

LONDON BOROUGH OF CAMDEN	WARDS: All
REPORT TITLE: Engagement Report	
REPORT OF: Executive Director Corporate Services Interim	
FOR SUBMISSION TO: Pension Committee	DATE: 18 March 2026
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: Contact Officer: Saul Omuco Head of Finance Treasury & Pensions Finance Corporate Services 5 Pancras Square London N1C 4AG Telephone: 0207 974 7116 Email: saul.omuco@camden.gov.uk	
RECOMMENDATION: The Committee is requested to note the contents of this report	
Signed by Director of Finance: Agreed Date: 6 March 2026	

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 £425bn. 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.

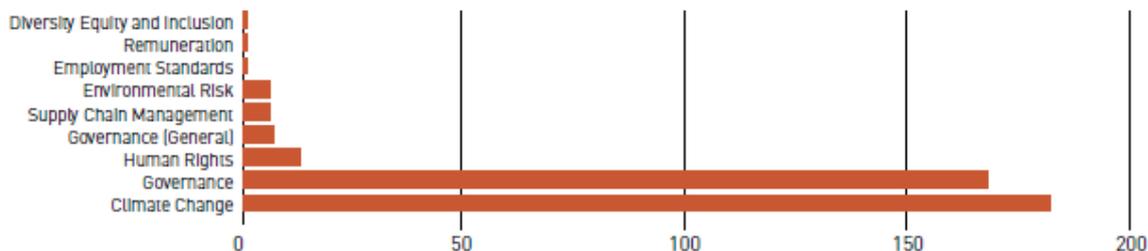
Quarterly Engagement Visual Data

- 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. Climate Change, Governance and Human Rights have been the subject of the most engagement. Most of the companies engaged with were based in the UK, followed by the USA.
- 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 12 (Responsible Production and Consumption), and SDG 8 (Decent Work and Economic Growth).
- 1.7. The quarter saw a particularly strong emphasis on human rights and CAHRA (Conflict Affected and High Risk Area) related activity, reflecting heightened geopolitical risk and evolving investor expectations regarding conflict-sensitive due diligence.

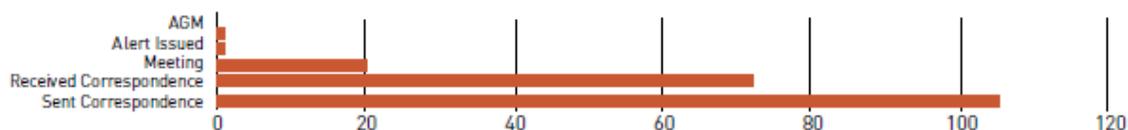
TABLE 1

ENGAGEMENT DATA

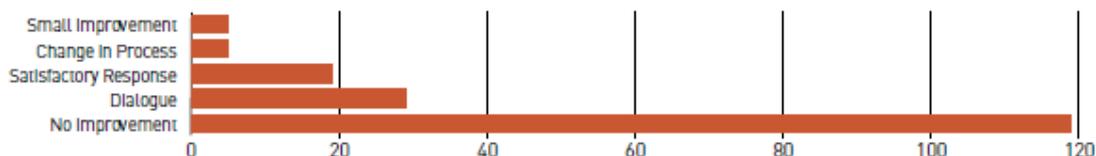
ENGAGEMENT TOPICS



ACTIVITY

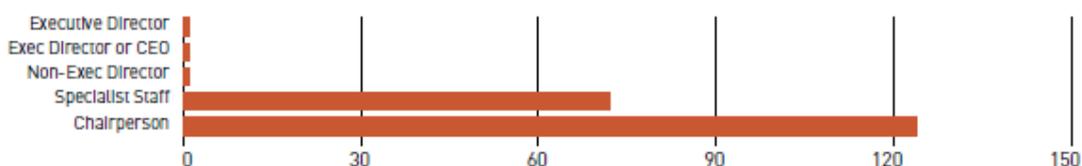


MEETING ENGAGEMENT OUTCOMES*



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

POSITION ENGAGED



COMPANY DOMICILES

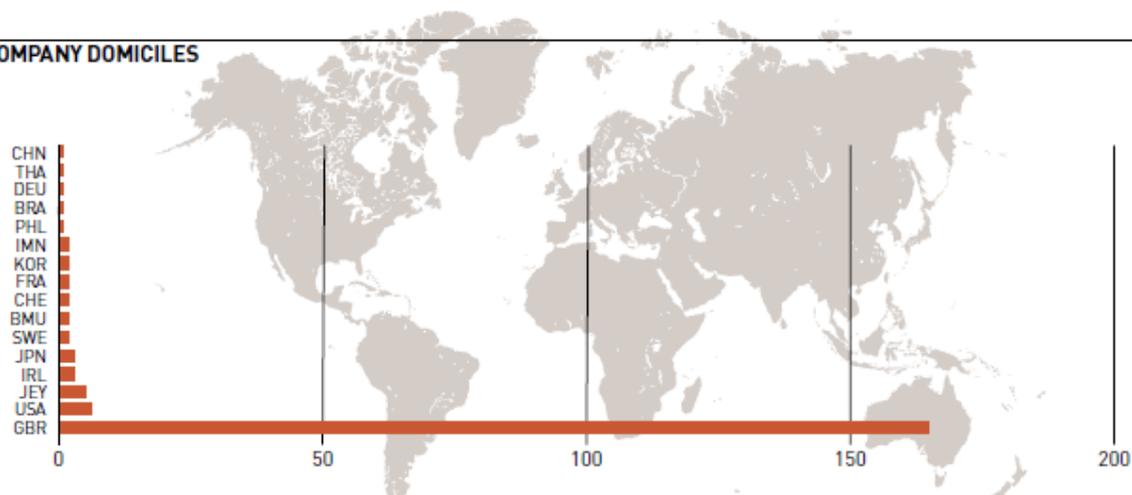
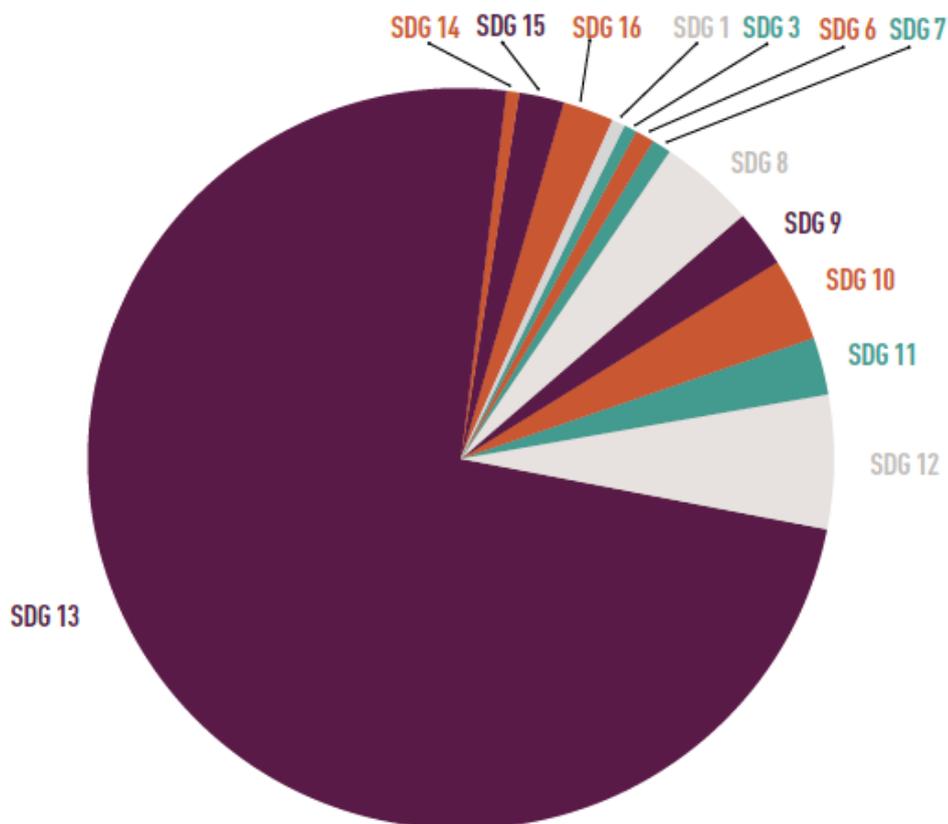


TABLE 2

ENGAGEMENT DATA



LAPFF SDG ENGAGEMENTS

SDG 1: No Poverty	2
SDG 2: Zero Hunger	0
SDG 3: Good Health and Well-Being	1
SDG 4: Quality Education	0
SDG 5: Gender Equality	0
SDG 6: Clean Water and Sanitation	2
SDG 7: Affordable and Clean Energy	2
SDG 8: Decent Work and Economic Growth	10
SDG 9: Industry, Innovation, and Infrastructure	6
SDG 10: Reduced Inequalities	9
SDG 11: Sustainable Cities and Communities	6
SDG 12: Responsible Production and Consumption	14
SDG 13: Climate Action	179
SDG 14: Life Below Water	1
SDG 15: Life on Land	5
SDG 16: Peace, Justice, and Strong Institutions	5
SDG 17: Strengthen the Means of Implementation and Revitalise the Global Partnership for Sustainable Development	0

2. COMPANY ENGAGEMENTS

2.1. Climate Transition Plans and Shareholder Governance (“Say on Climate”)

A central focus of Q4 activity was LAPFF’s initiative encouraging FTSE100 companies to provide shareholders with a formal vote on climate transition or strategic resilience plans.

During the quarter:

- LAPFF met with Schrodgers to discuss its transition governance framework, CEO-level oversight, temperature alignment metrics and integration of ISSB (International Sustainability Standards Board) standards. While Schrodgers emphasised delivery of its existing transition plan, LAPFF reiterated that shareholder votes provide an important accountability mechanism, particularly for minority shareholders.
- LAPFF engaged Standard Chartered to explore whether the bank intends to reinstate a “Say on Climate” vote and to assess the ambition of its sustainable finance commitments, including the use of absolute emissions targets in high-emitting sectors.
- Further meetings were scheduled with Barclays, Lloyds, Shell and SSE to discuss climate transition plan resolutions ahead of their AGMs.

These engagements sought to strengthen governance, improve transparency and ensure that climate risk oversight remains robust during a period of geopolitical and economic uncertainty.

2.2. Hard-to-Abate Sector Transition - Steel

LAPFF continued targeted engagement in the steel sector, recognising both its material emissions profile and the strategic importance of credible low-carbon transition pathways.

Engagements included:

- SVENSKT STAL AB (SSAB) - Discussion focused on the commercialisation of fossil-free steel (SSAB Zero and HYBRIT), progress on plant transformation, grid and infrastructure bottlenecks, and certification approaches. SSAB confirmed that its transition strategy is not reliant on government subsidies but acknowledged that power grid delays have affected timelines.
- ThyssenKrupp - Engagement addressed scaling of low-carbon steel products (including Bluemint Steel), customer demand and green price premiums. LAPFF sought clarity on how the company’s decarbonisation pathway prioritises absolute emissions reductions and how third-party verification (e.g. Responsible Steel) supports credibility.

These discussions tested whether company transition plans are commercially viable, operationally deliverable and transparently governed.

2.3. Water Stewardship and Utilities

Water risk and regulatory reform remain material issues for long-term investors.

United Utilities - Engagement centred on storm overflow management, pollution (including Per- and Polyfluoroalkyl Substances (PFAS) and microplastics), monitoring standards and preparedness for possible regulatory restructuring.

The company outlined investments in monitoring and mitigation but acknowledged infrastructure constraints and power outage-related spill events. LAPFF also referenced the second edition of the Valuing Water Finance Initiative (VWFI) Benchmark, highlighting gaps in corporate water quality management, freshwater impact targets and integration of water risks into business planning.

Water stewardship remains a systemic risk area linked to regulatory tightening, reputational exposure and long-term asset resilience.

2.4. Human Rights and Conflict-Affected & High-Risk Areas (CAHRAs)

A significant strand of engagement during Q4 focused on companies operating in, or linked to, conflict-affected and high-risk areas, where heightened human rights due diligence (hHRDD) is expected.

Volvo - Responsible Sales and Conflict Risk

LAPFF met with Volvo to assess its human rights due diligence and responsible sales practices in higher-risk regions. Volvo outlined its dealer due diligence process, contractual human rights provisions and updated risk assessments. LAPFF encouraged development of a more formal conflict analysis framework and greater clarity on oversight mechanisms.

Microsoft - AGM Escalation on Human Rights Disclosure

Ahead of Microsoft's December AGM, two shareholder resolutions were filed requesting:

- A report on data centre operations in human rights hotspots and
- Enhanced reporting on the effectiveness of human rights due diligence relating to AI and cloud services.

LAPFF issued a voting alert supporting both resolutions and attended the AGM to press for stronger disclosure and governance. The resolutions received material shareholder support (approximately 26-27%), signalling significant investor concern. LAPFF has indicated that further engagement will follow.

Chevron - CAHRA Governance and Security Risk

LAPFF met with Chevron to discuss its management of human rights and security risks in conflict-affected areas. Chevron described integration of external risk assessments into operational management systems with board oversight. LAPFF's focus was whether this constituted appropriately "heightened" due diligence, including conflict-sensitive analysis and systematic assessment of community-level impacts.

UN Forum on Business & Human Rights

LAPFF attended the UN Business and Human Rights Forum in Geneva and participated in an investor workshop focused on developing guidance for investors on engagement in CAHRAs. Discussions emphasised the need for:

- Conflict-sensitive analysis rather than checklist compliance
- Effective grievance mechanisms and access to remedy
- Placing affected stakeholders at the centre of decision-making.

This work will inform LAPFF's ongoing CAHRA engagement expectations.

2.5. **Employment Rights Reform and Workforce Practices**

Following progress of the Employment Rights Bill (expected to take effect from April 2026), LAPFF engaged companies on workforce practices and regulatory preparedness.

Hollywood Bowl - Confirmed that its phase-out of zero-hours contracts is complete and outlined preparations for guaranteed-hours rights. LAPFF intends to follow up on disclosure of workforce demographics and contract breakdown.

Through collaborative initiatives, LAPFF also continued dialogue with companies in sectors exposed to insecure work, focusing on predictable hours, living wage considerations, workforce turnover disclosure and transparency.

The aim of this engagement is to ensure companies anticipate legislative reform, manage reputational risk and align workforce practices with long-term value creation.

2.6. **Supply Chain Due Diligence - Electric Vehicles (EV)**

Renault - Human Rights and Traceability

LAPFF met Renault to discuss governance, supplier transparency and audit practices relating to human rights risks in EV supply chains.

Renault outlined:

- Updates to its Supplier Code of Conduct aligned to Organisation for Economic Co-operation and Development (OECD) Guidelines
- Strengthened due diligence expectations cascading through suppliers
- Expanded use of supplier monitoring tools
- Risk mapping across minerals and jurisdictions
- Development of digital traceability systems to meet emerging regulatory requirements.

LAPFF pressed for enhanced transparency regarding audit outcomes and risk mapping results, emphasising that responsible supply chain governance requires demonstrable ownership of risks across all tiers.

2.7. **Executive Remuneration and Governance**

LAPFF continued engagement on executive pay alignment and governance:

Molina Healthcare - Following significant shareholder dissent at its AGM (over 50% opposition to executive remuneration proposals), LAPFF encouraged stronger clawback mechanisms and improved alignment between incentives and long-term performance.

Remuneration oversight remains a core governance pillar within LAPFF's stewardship activity.

2.8. **Summary of Engagement Themes**

Across Q4, LAPFF's company engagement activity focused on:

- Strengthening shareholder oversight of climate transition plans
- Testing credibility and commercial viability of decarbonisation in hard-to-abate sectors
- Addressing systemic water and pollution risks

- Escalating concerns in CAHRAs through direct engagement and voting alerts
- Preparing companies for major UK employment law reform
- Improving supply chain transparency and human rights due diligence
- Reinforcing governance and remuneration alignment.

Human rights and CAHRA-related work formed a particularly prominent element of activity during the quarter, reflecting the increasing expectation that investors apply heightened scrutiny where companies operate in conflict-sensitive contexts.

3. VOTING

A total of 1,005 resolutions were voted upon across 98 meetings in the quarter. A summary is provided in the table below:

TABLE 3: VOTING

Vote	Occurrences	Proportion (%)
For	586	58%
Against (Oppose)	401	40%
Withhold	9	1%
Abstain	0	0%
Non-Voting	9	1%
Not Supported	0	0%
Withdrawn	0	0%
US Frequency Vote on Pay	0	0%
Total	1,005	100%

The majority of meetings took place in the UK (43) reflecting the Fund's portfolio composition and UK market exposure.

A non-vote occurs where there is an agenda item that does not require a vote but is merely there for information. In certain jurisdictions (e.g. US and Canada), shareholders may not vote 'against' directors but may instead 'withhold' support, which is treated as an expression of opposition. "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.

The companies at which PIRC (Pensions Investment Research Consultants) voted during the quarter on behalf of Camden are listed in Appendix B for information.

4. RESPONSIBLE INVESTOR COMMENT

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.

5. ENVIRONMENTAL IMPLICATIONS

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.

6. FINANCE COMMENTS OF THE DIRECTOR OF FINANCE

The Director of Finance has no finance comments to add.

7. LEGAL COMMENTS OF THE BOROUGH SOLICITOR

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.

8. APPENDICES

Appendix A - LAPFF quarterly engagement report Q4 2025

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