

Scheme Advisory Board

MEETING HELD ON 13th DECEMBER 2021

ITEM 7 PAPER C

LETTER FROM MICHAEL LYNK, UN SPECIAL RAPPORTEUR

Background

1. In a letter dated 22 November 2021 Michael Lynk, the UN Special Rapporteur on the situation of human rights in the Occupied Palestine Territory, wrote to all Chairs of LGPS pension committees in England and Wales. A copy of the letter is at Annex A.
2. The letter sets out a number of requests for actions regarding investments in companies listed in the Office of the United Nations Human Rights Council's (OHCHR) database of business enterprises involved in certain specified activities related to the Israeli settlements in the Occupied Palestine Territory. The list of companies can be found in section VI of ANNEX B
3. An extract from the letter showing the requests for action is set out below:
 - I. *To conduct enhanced human rights due diligence for all companies that are listed in the OHCHR Database, as well as others beyond the scope of the database that may be involved in the illegal Israeli settlement economy. This should include using leverage to influence investee companies to desist from involvement in the settlement economy, as well as accounting for steps taken by LGPS funds in this regard.*
 - II. *To divest LGPS funds of holdings in any of the companies that are listed in the database, if the company cannot give clear assurance that it itself has removed itself entirely from the settlement economy.*
 - III. *To ensure that holdings in companies in high-risk, conflict-affected areas (wherever they may be in the world) are a priority for LGPS funds' ESG strategies, and provisions should be made within the funds' Investment Strategy Statement.*

Consideration

4. In an immediate response to the letter, which was copied to the Secretariat and the Local Authority Pension Fund Forum (LAPFF), the following statement was posted on the Board's website:

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“On 22nd November a letter was sent to all LGPS pension committee chairs, copied to LAPFF and the Board. The letter is from Mr. Michael Lynk, United Nations Special Rapporteur on the Palestinian Territories and asks a number of questions of LGPS funds regarding their investments. The Board will discuss the letter at its meeting of the 13th December but in the meantime the Chair and secretariat will liaise with LAPFF to seek clarification with Mr Lynk on a number of points in the letter and LGPS funds may wish to await that clarification before responding.”

5. The Chair has since been in contact with Cllr Doug McMurdo (the LAPFF Chair) to discuss the possibility of a call with Mr Lynk. Progress against this action will be reported at the Board.

Recommendation – that the Board notes the position as set out above