

Minutes of the Meeting held

Friday, 13th December, 2024, 10.00 am

Bath and North East Somerset Councillors: Paul Crossley (Chair), Toby Simon, Chris Dando and Joanna Wright

Co-opted Voting Members: Councillor Mike Drew (South Gloucestershire Council), Councillor Robert Payne (North Somerset Council), Councillor Fi Hance (Bristol City Council), Charles Gerrish (Academies), William Liew (HFE Employers), Wendy Weston (Trade Unions), Pauline Gordon (Independent Member), John Finch (Independent Member) and Jackie Peel (Independent Member)

Co-opted Non-voting Members: Councillor Kate Kelliher (Parish & Town Councils)

Advisors: Nick Page (Mercer) and Paul Middleman (Mercer)

Also in attendance: Nick Dixon (Head of Pensions), Liz Woodyard (Group Manager for Funding, Investment & Risk), Nathan Rollinson (Investments Manager), Carolyn Morgan (Governance and Risk Advisor), Nicky Russell (Technical & Compliance Advisor), Julia Grace (Pensions Valuation Advisor), Jeff Wring (Director of One West & Avon Pension Fund) and Claire Newbery (Pensions Operations Manager)

30 EMERGENCY EVACUATION PROCEDURE

The Democratic Services Officer announced the emergency evacuation procedure.

31 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Councillor Kate Kelliher joined the meeting online via Teams.

32 DECLARATIONS OF INTEREST

There were none.

33 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR

There was none.

34 ITEMS FROM THE PUBLIC - TO RECEIVE STATEMENTS, PETITIONS OR QUESTIONS

Huw Spanner addressed the Committee, a copy of his statement will be attached as an online appendix to these minutes and a summary is set out below.

The ongoing atrocities in Gaza are a moral catastrophe without parallel. There is no comparable case in recent times in which a captive population has been so relentlessly targeted, persecuted, and killed by a State act on this scale. The suffering Israel is inflicting has already claimed more than 45,000 lives, laid Gaza to waste, and undermined international institutions and the rule of law in the process. If we do not act, there may be worse to come – and history will judge us all gravely.

It is incumbent on us all to do what we can to end this terrible suffering. In this context, we note that Avon Pension Fund have investments of:

- £12 million of public money in companies profiting from illegal Israeli settlements and human rights abuses in the Occupied Palestinian Territories.
- £10 million of public money in arms companies supplying Israel with military equipment used to kill Palestinians.

The world's highest court, the International Court of Justice, ruled in January 2024 that Israel may be committing genocide in Gaza. Our government and public institutions must employ all means reasonably available to prevent and deter further genocidal acts.

In November 2024, the International Criminal Court issued arrest warrants for Israel's leaders for war crimes and crimes against humanity. If convicted, complicity by UK citizens would also be a criminal offence in the UK.

In June 2024, the UN warned that investors failing to cut ties to arms companies supplying Israel "*could move from being linked to human rights abuses to contributing to them, with repercussions for complicity in potential atrocity crimes*".

The UK Government's own advice identifies the economic and financial risks associated with investments in illegal Israeli settlements and discourages such business activities.

Dr Eldin Fahmy addressed the Committee, a copy of his statement will be attached as an online appendix to these minutes and a summary is set out below.

The APF has a fiduciary duty to its investors. This includes a legal duty to give due regard the potential reputational impacts of its business activities. The last year or so has witnessed some of the largest demonstrations in recent UK history and the potential for reputational damage from continuing to invest in companies widely perceived to be complicit in Israeli genocide is demonstrable.

Investing in companies which may be facilitating genocide, war crimes, and egregious breaches of international humanitarian law clearly does not constitute a socially beneficial purpose. Adherence to international law is not optional.

With this in mind, and to avoid any potential due diligence or human rights challenges in future, can the APF confirm:

1. What actions have APF taken to implement heightened due diligence on human rights harms in the OPTs as a result of Israel's war in Gaza?
2. What action have APF undertaken to evaluate the feasibility of engagement on actual human rights harms with Palestinians in the OPTs, or with their legitimate representatives?
3. What leverage might APF have to influence the cessation of human rights harms in the OPTs?
4. Is APF invested in any companies linked by the UN to human rights violations connected to illegal Israeli settlements in the OPTs?
5. Are there any 'no-go' areas for APF business activities linked to the expansion of Israeli settlements in the OPTs?

It is incumbent on Avon Pension Fund to divest now from companies facilitating or profiting from Israel's actions in the OPTs, including those operating in illegal settlements or facilitating Israel's human rights abuses in the OPTs.

Jane Samson addressed the Committee, a copy of her statement will be attached as an online appendix to these minutes and a summary is set out below.

I am deeply troubled about the many equity investments that APF holds in companies that profit from the illegal occupation of Palestinian land as well as from the aerospace and defence sector that is decimating Gaza and perpetrating a genocide.

Information supplied this year by the Avon Pension Fund confirms that APF holds over £22 MILLION of public funds in such equity holdings. I will identify just a few of the companies, their products and briefly describe the harm that they do to Palestinians.

General Dynamics Corporation, the fifth-largest military contractor in the world in 2022, manufactures bombs including BLU-113 and BLU-109 'bunker-busting' bombs, and 'general purpose' MK82 and MK84 bombs being widely used to destroy Gaza and exterminate its population.

Northrop Grumman, the third-largest military contractor in the world in 2022, provides Israel with missile systems including Longbow radar systems and Hellfire missiles for Israel's Apache helicopters and critical components its F16 and F35 fighter jets used to target Palestinian homes, schools, hospitals, infrastructure and places of worship.

BAE Systems, the world's seventh largest military contractor in 2022, supplies Israel with components for combat aircraft, munitions, missile launching kits, and armoured vehicles. BAE technologies are integrated into Israel's main weapon systems, including fighter jets, drones, and warships. BAE Systems provides weapon systems and components for Israel's F-15, F-16, and F-35 fighter jets, used to shred Palestinian children.

Boeing supplies the Israeli military with a wide variety of weapons, including fighter jets, attack helicopters, missiles, bombs, and precision-guided bomb kits. Boeing manufactures the F-15 fighter aircraft, which is one of the main warplanes used by the Israeli Air Force, as well as the V-22 Osprey tiltrotor military aircraft, Chinook helicopters, and the KC-46 Pegasus military refuelling and transport aircraft.

Investing in companies which, according to the International Court of Justice may be facilitating genocide, war crimes, and egregious breaches of international humanitarian law clearly does not constitute a socially beneficial purpose. Adherence to international law should not be optional.

Fay Pafford addressed the Committee, a copy of her statement will be attached as an online appendix to these minutes and a summary is set out below.

About six weeks ago, I was put in contact with a trainee doctor in Gaza called Said Aroq - a young man of 21 whose life-long ambition is to serve his people by becoming a surgeon. In October of last year he was looking forward to starting his third year of medical school. This all stopped when his university was destroyed by Israeli bombs. His family fled after their home was destroyed and they have now been displaced twice. Said volunteers in one of the few remaining hospitals in the north of Gaza. He puts his life at risk every time he walks from his home to the hospital as Israeli drones regularly shoot and kill people walking in the streets. He is never safe.

The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the area of human rights. Principles 1 & 2 state that businesses should support and respect the protection of internationally proclaimed human rights and make sure that they are not complicit in human rights abuses.

Investments in General Dynamics Corporation financed the 'bunker-busting' bombs used to destroy the University Said studied at and the Al Shifa hospital he trained at. They have provided the guns and ammunition used to maim the many children Said has operated on - including the child whose stomach he picked shrapnel out of earlier this week.

Investments in Northrop Grumman provide Israel with the Hellfire missiles used to destroy Said's home and local mosque.

Investments in BAE technologies provide Israel with the drones used to shoot, kill, and maim the many people Said and his colleagues daily risk their lives for.

Investments in Boeing Corporation provided Israel with the precision-guided bomb-kits used to kill three of Said's medical colleagues and their families a few days ago.

All of these are grave war-crimes which the ICJ clearly state may amount to Genocide. If you do not wish to be complicit in this, there is only one course of action open to you. Divestment.

Dave Searby addressed the Committee, a copy of his statement will be attached as an online appendix to these minutes and a summary is set out below.

In June 2023, The UK Govt, in the guise of Department for Business & Trade and Foreign and Commonwealth office updated their guidance on Overseas business risk in Israel. Note that this was before the terrible events of October 7th 2024 and the judgements of the ICJ, which will have hugely increased the risk outlook.

I quote from section 2 of the report:

“The UK has a clear position on Israeli settlements: The West Bank, including East Jerusalem, Gaza and the Golan Heights have been occupied by Israel since 1967. Settlements are illegal under international law, constitute an obstacle to peace and threaten a two-state solution to the Israeli-Palestinian conflict. We (the UK gov't) will not recognise any changes to the pre-1967 borders, including with regard to Jerusalem, other than those agreed by the parties.

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.

UK citizens and businesses should 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. Those contemplating any economic or financial involvement in settlements should seek appropriate legal advice.”

The January 2024 Country Risk Report for Israel in Israel, from the prestigious Allianz group includes the following conclusions. Again, I quote:

“The ongoing conflict is expected to have severe, short-term consequences, affecting private consumption, labor supply and foreign investors’ confidence Internal tensions and prolonged hostilities exacerbate political uncertainty. Trust issues with international allies and potential internal dissatisfaction pose challenges to the government.

Anticipated military spending in 2024 may lead to a deficit of over 6% of GDP, contributing to public debt nearing 70%. This could impact government bonds and economic sustainability.

The internal tensions that emerged in the first nine months of 2023 and the prospect of a prolonged conflict around Israel’s borders portend greater political uncertainty.”

I put it to you that if the Avon Pension Fund is looking to minimise commercial and legal risk, it needs to eliminate investments in the occupied territories and in companies involved in the supply of weapons to Israel.

Julia Thomas addressed the Committee, a copy of her statement will be attached as an online appendix to these minutes and a summary is set out below.

I am here today to speak about apartheid. The Avon Pension Fund is perpetuating this dehumanizing system of oppression by investing over £12 million in companies that profit from their operations in the Occupied Territories of the West Bank.

The Israeli government has encouraged the building of many colonial settlements all over the West Bank. These settlements are connected by "settler-only" roads, which lead back to Israel. Palestinians can only travel via a complex system of permits and

military checkpoints. These barriers restrict Palestinian access to education, healthcare, and livelihoods. And, the Israeli separation wall, built on stolen Palestinian land, isolates farmers from their fields and olive groves. Israel also controls 80% of the water resources in the West Bank, further compounding the hardship for Palestinian communities. These policies amount to apartheid.

In the 1960s, revelations about South African apartheid led many local councils to reassess their investments in pension funds. It was clear that divesting from apartheid South Africa was an effective tool for driving change. This same logic must be applied today to our investments in companies supporting Israeli settlements.

The Avon Pension Fund must also take into account the International Court of Justice's declaration that Israel's occupation of the Gaza Strip, the West Bank, and East Jerusalem is illegal. In July 2024, the ICJ ruled that Israel's legislation and actions violate the international prohibition on racial segregation and apartheid. The Court mandated that Israel end its occupation, remove the settlements, provide full reparations to Palestinian victims, and facilitate the return of displaced people.

Our pension fund must align with the ICJ's ruling.

Youssef Ibrahim addressed the Committee, a copy of his statement will be attached as an online appendix to these minutes and a summary is set out below.

Since October 7, 2023, Gaza has faced an unprecedented humanitarian catastrophe. Over 43,000 Palestinians have been killed, the majority of whom are women and children. More than 100,000 people have been injured, with hospitals overwhelmed and critical medical supplies running out. Over 1.9 million people have been displaced, with entire families forced to live in dire conditions without basic necessities like clean water or food.

The suffering in Gaza is a direct result of systemic violations of international law, including the use of advanced military technologies by companies profiting from arms sales and illegal settlements. Avon Pension Fund is currently complicit in this suffering.

- £12 million is invested in companies profiting from illegal Israeli settlements in the Occupied Palestinian Territories—settlements that the United Nations and international courts have declared unlawful.
- Over £10 million is invested in aerospace and defence companies like Boeing, BAE Systems, and Northrop Grumman, all of which directly supply arms used in the devastating attacks on Gaza, the West Bank, and Lebanon.

These investments expose this fund — and by extension, its stakeholders — to significant legal, financial, and reputational risks.

We are calling on the Avon Pension Fund Committee to:

1. Immediately divest from all companies profiting from illegal settlements and arms sales linked to violations of international law. This includes companies such as General Dynamics, Boeing, and Safran, which are directly implicated in the ongoing violence.

2. Ensure fund managers implement rigorous risk assessments, particularly in light of recent international legal developments concerning Israel's actions since October 2023.
3. Commit to compliance with UK and international legal standards, ensuring all investments respect human rights as enshrined in international law.

This is not just a moral failing—it's a breach of the legal and ethical obligations this committee has to its members and the communities it serves.

It is time for Avon Pension Fund to lead with integrity, divest from complicity, and ensure that public money is not used to fund human rights abuses.

The Chair thanked all the speakers for their statements.

The Head of Pensions added his thanks and emphasised how moved the Committee was by the speakers' personal testimonies. He said that the Fund was actively considering this matter and that any such work would take a period of time and that there may be a need for the Committee to meet again in early 2025 to discuss this matter.

35 ITEMS FROM COUNCILLORS AND CO-OPTED AND ADDED MEMBERS

There were none.

36 MINUTES: 20TH SEPTEMBER 2024 (PUBLIC & EXEMPT)

The Committee **RESOLVED** that the minutes of the meeting on 20th September 2024 be confirmed as a correct record and signed by the Chair.

37 PENSION BOARD DRAFT MINUTES: 5TH DECEMBER 2024

The Committee **RESOLVED** to note the minutes of the Board meeting held on 5th December 2024.

38 LGPS CONSULTATION: FIT FOR THE FUTURE

The Group Manager for Funding, Investment & Risk introduced the report to the Committee and highlighted the following issues to them.

She explained that the government is consulting the LGPS on further changes to how our investment assets are managed. She said that the proposals embed pooling and extends the role of the FCA regulated pool company in managing our assets.

She stated that the proposed changes are highly material and broadly cover three areas:

- Reforming LGPS asset pools
- Boosting LGPS investment in their localities and regions of the UK
- Strengthening governance of both LGPS and pools

We do not agree that administering authorities (AA) should be required to transfer legacy illiquid investments to the management of the pool as it has not been made clear the benefit to the pool company or the AA of transferring illiquid, closed ended funds being wound down to expiry.

We do not agree that the pool should provide investment advice on the investment strategies of its partner AAs as conflicts of interest may arise if pools provide strategic advice and implement the strategy. Therefore, LGPS funds should not be required to take strategic advice from the pool company. Whilst AAs may wish to obtain strategic advice from the pool company, they must be able to access independent high-level strategic advice.

She explained that the Avon Pension Fund Committee will still set the Investment Strategy.

She stated that they are pleased to see that the main recommendations of the 2021 Good Governance Review by The Scheme Advisory Board are finally being implemented. She added that the APF has already implemented many of the recommendations and as a result these proposals will have less impact on the fund.

She said that they were not supportive of mandated collaboration on issues such as administration as the potential to generate significant economies are lower but the risk of transferring data etc. are far higher.

She said that the deadline for responses from the Fund was 16th January 2025 and from the Pools by 1st March 2025. She added that, at this stage, any changes were anticipated to commence from 1st April 2026.

She added that any changes made to the circulated draft response would be cleared with the Chair of the Committee prior to submission.

Jackie Peel said that she wanted more clarity in the response and for it to clearly state where it does and does not support the proposals.

John Finch stated that the Fund must continue to receive its own independent investment advice. He added that he felt that the APF were one of the most advanced funds in terms of its governance arrangements.

He said that the deadlines that have been set are too short.

He added that if a pool was not established as an investment management company and authorised by the FCA by 2026 then it should consolidate.

Pauline Gordon asked if there would be a big difference to the asset allocation process.

The Group Manager for Funding, Investment & Risk replied that where the Fund can now allocate 50% equity across a number of equity portfolios, under the new

proposals it could still state the percentage, but Brunel would carry out the actual allocation between the portfolios. She added that they would therefore need to have defined investment objectives and that Brunel need to have their role defined and take true ownership of the portfolios.

Charles Gerrish referred to question 14 of the consultation and said that if administering authorities were asked to work with their local Combined Authority this could lead to Brunel to having many interactions with different bodies and could become quite time consuming.

He added that parts of the consultation appeared contradictory by suggesting a reduction in powers, but asking for further training to be undertaken.

The Group Manager for Funding, Investment & Risk replied that this may have been more difficult if suggested a few years ago, but WECA have increased its capability in this area.

Mike Drew stated that he was not a fan of further consolidation.

William Liew said that the Fund should choose which battles to win as it was likely that the Treasury would push the proposals through. He added that they should be proud of the good work that they have already established within the Fund.

Councillor Joanna Wright commented that she agreed and that the Fund should focus on the elements of the consultation that it could win. She added that she would continue to challenge Mercer on their climate advice and that the Fund's ESG responsibility needs to be maintained.

John Finch said that it was better to be engaged in the process to attempt shape the outcomes for the Fund and for Brunel.

Nick Weaver commented that many feel that the proposals are inevitable and said that the strategic asset allocation must be in line with the Fund's risks and returns. He asked if Brunel's view on the proposals were known.

The Group Manager for Funding, Investment & Risk replied that they had only been able to have one meeting with them on this topic so far.

She added that she would welcome any further comments from the Committee via email.

The Chair said that he would send a final draft of the response to all members prior to it being submitted.

The Committee **RESOLVED** to approve the draft response, subject to any changes made as a result of comments / emails from Committee members. This would then be cleared by the Committee Chair before APF's final response is submitted.

39 INVESTMENT STRATEGY (FOR PERIODS ENDING 30 SEPTEMBER 2024)

The Investments Manager introduced the report to the Committee.

Local Impact Portfolio

He explained that the Fund is seeking to appoint an SME funding manager to complete the core local impact portfolio.

He stated that the SME strand of the portfolio will seek to stimulate local economic growth through business innovation and the creation of local jobs. The appointed manager will focus on private equity style investments in local SMEs with established business models and attractive growth potential.

He said that 'Local' in respect of this fund is defined as the Brunel catchment area of Avon, Somerset, Wiltshire, Cornwall, Dorset, Devon, Gloucestershire and Oxfordshire, with some limited 'out of county' exposure to be expected.

He explained that the Committee are being asked to note the decision of the Investment Panel to appoint Foresight as the Fund's Local Impact SME Funding Manager, subject to further due diligence, independent suitability, tax and legal advice.

He added that the final decision to appoint Foresight and the size of the allocation will be agreed by the Head of Pensions under delegated authority and in consultation with Mercer.

Natural Capital

He informed the Committee that Mercer have provided the Investment Panel with an overview of the investment case and implementation options for a dedicated Natural Capital allocation. He added that the analysis shared with the Panel indicates an initial 2% of assets (c. £120m) would be a reasonable initial allocation.

He said that the Panel agreed that any investment in Natural Capital represents an opportunity to show leadership within the LGPS and there is a clear desire to invest in both established forms of natural capital such as sustainable forestry and agriculture as well as more nascent strategies such as wetland and coastal restoration.

He explained that the Panel will make a recommendation to the Committee in the first half of 2025 once the Brunel portfolio specification has been finalised. He added that this would ensure the views of the Panel are fed directly into the Brunel portfolio development process and the Committee can gain assurance that the Brunel portfolio delivers on the Fund's requirements, prior to making a commitment.

Councillor Fi Hance referred to the Local Impact Portfolio and commented that she felt that this was good news. She asked if press releases on this subject could be shared with the Committee.

The Head of Pensions replied that he would ask for these and a video relating to the Investment Strategy to be shared with the Committee.

Nick Page, Mercer addressed the Committee and highlighted the following points to them.

- The Fund's assets were £6,034m on 30 September 2024 and delivered a net investment return of 3.5% over the quarter which was 2.2% ahead of its strategic benchmark.
- Over 1 year to the end of September the Fund returned 14.8% in absolute terms and +2.7% in relative terms.
- Outperformance relative to the strategic benchmark over the one-year period was due to the Synthetic Equity, Liquid Growth portfolio, Renewable Infrastructure and Private Debt, as well as the Currency Hedge adding to returns. The overweight position to Equity has also been beneficial during a period of strongly rising markets.
- The drivers of underperformance (-3.9%) over the three year period were the active equity, Equity Protection, Overseas Property and Secured Income mandates.
- The funding level is estimated to have increased over the quarter to c.104% as the value of the assets increased by more than the estimated present value of the liabilities. This is a strong position ahead of the next valuation.

Nick Weaver said that there was a need to understand the underperformance over the three years and that it could equate to around £500m. He asked how much of this figure was attributable to Brunel.

Nick Page acknowledged that Brunel have struggled over the three year period and said it should be looked at as to how they are performing against their peers.

The Group Manager for Funding, Investment & Risk added that Brunel do monitor their performance against their peers for each of the portfolios, but don't report on that basis. She said that all managers with a similar tilt would potentially be behind the index and that a significant amount of the underperformance could not be attributed to Brunel.

The Head of Pensions commented that improvements and progression over that past year were encouraging and also cited the strategic underweight to the 'Magnificent 7' stocks as a factor. He said that at this stage he felt Brunel were correct in maintaining this position.

Charles Gerrish referred to Partners Overseas Property and its poor performance and asked if this was a legacy portfolio that was winding down.

The Group Manager for Funding, Investment & Risk replied that it was and that it had been hit fairly badly by property markets in the far east, in particular China. She added that the figure involved was around £90m - £100m.

Councillor Toby Simon said that it was difficult to know what to do with regard to the 'Magnificent 7'. He added that it would be helpful if the Committee could be informed of the key factors that have improved the investment performance over the past three months.

The Investments Manager replied that officers were working on such information to share with the Investment Panel and so would include the Committee in the circulation when the work has been completed.

The Committee **RESOLVED** to:

- i) Note the information set out in the report and appendices.
- ii) Note the decision made by the Investment Panel to appoint Foresight Group as the Fund's Local Impact SME Funding Manager, subject to further due diligence, suitability, tax and legal advice.

40 ANNUAL REVIEW OF RISK MANAGEMENT STRATEGIES

The Committee, having been satisfied that the public interest would be better served by not disclosing relevant information, **RESOLVED**, in accordance with the provisions of the Section 100(A)(4) of the Local Government Act 1972 that the public should be excluded from the meeting for this item of business, because of the likely disclosure of exempt information as defined in paragraph 3 of Part I of Schedule 12A of the Act as amended.

The Committee **RESOLVED** to:

- i) Agree the recommendation that the options set out in Exempt Appendix 1 should be considered as part of the 2025 Strategic Investment Review.
- ii) Note the Risk Management Strategies are performing in line with the Fund's strategic objectives.

41 INTERIM ACTUARIAL VALUATION 2024 AND GAD SECTION 13 UPDATE

The Funding & Valuation Manager introduced the report to the Committee and explained that it contains a summary of the interim valuation outcome that had been previously discussed at the Committee workshop in October.

Paul Middleman, Mercer addressed the Committee and highlighted the following areas to them.

- On 16th August the Government Actuary's Department published its report on the 2022 fund valuations, as required by Section 13 of the Public Service Pensions Act 2013. Overall, as expected the results showed a positive funding position for the LGPS, with 70% of funds now reporting a funding surplus and an aggregate funding level of 106% on a local basis as at 31 March 2022 (119% on the standardised GAD "best estimate" set of assumptions – i.e. excluding prudence).

- No red flags were raised and only a handful of amber flags were raised as areas of concern for individual Funds. The Avon Pension Fund was green for all measurements in terms of meeting the required Solvency and Long-Term Cost Efficiency objectives.
- Given the strong financial position quoted, and the limited number of flags to emerge, this highlights the hard work, improved governance and strong performance of all LGPS Funds. However, it was highlighted that there will be more scrutiny on the use of surplus as part of the 2025 valuation Section 13 project given more Funds will have moved into surplus on a local basis.
- The objective of the Fund is to keep contributions as stable and affordable as possible and also ensure intergenerational equity for taxpayers (“Long Term Cost Efficiency”). Therefore, the aim in 2025 will be to have stable lower employer contribution rates and consider the position employer by employer relating to deficits and surpluses as supported by the employer covenant assessment.

Councillor Toby Simon said that a decision on surpluses should be made in advance of the 2025 valuation. He suggested that at the Committee’s March 2025 meeting he would like it to be decided what the ‘cut-off position’ is in relation to employers having a reduced contribution or take a holiday.

The Group Manager for Funding, Investment & Risk replied that this would be decided before the valuation results are known. She added that the Surplus Policy and the Deficit Policy will form part of the Funding Strategy Statement that the Committee will discuss in their June meeting.

The Committee **RESOLVED** to note the outcome of the 2024 interim valuation and 2025 valuation timetable.

42 PENSION FUND ADMINISTRATION - OVERVIEW & SUMMARY PERFORMANCE REPORT

The Pensions Operations Manager introduced the report to the Committee and highlighted the following points from it.

McCloud

- The first phase of the remedy project for pensioners has begun, and cases will be reviewed on a case-by-case basis.
- 2 further sub-projects have been established a) to write to all members that we believe are not in scope for remedy but may be if they have qualifying service elsewhere, b) data rectification for c5000 due to bulk tranche update errors.
- She updated the Committee to say that this figure had already reduced to c1200 and hoped to have these reconciled by the end of January.
- The deadline for McCloud remedy is August 2025.

Pensions Increase

- The Fund have made the decision based on the number of records left to be reviewed, that the Pension Increase project is now concluded.
- The majority of members have now been remediated or have been excluded as not needing to be increased.
- The remaining member records to be actioned will form part of the administrations team's business as usual:
 - 24 Death cases – awaiting responses from the spouse or next of kin to make payment of arrears to the Estate.
 - 6 Dependant cases – awaiting responses from the dependant to make payment of arrears.
 - 96 GMP cases – High level analysis shows that these may not be an underpayment. All these records will require more investigation and manual calculations to determine whether there is an under or overpayment. The plan is to project manage these cases across the administration team and complete in 2025.

KPIs – SLA monthly performance average July 2023 to October 2024

- Performance has improved for the majority of KPIs across this period.

KPI cases completed Oct 2024 to 17th Nov 24

- The KPI target for all case types was achieved during this period.

KPI's outstanding over 31 days – Oct 2023 to 17th Nov 2024

- This figure has decreased from 2,545 in October 2023 to 99 in November 2024

Service performance – Plan v's Actual – 17th Nov 24

- We have currently achieved 90% of our plan which is ahead of our target of 65%.

Priorities for 2025

- Complete procurement for main Pensions Administration System (PAS) including Pensions Dashboard
- Implement Hosting of PAS
- Implement Pensions Dashboard
- McCloud remedy
- GMP project reconciliation

Councillor Toby Simon referred to the subject of divorce quotes for Teachers and the issue of this in terms of McCloud and the need to have a quote from both schemes. He asked if this was a general problem.

The Pensions Operations Manager replied that they don't yet have sight of the records for excess teacher service and are awaiting advice from the Scheme Advisory Board and the LGA.

The Technical & Compliance Advisor added that the McCloud remedy has only started recently and said that divorce quotes were being issued, although these were low in numbers. She added that it will depend on the teacher's back service as to whether they have an underpin or not.

Nick Weaver stated that in his view the Pensions Admin Team have done a phenomenal job over the past 12 – 18 months.

The Chair echoed these comments and wished to thank all staff for their work on behalf of the Committee.

The Pensions Operations Manager gave a brief summary regarding APF GMP Reconciliation.

- In April 1978, the Government introduced a new state pension system. It provided for a flat rate state pension, which was available for everyone regardless of his or her employment history, plus an additional amount based on a person's national insurance contributions. This additional pension element was called the state earnings related pension scheme (SERPS).
- Pensions schemes, including the LGPS, were able to opt-out of SERPS. This was known as 'contracting out'. However, to do this a scheme had to guarantee to pay a benefit to a member that was equal to or better than that which they would have built up if they had been a member of SERPS. This amount is called a guaranteed minimum pension (GMP).
- The Government removed the ability to build up an entitlement to GMP on 6th April 1997. Therefore, only those who were members between 6th April 1978 and 5th April 1997 will have a GMP.
- The end of contracting-out in April 2016 meant that HMRC no longer had to track a person's GMP entitlement. Therefore, HMRC decided to embark on a reconciliation project with all schemes. Their intention was to issue closure schedules containing contracted-out and GMP entitlements to each scheme and for schemes to carry out a reconciliation exercise, comparing data provided by HMRC against their own records.
- A summary of the reconciliation is as follows:

Category	Membership Numbers at October 2023
A. Members where the record held by HMRC agrees with the Fund record.	32,858
B. Members where the record held by HMRC disagrees with the Fund	6,468

record	
C. Members with Fund record but no corresponding HMRC record.	1,026
D. Members with HMRC record but with no corresponding Fund record	5,271
E. Members now cleared from the exercise	45,746
Total	91,369

- Stalemate cases (figures in red above) represent those cases where it has not been possible to agree the GMP data held by HMRC with administration records. While in some cases it may be possible and reasonable to treat these as a 'life event' query in the future (if any suitable evidence exists), in practice it is expected that for the majority of cases a decision to either accept either HMRC or the administration record position as correct is required.
- Where SPA (State Pension Age) has been met and HMRC GMP at GMP payment date exceeds the £2 p/w tolerance; 816 potential cases have been identified as overpayments whilst similarly, a potential 277 underpayment cases have been identified.

Jackie Peel commented that she was uncomfortable with the size of some of the differences and the fact that they were not able to challenge the data. She said that officers should prepare for any enquiries with regard to any pensions that are frozen as a result of this process.

The Governance & Risk Advisor addressed the Committee regarding LGPS Benchmarking in 2023/24.

- The Fund took part in the CIPFA Benchmarking exercise for approximately 15 years. However, over the years the number of Funds taking part in the exercise had declined and therefore the Fund has decided to make use of the SF3 data which all Funds are required to submit to MHCLG.
- Avon PF has more members than the average LGPS – but it is not a mega LGPS fund.
 - Avon: 125,867 members
 - Manchester: 428,804 members
 - Average: 78,000 members
- Admin costs per member are related to scheme size – Avon costs of £32 are on the 'cost line' and less than the LGPS average of £39.
- Avon is 'cost average' as the bulk of cost drivers are broadly near the middle of the LGPS range.

Councillor Mike Drew asked what factors have led to the high number of employers.

The Governance & Risk Advisor replied that this was due, in the main, to the increase in Academies and their outsourcing of services, such as catering, cleaning etc. She added that each employer is treated separately within the Fund.

Jackie Peel referred to the matter of fines to employers and said that she felt that there were more than in previous years and asked if that was a case of the Fund becoming tougher or employers becoming worse.

The Pensions Operations Manager replied that it was a little bit of both and added that a lot of them come within Multi Academy Trusts. She said that 40 employers were due to receive a data improvement plan and that 16 of these were also due to receive a fine.

The Committee **RESOLVED** to:

- i) Approve the GMP report in Appendix 3. That the Committee:
 - Notes the current position regarding the reconciliation between Avon Pension Fund and HMRC
 - Resolves the following course of action
 - For Category B cases
 - (a) Where member has not yet attained SPA, the HMRC GMP should be applied as part of BAU. No further rectification will be required.
 - (b) HM Treasury tolerance of +/- £2p/w is accepted, and no further action is required.
 - (c) Where an underpayment is confirmed, the member will have their pension increased to the correct level with arrears and interest calculated.
 - (d) Where an overpayment is confirmed: -
 - (i) to agree that where an increased pension is being made that the pension is frozen at that level and no further increases applied until the correct level is attained.
 - (ii) Agree historic overpayments will not be recovered, in line with APF policy and as applied by other public sector bodies.
 - For Category C cases
 - (e) Recommend that the Fund record is accepted as accurate.
 - For Category D cases
 - (f) Recommend that the fund records are deemed to be correct.
- ii) Notes the service performance for the period ending 17th November 2024.

43 RISK MANAGEMENT PROCESS & RISK REGISTER

The Governance & Risk Advisor introduced the report to the Committee and highlighted the following areas from it.

- The quarterly review of the risk register has taken place and the changes are as follows:
- NR04 – Governance of the Fund - wording has been reverted to reflect the wider governance risks rather than just the recent focus on internal controls. Based on recent audits and the review of controls no systemic failures have been identified and therefore the risk has been amended from high impact and likely to medium impact and possible.
- The top three risks are now:
- NR06 – the likelihood of a cyber-attack remains a high risk due to the recent high-profile attacks in the public domain. The Fund is in the process of carrying out a review of its business continuity plan. The fund is planning to move its admin system to a Heywood hosted solution and appropriate data protection and cyber assessments are being carried out.
- NR01 – Poor service levels below agreed standards. The current factors impacting this risk are set out in item 03 – Pension Fund Administration report. The risks associated with the implementation of the controls review are now reflected in this risk.
- NR05 – Failure to manage personal data per regulations. The volume of personal data the Fund manages in day-to-day processing keeps this risk high on the register. Within the Operations Teams process changes are planned including removing duplication of checking and bulk processing. Whilst these are welcome changes we note that additional data protection assessments will be required.

The Committee **RESOLVED** to note the report.

44 LEGISLATION UPDATE

The Technical & Compliance Advisor introduced the report to the Committee. She said that on this occasion there were no significant changes to bring to their attention, but did wish to make them aware of the following points.

Pension Taxation

- On 30 October 2024, the Chancellor delivered the Autumn Budget, the first under the new Labour Government. The focus was a package of tax increases amounting to more than £40 billion (including increases to Employer National Insurance and Capital Gains Tax). The biggest pension-related change to emerge is in relation to Inheritance Tax. With effect from April 2027 payments from registered pension schemes following the death of

a member where the recipient is not the spouse, or civil partner will now be within scope. A technical consultation is now underway.

FE College Guarantee

- In November 2024, the Government announced that the Department for Education (DfE) would provide a crown guarantee to Further Education providers in England and Wales operating in the statutory sector. Higher Education providers are not covered.
- The guarantee will operate in a similar manner to that provided for Academies. It will not apply to mergers or pooled colleges (where one constituent closes). The guarantee is unlimited with the DfE being able to make payments up to £32 million per annum (across the LGPS) before approval needs to be sought from the Treasury.

The Committee **RESOLVED** to note the current position regarding the developments that could affect the administration of the fund.

45 GOVERNANCE UPDATE

The Governance & Risk Advisor introduced the report to the Committee and highlighted the following areas from it.

- The Review of the Admin Strategy and Review of the General Code of Practice Compliance have been deferred from this meeting.
- Breaches - No incidents were reported to the ICO (Information Commissioner’s Office during the period of October 2023 to October 2024. There has been a significant drop in data breaches this year. The total has fallen from 20 in 2022/23 to 7 this year.
- Internal Audit presented their findings to the Pension Board on 5th December along with the external auditor report.

Jackie Peel asked if there was a plan for future audits in the coming years.

The Governance & Risk Advisor replied that they should be able to share that information with the Committee in March 2025.

The meeting ended at 12.55 pm

Chair(person)

Date Confirmed and Signed

Prepared by Democratic Services

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Statement on behalf of Bristol PSC to Avon Pension Fund (Fri 13 Dec 24)



The ongoing atrocities in Gaza are a moral catastrophe without parallel in recent times. There is no comparable case in recent times in which a captive population has been so relentlessly targeted, persecuted, and killed by a State actor on this scale. The suffering Israel is inflicting has already claimed more than 45,000 lives, laid Gaza to waste, and undermined international institutions and the rule of law in the process. If we do not act, there may be worse to come – and history will judge us all gravely.

It is incumbent on us all to do what we can to end this terrible suffering. In this context, we note that Avon Pension Fund have investments of:

- £12 million of public money in companies **profiting from illegal Israeli settlements and human rights abuses** in the Occupied Palestinian Territories.
- £10 million of public money in arms companies **supplying Israel with military equipment used to kill Palestinians**.

We note also that:

- The world's highest court, the International Court of Justice, ruled in January 2024 that Israel may be committing genocide in Gaza. Our government and public institutions must employ all means reasonably available to prevent and deter further genocidal acts.
- In July 2024, the International Court of Justice (ICJ) ruled Israel's occupation of Palestine unlawful and involving widespread human rights abuses.
- In November 2024, the International Criminal Court issued arrest warrants for Israel's leaders for war crimes and crimes against humanity. If convicted, complicity by UK citizens would also be a criminal offence in the UK.

In June 2024, the UN warned that investors failing to cut ties to arms companies supplying Israel *"could move from being linked to human rights abuses to contributing to them, with repercussions for complicity in potential atrocity crimes"*¹. The UN Global Compact requires that all businesses *'ensure that they are not complicit in human rights abuses'*: the above investments clearly violate this principle². UK government's own advice identifies the economic and financial risks associated with investments in illegal Israeli settlements discourages such business activities³.

The APF has a fiduciary duty to its investors. This includes a legal duty to give due regard the potential reputational impacts of its business activities. The last year or so has witnessed some of the largest demonstrations in recent UK history and the potential for reputational damage from continuing to invest in companies widely perceived to be complicit in Israeli genocide is demonstrable.

Whatever claims may be made about investments in the arms industry, investing in companies which may be facilitating genocide, war crimes, and egregious breaches of international

¹ <https://www.ohchr.org/en/press-releases/2024/06/states-and-companies-must-end-arms-transfers-israel-immediately-or-risk>

² <https://unglobalcompact.org/what-is-gc/mission/principles>

³ <https://www.gov.uk/government/publications/overseas-business-risk-palestinian-territories/overseas-business-risk-the-occupied-palestinian-territories>

humanitarian law clearly does not constitute a socially beneficial purpose. Adherence to international law is not optional.

With this in mind, and to avoid any potential due diligence or human rights challenges in future, can the APF confirm:

1. What actions have APF taken to implement heightened due diligence on human rights harms in the OPTs as a result of Israel's war in Gaza?
2. What action have APF undertaken to evaluate the feasibility of engagement on actual human rights harms with Palestinians in the OPTs, or with their legitimate representatives?
3. What leverage might APF have to influence the cessation of human rights harms in the OPTs?
4. Is APF invested in any companies linked by the UN to human rights violations connected to illegal Israeli settlements in the OPTs?⁴
5. Are there any 'no-go' areas for APF business activities linked to the expansion of Israeli settlements in the OPTs?

It is incumbent on Avon Pension Fund to **divest now from companies facilitating or profiting from Israel's actions in the OPTs**, including those operating in illegal settlements or facilitating Israel's human rights abuses in the OPTs. These funds are funnelling taxpayers' hard-earned money into companies aiding or profiting from very serious breaches of international law. This is not a political choice – it is a matter of good governance and upholding international law.

Dr Eldin Fahmy (BANES resident)

⁴ <https://www.ohchr.org/sites/default/files/documents/hrbodies/hrcouncil/sessions-regular/session31/database-hrc3136/23-06-30-Update-israeli-settlement-opt-database-hrc3136.pdf>

Avon Pension Fund Committee – 13th December 2024

Statement from Dave Searby

The Avon pension fund has a responsibility to manage the members funds to maximise returns in future. Maximising returns means minimising risks.

In June 2023, The UK govt, in the guise of Department for Business & Trade and Foreign and Commonwealth office updated their guidance on Overseas business risk in Israel. Note that this was before the terrible events of October 7th 2024 and the judgements of the ICJ, which will have hugely increased the risk outlook.

I quote from section 2 of the report:

“The UK has a clear position on Israeli settlements: The West Bank, including East Jerusalem, Gaza and the Golan Heights have been occupied by Israel since 1967. Settlements are illegal under international law, constitute an obstacle to peace and threaten a two-state solution to the Israeli-Palestinian conflict. We (the UK govt) will not recognise any changes to the pre-1967 borders, including with regard to Jerusalem, other than those agreed by the parties.

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.

UK citizens and businesses should 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. Those contemplating any economic or financial involvement in settlements should seek appropriate legal advice.”

And the commercial world sounds a similar tune

The January 2024 Country Risk Report for Israel in Israel, from the prestigious Allianz group includes the following conclusions.

Again, I quote:

The ongoing conflict is expected to have severe, short-term consequences, affecting private consumption, labor supply and foreign investors’ confidence

Internal tensions and prolonged hostilities exacerbate political uncertainty. Trust issues with international allies and potential internal dissatisfaction pose challenges to the government

Anticipated military spending in 2024 may lead to a deficit of over 6% of GDP, contributing to public debt nearing 70%. This could impact government bonds and economic sustainability

Without a clearly written constitution, it is especially important for Israel to keep the judiciary separate from the executive and legislative branches. The internal tensions that emerged in the first nine months of 2023 and the prospect of a prolonged conflict around Israel's borders portend greater political uncertainty, political developments linked to the person of Prime Minister Benjamin Netanyahu and a general deterioration of political risk in the country.

I put it to you that if the Avon Pension fund is looking to minimise commercial and legal risk, it needs to eliminate investments in the occupied territories and in companies involved in the supply of weapons to Israel.

[Overseas business risk: Israel - GOV.UK](#)

[Allianz | Country Risk Report Israel](#)

Fay Pafford - Speech for APF Committe 13 December 2024

My name is Fay Pafford and I have a deferred Pension with you as a former employee of the University of Bath.

About six weeks ago, I was put in contact with a trainee doctor in Gaza called Said Arooq - a young man of 21 whose life-long ambition is to serve his people by becoming a surgeon. In October of last year he was looking forward to starting his third year of medical school. This all stopped when his university was destroyed by Isreali bombs. His family fled after their home was destroyed; and they have now been displaced twice. Said volunteers in one of the few remaining hospitals in the north of Gaza. He puts his life at risk every time he walks from his home to the hospital as Isreali drones regularly shoot and kill people walking in the streets. He is never safe. When Said isn't at the hospital he attempts to study online, find food for his family and comfort his 10 year old brother who is traumatised and deeply afraid.

Said's medical studies, his normal family life and his future ambitions have now been completely destroyed and if it were not for the financial aid from the [GoFundMe](#) I organise for him, he would be unable to feed himself, buy warm clothing for his brother and continue his studies online.

The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the area of human rights.

Principles 1 & 2 state that businesses should support and respect the protection of internationally proclaimed human rights and make sure that they are not complicit in human rights abuses.

You might think Said isn't connected to the fund. But he is connected, and the Avon Pension Fund is complicit in human rights abuses.

Investments in General Dynamics Corporation financed the 'bunker-busting' bombs used to destroy the University Said studied at and the Al Shifa hospital he trained at. They have provided the guns and amunition used to maim the many children Said has operated on - including the child whose stomach he picked shrapnel out of earlier this week.

Investments in Northrop Grumman provide Israel with the Hellfire missiles used to destroy Said's home and local mosque.

Investments in BAE technologies provide Isreal with the drones used to shoot, kill, and maim the many people Said and his colleagues daily risk their lives for.

Investments in Boeing Corporation provided Isreal with the precision-guided bomb-kits used to kill three of Said's medical colleagues and their families a few days ago.

All of these are grave war-crimes which the ICJ clearly state may amount to Genocide. If you do not wish to be complicit in this, there is only one course of action open to you. Divestment.

Good morning.

My name is Jane Samson. I am a BANES resident and I receive a pension from the Avon Pension Fund. I am deeply troubled about the many equity investments that APF holds in companies that profit from the illegal occupation of Palestinian land as well as from the aerospace and defence sector that is decimating Gaza and perpetrating a genocide. Information supplied this year by the Avon Pension Fund confirms that APF holds over **£22 MILLION** of public funds in such equity holdings. Due to time constraints, I will identify just a few of the companies, their products and briefly describe the harm that they do to Palestinians.

General Dynamics Corporation, the **fifth**-largest military contractor in the world in 2022, manufactures bombs including BLU-113 and BLU-109 '**bunker-busting**' bombs, and '**general purpose**' MK82 and MK84 bombs being widely used to **destroy** Gaza and **exterminate** its population. They also provide components, guns, and ammunition loading systems for Israel's fleet of F-15, F-16, and F-35 fighter jets raining fire on **Gaza's children**. It provides combat and armoured personnel vehicles including the Merkava IV tanks currently being used to **raze Gaza to the ground** and **terrorise** its people.

Northrop Grumman, the **third**-largest military contractor in the world in 2022, provides Israel with missile systems including Longbow radar systems and Hellfire missiles for Israel's Apache helicopters and critical components its F16 and F35 fighter jets used to **target** Palestinian **homes, schools, hospitals, infrastructure** and **places of worship**.

BAE Systems, the world's **seventh** largest military contractor in 2022, supplies Israel with components for combat aircraft, munitions, missile launching kits, and armoured vehicles. BAE technologies are integrated into Israel's main weapon systems, including fighter jets, drones, and warships. BAE Systems provides weapon systems and components for Israel's F-15, F-16, and F-35 fighter jets, **used to shred Palestinian children**.

Boeing supplies the Israeli military with a wide variety of weapons, including fighter jets, **attack** helicopters, missiles, bombs, and precision-guided bomb kits. Boeing manufactures the F-15 fighter aircraft, which is one of the **main** warplanes used by the Israeli Air Force, as well as the V-22 Osprey tiltrotor military aircraft, Chinook helicopters, and the KC-46 Pegasus military refuelling and transport aircraft. The Israeli military **routinely** uses Boeing GBU-39 Small Diameter Bombs (SDBs) and larger GBU-31/32/38 bombs equipped with Boeing's Joint Direct Attack Munition (JDAM) kits in its **assaults** on Gaza and its population.

To conclude:

Investing in companies which, according to the International Court of Justice may be **facilitating genocide, war crimes, and egregious breaches of international humanitarian law clearly** does **not** constitute a socially beneficial purpose. Adherence to international law should **not** be optional.

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Good morning, Chair, and members of the Committee.

My name is Julia Thomas, and I am an employee of Bristol City Council as well as a contributor to the Avon Pension Fund. I am here today to speak about **apartheid**. The Avon Pension Fund is perpetuating this dehumanizing system of oppression by investing over £12 million in companies that profit from their operations in the Occupied Territories of the West Bank.

The Israeli government has encouraged the building of many colonial settlements all over the West Bank. These settlements are connected by "**settler-only**" roads, which lead back to Israel. **Palestinians** can only travel via a complex system of permits and military checkpoints. These barriers restrict Palestinian access to education, healthcare, and livelihoods. **And**, the Israeli separation wall, built on stolen Palestinian land, isolates farmers from their fields and olive groves. Israel also controls 80% of the water resources in the West Bank, further compounding the hardship for Palestinian communities. These policies amount to **apartheid**.

In the 1960s, revelations about **South African apartheid** led many local councils to reassess their investments in pension funds. In 1981, Sheffield Local Authority led the way by pledging to end all links with apartheid South Africa and its subsidiaries, and by barring South African sports teams from its playing fields. In 1985, the Local Authorities Against Apartheid was set up to coordinate action, and over 120 local councils had followed suit.

The United Nations Centre Against Apartheid published a report commending these coordinated efforts. It was clear that divesting from apartheid South Africa was an effective tool for driving change. This same logic must be applied today, to our investments in companies supporting Israeli settlements.

The Avon Pension Fund must also take into account the International Court of Justice's declaration that Israel's occupation of the Gaza Strip, the West Bank, and East Jerusalem is illegal. In July 2024, the ICJ ruled that Israel's legislation and actions violate the international prohibition on racial segregation and apartheid. The Court mandated that Israel end its occupation, remove the settlements, provide full reparations to Palestinian victims, and facilitate the return of displaced people.

Our pension fund must align with the ICJ's ruling.

Statement from Youssef Ibrahim

Good morning, Chair and members of the committee.

Since October 7, 2023, Gaza has faced an unprecedented humanitarian catastrophe. Over **43,000 Palestinians have been killed**, the majority of whom are women and children. More than **100,000 people have been injured**, with hospitals overwhelmed and critical medical supplies running out. Over **1.9 million people have been displaced**, with entire families forced to live in dire conditions without basic necessities like clean water or food.

These are not just numbers. They represent lives, families, and communities torn apart by violence. The suffering in Gaza is a direct result of systemic violations of international law, including the use of advanced military technologies by companies profiting from arms sales and illegal settlements.

Avon Pension Fund is currently complicit in this suffering.

The Problem

Your own data reveals that:

- **£12 million** is invested in companies profiting from illegal Israeli settlements in the Occupied Palestinian Territories—settlements that the United Nations and international courts have declared unlawful.
- Over **£10 million** is invested in aerospace and defense companies like **Boeing, BAE Systems, and Northrop Grumman**, all of which directly supply arms used in the devastating attacks on Gaza, the West Bank, and Lebanon.

These investments expose this fund—and by extension, its stakeholders—to significant legal, financial, and reputational risks.

The Call for Action

We are calling on the Avon Pension Fund Committee to:

1. **Immediately divest** from all companies profiting from illegal settlements and arms sales linked to violations of international law. This includes companies such as General Dynamics, Boeing, and Safran, which are directly implicated in the ongoing violence.
2. Ensure **fund managers implement rigorous risk assessments**, particularly in light of recent international legal developments concerning Israel's actions since October 2023.

3. Commit to **compliance with UK and international legal standards**, ensuring all investments respect human rights as enshrined in international law.

Why Act Now?

The decisions you make today matter. By continuing these investments, Avon Pension Fund actively contributes to the perpetuation of violence and the suffering of countless individuals. This is not just a moral failing—it's a breach of the legal and ethical obligations this committee has to its members and the communities it serves.

It is time for Avon Pension Fund to lead with integrity, divest from complicity, and ensure that public money is not used to fund human rights abuses.

Thank you