

WMPF – PALESTINE SOLIDARITY CAMPAIGN DIVESTMENT LETTER

INTRODUCTION

The West Midlands Pension Fund ("the Fund/we") is aware of the letter and legal position paper received from the Palestine Solidarity Campaign ("PSC") citing investment in companies involved in breaches of International Humanitarian Law in the Occupied Palestinian Territory.

It is deeply saddening to see the continued impact of the ongoing conflict. We acknowledge the seriousness of this matter and the effect this is having on people globally including the members and communities that you represent. We understand that these members will be coming to you for information and answers. This statement provides the Fund's Governing Bodies and Employers with information on the Fund's current position and actions being taken to help inform your stakeholders as required.

Our approach

The Fund remains committed to being a responsible investor to meet its first duty of protecting members' pensions. We do this responsibly, transparently and in line with the law. Our approach is built upon the following pillars:

Fiduciary duty first

Our first duty is to protect members' pensions, and we have a legal responsibility to act in the best financial interests of members. All decisions are taken with pensions security as the priority and this is something that we cannot compromise on.

Active stewardship drives change

We believe using our voting powers and having direct engagement with companies delivers more real-world change than blanket divestment. Through stewardship, we can press companies to improve their human rights and environmental practices. We recognise active stewardship may take time to result in change but ultimately stewardship drives better outcomes. This approach is aligned with global responsible investment standards.

Transparency of process

We are open about how we invest and why. Members and stakeholders can see our Responsible Investment framework and how it is applied. Any review of our investment approach follows proper governance, supported by professional advice and is not based on ad hoc decisions in response to external campaigns.

Actions underway

We understand PSC's letter and position paper has been sent to all LGPS funds with many of the arguments raised in the position paper being directed towards the UK government. The LGPS Scheme Advisory Board has issued a statement on its website and is in dialogue with the Local Government Minister on this matter, which may involve the Ministry of Housing, Communities and Local Government ("MHCLG") providing legal opinion to the issues raised.

We are engaging with the sector and the Fund's own advisors. This includes our legal advisors who will be providing their view on the latest position. At this stage we believe any detailed legal opinion is best made at the MHCLG level and will await further guidance on this point.

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Next steps

It is important that we give full consideration to the case put forward in the PSC's legal position paper. Given the complexity of the situation and the sector-wide focus, any formal response will take time to develop, noting the need and likelihood for MHCLG direction.

We expect to provide key stakeholders with a short briefing paper in the next two weeks, following discussion with our advisors. This will include an initial view on the arguments raised and further information on actions and the next steps.

We reiterate the seriousness of the concerns raised and the importance of this issue. Any review or change in approach needs to be considered and measured. It is imperative that the Fund does not make any knee-jerk reactions in response to external campaigns, in line with protecting members' pensions.

The Fund continues to operate within all its legal and regulatory requirements and its primary duty to act in the best interests of its members. The Fund continues to operate within the policies and process adopted and approved by its Pensions Committee.

West Midlands Pension Fund September 2025

Links to background papers

West Midlands Pension Fund – position statement: aerospace and defence exposure
[Fund Statement.qxp](#)

Scheme Advisory Board (SAB) statement on fiduciary duty and dealing with lobbying – September 2024:
[SAB Statement Fiduciary Duty Lobbying Sept2024.pdf](#)

SAB legal opinion piece for the LGPS in relation to ongoing conflict – October 2024:
[Counsel opinion on the LGPS and current events concerning Gaza Nov 24](#)

SAB legal opinion on the fiduciary duty and non-financial considerations for the LGPS – January 2025:
[Updated legal opinion on fiduciary duty in the LGPS Jan 2025](#)

SAB statement on PSC letter and position paper – 29 August 2025:
[LGPS Scheme Advisory Board - Home](#)