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To: The CEO, Ian Williamson
The Chairman of the Board, Trevor Manuel

9 March 2024

We write to you with regards to concerns over the investment by Old Mutual in Israeli weapons company Elbit Systems.

Old Mutual has invested in Elbit Systems over a period of time and across various funds that are sold to South African consumers. While we do not have sight of all funds, the latest public information published in July 2023 shows that funds such as the SIS Inflation Plus 1 – 3 Fund of Funds, SIS Inflation Plus 5-7, Old Mutual Multi-Managers Aggressive Balanced Fund of Funds are invested in it.

Elbit Systems is Israel's leading arms company. It manufactures cluster bombs, mortars and drones used against civilians in Gaza as well as weapons such as white phosphorus that can cause serious harm. In December 2023 the company reported that it had been awarded a series of contracts by the Israeli Ministry of Defense for an "aggregate amount" and noted that since the beginning of the "Swords of Iron War" in Gaza, it has experienced considerable increased demand.¹ This is in the context in which the International Court of Justice has found a plausible risk of genocide in the relevant time period, and in which various war crimes by the Israeli military against Palestinian civilians have been documented.

In addition, it should be noted that Elbit Systems produces 85% of the "killer drones" used by the Israeli military in extrajudicial executions. The company also supplies surveillance technologies and electronic equipment for Israel's Apartheid Wall in the occupied West Bank, which was ruled illegal by the International Court of Justice in 2004. In December 2018, HSBC, the largest British bank, divested from Elbit Systems after years of campaigning by British groups calling on HSBC to divest from companies arming Israel.

We request confirmation of whether Old Mutual is currently invested in Elbit Systems and which specific funds engage in investments in this entity. We call on Old Mutual to divest from Elbit Systems entirely. Old Mutual's own ESG policy has an exclusion on "Activities or materials deemed illegal under host country laws or regulations or international conventions and agreements". We believe that the supply of munitions for use against civilians that is in breach of international law warrants exclusion.

Furthermore, various Old Mutual funds appear to be invested in various companies that operate or support construction in the West Bank in contravention of UN resolutions such as Mehadrin, Bank Hapoalim, Bank Leumi, Bank Mizrahi Tefahot.

Operating in Israeli settlements in Occupied Palestinian Territories is in breach of international law. Israeli banks are the backbone of Israel's illegal settlements, since they directly finance and profit from providing special loans for

¹ Elbit Systems, Press Release, Elbit Systems Awarded Contracts from the Israel Ministry Of Defense in an Aggregate Material Amount, 18 December 2023.

companies, governmental or individual projects in the Occupied Palestinian Territories. Several banks and pension funds have disinvested from these banks on the basis of their operations in illegal settlements. In 2014, the largest Dutch pension fund, PGGM, decided to withdraw all its investments from Israel's five biggest banks because they have branches in illegal Israeli settlements. In 2018, the Scottish pension fund, Falkirk, decided to divest from Bank Hapoalim for the same reasons.

We request confirmation of whether Old Mutual is currently invested in companies operating in illegal settlements in the Occupied Palestinian Territories in breach of international law and which specific funds engage in these investments. We call on Old Mutual to divest entirely. Old Mutual's own ESG policy has an exclusion on "Activities or materials deemed illegal under host country laws or regulations or international conventions and agreements". We believe that the funding activity in settlements in breach of international law warrants exclusion.

Yours sincerely,

Roshan Dadoo
Coordinator
SA BDS Coalition