LONDON BOROUGH OF CAMDEN	**WARDS: All**
REPORT TITLE: Engagement Report	
REPORT OF: Executive Director Corporate Services	
FOR SUBMISSION TO: Pension Committee	**DATE:** 22 October 2025

SUMMARY OF REPORT:

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.

Local Government Act 1972 – Access to Information
No documents requiring to be listed were used in the preparation of this report:

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RECOMMENDATIONS:

The Committee is requested to note the contents of this report

Signed by

Director of Finance ………**Agreed**…………

Date: ………**10/10/2025**……..

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 30 June 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 engagment 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.

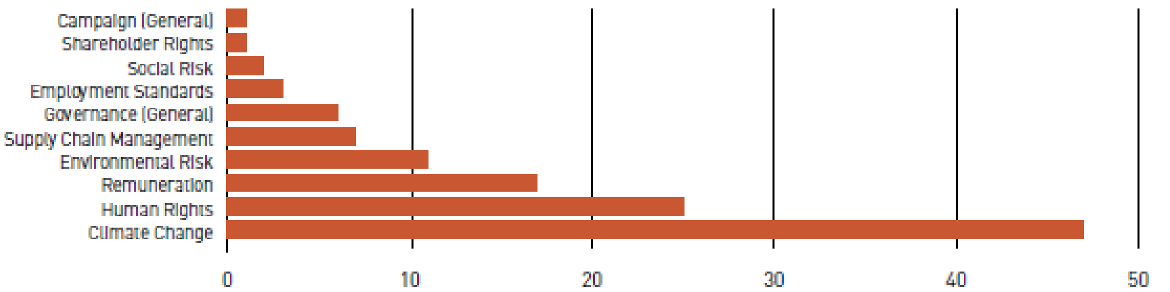
1.5 Climate Change, Human Rights and Remuneration have been the subject of the most engagement. Most of the companies engaged with were based in the USA followed by UK, and Japan.

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 13 (Climate Action), SDG 8 (Decent work and economic growth) and SDG 10 (Reduced Inequalities).

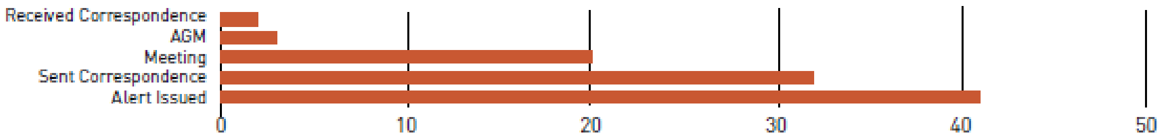
TABLE 1

ENGAGEMENT DATA

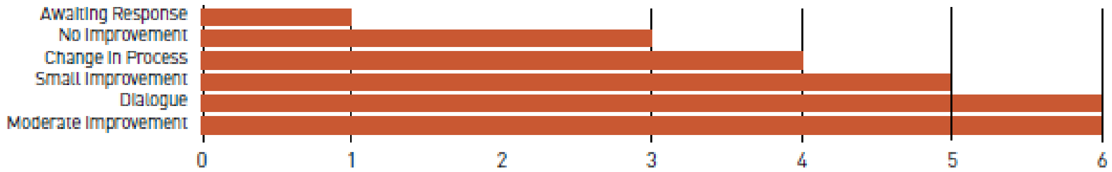
ENGAGEMENT TOPICS



ACTIVITY



MEETING ENGAGEMENT OUTCOMES*



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

POSITION ENGAGED

COMPANY DOMICILES

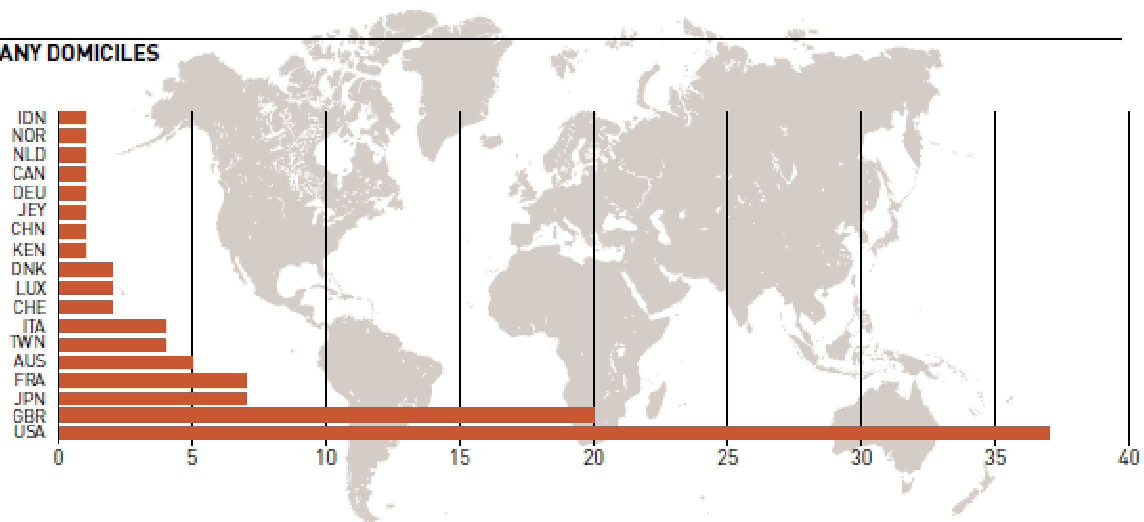
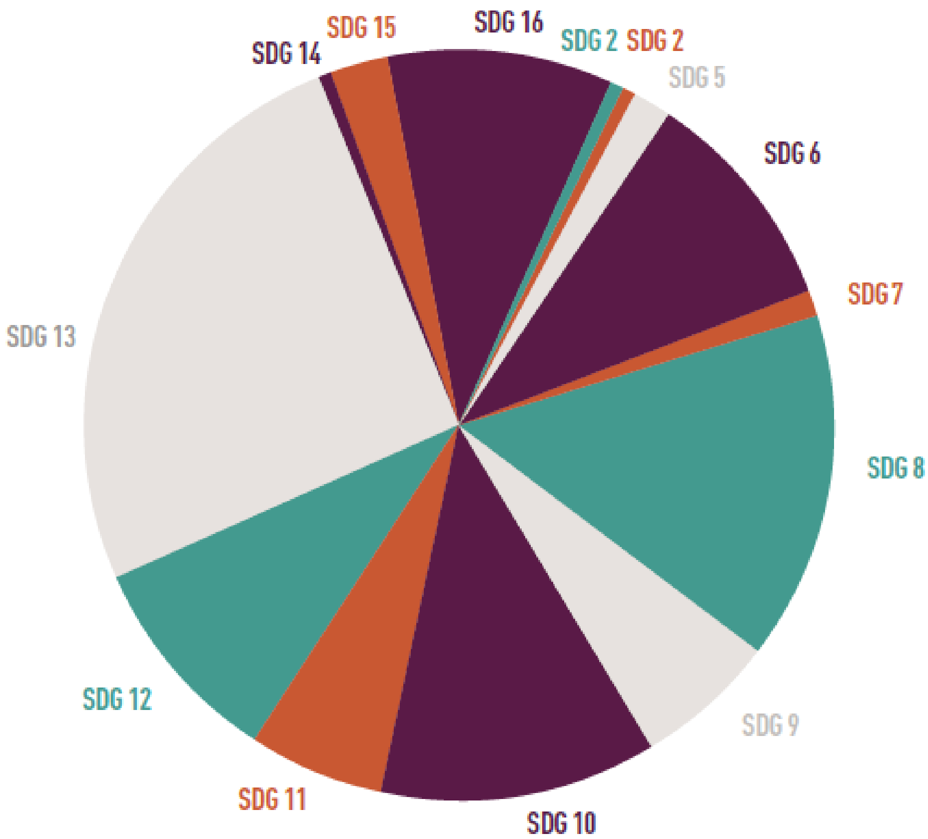


TABLE 2

ENGAGEMENT DATA



LAPFF SDG ENGAGEMENTS	
SDG 1: No Poverty	0
SDG 2: Zero Hunger	1
SDG 3: Good Health and Well-Being	1
SDG 4: Quality Education	0
SDG 5: Gender Equality	3
SDG 6: Clean Water and Sanitation	16
SDG 7: Affordable and Clean Energy	2
SDG 8: Decent Work and Economic Growth	25
SDG 9: Industry, Innovation, and Infrastructure	10
SDG 10: Reduced Inequalities	20
SDG 11: Sustainable Cities and Communities	10
SDG12: Responsible Production and Consumption	15
SDG 13: Climate Action	43
SDG 14: Life Below Water	1
SDG 15: Life on Land	4
SDG 16: Peace, Justice, and Strong Institutions	16
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 June 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

Climate & Environmental Risk

- Asia collaboration: LAPFF participated in the Taiwan in the World: Sustainability Breakthrough & Responsible Investment Dialogue conference. Engagements were held with Foxconn, Vanguard International Semiconductor (VIS), and TSMC, focusing on net zero commitments, renewable sourcing, Scope 3 emissions, labour standards, and water risk management. TSMC, one of Camden's largest indirect holdings, is driving renewable deployment in Taiwan but faces challenges on grid intermittency and supplier transparency.
- Mining and water stewardship: Engagements with Glencore, Antofagasta, Anglo American, and Freeport-McMoRan tested companies' approaches to water scarcity and governance. Positive steps include Antofagasta's expansion of seawater use and Anglo American's interim water targets linked to executive pay. However, risks persist around tailings seepage (Anglo American), lack of global water metrics (Glencore), and controversial riverine tailings disposal (Freeport).
- Energy utilities: Drax remains a key UK engagement. LAPFF questioned the viability of carbon capture on dispatchable biomass operations, subsidy dependence post-2027, and transparency of feedstock sourcing.

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

- LAPFF engaged Lockheed Martin, Safran, Leonardo, and oil majors TotalEnergies, Eni, and Chevron on human rights risks in conflict zones. Dialogue centred on arms export compliance, LNG projects in Mozambique, and due diligence expectations.
- A further meeting with Phoenix Group explored how the insurer is embedding CAHRA risk into its stewardship framework. LAPFF pressed Phoenix to explicitly recognise CAHRAs in policy and asset manager engagement.

Governance & Market Integrity

- BP and Shell were subject to heightened scrutiny. BP's "strategy reset" towards increased fossil fuel production prompted LAPFF to issue an alert recommending a vote against the Chair; 24% of shareholders opposed reappointment. Shell faced a resolution on LNG expansion co-filed by Brunel, GMPF, and Merseyside; LAPFF recommended support (20% backing achieved). LAPFF continues to question both companies' reliance on CCS and the credibility of their transition plans.

Social Factors & Workforce Practices

- Executive pay: Engagements with Standard Chartered and InterContinental Hotels Group (IHG) challenged large increases in CEO pay. LAPFF raised concerns over quantum, fairness, and the potential for sector-wide pay inflation.
- Housebuilders: LAPFF met Taylor Wimpey, which has reduced emissions 47% since 2019 and is the first UK housebuilder to achieve the Carbon Trust's "Advancing" net zero level. Its "just transition strategy" emphasises SME supply chain support. Frustration remains over lack of clarity on the Future Homes Standard and the industry's route to zero-carbon homes.

Collaborative Engagements

- Through Nature Action 100, LAPFF pressed AbbVie and Pfizer to disclose nature and biodiversity risks.
- As part of PRI Advance, LAPFF led investor dialogue with Vale on community engagement and disclosure of stakeholder feedback mechanisms.

3. **Next Steps**

Escalation where progress is slow – LAPFF will continue to escalate where companies are not responding adequately. Follow-up actions include: a meeting with Glencore's Chair in October to address water governance; ongoing scrutiny of Anglo American's remediation plan at Los Bronces; further engagement with Freeport-McMoRan on riverine tailings disposal; and continued monitoring of BP and Shell following significant shareholder dissent at their AGMs. Drax has offered a follow-up meeting on subsidy and sourcing transparency.

Water stewardship benchmarking – LAPFF will continue developing a comparative analysis of mining majors' water practices (TNFD adoption, VWFI alignment, and global target-setting). This will inform engagement and future voting stances.

Just Transition in high-emitting sectors – LAPFF will press ArcelorMittal to publish a Just Transition strategy and timelines for transitioning to electric-arc furnaces. Electricity sourcing and cost transparency will also be reviewed at the July LAPFF business meeting.

CAHRA disclosure and engagement – LAPFF will maintain pressure on companies exposed to conflict-affected and high-risk areas. This includes further meetings with banks, defence companies (Safran, Leonardo, Lockheed Martin), and oil and gas firms (TotalEnergies, Eni, Chevron). Camden officers will monitor how companies integrate heightened human rights due diligence into policy and practice.

Nature and biodiversity initiatives – Through Nature Action 100, LAPFF will follow up with AbbVie and Pfizer to secure greater disclosure on biodiversity impacts and integration into corporate strategy.

Executive pay – LAPFF will maintain dialogue with Standard Chartered and IHG, assessing whether proposed remuneration structures are aligned with long-term value creation and stakeholder expectations.

Housebuilders and decarbonisation – Engagement with Taylor Wimpey will be tracked, with a focus on how its net zero commitments and just transition planning are implemented in practice, particularly in light of the forthcoming Future Homes Standard.

Vale (PRI Advance) – LAPFF will continue collaborative engagement with Vale, seeking enhanced disclosure on community feedback mechanisms and integration of local stakeholder views into board-level oversight.

4. **LAPFF BUSINESS MEETING – July 2025**

The LAPFF Business Meeting was held at Church House, Westminster on 9 July 2025, with in-person attendance from councillors and officers representing over 60 member funds and LGPS pools.

Key points included:

- **Water** Stewardship in Mining – Members reviewed LAPFF's ongoing engagement with mining companies on water risk, including Glencore, Antofagasta, Anglo American and Freeport. This was discussed in detail in the Quarterly Engagement Report section above.
- **CAHRAs** (Conflict-Affected and High-Risk Areas) – Updates were provided on recent engagements with defence and oil companies. As noted in the Company Engagements section, LAPFF continues to escalate where firms fail to demonstrate adequate human rights due diligence.
- **Energy** Sector Engagements – AGM interventions at BP, Shell and Drax were noted. These were also reported in detail in the Quarterly Engagement Report section.
- **Executive Pay** – Members considered LAPFF's challenges to proposed pay packages at Standard Chartered and IHG. Further detail is set out in the Company Engagements section.
- **Housebuilders and Net Zero** – Dialogue with Taylor Wimpey was noted, alongside wider sector concerns around the Future Homes Standard. This is discussed in the Company Engagements section.
- **Member Administration & Governance** – Updates were provided on Forum finances, recruitment of new member funds, and preparations for the 2025 Annual Conference.
- **Future meeting dates** are:

  Business Meeting & AGM, Wednesday 15 October

  Annual Conference, 3-5 December 2025

TABLE 3: EQUITY HOLDINGS IN RELATION TO LAPFF'S Q2 2025 COMPANY ENGAGEMENTS

4.1 LAPFF engaged 24 companies during the quarter. The following table shows Camden's holdings in the companies that were engaged.

Company	LGIM (£000)	Baillie Gifford (£000)	Harris (£000)	MAC – CQS & PIMCO (£000)	TOTAL (£000)	Topic
ABBVIE INC	4,502				4,502	Environmental Risk
ANGLO AMERICAN PLC	244				244	Climate Change
ANTOFAGASTA PLC	75				75	Climate Change
ARCELORMITTAL SA	95				95	Climate Change
COMPAGNIE FINANCIERE RICHEMONT SA	599	115	125		839	Human Rights
DANONE	370				370	Social Risk
DRAX GROUP PLC				201	201	Climate Change
FREEPORT-MCMORAN INC.	555				555	Environmental Risk
GLENCORE PLC	2,746			204	2,950	Climate Change
HON HAI PRECISION INDUSTRY CO LTD	485				485	Climate Change
INFINEON TECHNOLOGIES AG	268				268	Remuneration
INTERCONTINENTAL HOTELS GROUP PLC	1,192		2,502		3,694	Remuneration
LOCKHEED MARTIN CORPORATION	1,072				1,072	Human Rights
LVMH (MOET HENNESSY - LOUIS VUITTON) SE	723				723	Human Rights
MARKS & SPENCER GROUP PLC	91			146	237	Employment Standards
MONCLER SPA	252				252	Human Rights
PHOENIX GROUP HOLDINGS	84				84	Human Rights
PT BANK RAKYAT INDONESIA	215				215	Climate Change
SHELL PLC	2,094				2,094	Climate Change
STANDARD CHARTERED PLC	367			353	720	Remuneration
TAIWAN SEMICONDUCTOR MFG CO	7,040	198			7,238	Climate Change
TAYLOR WIMPEY PLC	57				57	Climate Change
VANGUARD INTL SEMICONDUCTOR	22				22	Climate Change
WESTPAC BANKING	757				757	Human Rights
TOTAL	**23,905**	**313**	**2,627**	**904**	**27,749**	

5. **VOTING**

5.1 A total of 13,453 resolutions were voted upon across 855 meetings in the quarter. A summary is provided in the table below:

TABLE 4: VOTING

Vote	Occurrences	Proportion (%)
For	7,389	55%
Against	5,438	40%
Withhold	370	3%
Abstain	2	0%
Non-Voting	234	2%
Not Supported	6	0%
Withdrawn	1	0%
US Frequency Vote on Pay	13	0%
Total	**13,453**	**100%**

5.2 The majority of meetings took place in the USA and Canada (468), followed by the UK (187), and Europe (172).

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 on behalf of Camden 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 DIRECTOR OF FINANCE**

8.1 The Director of Finance 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 Q2 2025
Appendix B - The companies at which PIRC voted during the quarter.