

LONDON BOROUGH OF CAMDEN		WARDS: All
REPORT TITLE: Engagement Report		
REPORT OF: Executive Director Corporate Services		
FOR SUBMISSION TO: Pension Committee		DATE: 17 July 2025
SUMMARY OF REPORT: <p>This report brings Members up to date with engagement activity undertaken by the Fund and on its behalf by LAPFF (the Local Authority Pension Fund Forum) since the last Committee meeting. This work is important to the Fund's ambition to be a fully engaged investor and demonstrates its commitment to Responsible Investment and engagement in Environmental, Social and Governance (ESG) issues as the Fund works to maximise returns on investment.</p>		
Local Government Act 1972 – Access to Information No documents requiring to be listed were used in the preparation of this report: Contact Officer: Saul Omuco Head of Treasury & Financial Services Finance Corporate Services 5 Pancras Square London N1C 4AG Telephone: 0207 974 7116 Email saul.omuco@camden.gov.uk		
RECOMMENDATIONS: The Committee is requested to note the contents of this report		
Signed by Executive Director Corporate Services Agreed Date: 08/07/2025		

1. **LOCAL AUTHORITY PENSION FUND FORUM (LAPFF)**

- 1.1 The Local Authority Pension Fund Forum (LAPFF) is a voluntary association of 87 local authority pension funds and 7 Local Government Pension Scheme (LGPS) pools, with combined assets of over £350bn. It exists to promote the investment interests of member funds, and to maximise their influence as shareholders to promote high standards of corporate governance and corporate responsibility amongst the companies in which they invest.
- 1.2 Members of the Pension Committee are welcome to attend meetings of the Forum. As a member of LAPFF the Fund is entitled to contribute to and participate in the work plan organised by the Forum around issues of common concern.
- 1.3 LAPFF produce a **Quarterly Engagement Report** to give an overview of the work undertaken. This is attached as **Appendix A** to this report and highlights the achievements during the quarter. It also lists engagement undertaken with several companies. **Table 3** lists the value of the Fund's equity holdings with those companies, as at 31 March 2025.

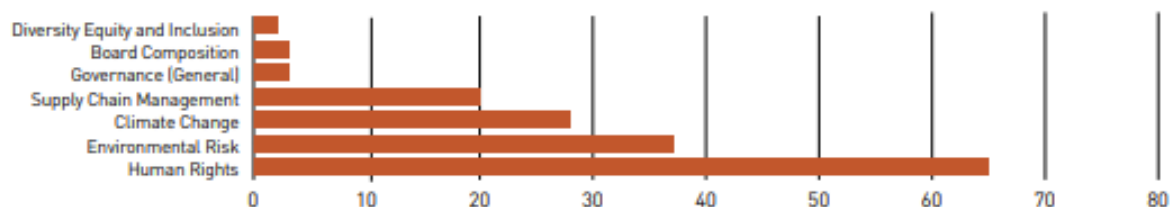
Quarterly Engagement Visual Data

- 1.4 A visual representation has also been included in LAPFF's report which provides a snapshot into the types of engagement undertaken by LAPFF over the quarter and can be seen below in Table 1. The charts present data on: topic, activity, outcomes, position engaged and company domiciles.
- 1.5 Human Rights, Environmental risk and Climate Change have been the subject of the most engagement. Most of the companies engaged with were based in the UK followed by USA, and France.
- 1.6 LAPFF also provide data on what types of issues are being discussed during engagements and their frequency relating to Sustainable Development Goals (SDGs) in Table 2. These were adopted by the United Nations in 2015 and also link to the Fund's Investment beliefs. Over the quarter, LAPFF has done most engagement with companies over: SDG 11 (Sustainable Cities and Communities), SDG12 (Responsible Production and Consumption) and SDG 10 (Reduced Inequalities).

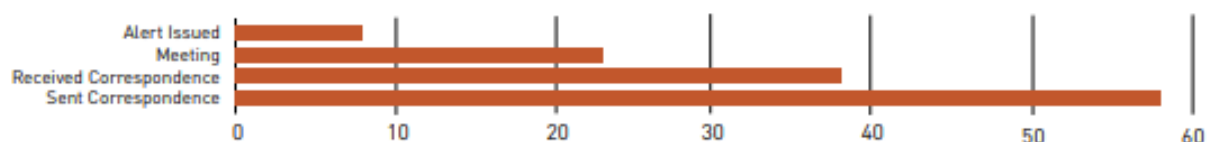
TABLE 1

ENGAGEMENT DATA

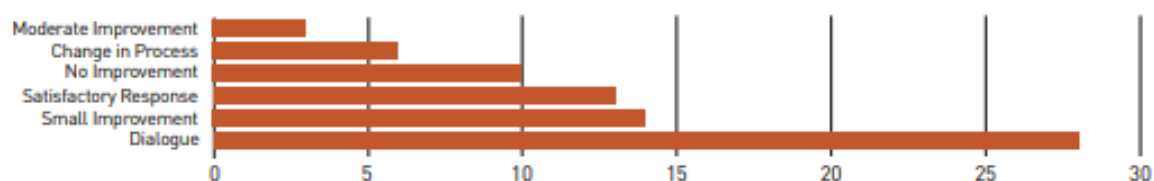
ENGAGEMENT TOPICS



ACTIVITY

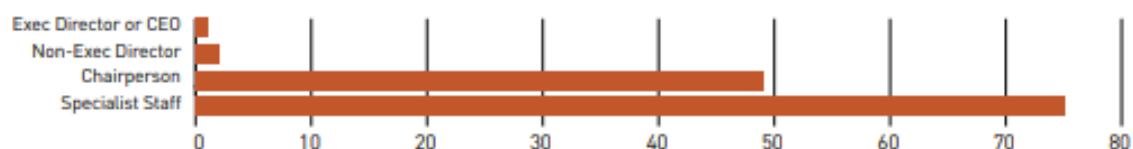


MEETING ENGAGEMENT OUTCOMES*



*Outcomes data is taken from 'Meetings', 'AGMs' and 'Received Correspondence' only

POSITION ENGAGED



COMPANY DOMICILES

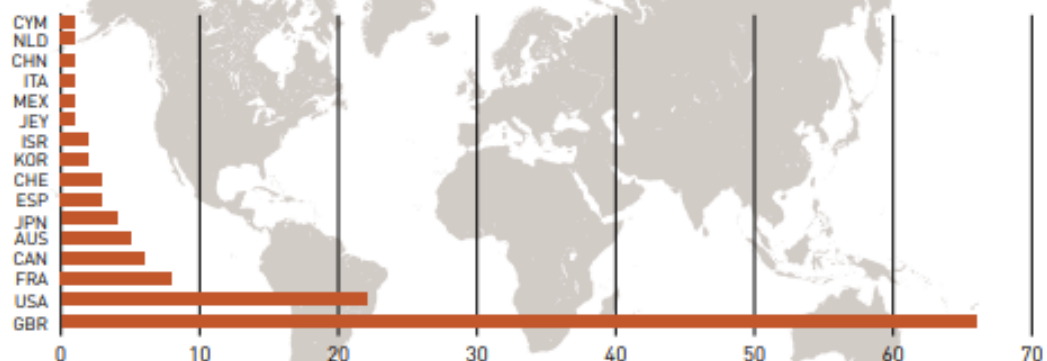
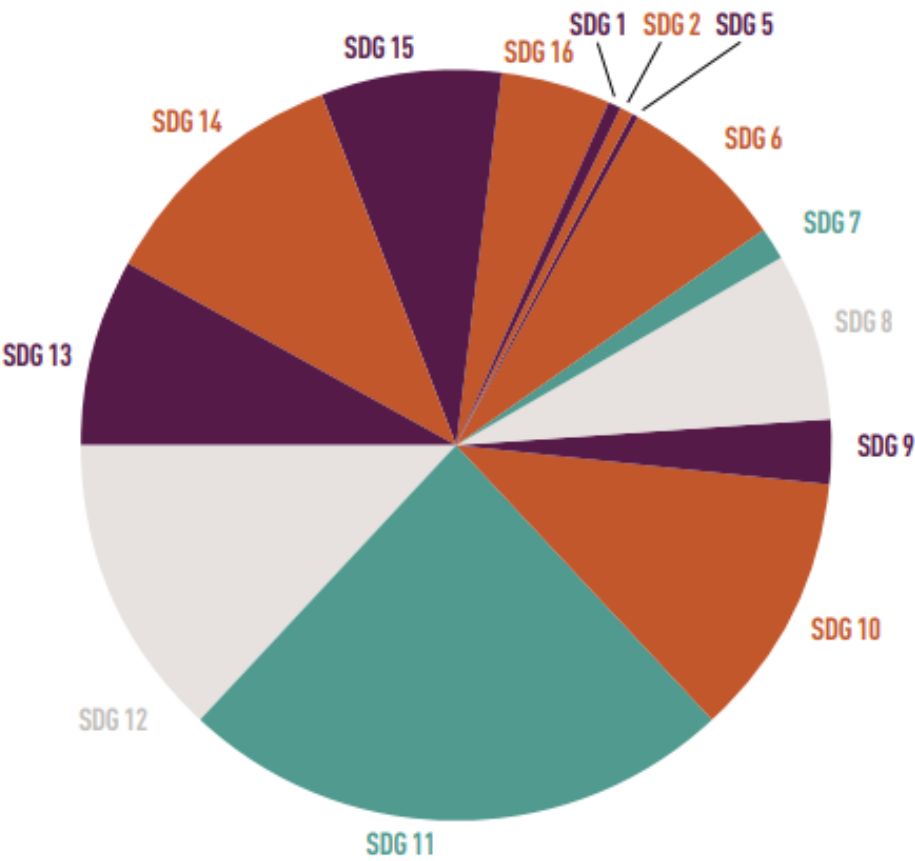


TABLE 2

ENGAGEMENT DATA



LAPFF SDG ENGAGEMENTS	
SDG 1: No Poverty	2
SDG 2: Zero Hunger	1
SDG 3: Good Health and Well-Being	0
SDG 4: Quality Education	0
SDG 5: Gender Equality	1
SDG 6: Clean Water and Sanitation	19
SDG 7: Affordable and Clean Energy	3
SDG 8: Decent Work and Economic Growth	19
SDG 9: Industry, Innovation, and Infrastructure	7
SDG 10: Reduced Inequalities	30
SDG 11: Sustainable Cities and Communities	62
SDG 12: Responsible Production and Consumption	34
SDG 13: Climate Action	21
SDG 14: Life Below Water	29
SDG 15: Life on Land	20
SDG 16: Peace, Justice, and Strong Institutions	12
SDG 17: Strengthen the Means of Implementation and Revitalise the Global Partnership for Sustainable Development	0

- 1.7 The **Quarterly Engagement Report** for the quarter ended March 2025 discussed a number of important issues and some of these issues are summarised in the following paragraphs, the full report is appended as **Appendix A**.

2. **COMPANY ENGAGEMENTS**

2.1 **Climate & Environmental Risk**

- Energy utilities – Dialogues with SSE plc and Iberdrola covered transition plans, carbon-capture technologies and ‘just transition’ considerations. Both companies reaffirmed renewable build-out targets but highlighted regulatory clarity as critical to pace of delivery.
- Housebuilders – Persimmon is finalising a Paris-aligned net-zero transition plan while Barratt Redrow (post-merger) reiterated its commitment to net-zero homes notwithstanding Future Homes Standard uncertainty. Both engagements emphasised Scope 3 measurement and supply-chain decarbonisation.
- Water stewardship in mining – Initial meeting with Fortescue Metals Group and follow-up with Rio Tinto examined independent water-risk assessments at key sites and community impacts. Progress remains uneven and LAPFF will continue to press for robust disclosure and remediation.

2.2 **Human Rights & Conflict-Affected / High-Risk Areas (CAHRAs)**

- Letters to the FTSE 100 and separate outreach to companies facing CAHRA-related shareholder resolutions yielded 28 written responses and meetings with NEXT, Aviva, JPMorgan Chase, Texas Instruments, Bank Leumi and Bezeq. Discussions centred on ‘heightened human-rights due diligence’ and transparent governance of geopolitical risk.
- Engagement with the luxury-goods sector continued via meetings with Burberry and Kering, focusing on supply-chain audits, whistle-blowing mechanisms and alignment with forthcoming EU due-diligence regulation.

2.3 **Governance & Market Integrity**

- Vistry Group – LAPFF challenged the concentration of power in the combined Chair/CEO role and pressed for a clear succession timeline. (No improvement recorded to date.)
- London Stock Exchange Group (LSEG) – Ongoing dialogue on proposed changes to UK listing rules and investor-protection standards; meeting held with senior independent director in January.

2.4 **Social Factors & Workforce Practices**

- Real Living Wage (RLW) – As part of the Good Work Coalition, LAPFF met Sainsbury’s and SSP Group to encourage RLW accreditation and publishable ethnicity-pay-gap data.

- Employment Standards – Ongoing monitoring of zero-hours contracts and precarious work across hospitality and retail sectors.

2.5 Next Steps

Escalation where progress is slow – Rio Tinto, Vistry and BP will be assessed against LAPFF's escalation framework; options include collaborative letters, investor statements and voting sanctions at forthcoming AGMs.

TCFD implementation – Officers will incorporate the 'Climate Ready' guide into the 2025/26 work-plan, refreshing scenario analysis and setting a timetable for full UK-SRTA alignment.

CAHRA disclosure – Companies engaged this quarter will be re-contacted in Q2 requesting specific examples of transactions or suppliers excluded on human-rights grounds and progress will be tracked against LAPFF's public expectations.

Water stewardship benchmark – The Fund will support LAPFF's planned comparative analysis of mining majors (publication expected Q3 2025) to inform voting and engagement.

Data & Reporting – Custodian equity valuations and PIRC voting data will be appended to this report when available and summary outcomes fed into the Fund's 2024/25 Stewardship Code report.

3. LAPFF BUSINESS MEETING – April 2025

The **LAPFF Business Meeting** was held in-person at the Local Government Association's offices in Westminster and streamed live to online participants. Representatives from more than 60 member funds and LGPS pools took part.

- **TCFD 'Climate Ready' Guide adopted** – Members formally approved publication of the new practical reporting guide and thanked contributing funds. The report will now be professionally designed and circulated to all LAPFF members.
- **Conflict-Affected & High-Risk Areas (CAHRAs)** –
 - Agreed a public statement outlining investor expectations of companies operating in CAHRAs and approved a summary engagement document.
 - Endorsed an extra **20 engagement days** for 2025 to escalate work in this area and added *Western Sahara* to the Forum's list of priority regions.
 - Executive members to draft a public policy statement on divestment considerations.
- **Draft Work-plan & Budget 2025/26** – Survey-led priorities and day allocations were approved alongside an unchanged budget envelope. Additional resource will target biodiversity, living-wage accreditation and zero-hours-contract risks.

- **Q4 2024 Quarterly Engagement Report** – Members noted extensive activity on EV (electric vehicles) supply chains, precarious work and bio-energy, together with engagements at BP, Shell and Drax.
- **Asset-Manager Voting Review 2024** – Analysis of 25 managers showed alignment with LAPFF alerts ranging from **98 % (LGIM)** to **2 % (BlackRock)**. Letters will be sent to non-reporting managers; pool data treatment to be considered by the Executive in April.
- **Treasurer's Report** – Forum finances remain on track; the Executive Finance Sub-Committee was authorised to set the 2025/26 membership fee (CPI + 0% = 1.7 %).
- **Forum Officer's Report** – Ongoing outreach to non-member Scottish LGPS funds; positive discussions held with Shetland PF.
- **Governance updates** –
 - *Sian Kunert* (now at London CIV) becomes pool representative; *Tom Harrington* moves to fund-officer seat.
 - Thanks recorded to *Cllr Ged Cooney* on stepping down from the Executive.
- **Forthcoming events** –
 - Annual Conference confirmed for **3–5 December 2025** (Bournemouth Hilton).
 - Mid-Year Conference and Business Meeting scheduled for **9 July 2025** at Church House, Westminster.

Full papers and approved minutes have been uploaded to the Committee SharePoint library.

3.1 **Future meeting dates** are:

Business Meeting, Wednesday 9 July

Business Meeting & AGM, Wednesday 15 October

4. **TCFD GUIDANCE WEBINAR (19 March 2025)**

On 19 March 2025 LAPFF hosted a public webinar to launch the 'Climate Ready' TCFD Guidance report. The session – chaired by Sian Kunert (London CIV) with presentations from Kajetan Czyz (report author), Amy Sutherland (Hymans Robertson), Tom Harrington (GMPF) and Teju Akande (Border to Coast) – provided practical insight into preparing climate-risk disclosures and aligning with forthcoming UK Sustainability Reporting Standards.

A recording and the full report are available on the LAPFF website. Fund officers will bring a briefing to a future Committee meeting setting out options for responding to the guidance, including whether to develop a dedicated TCFD implementation programme.

TABLE 3: EQUITY HOLDINGS IN RELATION TO LAPFF'S Q1 2025 COMPANY ENGAGEMENTS

4.1 LAPFF engaged 23 companies during the quarter. The following table shows Camden's holdings in the companies that were engaged.

Company	LGIM (£'000m)	Harris (£'000m)	JP Morgan (£'000)	Topic
FORTESCUE METALS GROUP	180.84			Environmental Risk
BARRATT REDROW PLC	89.78			Environmental Risk
PERSIMMON PLC	57.10			Environmental Risk
RIO TINTO GROUP (AUS)	789.74			Climate Change
NESTLE SA			1,610.22	Board Composition
IBERDROLA SA	372.58			Climate Change
SSE PLC	163.90			Climate Change
NEXT PLC	1,786.70			Supply Chain management
TEXAS INSTRUMENTS INCORPORATED	1,755.81			Human Rights
LONDON STOCK EXCHANGE GROUP PLC	883.86			Governance (General)
BURBERRY GROUP PLC	54.28			Human Rights
KERING SA		3,461.99		Human Rights
THE PROCTER & GAMBLE COMPANY	5,340.27			Environmental Risk
AVIVA PLC	256.03			Human Rights
CURRYS PLC	5.36			Employment Standards
NATWEST GROUP PLC	502.01			Climate Change
VISTRY GROUP PLC	12.52			Board Composition
SSP GROUP PLC	3.86			Diversity, Equity and Inclusion
J SAINSBURY PLC	47.15			Employment Standards
LEGAL & GENERAL GROUP PLC	226.67			Diversity, Equity and Inclusion
BEZEQ THE ISRAELI TELECOMMUNICATION CORP LTD	10.38			Human Rights
BANK LEUMI LE ISRAEL BM	69.39			Human Rights
JPMORGAN CHASE & CO.	8,556.89			Human Rights

5. VOTING

- 5.1 A total of 2,684 resolutions were voted upon across 219 meetings in the quarter. A summary is provided in the table below:

TABLE 4: VOTING

Vote	Occurrences	Proportion (%)
For	1,580	59%
Against	999	37%
Withhold	23	1%
Abstain	11	0%
Non-Voting	69	3%
Not Supported	0	0%
Withdrawn	1	0%
US Frequency Vote on Pay	1	0%
Total	2,684	100%

- 5.2 The majority of meetings took place in the UK (116), followed by Europe (46), North America (45), South America (10) and Asia (2).
- 5.3 A non-vote occurs where there is an agenda item that does not require a vote but is merely there for information. 'Withhold' votes are the equivalent of "oppose" votes. In the US and Canada, often shareholders may not vote against or abstain on directors and can only withhold their votes. "Withdrawn" means an item was originally on the agenda but the company withdrew it after publication, for instance where there was a death or resignation of the director standing for election.
- 5.4 The companies at which PIRC voted during the quarter are listed in **Appendix B** for information. Further details are published quarterly here: [Pensions - Camden Council](#) (navigate to the Voting Information section).

6. RESPONSIBLE INVESTOR COMMENT

- 6.1 Understanding how the Fund engages with firms, both individually and as part of LAPFF, is a key part of exercising the Fund's influence as a responsible investor, helping to ensure that the assets in which the Fund invests align with Camden's investment beliefs.

7. ENVIRONMENTAL IMPLICATIONS

- 7.1 Further to the Responsible Investment Comment above, a firm understanding of how the Fund engages with firms in which it holds investments improves the Fund's ability to invest in line with our investment principles.

8. FINANCE COMMENTS OF THE EXECUTIVE DIRECTOR CORPORATE SERVICES

- 8.1 The Executive Director Corporate Services has no finance comments to add.

9. **LEGAL COMMENTS OF THE BOROUGH SOLICITOR**

- 9.1 The Local Government Pension Scheme Guidance on Preparing and Maintaining an Investment Strategy Statement states that an Administering Authority should publish an annual report on voting activity. This report is part of the process of discharging that responsibility.

10. **APPENDICES**

Appendix A - LAPFF quarterly engagement report Q1 2025

Appendix B - The companies at which PIRC voted during the quarter.