

London Borough of Camden
Responsible Investment Policy

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1. Introduction

At London Borough of Camden Pension Fund (the Fund) we believe in investing responsibly. As part of this we consider Environmental, Social and Governance (ESG) factors related to our investments. Foremost we consider whether any ESG factors are likely to have financial impacts. Secondly, the Fund recognises that responsible investment is an area of growing interest to many Scheme members and participating employers, and seeks to consider these issues in a balanced way alongside its fiduciary duties..

Our priority is to deliver the financial returns that can meet our beneficiaries' needs, but we aim to avoid harm and to seek positive non-financial outcomes along the way.

Within this Policy we will use the terms Responsible Investment (RI) and ESG (Environment, Social and Governance). Responsible Investment is the over-arching approach and aim of this Policy. Environment, Social and Governance (ESG) considerations integrated into our investment work help us to invest responsibly, i.e. they contribute to our RI approach.

Responsible Investment (RI) is an integral component of our fiduciary duty. The Fund considers ESG factors where they may influence long-term financial outcomes or pose material reputational, governance or systemic risks. We also recognise the expectations of our Scheme members and participating employers and seek to reflect these responsibly within the constraints of pooled investment structures.

2. Use of this Policy

This Policy is intended to set the context for investing responsibly. It will inform any future action plans or procedures. It will form the basis of our engagement (via the LCIV) with our investment managers and help us decide how to respond to any future ESG related challenges and concerns.

From April 2026, the selection of investments will be undertaken by the London CIV. This Policy therefore guides Camden's expectations, stewardship priorities, and escalation approach, while recognising that implementation and portfolio construction will be delivered through pooled vehicles.

3. About Us

The London Borough of Camden Pension Fund (the Fund) provides pension benefits for people who have served the London Borough of Camden. These include Camden Council employees and certain other bodies including some academic institutions.

The Fund is a Local Government Pension Scheme (LGPS), one of 86 such schemes in England and Wales. LGPS are defined benefit schemes that are grouped into "pools". The pools are

intended to provide opportunities for collaboration, efficiencies and economies of scale. The Fund is part of the London CIV pool (the Pool) along with other London Boroughs.

The Fund is overseen by dedicated Officers and a committee of elected local government representatives.

4. Our Beliefs

At London Borough of Camden Pension Fund, we believe that integrating consideration of ESG factors into the investment process can improve risk adjusted returns. This is because:

- It can help to protect against the risk of stranded assets
- It is important in interpreting the possible effects of consumer behaviour or government action (such as regulatory or tax changes, or failures of reputation)
- There are opportunities related to ESG factors – such as identifying companies that are leaders in emissions reduction, or sustainable use of resources

We also believe that our Scheme members, and our participating employers, want us to invest responsibly, and that doing so is mutually beneficial to wider society.

We believe that engaging with challenging issues is more effective than avoiding them altogether. For example, in sectors with endemic high carbon emissions, we prefer to acknowledge the ongoing role of these industries in our society, and to have a seat at the table influencing progress than to avoid investing in those sectors altogether.

Our top priority is to deliver the financial returns that can meet our obligations to our beneficiaries. We believe that investing responsibly should support this aim and not detract from it. If we were ever to make a decision that was not based on financial factors (for example a decision based on ethical grounds) we would do so only on the basis that we believed it would reflect the wishes of our beneficiaries.

All actions taken under this Policy will be proportionate, evidence-based, and consistent with the Fund's fiduciary duty to act in the best long-term interests of its members and beneficiaries.

5. How We Invest

The Fund invests capital on behalf of its beneficiaries, with the intent of generating a return to be able to fund defined benefit pension payments. The Fund invests in a variety of types of investments, carefully planned to provide an optimal investment return from an appropriate risk basis, and incorporating other considerations such as liquidity and diversification

We delegate investment decisions and oversight to third party investment managers. Each of these managers operates within boundaries and with targets that are understood by the Fund at the point of investment.

The Fund invests in public market investments (such as equities, corporate bonds and government bonds), and in private market investments such as property and infrastructure.

From April 2026 responsibility for choosing investments for the Fund will sit with the London CIV pool. London Borough of Camden collaborates closely with the London CIV pool to communicate its priorities and the needs of its members clearly and transparently. Post April 2026 the Fund will maintain responsibility for its own Responsible Investment (RI) Policy and will work with the London CIV to seek to reflect that policy in its investments.

6. How we approach Responsible Investment

The Fund's approach to Responsible Investment is grounded in its fiduciary duty to act in the best interests of its members, whose pensions will be paid out of the Fund, and the employers whose contributions will depend upon the Fund's performance. Financial considerations remain paramount in investment decision-making.

Environmental, Social and Governance (ESG) factors are considered where they are financially material or may give rise to long-term risks or opportunities for the financial performance of the Fund. The Fund recognises that effective stewardship can enhance long-term value and mitigate systemic risk.

Additionally, the Fund has identified some ESG priorities as set out in Section 8 below, which it believes to be important to its members for reasons which may not be purely financial.

The Fund prioritises engagement and stewardship as the primary mechanisms for addressing ESG related concerns. Beyond the existing categories of excluded investment (see "Investment Parameters" in Table 1 below), divestment is considered only where engagement has not been found to be effective, or where legal or regulatory requirements necessitate action.

Where investments are held through pooled structures, implementation rests with the London CIV, and the Fund will seek alignment with its Responsible Investment principles through established governance channels.

There are a range of tools and techniques that we will use to help us to invest responsibly.

These include:

- Stewardship – this means actively overseeing our investments and engaging with any areas of concern. It also means exercising voting influence through LCIV for pooled funds, and through pass-through voting where this is explicitly available.
- Investment parameters – there may be areas that we wish to restrict exposure to, on behalf of our beneficiaries. This might be because of ESG related financial risk factors, and/or because we have reason to believe that our beneficiaries would not want to have exposure to certain areas due to moral or ethical reasons.

Where the Fund identifies heightened human-rights or governance concerns, including those arising from recognised conflict-affected or high-risk areas, these will be reviewed in accordance with the Fund’s Conflict Zone Exposure Policy.

- Collaboration – When investors work together their voices are even more powerful. Working with collaborative groups is an important RI tool that we will employ. The Fund benefits from collaboration undertaken by its investment managers including London CIV but may also join collaborative groups on its own account.
- Lobbying – From time to time the Fund may engage with the UK government or other bodies such as UK listing or regulatory authorities, on areas of interest.
- Target setting – the Fund invests through third party managers and does not have direct control over its investments. However, where appropriate it may set targets as a way of clearly indicating intent in a certain area.

Our use of these tools is elaborated on in Table 1 below.

Table 1 - Our Use of Responsible Investment Tools

Tools	Our Approach
Stewardship	We seek to use our influence as an asset owner to expect strong stewardship across all asset classes. For pooled investments undertaken through the London CIV, engagement and voting will be carried out by LCIV and their appointed stewardship provider. Camden will articulate its stewardship priorities, including climate, human rights and conflict-zone related risks, through participation in the London CIV Sustainability Working Group (SWG) and through bilateral dialogue with LCIV.

Tools	Our Approach
	<p>We will request regular updates on engagement outcomes and escalation progress from LCIV, and we expect to see evidence of meaningful progress on material ESG issues. Where progress is insufficient, we will work with LCIV to consider appropriate escalation pathways.</p>
Investment Parameters	<p>We prefer stewardship and engagement over exclusions, as this approach is generally better aligned with long-term risk-adjusted returns and our fiduciary duties. However, we support the exclusion of controversial weapons (as defined in this policy) and non-conventional fossil fuels and select LCIV products already incorporate these parameters. In addition, the Fund will avoid investment in widely recognised ‘sin sectors’ where products or services create clear and avoidable societal harm. This includes tobacco, alcohol, adult entertainment, gambling, and other sectors deemed incompatible with the Fund’s investment beliefs. These exclusions reflect beneficiary expectations and alignment with Camden Council’s published investment beliefs and fiduciary responsibilities and can be implemented without material detriment to long-term returns.</p> <p>Where the Fund applies exclusions on non-financial grounds, the Pension Committee will be satisfied that:</p> <ul style="list-style-type: none"> (i) the exclusion does not involve a material risk of financial detriment to the Fund when considered over the long term and (ii) there is good reason to consider that the exclusion reflects the views or values of Scheme members. <p>The Committee may draw on consultation responses, member engagement, and market analysis when considering these conditions.</p> <p>Where necessary, the Fund may consider targeted parameters in response to material ESG risks, including those identified under the Conflict Zone Exposure Policy. Any such parameters will be reviewed with LCIV and our investment consultant to ensure suitability within pooled structures.</p>

Tools	Our Approach
Collaboration	<p>We will continue to collaborate with the Local Authority Pension Fund Forum (LAPFF) and may support other investor initiatives where they are aligned with the Fund’s beliefs, priorities and fiduciary responsibilities. We will consider commitments carefully, including financial implications, governance requirements and whether any public commitments are realistic for a pooled fund environment.</p> <p>Where appropriate, Camden may support sector-specific or thematic initiatives, including those relating to responsible investment in conflict-affected contexts.</p>
Lobbying	<p>We will contribute to consultations and policy development processes where they relate to LGPS investment, stewardship, climate policy, ESG disclosure or the governance of pooled funds. Camden will not undertake political lobbying but will provide evidence-based contributions on matters that may materially impact the Fund or its beneficiaries.</p>
Target Setting	<p>The Fund has not set Fund-level climate or emissions targets. We instead work through LCIV, who set and implement climate-related targets at product level. Camden will continue to engage with LCIV, through the SWG and Shareholder Committee, to ensure LCIV’s climate approach aligns with best practice and Camden’s beliefs.</p> <p>We will review whether Fund-level targets become appropriate as pooling progresses and reporting frameworks evolve.</p>

We believe that using these tools in combination will provide us with a holistic and meaningful approach to Responsible Investment.

A further consideration with RI is the potential for Impact. Every action a company takes has the potential for either a positive or a negative impact on society and the environment. The London Borough of Camden believes that companies that limit negative outcomes and focus on positive ones will be more resilient in the long term. We expect our investment managers to invest in well governed companies that are good corporate citizens.

Our priority is to deliver financial returns to our beneficiaries, and we have not been given an Impact mandate by them. However, there are opportunities where the potential for a company or asset to make a positive impact goes hand in hand with appropriate risk adjusted returns, and we would like to access these opportunities. Areas of particular potential may include emissions

reduction, climate adaptation, sustainable natural capital, or improvements in health care and well-being. We will work with the London CIV as it develops ideas in this area.

7. Definition of Controversial Weapons

For the purposes of this Policy, “controversial weapons” refers to weapons whose use is prohibited or restricted under international treaties to which the United Kingdom is a signatory, including but not limited to:

- Cluster munitions
- Anti-personnel landmines
- Chemical weapons
- Biological weapons
- Nuclear weapons (where prohibited under applicable international frameworks)

The Fund will have regard to recognised industry classifications and the exclusions embedded within LCIV product structures when identifying such exposures.

8. Our ESG Priorities

There are many ESG related topics, and it is important for us to focus on areas that are particularly relevant, and which we believe to be important to our beneficiaries.

We have undertaken work with Pensions for Purpose (a collaborative organisation helping pension funds to consider the impact of their investments). This work helped us to determine what our key beliefs and focus areas are, using a framework based on the UN Sustainable Development Goals (SDGs). In our 2025 review we confirmed that we believe in investing responsibly across all themes, but that these Sustainable Development Goals are particularly important to the Fund:

- Gender Equality
- Decent Work and Economic Growth
- Climate Action
- Peace, Justice and Strong Institutions

The SDGs of Reduced Inequalities and of Life on Land were also highlighted.

Peace, Justice and Strong Institutions is important as an umbrella category – with justice and strong governance come many positive knock-on effects. Decent work and economic growth are key to investment performance, fair treatment, and speaks to the priorities and needs of our scheme members and participating employers. Climate Action remains a priority for us – we recognise the profound risks associated with climate change and the potential negative impacts on living standards for our beneficiaries and on our financial returns. We also recognise opportunities

for positive action and financial outcomes from working with leaders in this space. Gender equality is important for a fair and equitable society and for representation of balanced views and ideas within companies.

These priority areas will inform our Responsible Investment thinking and will be revisited every 3 years.

Our approach to each area is covered in Table 2 below.

Table 2 - Approach to Priority Areas

UN SDG	Why is this area a priority for us?	What is our approach to this area?
Gender Equality	Gender equality contributes to well-governed, fair and inclusive organisations. It is consistent with Camden’s own values and is increasingly recognised as contributing to improved decision-making, talent retention and long-term financial performance.	<p>We expect our investment managers to:</p> <ul style="list-style-type: none"> • uphold strong equal-opportunities and diversity policies • assess gender-related risks and opportunities within underlying companies and • LCIV to engage where companies show weak performance or poor disclosure <p>We support broader data improvements and encourage participation in collaborative initiatives such as the Asset Owner Diversity Charter where appropriate.</p>
Decent Work and Economic Growth	Decent work supports social mobility, stable economic growth and long-term sustainable returns. Labour rights, working conditions, and supply-chain practices can create material operational, reputational and regulatory risks.	<p>We expect LCIV and our managers to:</p> <ul style="list-style-type: none"> • identify risks relating to labour rights, working conditions, modern slavery, and supply-chain exploitation • demonstrate active engagement where concerns are identified and • provide evidence of progress, particularly in sectors with elevated labour-related risks <p>As opportunities arise, we will consider how the Fund can support investments that contribute to inclusive economic development in London and the wider UK.</p>
Climate Action	<p>Climate change presents systemic financial risks including:</p> <ul style="list-style-type: none"> • transition risks • regulatory changes • physical impacts and • reputational exposure 	<p>We support London CIV’s commitment to Net Zero in Scope 1 & 2 emissions by 2040 for relevant mandates and recognise that LCIV will implement climate-related targets on our behalf.</p> <p>We:</p> <ul style="list-style-type: none"> • seek to understand the Fund’s emissions profile • expect engagement with the highest-emitting companies

UN SDG	Why is this area a priority for us?	What is our approach to this area?
	<p>It also creates opportunities in climate solutions and decarbonisation pathways.</p>	<ul style="list-style-type: none"> • avoid non-conventional fossil fuel exposures (e.g., oil sands, Arctic drilling) and • encourage allocation to climate-solution strategies where they meet risk/return objectives <p>We expect LCIV to provide TCFD-aligned reporting and to consider climate governance, strategy, risk management, and metrics/targets.</p>
Peace Justice and Strong Institutions	<p>Peace, justice and strong institutions underpin all other ESG themes.</p> <p>Strong rule-of-law environments support stable markets, reliable financial disclosures, predictable regulation and reduced ESG risk.</p> <p>Human-rights violations and weak institutions can create material financial, operational and reputational risks for investors.</p>	<p>We rely on authoritative international bodies, including the United Nations and the UK Government, to identify conflict-affected areas and associated human-rights risks. The Fund does not adopt geographic boycotts and recognises that a company's presence in such regions does not imply wrongdoing. Our Conflict Zone Exposure Policy sets out a structured, geography-neutral and evidence-driven approach to identifying and addressing credible allegations of involvement in, contribution to, or linkage with serious human-rights abuses associated with conflict-affected areas. The Fund supports the exclusion of controversial weapons, as defined in this Policy. The Fund does not apply a blanket exclusion to the wider defence sector, recognising the legitimate role of defence and security activities in democratic societies and collective security.</p> <p>Where companies are connected to conflict-affected and high-risk areas (CAHRA), the Fund expects investment managers and the Pool to assess whether those companies have appropriate human-rights due-diligence processes in place, consistent with the UN Guiding Principles on Business and Human Rights. This includes identifying, preventing, mitigating, and accounting for adverse human-rights impacts linked to their operations, products, or services.</p> <p>In pooled investments, the Fund will work through London CIV to promote the identification, monitoring and appropriate management of conflict-related risks through established stewardship and escalation mechanisms.</p>

Within all of our priority themes we will encourage improved availability, transparency and consistency of data and will expect our investment managers to do the same.

Life on Land was identified as a secondary priority in our work with Pensions for Purpose. We believe that natural capital preservation and climate action go hand in hand. Also, that by supporting decent work, strong institutions, and peace, we will support natural capital, since peaceful prosperous societies have the capacity to consider their use of resources and to protect their natural environments. We will continue to consider the impact of our investment on natural capital, and to look at opportunities for investments that support the appropriate use and regeneration of natural capital.

As part of our 2025 review of priority areas, we have also identified the need to articulate our approach to conflict zones. We know that this area is particularly important to our Scheme members and participating employers. The position outlined below will help us to determine appropriate action, where there are concerns about human rights in conflict zones.

This includes the Fund's Conflict Zone Exposure Policy, which sets out a structured, evidence-based approach to identifying and managing heightened human-rights and governance risks in areas identified by authoritative international bodies.

The Fund's Conflict Zone Exposure Policy provides a structured, evidence-based approach to identifying and managing heightened human-rights and governance risks in areas identified by authoritative international bodies.

9. Conflict Zone Policy

9.1 Definition

For the purposes of this Policy, the Fund defines a Conflict Zone is defined as any territory or operating environment that is directly and physically affected by armed conflict, including active combat between states, armed groups, or internal factions, or where credible international authorities identify the presence of military occupation or other conflict-related hostilities. The Fund recognises that a company's presence in such regions does not in itself indicate wrongdoing, and the Fund does not apply geographic boycotts. The presence of conflict alone does not imply wrongdoing. The Fund's assessment focuses on credible allegations of human-rights or international humanitarian law breaches associated with company activities linked to conflict-affected environments.

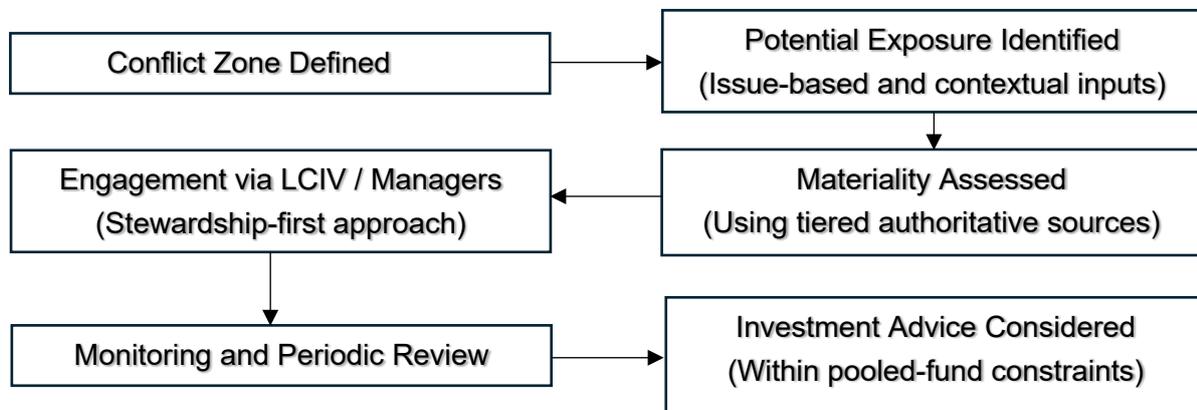
9.2 How the Conflict Zone Framework Operates in Practice

To support clarity for readers, the Fund’s approach to conflict zone exposure follows a clear, sequential process. This framework is designed to be proportionate, implementable within pooled investment arrangements, and consistent with fiduciary duty.

In summary, the process operates as follows:

- i. Define
The Fund applies a geography-neutral definition of a conflict zone, relying on authoritative international and UK public bodies.
- ii. Identify
Potential exposure is identified using a combination of issue-based screening tools and authoritative geographic or contextual sources.
- iii. Assess
Identified exposures are assessed for relevance and materiality, using a transparent hierarchy of sources.
- iv. Engage
Where appropriate, stewardship and engagement are undertaken through LCIV and underlying investment managers.
- v. Monitor and Review
Exposures are reviewed on a periodic basis, with escalation considered where risks are material and persistent.

This structure is intended to support informed oversight rather than automatic investment decisions.



This diagram is illustrative and does not prescribe automatic investment outcomes.

To avoid subjectivity or geographic bias, the Fund relies exclusively on recognised public authorities, arranged into a transparent hierarchy:

Tier 1: Legally binding or regulatory authorities

These bodies create mandatory restrictions or formal determinations that directly affect investors:

- UK Government Sanctions Regime (UK Sanctions List; Office of Financial Sanctions Implementation)
- United Nations Security Council (UNSC) resolutions establishing sanctions regimes, arms embargoes, or determinations of conflict
- UK Home Office / UK Foreign, Commonwealth & Development Office (FCDO) travel, security, and conflict advisories

(Rationale: These are binding or directly relevant to Camden's fiduciary, regulatory, and legal compliance obligations.)

Tier 2: Multilateral organisations maintaining systematic assessments of conflict or fragility

These bodies provide structured, internationally accepted assessments of conflict-affected or high-risk environments:

- UN Office of the High Commissioner for Human Rights (OHCHR)* - including formally mandated UN databases and investigative outputs relevant to business activity in conflict-affected or occupied territories.
- UN Office for the Coordination of Humanitarian Affairs (OCHA) – conflict and protection cluster assessments
- Organisation for Economic Co-operation and Development (OECD) “Conflict-Affected and High-Risk Areas” (CAHRA) Framework
- World Bank “Fragile and Conflict-Affected Situations (FCS)” List

(Rationale: These are global, non-political, multilateral institutions whose definitions and assessments underpin many international supply-chain and responsible-sourcing and human rights due diligence frameworks.)

**Where referenced the OHCHR databases are used as a supplementary factual input to identify potential areas for enhanced review. Inclusion in an OHCHR database does not, in itself, determine exclusion, divestment, or investment decisions.*

Tier 3: Supplementary risk-flag sources (non-determinative)

These sources support contextual understanding but cannot alone determine exposure:

- Academic and research institutions monitoring armed conflict and civilian harm (e.g., Uppsala Conflict Data Program (UCDP), Armed Conflict Location & Event Data (ACLED), Geneva Academy of International Humanitarian Law and Human Rights – WAR WATCH (World Assessment and Tracking of Civilian Harm))
- Reputable Non-Governmental Organisations (NGOs) such as Business & Human Rights Centre providing well-documented evidence of human-rights abuses (e.g., Amnesty International, Human Rights Watch)
- Media reports from internationally recognised outlets

(Rationale: These sources can highlight potential concerns, but due to variability in scope, methodology, or politicisation risk, they are used only to flag potential issues for further review and not to determine conflict zone status.)

9.3 Conflict Zone Exposure Policy

9.3.2 Purpose

This Policy establishes a clear and proportionate framework through which Camden Pension Fund seeks to:

- Have visibility of material exposures linked to conflict-affected or high-risk operating environments
- Consider the financial, human-rights, and reputational implications of such exposures
- Use stewardship, via LCIV where applicable, as the primary mechanism for addressing concerns
- Apply escalation only where justified, proportionate, and consistent with fiduciary duty
- Provide the Pension Committee with clear, objective, and repeatable reporting

This Policy is risk-based, globally applicable, and non-political, using authoritative bodies rather than geography-specific approaches.

9.3.3 Policy Principles

Principle 1: Equitable, geography-neutral approach

The Fund does not single out specific regions. All geographies are assessed using the same internationally recognised authorities.

This avoids selective or inconsistent treatment and aligns with fiduciary and regulatory obligations.

Principle 2: Stewardship-first

The Fund prioritises engagement before disinvestment, particularly through LCIV where investments are pooled.

Escalation steps will be proportionate, evidence-based, and consistent with fiduciary duties.

Where Camden requests voting or engagement actions, LCIV will consider these within their own fiduciary and governance framework. The Fund recognises that LCIV may not always be able to implement Camden-specific instructions.

Principle 3: Financial materiality remains central

Conflict exposures can create financial, operational, regulatory and reputational risks.

Actions under this policy are taken to manage material risks, not to express political views.

Principle 4: Use of formal reputable, recognised authorities

All assessments rely primarily on Tier 1 and Tier 2 sources.

Tier 3 sources may flag issues but cannot determine conflict status on their own.

9.3.4 Expectations of Companies

In assessing exposure to conflict-related risk, the Fund's expectations of investee companies are informed by internationally recognised standards on responsible business conduct and human rights, including:

- the UN Guiding Principles on Business and Human Rights (UNGPs)
- the OECD Guidelines for Multinational Enterprises and
- the UN Global Compact principles.

These frameworks provide a common reference point for evaluating whether a company has appropriate policies, governance, and due-diligence processes in place, and whether it has caused, contributed to, or is directly linked to serious adverse human-rights impacts in conflict-affected contexts.

The Fund does not treat these frameworks as automatic grounds for exclusion. Rather, they inform engagement, escalation, and decision-making in line with fiduciary duty, recognising the constraints of pooled investment structures and the primacy of stewardship as the preferred tool. These expectations provide the reference point for the identification and escalation processes set out below.

9.3.5 Identification of Conflict Zone Exposure

The Fund will use a two-layer approach:

Layer 1: Issue-Based Screening (via RepRisk or equivalent tool)

Uses RepRisk's structured ESG methodology which uses:

- Daily review of 100,000+ news and stakeholder sources
- Human analysts validate severity and relevance
- Risk scores reflect severity + frequency + stakeholder reach

Screens are global, issue-based, and geography-blind, supporting equitable treatment of all regions.

Filters may include:

- Human rights abuses
- Violations of international humanitarian standards
- Community impacts and social harm

This is intentionally broader than any single conflict.

Layer 2: Geographic and conflict-zone overlay (Tier 1 and Tier 2 authorities)

A company is identified for enhanced review if:

- a. It has operations, supply-chain links, provides services, or derives material revenue in a location that Tier 1 or Tier 2 authorities formally recognise as conflict-affected. The Fund recognises that a company's presence in such regions does not in itself imply wrongdoing or complicity. Many companies provide essential employment, services or infrastructure in fragile environments.

Enhanced review is therefore triggered only to assess whether any activities raise concerns identified by the authoritative sources listed below, rather than on the basis of geography alone; or

- b. It appears on authoritative lists such as:

- UK sanctions list
- UNSC sanctions lists
- UN OHCHR OPT Database

Thresholds

The Committee may, in future, introduce proportionality thresholds (e.g., % revenue, % operations, materiality tests).

This Policy leaves thresholds flexible to allow refinement as the pooling mandate progresses and responsibilities between the Fund, pool and investment managers become clearer.

This layer is designed to identify companies with links to specific high-risk locations, including where such links may not be captured through issue-based screening alone.

9.3.6 Monitoring

The Fund will review its Conflict Zone Exposure analysis annually, alongside the annual stewardship report and the regular review of the Responsible Investment Policy.

This review will incorporate:

- Updated assessments from the authoritative Tier 1 and Tier 2 international bodies referenced in this Policy
- Updated insights from LCIV and the Fund's investment advisers and
- Any material developments that may affect the Fund's exposure or stewardship priorities.

Where relevant, significant findings or recommended actions will be reported to the Pension Committee in line with the Fund's governance and reporting cycle. Officers will work with LCIV and the Fund's investment adviser to interpret developments and ensure alignment with pooled-fund constraints.

9.3.7 Escalation

We have noted that stewardship is an important part of investing responsibly, and that engagement with challenging issues is part of this. Engagement may be undertaken by the LCIV, our investment managers, their representatives, or through collaboration. Where engagement on an issue of concern has not been successful there are ways in which we can escalate our activity.

When Escalation Occurs

Escalation is undertaken where, following a reasonable period of engagement, one or more of the following conditions apply:

- Credible, authoritative sources indicate unresolved or escalating conflict-related human-rights risk
- Engagement responses from the investment manager, pool, or company are assessed as inadequate, unresponsive, or lacking a credible mitigation plan or
- Officers, supported by the Fund's investment adviser, determine that the issue is financially, legally, or reputationally material and requires a stronger stewardship response.

The timing and form of escalation will depend on the severity, persistence, and materiality of the issue, rather than on a fixed number of engagement attempts.

We will decide what approach is the most appropriate depending on the circumstances and what we believe will be most effective. Sometimes escalation will come in stages, with one approach leading into another. Examples of escalation activity we may consider include:

- Asking our managers to take further action, if we consider that their approach has not yet been successful. We may make specific requests such as writing to a particular Board member.
- Joining a collaborative group that is targeting the company or issue we are concerned about, and lending our support to group action, or asking our investment managers to do so.
- Taking direct action ourselves, such as contacting a company directly and making requests.
- Using our voting power – At the moment we undertake voting through two channels. Firstly, for some of our existing passive mandates we have pass through voting options. In these cases, we may decide how to use our vote to emphasis a point. Secondly, for investments pooled through the London CIV our vote will be exercised by them through their representatives at Federated Hermes EOS. In these cases, where we wanted to use a vote to escalate a topic, we would approach London CIV and encourage them to vote in line with our objectives, as appropriate. We may also draw on evidence and guidance from LAPFF.
- Where there are serious concerns about a company/holding in relation to a factor that could have financial or ethical implications, and where we feel that engagement and escalation have not been successful, we may wish to divest from that company. We may not have direct control over divestment decisions. But we may engage with our investment managers and encourage them to divest from a given company. When considering divestment, we would always take into account:
 - The financial materiality of the company and issue
 - The ability of the company to rectify the issue and whether they had been given a chance to do this
 - Other good work/vital services that the company may be providing
 - The financial impact and practicality of divestment
 - The potential for replacing the company with another that can fulfil a similar role in our portfolio

We will listen to our Investment Managers' rationale for holding an investment, taking the above factors into consideration.

While divestment has to be available as a final option for our investment managers, we firmly view it as a last resort and not as a goal. We favour engagement for positive outcomes over

divestment, because divestment may not have any real-world outcome. Whereas engagement can result in change.

For investments held through LCIV pooled funds, escalation and engagement will be undertaken through LCIV and their stewardship provider (currently EOS at Federated Hermes). Camden will not engage directly with underlying companies in pooled vehicles.

Where Camden requests voting or engagement actions, LCIV will consider these within their own fiduciary and governance framework. The Fund recognises that LCIV may not always be able to implement Camden-specific instructions.

10. Public and Private Markets

It is important to recognise that the Fund invests across asset classes, which behave in different ways. Our overall approach to Responsible Investment will apply across all asset classes. But our ability to act and to influence may vary by investment type. For example:

- In private markets, investments may be less liquid. In certain investment categories, such as private debt, transparency may be more limited than in public markets. To manage these risks, we expect London CIV to scrutinise the underlying investment manager on how ESG considerations are incorporated into strategy and investment underwriting, and to agree what guidelines or parameters will be set. We will then monitor adherence to commitments made at investment and expect to see Responsible Investment related commentary in our reporting.
- Pension funds invest in government bonds. Sometimes there are concerns around the behaviour of a government, for example in relation to its actions on climate, nature, human rights, or conflict. Government bonds may present ESG-related risks, including climate, nature and human-rights concerns. We expect our investment managers to consider these risks and to engage through appropriate sovereign-engagement frameworks where available.

11. Governance of this Policy and RI Approach

This policy will be reviewed:

- Annually for any significant changes in portfolio or market circumstances or national government guidance
- Every three years for a full review and consideration of priority themes and beliefs

Each LGPS Fund designates a senior officer with overall responsibility for fund management and strategy. Each time the policy is updated it will be reviewed by this officer and recommended for approval by the Pensions Committee.

Responsibility for the operation of the Policy sits with the officer noted above, with the oversight of the Pensions Committee.

The Committee and Officers will maintain appropriate knowledge and understanding in relation to Responsible Investment and their regulatory duties, supported by periodic training and review.

12. Interaction with Pooling

From April 2026, investment selection and implementation will be undertaken by the London CIV. Camden Pension Fund will retain ownership of its Responsible Investment Policy and will work with LCIV to promote alignment of pooled investments with its principles recognising the governance and fiduciary framework within which the pool operates.

The Fund recognises that pooled structures may limit our ability to implement Camden-specific exclusions or divestment requests. Our focus will therefore be on:

- setting clear RI expectations
- robust stewardship through LCIV
- transparent monitoring of ESG risks and
- constructive engagement with LCIV on any areas of concern.

13. Contact Details

For further information about this policy and its application please write to:

pensions@camden.gov.uk