

# INVEST IN TRUTH

Anti-Israel activists target investments in Israeli companies or those conducting business. Using a rubric of socially responsible investing (SRI), they call for divestment of shares or the use of screens to prevent such investments. Their campaigns frequently distort reality, slandering the companies and ignoring the legitimate business activity which helps Israelis defend themselves from harm. Broadly, the Boycott, Divestment and Sanctions (BDS) movement unfairly singles out Israel, pushes Israelis and Palestinians further apart, and distracts from necessary reconciliation work including positive investment.



Caterpillar is often accused of supplying and maintaining armored, weaponized equipment to the Israeli army. Efforts to encourage shareholder advocacy note that its machines have been used for construction and demolition that has had a negative effect on Palestinians. In reality, Caterpillar does not armor or weaponize equipment. Rather they sell standard equipment to the U.S. government through the Foreign Military Sales program. The U.S. government transfers ownership of this equipment to the approximately 150 countries participating in the program, including Israel.



Hewlett Packard (HP) was a popular target for divestment due to allegations that its database technology and ID card system, which are used by Israel for processing entry from the West Bank, oppresses Palestinians. In reality, this system eases passage through security checkpoints, making it faster for Palestinians to enter Israel. Furthermore, it was developed and installed with support from the United States and the European Union pursuant to a 1998 agreement between Israel and the Palestinian Authority. HP was also accused of working with the Israeli navy to support the blockade of Gaza but no evidence was offered to support this. However, HP merely provides back-office support. More importantly, the United Nations' [Palmer Report](#) found that the Israeli blockade "was imposed as a legitimate security measure in order to prevent weapons from entering Gaza by sea." Numerous illegal weapon shipments, including Iranian missiles, have been intercepted as a result.

HP, Inc, the successor corporation after a corporate restructuring, faces a continuing boycott campaign.

(see over)



BDS campaigns have targeted Airbnb along with Booking.com, TripAdvisor, Expedia, ReMax and other real estate rental and sales business. In late 2018, Airbnb announced it would remove listings of rental properties located in Israeli settlements in the West Bank because it deemed them to be “at the core of the dispute between Israelis and Palestinians.” Airbnb did not take into account how, if at all, it would distinguish between properties owned by Jews and Palestinians. Based on anti-BDS laws, several US states announced that they would not invest in Airbnb if, as expected, the company went public. Some also announced that state employees could not stay in Airbnb properties while their ban remained in place. In addition, multiple U.S. lawsuits were filed accusing Airbnb of religious discrimination. Airbnb reversed its decision five months later.

## Israeli Banks

In recent years, banks in Israel have been targeted for divestment. Operating in compliance with Israeli laws, these banks service all Israelis, including those who live in settlements. Critics argue that by serving customers in these communities, the banks are guilty of ostensible human rights violations. Activists have called on institutional investors to divest their assets in these banks. Putting aside the contentious nature of these settlements, this argument puts the banks in an impossible situation by suggesting they should violate law by refusing to serve a category of their customers. In effect, they seek to punish the banks for a policy dispute they have with the Israeli government, and over which these banks have no control.

**As illustrated, some political activists have increasingly appropriated the language of socially responsible investment and corporate social responsibility to advance a political agenda. In doing so, misinformation campaigns have obscured fact, misleading institutional investment managers and their stakeholders.**