

May 21, 2021

Phebe Novakovic
Chairwoman and Chief Executive Officer
General Dynamics Corporation
11011 Sunset Hills Road
Reston, Virginia 20190

Via email: hrubel@generaldynamics.com and investorrelations@generaldynamics.com

Dear Ms. Novakovic,

In this dire moment of excessive violence, the undersigned investors representing \$22.4 billion in assets under management write to you to encourage General Dynamics to address your human rights responsibilities linked to attacks on civilians in Israel/ Palestine.¹ Namely, discontinue the supply of weapons or components to be used by the Israeli military in deliberate, indiscriminate, or disproportionate attacks on civilians or civilian objects in Gaza. Failure to do so will expose the company to significant legal, financial, and reputational risk. As long-term investors, we are responsible for addressing human rights risks within our portfolios and are committed to a functioning and peaceful economy and society. The increased instability and escalating humanitarian crisis present irremediable human rights impacts and systemic economic risks that may impact our entire portfolio.

The Prosecutor of the International Criminal Court, legal scholars, and human rights organizations are raising alarms that the use of force being exhibited now in Gaza and the West Bank, including East Jerusalem, appears to be disproportionately targeting Palestinian civilians and civilian infrastructure, and as such constitute war crimes under the Geneva Conventions and the Rome Statute. Such attacks do not accord with the cardinal principles of international humanitarian law of distinguishing between civilians and combatants and of proportionality and necessity. As of May 20th, at least 230 Palestinians, including 65 children, have been killed and at least 1,710 have been wounded.²

14 members of the UN Security Council supported a statement proposed by China, Tunisia, and Norway calling for a halt to the violence, and France is seeking a U.N. Security Council resolution calling for a cease-fire.³ Human Rights Watch stated this week, "These attacks may amount to war crimes and highlight the importance of the International Criminal Court's (ICC) ongoing

¹ https://www.google.com/url?q=https://www.afsc.org/resource/us-corporations-complicit-military-attacks-gaza&sa=D&source=editors&ust=1621620129449000&usg=AFQjCNGoKrlOWwfjct_fc89UU5cINqxAQ

² <https://www.google.com/url?q=https://www.aljazeera.com/news/2021/5/20/death-destruction-in-gaza-as-israel-defies-truce-call-live&sa=D&source=editors&ust=1621620129449000&usg=AFQjCNH0xlxh08eyd-T955Rv9U6SRa7ryw>

³ https://www.google.com/url?q=https://apnews.com/article/united-nations-middle-east-europe-israel-palestinian-conflict-business-3677c13020a928bb9ee3fed6cd685c12&sa=D&source=editors&ust=1621620129449000&usg=AFQjCNGU_NwCd6OiV7RTGSnFBrz-vFgPg

investigation of Israeli and Palestinian conduct.”⁴ In a report last month, Human Rights Watch found, “The severity of the repression carried out in the OPT amounts to “systematic oppression” by one racial group over another, a key component for the crime of apartheid as set out in both the Rome Statute and Apartheid Convention.”⁵

The Biden administration is facing growing pressure to support the Security Council resolution, as well as pressure from Congress and advocacy groups. Democrats led by Congresswoman Ocasio-Cortez introduced a measure to block \$735 million in arms sales to Israel.⁶ Senator Sanders introduced a similar resolution in the Senate.⁷ A coalition of 140 grassroots and advocacy groups issued a statement calling on the Biden administration to publicly condemn the Israeli government’s plans to forcibly displace Palestinians in occupied East Jerusalem as war crimes.⁸

Failure to cease these business relationships and refusal to be implicated in these contracts further increases the company’s risk of being complicit in or otherwise aiding and abetting violations of international law, with the attendant risks of legal liability, whether in U.S. courts, foreign courts or before international bodies.

The UN Guiding Principles on Business and Human Rights (UNGPs)—unanimously adopted by the UN Human Rights Council in 2011—clarify the roles and responsibilities of states and businesses with regard to human rights. While governments have a duty to protect human rights, companies have a responsibility to respect human rights by exercising human rights due diligence to identify, prevent, mitigate and account for how they address their adverse human rights impacts regardless of whether the state upholds its duty, and both must provide remedy to victims of corporate-related abuses. Notably, many states are increasingly moving towards a mandatory corporate due diligence obligation.

A 2019 Amnesty International report found that companies across the defense industry are unable to provide evidence that they are meeting their human rights responsibilities under the UNGPs or carrying out the heightened human rights due diligence required for companies whose business activities have such severe, often irremediable impacts.⁹

⁴ <https://www.hrw.org/news/2021/05/20/gaza-hostilities-underscore-iccs-role>

⁵ <https://www.hrw.org/report/2021/04/27/threshold-crossed/israeli-authorities-and-crimes-apartheid-and-persecution>

⁶ <https://www.businessinsider.com/aoc-moves-to-block-735-million-arms-sale-to-israel-2021-5>

⁷ https://www.google.com/url?q=https://www.cbsnews.com/news/israel-gaza-us-weapons-sale-bernie-sanders-resolution/&sa=D&source=editors&ust=1621620129450000&usg=AFQjCNHpCxuRhly7IDTe_PFCIUdR616Aw

⁸ https://www.google.com/url?q=https://thehill.com/policy/international/553472-more-than-100-progressive-groups-call-for-biden-to-denounce-evictions-of&sa=D&source=editors&ust=1621620129450000&usg=AFQjCNG3jxbUfV69V6_Kh3NiOzhVF0vpw

⁹ <https://www.google.com/url?q=https://www.amnesty.org/en/latest/news/2019/09/arms-companies-failing-to-address-human-rights-risks/&sa=D&source=editors&ust=1621620129450000&usg=AFQjCNFn1CkmFjMR1avQO1wIHvfgwXUG8w>

Immediate action, including enhanced human rights due diligence, is necessary to ensure that existing or potential contracts do not contribute to human rights violations or become directly linked to violations through their business relationships and sales of military equipment used in the military assault in Gaza and settlements in East Jerusalem.

According to the commentary of Guiding Principle 19, companies that contribute to human rights abuses should take the necessary steps to cease or prevent its contribution and use their leverage to mitigate any remaining impact to the greatest extent possible, while companies that are directly linked to abuses should exercise and maximize their leverage. Where companies lack the necessary leverage to prevent or mitigate human rights abuses in their business relationships, they should consider ending the relationship.

In light of these mounting risks, under international legal frameworks and the UN Guiding Principles on Business and Human Rights, we urge you to cease sales of weapons and components to be used by the Israeli government. Please contact Mary Beth Gallagher, Executive Director at Investor Advocates for Social Justice at mbgallagher@iasj.org to follow up with the undersigned investors on the concerns raised in this letter.

cc: Howard A. Rubel, Vice President, Investor Relations

Sincerely,

American Baptist Home Mission Society

American Friends Service Committee

Azzad Asset Management

Chicory Wealth

Congregation of Sisters of St. Agnes

Congregation of the Sisters of St. Joseph of Peace

Daughters of Wisdom

Deirdre McElroy

Franciscan Sisters of Allegany NY

Investor Advocates for Social Justice

Kathleen W. Murnion

Maryknoll Fathers and Brothers

Maryknoll Sisters

Michael Connor
Northwest Coalition for Responsible Investment
Province of St. Mary of the Capuchin Order
Region VI Coalition for Responsible Investing
School sisters of Notre Dame Cooperative Investment Fund
Seventh Generation Interfaith Coalition for Responsible Investment
Sister Eileen Gannon
Sister of St Joseph of Brentwood
sisters of Charity of Saint Elizabeth
Sisters of Mary Reparatrix
Sisters of Saint Joseph of Chestnut Hill, Philadelphia, Pennsylvania
Sisters of St. Dominic of Blauvelt, New York
Sisters of St. Dominic of Caldwell, NJ
Sisters of St. Francis of Philadelphia
Sisters of St. Joseph of Carondelet, Albany Province
Sisters of the Good Shepherd
Sisters of the Holy Names of Jesus and Mary
Sr. Veronica Brand RSHM
The United Church of Canada
Transformative Wealth Management, LLC
United Church Funds
Ursuline Sisters, Eastern Province

