

### **Responsible Investment Update: Human-Rights and Conflict-Zone Screening**

#### **1. Overview and Purpose**

Following recent member and public interest in conflict-related investment exposure, Camden Pension Fund undertook a global assessment of its holdings using two complementary approaches:

A worldwide human-rights and conflict-risk screen using RepRisk, a respected ESG risk-intelligence tool.

A focused review against the United Nations Office of the High Commissioner for Human Rights (UN OHCHR) database of companies involved in activities linked to Israeli settlements in the Occupied Palestinian Territory (OPT).

This dual approach ensures that Camden applies a consistent, equitable and globally relevant methodology, while also responding transparently to the current concern regarding Israel/OPT.

All results have been reviewed with the Fund's investment adviser, Isio.

#### **2. Methodology**

##### **2.1 RepRisk screening: the global human-rights scan**

RepRisk provides real-time ESG risk intelligence across more than 240,000 companies, using:

- AI-supported analysis of 100,000+ public sources
- ESG incident-based data rather than company-reported disclosures
- Global and geographically neutral categorisation aligned with international norms

##### **RepRisk methodology reference:**

<https://www.reprisk.com/insights/resources/methodology>

##### **Filters applied**

Camden applied a suite of human-rights related filters to create a globally consistent screen, including:

- Human Rights & Community Relations (SASB Issue Category)
- UNGC Principles 1 and 2 (Human Rights)
- SDG 16: Peace, Justice and Strong Institutions
- RepRisk issue category: Human-rights abuses & corporate complicity

These filters were applied uniformly across Camden's entire listed-equity universe, ensuring geographic neutrality and enabling the Fund to identify human-rights risks wherever they occur globally.



## 2.2 Why RepRisk?

### Advantages for Camden

RepRisk offers several benefits aligned with Camden's policy objectives:

- Globally equitable screening: RepRisk applies identical criteria across all geographies, avoiding region-specific biases. This ensures Camden assesses risks consistently, regardless of political context.
- ESG focus: Camden screens for human-rights risk, not geography. This ensures we take an ESG-first approach rather than singling out any region.
- Breadth and independence: RepRisk identifies risks using external sources (media, NGOs, regulatory reports), which captures issues traditional ESG ratings often miss.
- Real-time monitoring capability: RepRisk is dynamic. Its risk scores change as new controversies emerge.

## 2.3 Limitations of RepRisk for the specific Israel/OPT question

As with any investigative tool, approach, or methodology, certain limitations are inevitable. While this process was not entirely free from such constraints, we are satisfied that, for the task at hand and the requirements of the Pension Fund, these do not undermine the validity of the findings nor hinder their practical applicability.

Moreover, several such characteristics of the RepRisk approach enhance its relevance and utility for Camden's ESG monitoring framework:

- Focus on material controversies rather than geographic presence: RepRisk identifies actual controversies, ensuring attention is directed to substantive ESG risks rather than mere location.
- Dynamic and current intelligence: Unlike static lists such as the UN OHCHR database, RepRisk reflects ongoing NGO and media activity, providing a real-time perspective on reputational and ESG exposure.
- Complementary insight: A company may appear on the UN OHCHR database for operating in certain areas without any public controversy flagged by RepRisk sources, underscoring the value of using multiple lenses for comprehensive risk assessment.
- Volatility as a strategic advantage: While data shifts with current events, this responsiveness is a strength for global ESG monitoring, even if it does not align perfectly with static lists.
- Contextual gaps highlight uniqueness: Instances where UN OHCHR-listed companies do not appear in RepRisk's human-rights screens illustrate the tool's focus on publicly reported controversies rather than formal inclusion, reinforcing its role as a dynamic risk indicator.

Taken together, these features position RepRisk as a robust and forward-looking component of Camden's ESG oversight to deliver actionable insights. The Pension Fund remains confident that this approach supports its fiduciary responsibilities and strengthens governance assurance in line with its ESG commitments.

### 3. Supplementary Screen: UN OHCHR Settlement Database

Given the public interest in Israel/OPT exposures, Camden also applied a more targeted approach using the UN's authoritative list of companies "involved in activities related to Israeli settlements in the OPT," updated October 2025.

#### UN database reference:

<https://www.ohchr.org/en/documents/thematic-reports/ahrc6019-database-all-business-enterprises-involved-activities-detailed>

### 4. Validation by Investment Adviser (Isio)

Isio reviewed:

- The RepRisk outputs
- Camden's UN list matching
- Each holding's scale, proportion of Fund, and relevance

This triangulation ensured Camden avoided:

- over-reliance on any single source,
- incomplete screening, or
- unjustified conclusions

### 5. Camden's Exposure – Final Results

#### (A) Global Human-Rights Exposure (all geographies)

Category	No. of companies	Value of holdings	% of Fund
Current Exposure	46	£15.9m	0.67%
Exposure after changes	16	£2.4m	0.10%

#### Interpretation

- Camden's global human-rights exposure is already very low.
- Under the new Investment Strategy Statement, this exposure reduces by 85%.
- Remaining holdings are small, diversified, and manageable through engagement.

#### (B) Israel/OPT-Linked Exposure (UN OHCHR list)

Category	No. of companies	Value of holdings	% of Fund
Current Exposure	26	£5.7m	0.24%
Exposure after changes	15	£2.0m	0.09%

## **Interpretation**

- Camden's exposure is minimal and already declining
- The switch to Future World eliminates nearly all Israel/OPT-linked holdings currently found in the Passive Fund
- Residual exposure is small, diversified, and will be subject to the Fund's new Conflict Zone Exposure Policy

## **6. How Camden Will Manage This Going Forward**

Under the proposed RI Policy and Conflict-Zone Exposure Policy:

### **i. Camden will monitor all human-rights and conflict exposures globally**

The Fund will assess exposures using a uniform set of internationally recognised sources, applied equitably across all geographies.

### **ii. Camden will not target or single out any one region**

The Fund's screening is equitable, not politically or geographically determined.

### **iii. Thresholds**

Thresholds may be introduced in future when pooling responsibilities and LCIV product constraints become clearer.

### **iv. Stewardship First, Divestment Only as a Last Resort**

Consistent with the UK Stewardship Code, Camden prioritises engagement.

Divestment would only be considered where:

- risks are financially material,
- engagement fails, or
- the Fund's RI Policy requires exclusion.

## **7. Summary**

Camden has undertaken a rigorous and comprehensive investigation of all human-rights and Israel/OPT-linked exposures.

Using both RepRisk and the UN OHCHR list, validated by expert advisers, the Fund's current exposure is de minimis relative to its £2.37bn portfolio.

Implementation of the new ISS will reduce both global human-rights exposure and Israel/OPT exposure to negligible levels.

The proposed RI Policy embeds a fair, consistent, geographically equitable framework for the future, positioning Camden as a responsible, transparent LGPS fund aligned with best practice across London boroughs.