



Statement on Investment in Novalpina Capital

South Yorkshire Pensions Authority committed to an investment of €30m in a private equity fund raised by Novalpina Capital during 2018 of which €2.3m has so far been drawn. This investment is one of about 140 investment in different private equity funds currently held by the Authority and is in a fund targeted at the technology sector which is expected to be a major growth area in coming years.

Novalpina has recently completed a transaction to acquire a controlling stake in the Holding Company for an Israeli software company NSO. NSO has been subject to recent media attention concerning the hacking of WhatsApp.

Clearly this raises concerns for SYPA in relation to NSO's adherence to the UN Guiding Principles on Business and Human Rights and understandably a number of civil society groups including Amnesty International and Human Rights Watch have engaged with Novalpina raising concerns over this issue. South Yorkshire Pensions Authority has issued the following statement with regard to this issue.

"South Yorkshire Pensions Authority takes issues related to responsible investment, good governance and civil liberties extremely seriously and expects those companies it invests in and those who manage money on its behalf to do so as well.

The Authority is aware of the issues raised in the case of NSO and has engaged with Novalpina to seek assurances that action is being taken to ensure the company conforms to the UN Guiding Principles on Business and Human Rights. To date the Authority is satisfied with the responses received from Novalpina and also with their positive engagement with civil society groups on these issues and the willingness set out in their recent open letter to involve these groups in the changes necessary to the extent legally possible. However, we will be meeting the manager next week and seeking details of the concrete steps that are proposed and the timescales for them as well as discussing any changes proposed to their due diligence process as a result of this experience."

Notes for Editors

South Yorkshire Pensions Authority is the public body responsible for the management of the £8.5bn South Yorkshire Pension Fund which is a part of the Local Government Pension Scheme. The fund provides for the pension savings of around 160,000 current and former local public service employees of around 500 different employing organisations across South Yorkshire.