, as public bodies, must interpret their powers in line with international law—particularly binding treaty obligations and peremptory norms (*jus cogens*).

b. Applicability of jus cogens

Grave breaches of international humanitarian law (IHL) including war crimes, crimes against humanity, and acts of apartheid trigger obligations *erga omnes* and under *jus cogens*. States and their organisations, including devolved and local institutions, have a **positive duty of non-assistance** to such violations.

Continued financial support {even indirectly} can amount to complicity, particularly in light of the **International Law Commission's Articles on State Responsibility (Art. 16)**. The BDS movement is attempting to assist the Palestinians through non violent action namely divestment. Councils across the country are preventing these actions by refusing public requests. The UN has called for divestment from these companies to help relieve the suffering of Palestinians and again the Council is willfully and knowingly blocking this action.

Providing political and financial support for Israel and the companies that are profiting from human rights violation is assistance in the wrongful act. There is no reasonable ground that this council can suggest that they do not know what Israel is doing or these companies' involvement. Councillors have repeatedly aired their dissatisfaction with Israel's actions so to then deny knowledge of the action is wholly indefensible. With this information it is clear that continued investment is a breach of international law. Willfully supporting a wrongful act is a breach of international and national law.

Public Law Fiduciary Duty Must Be Informed by International Law Obligations

The opinion relies heavily on a narrow reading of fiduciary duties in investment decisions, treating “financial” and “non-financial” factors as largely distinct. This is legally and ethically outdated.

a. The “Non-Financial” Factors Are Actually Legal Risks

The opinion assumes that considerations around complicity in international crimes are non-financial. In fact, they are legal risks:

- Reputational damage leading to divestment pressures and negative public scrutiny.

- Legal challenges under public law on the grounds of irrationality, illegality, or procedural unfairness.

- Potential violations of obligations under the **Human Rights Act 1998**, particularly Articles 2 (right to life) and 3 (freedom from torture), if linked to state action.

Continued investment in companies facilitating violations of IHL in occupied Palestine arguably makes an authority vulnerable to judicial review or even claims under the Equality Act 2010 if such investments disproportionately affect certain communities.

Precedent from International Tribunals and Legal Opinion Is Clearer Than Stated

The opinion dismisses the evidentiary strength of findings from the UN and ICC as inconclusive or contested. This is misleading and strategically underplays authoritative assessments.

a. ICC Prosecutor’s Arrest Warrant Applications (May 2024)

The application for arrest warrants against Israeli officials by the ICC Prosecutor for war crimes and crimes against humanity is not politically casual commentary. It is a considered *legal judgment* with probative value. While not binding on LGPS funds, such findings **c**reate a credible legal risk environment that must inform fiduciary decisions.

b. International Court of Justice (ICJ) Provisional Measures and Advisory Opinions

ICJ findings on the illegality of Israel’s occupation policies (including apartheid) are binding on the UK as a party to the Genocide Convention and Geneva Conventions. By continuing to fund entities aiding in illegal settlement infrastructure, LGPS schemes may be acting contrary to the UK's international obligations, which in turn must guide public authorities’ conduct.

<u>Divestment Is a Minimum, Not a Radical, Response</u>

The legal opinion sets an unrealistically high threshold for action: waiting for definitive proof of war crimes or criminal convictions. This misapplies both precautionary principles and basic public law standards.

a. Precautionary Principle in International Law

Where serious human rights violations are credibly alleged and supported by international bodies, **public entities must take steps to prevent potential complicity** even if all legal elements of individual liability are not yet established.

b. Divestment as a Proportional and Lawful Response

Given the seriousness of the potential breaches and the reputational and legal risks, divestment is a **measured, proportionate, and legally defensible policy response**. The courts have already recognised in other contexts that ethical investment and disinvestment policies are lawful, especially when grounded in international law.

Failure to recognise our own governments formal stance:

Legal Conclusion

The opinion's cautious stance wrongly prioritises legal defensibility over legal responsibility. In contrast, international law imposes a clear and positive obligation on public authorities to divest from companies complicit in grave breaches of international law. This duty arises from both domestic legal interpretation and binding international obligations.

It is not merely that LGPS may divest, it is that, where credible evidence of complicity in international crimes exists, public authorities are legally and ethically obligated to do so. Failure to act risks complicity in breaches of *jus cogens*, undermines the UK's international standing, and exposes authorities to future litigation and reputational damage.

We would remind the council that this is in fact the first ever live streamed genocide. It is evident from extensive satellite footage that Gaza has been destroyed and every single hospital bombed. To deny that Israel is blocking food, water and aid when it is clearly evidenced not only in the mass media coverage, by whistle blowers, by direct footage but also by pure logic, there were 4 thousand aid centers …there are now just four. The distribution centers being run by Israel are now kill zones.

Additional violation of IHL and the Council own resolution.

The council claimed it

> *"Continues to endorse Brunel Pension Partnership's exclusion of "controversial weapons" (such as anti-personnel mines, chemical and biological weapons) and companies non-compliant with Principle 2 of United Nations Global Compact on Human Rights (UNGC) from their actively managed equity and bond portfolios."*

We have previously provided the Committee with the list of companies published by the UN Office of the High Commissioner for Human Rights (OHCHR) as of December 2024. The opinion you have provided and the report you have defended your inaction on the fact that the court proceedings against Israel are still ongoing. There are over 100 companies the UN has listed for several years as being complicit in human rights violations. This is a longstanding judgment. Yet despite this, the fund remains invested in the following companies listed for their involvement in illegal settlements and violations of Palestinian rights:

This includes:

- ➢ Airbnb Inc.
- ➢ Altice
- ➢ Alstom
- ➢ Bank Hapoalim .
- ➢ Bank Leumi Le-Israel
- ➢ Bezeq the Israel Telecommunication Corp.
- ➢ Booking.com
- ➢ Expedia Group Inc.
- ➢ Mizrahi Tefahot Bank Ltd.
- ➢ TripAdvisor Inc.
- ➢ First International Bank of Israel Ltd.
- ➢ Motorola Solutions Inc.
- ➢ Caliber Collision
- ➢ ZF Europe Finance

Furthermore, the Committee has stated its commitment to the UN Global Compact, including Principle 2: "Businesses should ensure they are not complicit in human rights abuses."

We request a formal clarification:

- **Why does the Dorset Pension Fund continue investing in companies cited by the United Nations for complicity in breaches of international law?**
- **On what grounds is the council suggesting it does not know the stance of these companies' complicity?**
- **How is this principle being applied to these investments?**

International law and the environment:

Although the natural environment is protected under International Humanitarian Law, it continues to be a “silent casualty of war”. The environmental devastation in Gaza violates multiple international laws and conventions designed to protect the environment during armed conflict. The Rome Statute and Geneva Conventions highlight that intentional environmental destruction can constitute a war crime.

In addition International law requires Israel to bear the cost of rebuilding Gaza, given its recognised responsibility as an occupying power. Long term investment in companies based in Israel face a serious legal risk. There is nothing to say that Palestininas would not be within there right to come for reparations from the UK for our ongoing complicity in their occupation and genocide. With the growing unrest within the general UN assembly this reality grows more each day. The cost of rebuilding Gaza is estimated at

$18.5 billion and the legal implications of the action taken are undeniable and growing each day.

A more detailed review has been set out by Palestinian Solidarity Campaign Position-Paper.pdf

2. Inconsistent Application of ESG Standards

The Fund has implemented exclusions on controversial weapons, yet as well as continuing to invest in companies explicitly named by the UN it continues to invest in:

1. Arms and surveillance tech providers implicated in war crimes.
2. Companies directly operating in illegal settlements.
3. What has been described by Greenpeace and the UN as Ecocide.

There is an extensive list of companies that are key to the continued illegal apartheid in the West Bank through technology development including:

- **Safran**: Provides biometric equipment used by Israeli forces across the occupied Palestinian territories. A territory in which the Israeli Palestinians grass route group “Standing Together” has called actions taken by settlers as “pogromes”. Hundreds of Palestinian homes burnt down by settlers, all of whom were released within 24 hours. The Palestinians displaced forever.

- **HP (Hewlett-Packard):** Powers Israel’s racist population registry (Aviv System) and settler infrastructure via the “Yesha Database.”

- **Babcock Internationa**l: Maintains contracts with the Israeli military, currently facing genocide proceedings before the ICJ.

- **Check Point Software Tech**: is a large Israeli internet security and software company. As reported by Corporate Watch, it is closely intertwined with the Israeli military and security services. Several of Check Point’s directors worked in cyber intelligence for the Israeli military before starting careers in the private sector. The company works in partnership with some of Israel’s biggest arms companies, including drone manufacturer Israel Aerospace Industries (IAI). Like other parts of Israel’s hi-tech sector, such as the companies making a profit out of Israel’s drone industry, Check Point profits from the incubator provided by the Israeli state repression of Palestinians.

This inconsistency calls into question the Fund’s adherence to its own ESG criteria. These investments violate both ethical norms and the Fund’s stated ESG exclusions.

We ask for specific case by case justifications for retaining investments in each of these companies in reference to why the council feels this is appropriate use of weapons and technology by one occupying person on to another occupied persons?

Serious Environmental Destruction

We have already highlighted the legal responsibility Israel and those supporting this genocide have to the enviroment as part of the Rome Statue and Genevea Conventions. Multiple NGOs have described what is happening in Gaza and ecocide. The targeted deliberate destruction to make Gaza uninhabitable has multiple environmental agencies including Greenpeace calling for investigation into this destruction of habitat as a war crime.

By June last year Euro-med calculated Israel had dropped 70,000 tons of explosives on the Gaza Strip. This was over a year ago. The immediate carbon emissions from the war are staggering, an estimated 536,410 tonnes of carbon dioxide was released in just the first 120 days of the genocide, it has now been 632 days at the point of writing this. The level of bombing is unprecedented in all of history. The land is scorched, piles for burning waste lands have formed, water is poisonous, air contaminated with phosphorus chemicals and the agricultural land poisoned.

The severe environmental crisis is causing an increase in disease to animals, plants and people risking serious epidemics throughout the region and is an environmental catastrophe. The long term impact to the whole region and those close by is immeasurable.

Socioeconomic condition.

Socioeconomic conditions in Gaza were dire in 2022 with over two million Gazans confined to one of the most densely populated spaces in the world. Surrounded on all borders by a brutal occupation and regular “mowing the laws”, as well as a violent blockade that ban everything from wedding dresses to incubators Gazans have suffered inadequate access to clean water, sporadic electricity provision and no proper sewage system. Two thirds of the population lived in poverty, and 45% of the workforce was unemployed before the beginning of the latest assault.

The ongoing genocide has displaced 85% of Gaza's population, halting economic activities and further worsening poverty and unemployment.

UNCTAD’s assessment underscores that restoring pre-conflict socioeconomic conditions in Gaza will take decades and requires ***substantial foreign aid*****.**

There is now no adequate water or sewage system, no adequate hospitals, housing, work or education system in place. Children have not had any school for nearly two years.

Is the council denying the serious social, ecological and geopolitical destruction that is being carried out in Gaza today? Do the council take the stance that environmental, social and geopolitical risk will not impact our communities? Can the council highlight specifically how these actions and investment in companies committing them align with the ESG policy?

3. Misrepresentation of Financial Risk

The report asserts that divestment may carry financial penalties, yet:

- No modelling, analysis, or comparative case studies are presented.
- Experience from other funds including Norway's sovereign wealth fund, Dutch pensions, USS (the UKs largest pension fund), and AXA show that ethical divestment is financially viable.
- Reputational and legal risks from inaction may in fact outweigh any short-term market impacts.
- There is already a call to change the pension scheme in just a few months, this would mean action now would avoid any additional cost in the long run. Instead of highlighting this as a key opportunity to councillors to make changes to the fund in the interest of the local community the report completely undermines any responsibility by stating the impact is "unknown".

Evidence we submitted about the growing call for divestment including pensions funds who have already done so. Including:

- USS the UKs largest pension fund divested $100 million from Israeli assets.
- AXA withdrawing from all major Israeli banks.
- Carrefour exiting Jordan after boycott pressure and McDonalds global decrease in sales for the first time ever.
- Twelve councils have already divested including Waltham Forest, Oxford, Bristol, Islington and Peterborough and almost all funds are facing divestment calls.

In addition to the growing financial risk created by an increase in divestment market leaders are already highlighting the financial risk to Israeli backed assets:

- Moody's downgrading of Israel's credit rating in 2024, raising bond issuance costs.
- Chairman of the Israeli Export Institute acknowledged that "BDS and boycotts have changed Israel's global trade landscape," and admitted that in some countries, Israeli companies must now operate "under the radar."

- Israel already faced its first recession and political and financial analysts have highlighted that the end of the war will likely see a long term recession for the region. They have sold off masses of bank loans to hedge up military equipment.

In addition, it ignores our own governments stance on risk of investing in Israel:

UK Foreign policy The UK government guidance:

‘Overseas Business Risk - The occupied Palestinian territory lxxiv’ highlights the legal and economic risks of companies conducting business within or benefitting the settlements, and makes it clear that the government does not support such activity. Pension funds should be seeking to minimise these risks to their investments by demanding that companies cease any operations in the settlements. “There are therefore clear risks related to economic and financial activities in the settlements, and we do not encourage or offer support to such activity. Financial transactions, investments, purchases, procurements as well as other economic activities (including in services like tourism) in Israeli settlements or benefiting Israeli settlements, entail legal and economic risks stemming from the fact that the Israeli settlements, according to international law, are built on occupied land and are not recognised as a legitimate part of Israel’s territory. This may result in disputed titles to the land, water, mineral or other natural resources which might be the subject of purchase or investment. EU citizens and businesses should also be aware of the potential reputational implications of getting involved in economic and financial activities in settlements, as well as possible abuses of the rights of individuals.” Overseas Business Risk - The Occupied Palestinian Territory, Foreign and Commonwealth Officelxxv

The BDS movement is accelerating, and continued investment in companies complicit in Israel’s regime is rapidly becoming not only unethical but fiscally irresponsible. It undermines long-term portfolio stability and risks breaching fiduciary duty.

We request that the Committee provide a detailed explanation of what measures have been taken to address the specific risks previously identified. In particular, we note the Committee's prior assertion that it is too difficult to quickly divest from certain assets, and that doing so would be dangerously reactionary.

Given this position, we ask the Committee to clearly outline its long-term strategy for mitigating and ultimately exiting these risk exposures. If a phased or strategic transition is planned, please clarify the intended timeline, benchmarks for progress, and risk management protocols in place during the interim period. How many companies, banks and investment funds will have to divest before Dorset starts making a plan let alone puts it into place?

4. Lack of Member Engagement Undermines Democratic Legitimacy

The claim of “insufficient evidence” of support from scheme members is disingenuous:

- No reference is made to Dorset UNISON’s support for divestment, one of the largest unions for pension scheme members
- There was also no recognition that the call for divestment has been supported by unions and its members at a national level including GBM, Unison and Unite.
- No parallel consultations were held before divesting from Russia or for fossil fuel-related ESG changes. Showing a dangerous double standard for the Council to put their own preference towards their support of Israel above the members' call to divest from activities related to war crimes.

There is also no mention that since launching our campaign in only a few weeks:

- Hundreds have joined public demonstrations across Dorset- from the small town of Bridport, to Weymouth, to Dorchester, to larger centers like Bournemouth. There is a clear and growing movement across the area with multiple established groups already set up and well supported in their actions.
- Local councillors have received numerous emails in support but seem to have disregarded this as a clear indicator of public sentiment.
- You have heard several questions and deputation from different groups calling to divest. These have come from environmental groups, political advocates and workers movements showing a consistent concern across the spectrum.

The council workforce and pensions members are taken from the local community so to suggest this is not consistent with the members without providing any evidence why is unacceptable.

In addition to this campaign, it is known to councillors that:

- Over thousands of BCP residents have signed to be untwinned with an Israeli settlement.
- Nationally, a YouGov poll (May 2024) found that 70% of Britons support a ceasefire in Gaza. Public sentiment is overwhelmingly clear.
- The Coop which is a member led retailer held a recent vote to cease trade with Israel with more than 70% voting for divestment and huge a backlash on the company when they tried to ignore members.
- British Medical Association has also passed multiple resolutions to cut ties with Israel following a growing number of calls by members. Showing a clear stance by public workers.

Both local and national consensus is clear. The public including employees and pension holders do not support Israel's use of starvation, mass murder and ethnic cleansing nor do they want to see their money or leaders supporting such atrocities.

On what ground is the council suggesting that pension members are not aligned for this divestment call?

In the case of Russia, the council not only divested from specific companies that had violated human rights, but chose to divest entirely from Russia. During the meeting on 10 March 2022 Andy Canning (Chairman) made a brief statement on Russia and Ukraine during which the council expressed dissatisfaction with Russia, and no other concerns were raised. Not regarding cost, complexity, inefficiency, or the will of the members.

We are asking the council to clarify why the Russian divestment did not require the same terms and conditions that are now being suggested for divesting from the Genocide in Gaza? Why are the multiple unions, email, protests, petitions, question and deputations all calling for the same thing being clearly and willfully discarded by representatives?

5. Artificial Framing: Engagement vs. Divestment

The report presents engagement as the only viable alternative to blanket divestment. This is a false dichotomy. Responsible investment allows for:

- Targeted divestment from companies on the UN OHCHR list.
- Clear engagement deadlines, after which divestment proceeds.
- Use of existing exclusion frameworks applied for other ESG concerns.

The report and the council have failed to show where they have used engagement before and how it has worked, they have also ignored the seriousness and urgency of the current issue. We are asking the council to divest from a current and ongoing genocide in which hundreds of people are being killed every day. On what ground has long term ‘engagement’ been chosen as over divestment when dealing with such a serious and urgent matter?

What are the specific conditions under which Dorset would divest from a company complicit in international law violations and how are these being communicated with these companies in your strategy of engagement?

In your communication with these companies to engage with them, is there a timeline for results?

What precedent supports successful engagement with companies involved in occupation infrastructure?

From what we can see there has been no material or in fact any action taken by the Council to engage in any way with companies complicit in genocide and push them to stop. There is a clear stance here to dressing up inaction as an effective action, a stance we will not accept.

6. Administrative Complexity Is Not a Justification for Ethical Paralysis

The impending changes to Brunel Pension Partnership should not be used as an excuse for delay. Other LGPS members -including Oxfordshire- are moving ahead with ethical screening.

Moreover, Dorset has previously undertaken responsible investment decisions on environmental and human rights grounds. Any restructuring required due to central government directives provides the ideal opportunity to realign the portfolio ethically.

7. Ignoring Global Best Practices

Across the UK and internationally, ethical divestment has proven both lawful and effective. Examples include:

- The University Superannuation Scheme (USS)
- The Church of England
- Dutch ABP pension fund
- Norway’s KLP and GPFG sovereign fund

Legal challenges to such moves under LGPS regulations have not succeeded. Acting in accordance with human rights is not only legal, it is now an ESG best practice

Conclusion & Recommendations

The Dorset Pension Fund has a moral, legal, and fiduciary duty to act. Bureaucratic obstacles or political reluctance must not override this.

We call on the Committee to take the following immediate steps:

1. Immediate Divestment from Companies Breaching UN Principles:

- Withdraw investments from companies identified by the UN as violating its key principles (e.g., companies involved in human rights abuses, environmental harm, etc.). Ensure Brunel's investment portfolio aligns with the UN's Global Compact and international human rights frameworks. This would send a strong message that these kinds of activities are not acceptable.

2. Review and Divest from Companies Accused of War Crimes:

- Conduct a comprehensive review of companies accused of complicity in war crimes, especially those involved in the illegal use of weaponry, apartheid, or genocide or involved in the enforcement of illegal settlements or profiting from them.

3. Commit to Long-Term Reporting and Transparency:

- Ensure long-term monitoring and transparent reporting on the status of these divestments. The pension committee should actively manage these investments to ensure alignment with ethical standards. The administrative body pension committee should take an active role in reviewing these investments and understanding the companies invested in. There must be a clear framework for future ethical investments.

We remain willing to engage constructively and to support the Fund in developing a human rights-compliant investment strategy. However, the status quo is untenable.

We look forward to a formal and substantive response.

Yours sincerely,

Dorset Palestine Solidarity Campaign
Palestine Solidarity Movement Dorset
Dorset UNISON+

Reference Documents

Palestine pensions pack *Uniosn*

Report by Council

The United Nations Human Rights Council, in its resolution 31/36 Jun 2023

Brunel Pension Partnership Investment Report - Dorset County Pension Fund - 31 Mar 2025

Israel has committed genocide in the Gaza Strip, UN Commission finds | OHCHR

https://dorsetpensionfund.org/media/ovmedsch/dorset-county-pension-fund-holdings-report-30-june-2025.xlsx