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|--|-----------------------------------|
| <b>LONDON BOROUGH OF CAMDEN</b>  | <b>WARDS: All</b>                 |
| <b>REPORT TITLE:</b><br>Engagement Report  |                                   |
| <b>REPORT OF:</b><br>Executive Director Corporate Services   |                                   |
| <b>FOR SUBMISSION TO:</b><br>Pension Committee   | <b>DATE:</b><br>21 September 2022 |
| <b>SUMMARY OF REPORT:</b><br><br>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 a way to achieve its objectives.        |                                   |
| <b>Local Government Act 1972 – Access to Information</b><br>No documents requiring to be listed were used in the preparation of this report:<br><br><b>Contact Officer:</b> Nigel Mascarenhas<br>Head of Treasury and Financial Services<br>Finance<br>Corporate Services<br>Dennis Geffen Annexe<br>Camley Street<br>London. N1C 4DG<br><br><b>Telephone:</b> 0207 974 1904<br><b>Email:</b> <a href="mailto:nigel.mascarenhas@camden.gov.uk">nigel.mascarenhas@camden.gov.uk</a> |                                   |
| <b>RECOMMENDATIONS:</b><br><br>The Committee is requested to note the contents of this report.   |                                   |
| <b>Signed by</b><br><br>Director of Finance ..... <b>Agreed</b> .....<br><br>Date: ..... <b>12/09/2022</b> .....   |                                   |

## 1. LOCAL AUTHORITY PENSION FUND FORUM (LAPFF) BUSINESS MEETINGS

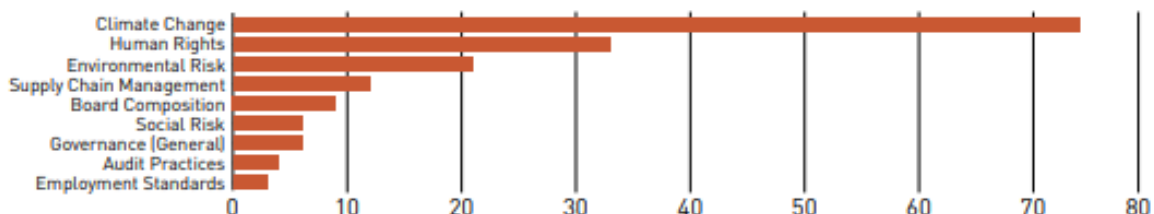
- 1.1 LAPFF has 85 members and 6 pools, following the decision of the Kent Pension Fund to join in February. Expectations for 2022/23 currently stands at 91 (out of a total of 98 funds in the UK), with 87 paying memberships and 4 non-paying pool memberships.
- 1.2 Members of the Pension Committee are 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 a number of companies. **Table 1** lists the value of the Fund's equity holdings with those companies, as at 30 June 2022.

### **Quarterly Engagement Visual Data**

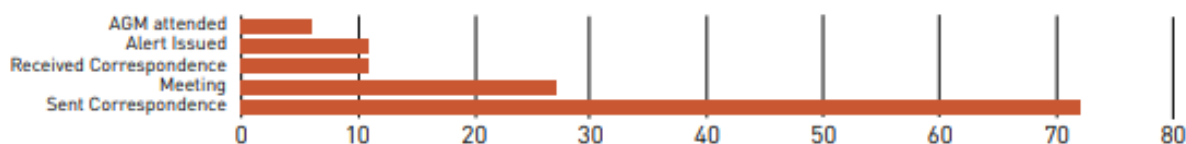
- 1.4 A visual representation has also been included in LAPFF's report which provides a snapshot into the types of engagement undertaken by LAPFF over the quarter and can be seen below. The first chart splits activity into five subsections: topic, activity, outcomes, position engaged and company location.
- 1.5 As a topic, climate change has been the most engaged, as expected, followed by human rights and environmental risk; with other issues such as audit practices and employment standards having lower levels of engagement over the quarter. With regards to activity, LAPFF sent over 70 pieces of correspondence (more than twice that sent in the previous quarter) and met with just under 30 companies. Most of LAPFF's activity, statistically, is performed in dialogue with the firms; however, around a quarter of all the engagement instances documented have led to an improvement in the topic concerned.
- 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), also known as the Global Goals. These were adopted by the United Nations in 2015 as a universal call to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. They also link to the Fund's Investment beliefs. Over the quarter LAPFF has been most keen to engage with companies over: SDG 8 decent work and economic growth, 9 industry, 12 responsible production and 13 climate action, which can all be viewed below - A similar distribution of engagements was seen over the previous quarter.

## ENGAGEMENT DATA

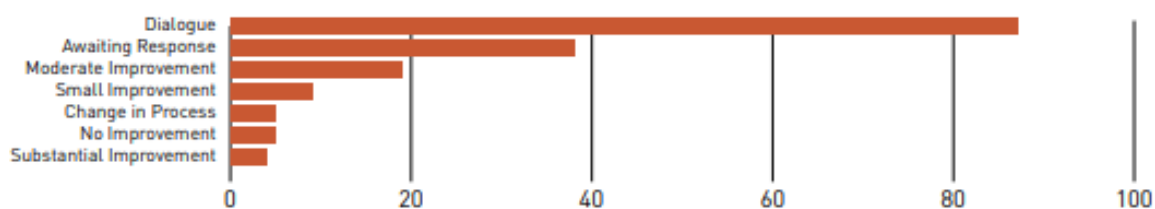
### ENGAGEMENT TOPICS



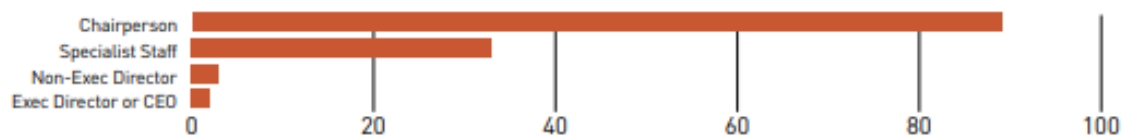
### ACTIVITY



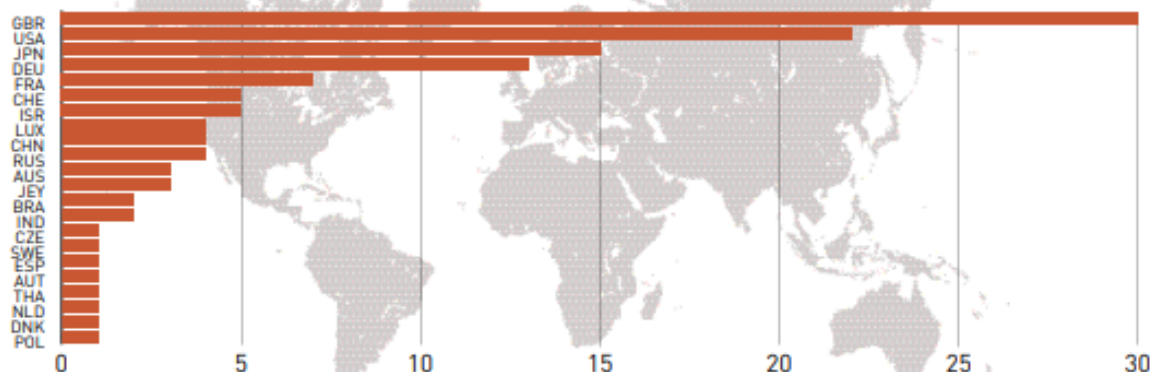
### MEETING ENGAGEMENT OUTCOMES



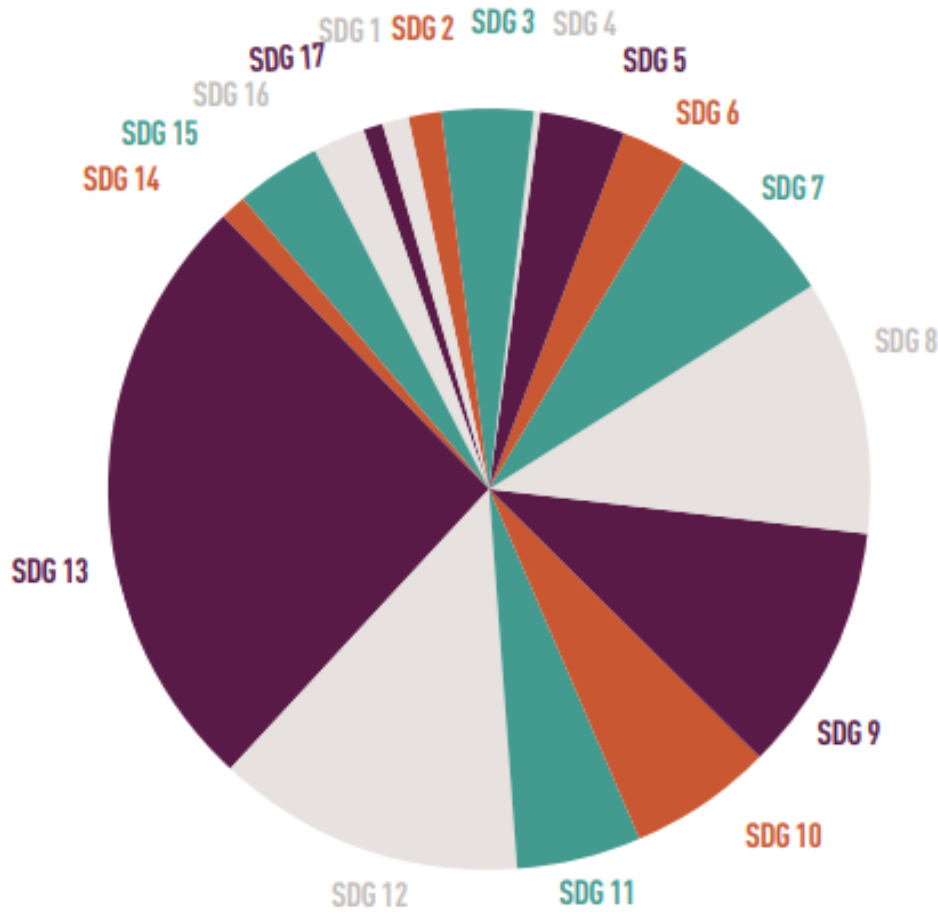
### POSITION ENGAGED



### COMPANY DOMICILES



# ENGAGEMENT DATA



## LAPFF SDG ENGAGEMENTS

|  |    |
|--|----|
| SDG 1: No Poverty  | 4  |
| SDG 2: Zero Hunger   | 5  |
| SDG 3: Good Health and Well-Being  | 13 |
| SDG 4: Quality Education   | 1  |
| SDG 5: Gender Equality   | 12 |
| SDG 6: Clean Water and Sanitation  | 10 |
| SDG 7: Affordable and Clean Energy   | 25 |
| SDG 8: Decent Work and Economic Growth   | 37 |
| SDG 9: Industry, Innovation, and Infrastructure  | 36 |
| SDG 10: Reduced Inequalities   | 21 |
| SDG 11: Sustainable Cities and Communities   | 18 |
| SDG 12: Responsible Production and Consumption   | 44 |
| SDG 13: Climate Action   | 88 |
| SDG 14: Life Below Water   | 4  |
| SDG 15: Life on Land   | 12 |
| SDG 16: Peace, Justice, and Strong Institutions  | 8  |
| SDG 17: Strengthen the Means of Implementation and Revitalise the Global Partnership for Sustainable Development | 2  |

## Company Engagements

- 1.7 The following items introduce substantive reports at the last business meeting on 13 April 2022.
- 1.8 The **Quarterly Engagement Report** for April to June discussed a number of important issues and these are summarised in the following paragraphs; the full report is appended as **Appendix A**.
- 1.9 LAPFF announced two major initiatives this quarter, one related to climate change and one related to human rights. The climate change initiative is linked to LAPFF's work on 'Say on Climate'. LAPFF aims to issue up to 50 voting alerts to members on company climate plans over the course of the next twelve months. The goal of this initiative is to drive home the importance of ensuring investors engage meaningfully on corporate climate strategies and initiatives.
- 1.10 The LAPFF human rights initiative led to a visit by LAPFF's Chair, Cllr Doug McMurdo, to communities affected by the Mariana and Brumadinho dam collapses in Minas Gerais, Brazil, that occurred on 25 January 2019. The dam was owned by **Vale**, a multinational mining corporation with which LAPFF engages.
- 1.11 LAPFF has already issued a number of climate-related voting alerts. While LAPFF is pleased to see an increasing number of company resolutions seeking investor support for corporate climate plans, the goal is not to rubber stamp these plans. The resolutions will be assessed on their merits, not merely on the basis that plans have been put to a vote.
- 1.12 LAPFF has recommended votes in favour of shareholder resolutions, at **Caterpillar, Monster Beverages, J-Power, Sumitomo Mitsui Financial Group and Dollar Tree Inc**. The recommendations supported disclosure of interim and long-term greenhouse gas (GHG) targets aligned with the Paris Agreement's aim to keep the global temperature rise to 1.5°C, company reporting on plans to reduce GHG emissions and annual reporting on progress.
- 1.13 LAPFF drew attention to Climate related voting alerts, focusing on the Oil and Gas, Mining and Technology industries. A major concern is that companies are not putting their climate plans to a vote every year, they are merely putting their disclosure of progress to a vote. Given the hardening scientific position on climate change LAPFF will aim to push companies to produce concrete plans and strategies to match the climate risks we face.
- 1.14 Within the mining sector, LAPFF actioned voting alerts for **Rio Tinto, Vale and Glencore**. Using Glencore as a specific example, LAPFF opposed their annual report and the company's climate progress report. LAPFF has engaged with Glencore for nearly five years on the company's internal controls, requesting an independent assessment in response to a range of bribery and corruption charges the company has been facing around the world – as of June 22, Camden owns £3.8m in Glencore shares.
- 1.15 In reviewing company developments presented in the annual report, LAPFF was dismayed to see what appeared to be a superficial and insular approach to

the topic. Therefore, a recommendation to oppose the annual report and accounts was issued. A short while after this, Glencore pleaded guilty to bribery charges, resulting in fines of over \$1.1Bn.

1.16 LAPFF reached out to several car manufacturers to discuss their approaches to raw material sourcing and how companies ensure that this is done in a responsible manner. In a meeting with **Mercedes**, a brief overview of its approach to decarbonising its vehicles alongside some information on its due diligence but did not provide in-depth details on how it was ensuring minerals were responsibly sourced.

1.17 **BMW** provided some insight into the company's processes and how it is managing a just transition. BMW sources minerals directly for its battery producers, which it sees as a positive step in shortening the supply chain and maintaining better transparency. It was positive to hear that although the company does not source materials from the Democratic Republic of the Congo (DRC), it was actively working with NGO's and bodies on the ground to attempt to rectify a range of human rights and environmental issues that are ongoing in the region.

1.18 LAPFF updated us with an interim paper setting out the context for **joint ventures** and contingent concerns related to such projects. In this context, LAPFF defines a joint venture as "*a commercial arrangement between two or more participants who agree to co-operate to achieve a particular objective. Joint ventures cover a wide range of collaborative business arrangements which involve differing degrees of integration, and which may be for a fixed or indefinite duration*".

1.19 As a result of its work on mining and human rights, LAPFF is concerned about the impacts of joint venture (JV) governance on social and environmental impacts in these respects:

- Lack of accountability by JV investors
- Particular accountability concerns about non-operated JV
- Input from affected worker and community stakeholders not being integrated into JV board decision-making; and consequently
- Financial materiality implications of this poor governance.

1.20 While there appears to be a difference of opinion about whether and to what extent joint ventures should be used, there also appears to be a consensus in the consulting community that there are various governance problems associated with them. These consulting analyses only rarely touch on the social and environmental impacts of joint ventures and contingent financial impacts.

1.21 The concluding recommendation brought forwards proposes that LAPFF commissions a more in-depth analysis of environmental, social, and

governance impacts of joint ventures and the consequent impact on financial materiality.

- 1.22 LAPFF's Engagement with PRI's (Principles for Responsible Investment) '**Advance**' Human Rights Initiative was also presented to the meeting. PRI has initiated a human rights programme that it has called Advance to facilitate improved human rights conduct and impacts by companies. The programme is free to join and will run for five years at a minimum and will initially focus on the mining and renewables sector.
- 1.23 There are three main expectations of companies within the context of the Advance framework, these are as follows:
- Fully implement the United Nations Guiding Principles on Business and Human Rights (UNGPs)
  - Align their political engagement with their responsibility to respect human rights
  - Deepen progress on the most severe human rights issues in their operations and across their value chains
- 1.24 Mining was chosen as a sector because of the concern that most investors have not engaged much with mining companies on human rights. However, LAPFF is fairly far advanced in its engagement with five mining companies on human rights. In any collaborative engagement, there is always a concern that the front runners will be held back by laggards, so LAPFF needs to consider whether the benefits of joining Advance in an active capacity will outweigh any concerns about being held back in its own engagement in this area. There is no cost for LAPFF to join the initiative. It remains to be seen what additional time and resources are required as part of the initiative, which is why a two-year trial is recommended.
- 1.25 It is expected that, if agreed, the time taken to participate in 'Advance' would be included as part of the standard LAPFF engagement plan and strategy for human rights. This would be taken from the allocation for 'Employment Standards and Supply Chains, Covid, Human Rights, Diversity' in the 2022-2024 workplans.
- 1.26 An **Electric Vehicle Charging Infrastructure** report was also brought forward during the meeting. Over the past few years LAPFF has been engaging with carmakers on their plans to transition to net zero. Over the period that LAPFF has been engaging with carmakers, the price of battery packs has fallen sharply. Meanwhile, the sales of EVs have risen rapidly as has the share of new passenger vehicles sales in Europe (rising from around 1% at the start of 2016 to around 15% in 2020).
- 1.27 While price will continue to be the main driver of consumers shifting to EVs, charging infrastructure is a determinant of the pace of consumer take-up.

Despite the rapid growth of charge points globally, as seen in Figure 1, the majority of this growth stems from private rather than public infrastructure and to support the shift to EV's much more needs to be done to address this imbalance.

- 1.28 LAPFF has been involved in a number of collaborative investor initiatives on engagement on **deforestation**. The Forum was previously a member of both the Investor Initiative for Sustainable Forests, run by the PRI & Ceres, as well as the PRI's Sustainable Palm Oil Initiative which have now been replaced by the PRI's Sustainable Commodities Programme. This programme will look at soy, beef and palm oil, aiming to drive investor action on the sustainable production and consumption of these commodities, recognising operational, regulatory, legal, market and reputational risks associated with deforestation.
  
- 1.29 Linked to this programme and also supported by LAPFF, is the **Investors Policy Dialogue on Deforestation (IPDD)**. This collaborative investor initiative aims to engage with public agencies and industry associations in selected countries or the issue of deforestation. Dialogue from the IPDD has focused on Brazil, Indonesia and a number of consumer countries seeking to encourage adoption and implementation of regulatory frameworks that protect forests, native vegetation and human rights.
  
- 1.30 LAPFF continues to support the CDP's Non-Disclosure Campaign, which aims to drive further corporate transparency around climate change, deforestation, and water security by encouraging companies to respond to CDP's disclosure request. LAPFF has taken the lead with a variety of companies over the past couple of years and sent requests out on behalf of the CDP and a series of investors.
  
- 1.31 LAPFF has supported correspondence on deforestation, including a 'Sector Commitment Letter on Eliminating Commodity Driven Deforestation' and an open letter to the Prime Minister in 2021, calling for better due diligence requirements on forest risk commodities to be included in the Environment Bill. Through the Sector Commitment Letter, LAPFF has also joined two engagement calls with companies this year.
  
- 1.32 Collaborative engagement has also included a call with Bunge (an American agribusiness and food company) in April alongside other investors from CA100+ (an investor led initiative that holds corporate GHG emitters to account). The company announced new climate action plans last year and has set a path to eliminate deforestation in its supply chains by 2025 alongside science-based targets to reduce GHG emissions. Company representatives discussed these targets and the governance of committees in making decisions. Concerns remained as the company has yet to produce a net zero



by 2050 commitment or longer term GHG reduction targets. LAPFF will be joining further calls with CA100+ to continue dialogue on this issue.

**1.33 Future meeting dates are:**

- Business Meeting & AGM, Wednesday 5 October 2022
- LAPFF Conference, 7-9 December 2022

**Table 1: Equity Holdings in relation to LAPFF's Q2 2022 Company Engagements**

| <b>Company Name</b>         | <b>Harris<br/>£'000</b> | <b>Baillie<br/>Gifford<br/>£'000</b> | <b>L&amp;G Future<br/>World<br/>£'000</b> | <b>L&amp;G<br/>Global<br/>£'000</b> | <b>Topics</b>   |
|-----------------------------|-------------------------|--------------------------------------|---|-------------------------------------|---|
| AIR LIQUIDE SA              | -                       | -                                    | 138.64                                    | 439.90                              | Climate Change  |
| AIRBNB INC                  | -                       | -                                    | 72.32                                     | -                                   | Human Rights  |
| ALPHABET INC                | 10,228.46               | 7,002.71                             | 4,534.58                                  | 7,982.94                            | Human Rights, Climate Change, Governance                                  |
| AMAZON.COM INC.             | 5,023.71                | 4,358.86                             | 3,812.34                                  | 6,006.14                            | Employment Standards; human rights; climate change                        |
| ANGLO AMERICAN PLC          | -                       | -                                    | -   | 292.47                              | Climate Change; employment; environmental risk                            |
| AP MOLLER - MAERSK AS       | -                       | -                                    | 32.45                                     | 144.92                              | Climate Change  |
| ARCELORMITTAL SA            | -                       | -                                    | -   | 79.54                               | Climate Change  |
| BANDAI NAMCO HOLDINGS INC   | -                       | -                                    | 54.37                                     | 90.45                               | Board Composition   |
| BANK HAPOALIM B M           | -                       | -                                    | -   | 38.76                               | Human Rights  |
| BANK LEUMI LE-ISRAEL BM     | -                       | -                                    | -   | 47.44                               | Human Rights  |
| BANK OF CHINA LTD           | -                       | -                                    | 171.88                                    | 198.87                              | Climate Change  |
| BARCLAYS BANK PLC           | -                       | -                                    | 131.75                                    | 206.18                              | Climate Change  |
| BAYERISCHE MOTOREN WERKE AG | -                       | -                                    | 128.66                                    | 186.30                              | Human Rights; supply chain management; environmental risk; climate change |
| BEZEQ LTD                   | -                       | -                                    | -   | 10.99                               | Human Rights  |
| BHP GROUP LIMITED (AUS)     | -                       | -                                    | -   | 60.72                               | Governance (General); human rights  |
| BOOKING HOLDINGS INC.       | 3,017.10                | 2,764.76                             | 296.44                                    | 450.90                              | Human Rights  |
| BRIDGESTONE CORP            | -                       | -                                    | 90.55                                     | 136.29                              | Board Composition   |
| BRITVIC PLC                 | -                       | -                                    | -   | -                                   | Social Risk   |
| CATERPILLAR INC.            | -                       | -                                    | 302.05                                    | 604.94                              | Environmental Risk  |

| <b>Company Name</b>                | <b>Harris<br/>£'000</b> | <b>Baillie<br/>Gifford<br/>£'000</b> | <b>L&amp;G Future<br/>World<br/>£'000</b> | <b>L&amp;G<br/>Global<br/>£'000</b> | <b>Topics</b>   |
|------------------------------------|-------------------------|--------------------------------------|---|-------------------------------------|---|
| CENTRICA PLC                       | -                       | -                                    | -   | 40.07                               | Climate Change  |
| CEZ AS                             | -                       | -                                    | -   | -                                   | Climate Change  |
| CISCO SYSTEMS INC.                 | -                       | -                                    | 878.38                                    | 1,122.29                            | Human Rights  |
| DANONE                             | 2,253.91                | -                                    | 157.35                                    | 206.66                              | Climate Change; social risk                               |
| DOLLAR TREE INC                    | -                       | -                                    | 66.37                                     | 210.56                              | Climate Change  |
| E.ON SE                            | -                       | -                                    | -   | 120.02                              | Climate Change  |
| ELECTRIC POWER DEVELOPMENT CO      | -                       | -                                    | -   | 17.36                               | Climate Change  |
| EXPEDIA GROUP INC                  | -                       | -                                    | 70.91                                     | 91.11                               | Audit Practices   |
| FUJIFILM HLDGS CORP                | -                       | -                                    | 88.23                                     | 123.73                              | Board Composition   |
| GAZPROM OAO                        | -                       | -                                    | -   | -                                   | Climate Change  |
| GENERAL MILLS INC                  | -                       | -                                    | -   | -                                   | Human Rights; social risk                                 |
| GENERAL MOTORS COMPANY             | 3,080.00                | -                                    | 198.43                                    | 294.48                              | Human Rights; supply chain management; environmental risk |
| GLENCORE PLC                       | 3,806.94                | -                                    | -   | 475.38                              | Climate Change; Audit practices; Human Rights; governance |
| GSK PLC                            | -                       | -                                    | 545.96                                    | 708.55                              | Climate Change  |
| HOLCIM LTD                         | 3,303.51                | -                                    | 78.56                                     | 142.30                              | Climate Change; Audit practices                           |
| HONEYWELL INTERNATIONAL INC.       | -                       | -                                    | 457.51                                    | 753.76                              | Environmental Risk  |
| HSBC HOLDINGS PLC                  | -                       | -                                    | 568.50                                    | 880.38                              | Climate Change  |
| HUADIAN POWER INTL CORP LTD        | -                       | -                                    | -   | -                                   | Climate Change  |
| HUANENG POWER INTERNATIONAL        | -                       | -                                    | -   | 13.99                               | Climate Change  |
| IBERDROLA SA                       | -                       | -                                    | 205.54                                    | 395.29                              | Climate Change  |
| INDORAMA VENTURES PCL              | -                       | -                                    | -   | 13.76                               | Human Rights  |
| INDUSTRIAL & COMMERCIAL BANK CHINA | -                       | -                                    | -   | -                                   | Climate Change  |
| ISRAEL DISCOUNT BANK LTD           | -                       | -                                    | -   | 22.36                               | Human Rights  |
| JPMORGAN CHASE & CO.               | -                       | -                                    | 2,123.38                                  | 2,085.78                            | Climate Change  |
| KAMIGUMI CO LTD                    | -                       | -                                    | -   | 12.69                               | Board Composition   |
| KUBOTA CORP                        | -                       | -                                    | 92.46                                     | 105.99                              | Board Composition   |

| <b>Company Name</b>             | <b>Harris<br/>£'000</b> | <b>Baillie<br/>Gifford<br/>£'000</b> | <b>L&amp;G Future<br/>World<br/>£'000</b> | <b>L&amp;G<br/>Global<br/>£'000</b> | <b>Topics</b>   |
|---------------------------------|-------------------------|--------------------------------------|---|-------------------------------------|---|
| LONDON STOCK EXCHANGE GROUP PLC | -                       | -                                    | 172.15                                    | 223.87                              | Climate Change  |
| LUKOIL OAO                      | -                       | -                                    | -   | -                                   | Climate Change  |
| LYONDELLBASELL INDUSTRIES N.V.  | -                       | -                                    | 93.83                                     | 142.17                              | Climate Change  |
| MARKEL CORPORATION              | -                       | 2,404.41                             | 67.88                                     | 109.63                              | Climate Change  |
| MARUBENI CORP                   | -                       | -                                    | -   | 91.43                               | Board Composition   |
| MERCEDES-BENZ GROUP AG          | 5,723.38                | -                                    | 255.93                                    | 312.11                              | Human Rights; environmental risk; supply chain management                 |
| META PLATFORMS INC              | -                       | 2,108.78                             | 1,750.84                                  | 2,343.08                            | Governance (General); human rights  |
| MIZRAHI TEFAHOT BANK LTD        | -                       | -                                    | -   | 15.71                               | Human Rights  |
| NATIONAL GRID PLC               | -                       | -                                    | -   | 307.18                              | Climate Change  |
| NESTLE SA                       | -                       | -                                    | 1,585.74                                  | 2,011.39                            | Climate Change; social risk; environmental risk                           |
| NEXTERA ENERGY INC              | -                       | -                                    | 534.43                                    | 967.92                              | Climate Change  |
| NINTENDO CO LTD                 | -                       | -                                    | 288.99                                    | 297.08                              | Environmental Risk  |
| NISSAN MOTOR CO LTD             | -                       | -                                    | 31.73                                     | 49.02                               | Human Rights; supply chain management; environmental risk                 |
| NOVARTIS AG                     | 3,031.07                | -                                    | 1,057.81                                  | 1,064.84                            | Governance (General); social risk; human rights                           |
| OMV AG                          | -                       | -                                    | -   | 43.00                               | Climate Change; Audit practices   |
| OTSUKA CORPORATION              | -                       | -                                    | -   | 20.21                               | Board Composition   |
| PHILLIPS 66                     | -                       | -                                    | 61.74                                     | 250.10                              | Climate Change  |
| POLSKA GRUPA ENERGETYCZNA SA    | -                       | -                                    | -   | -                                   | Climate Change  |
| RENAULT SA                      | -                       | -                                    | -   | 31.13                               | Human Rights; supply chain management; environmental risk; climate change |
| RIO TINTO GROUP (AUS)           | -                       | 1,411.83                             | 153.80                                    | 162.91                              | Governance (General); human rights  |
| ROLLS-ROYCE HOLDINGS PLC        | -                       | -                                    | -   | 55.74                               | Climate Change  |
| ROSNEFT OIL COMPANY             | -                       | -                                    | -   | -                                   | Climate Change  |
| SAINSBURY (J) PLC               | -                       | -                                    | -   | 28.09                               | Employment Standards  |

| <b>Company Name</b>                | <b>Harris<br/>£'000</b> | <b>Baillie<br/>Gifford<br/>£'000</b> | <b>L&amp;G Future<br/>World<br/>£'000</b> | <b>L&amp;G<br/>Global<br/>£'000</b> | <b>Topics</b>  |
|------------------------------------|-------------------------|--------------------------------------|---|-------------------------------------|--|
| SAINT-GOBAIN SEKURIT<br>INDIA      | -                       | -                                    | -   | -                                   | Climate Change   |
| SEGRO PLC                          | -                       | -                                    | 52.91                                     | 95.31                               | Human Rights   |
| SEVERN TRENT PLC                   | -                       | -                                    | 35.59                                     | 55.00                               | Environmental Risk   |
| SEVERSTAL OAO                      | -                       | -                                    | -   | -                                   | Climate Change   |
| SIEMENS AG                         | -                       | -                                    | 370.03                                    | 493.19                              | Climate Change   |
| SSAB (SVENSKT STAL<br>AB)          | -                       | -                                    | -   | -                                   | Climate Change   |
| STANDARD CHARTERED<br>PLC          | -                       | -                                    | 97.00                                     | 123.05                              | Climate Change   |
| STELLANTIS N.V.                    | -                       | -                                    | 62.00                                     | 160.12                              | Climate Change   |
| SUMITOMO MITSUI<br>FINANCIAL GROUP | -                       | -                                    | 229.53                                    | 252.81                              | Climate Change; board<br>composition   |
| SUZANO SA                          | -                       | -                                    | 39.09                                     | 43.75                               | Climate Change   |
| TESLA INC                          | -                       | 3,931.60                             | 2,091.95                                  | 3,632.55                            | Human Rights; supply<br>chain management;<br>environmental risk                    |
| THYSSENKRUPP AG                    | -                       | -                                    | -   | 18.15                               | Climate Change   |
| TOYOTA MOTOR CORP                  | 934.46                  | -                                    | 896.54                                    | 1,231.13                            | Environmental Risk   |
| UNILEVER PLC                       | -                       | -                                    | 557.69                                    | 767.18                              | Climate Change; social<br>risk   |
| UNIPER SE                          | -                       | -                                    | -   | 8.63                                | Climate Change   |
| UNITED UTILITIES<br>GROUP PLC      | -                       | -                                    | 39.60                                     | 54.94                               | Environmental Risk   |
| VALE SA                            | -                       | -                                    | -   | 370.79                              | Human Rights;<br>environmental risk  |
| VEDANTA LTD                        | -                       | -                                    | -   | 21.86                               | Climate Change   |
| VOLKSWAGEN AG                      | -                       | -                                    | 79.89                                     | 194.76                              | Human Rights;<br>environmental risk; supply<br>chain management;<br>climate change |
| WELLS FARGO &<br>COMPANY           | -                       | -                                    | -   | 933.80                              | Human Rights   |
|                                    |                         |                                      |   |                                     |  |
| <b>TOTAL</b>                       | <b>40,402.54</b>        | <b>23,982.94</b>                     | <b>25,904.29</b>                          | <b>41,797.91</b>                    |  |

## 2. VOTING

- 2.1 A total of 5893 resolutions were voted upon (may include non-voting items) across 356 meetings in the quarter. A summary is provided in the table below:

**TABLE 2: VOTING**

| <b>Vote</b>            | <b>Occurrences</b> | <b>Proportion (%)</b> |
|------------------------|--------------------|-----------------------|
| For                    | 4031               | 68.4                  |
| Against                | 1839               | 31.2                  |
| Withhold               | 10                 | 0.0                   |
| Abstain                | 0                  | 0.0                   |
| Non-Voting / Withdrawn | 13                 | 0.0                   |
| <b>Total</b>           | <b>5893</b>        | <b>100%</b>           |

- 2.2 The vast majority of meetings occurred in the UK (308 out of 356). Resolutions on annual reports were 34% FOR, on Directors were 86% FOR, on Executive Pay were 8% FOR, Dividends were 100% FOR and Non-Executive Directors were 79% FOR.
- 2.3 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.
- 2.4 The companies at which LAPFF voted during the quarter are listed in **Appendix B** for information. More information can be provided upon request.

## 3. RESPONSIBLE INVESTOR COMMENT

- 3.1 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.

## 3.2 ENVIRONMENTAL IMPLICATIONS

- 3.3 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.

## 4. FINANCE COMMENTS OF THE EXECUTIVE DIRECTOR CORPORATE SERVICES

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

## 5. LEGAL COMMENTS OF THE BOROUGH SOLICITOR

- 5.1 The Local Government Pension Scheme Guidance on Preparing and Maintaining an Investment Strategy Statement states that an Administering

Authority should publish a report an annual report on voting activity. This report is part of the process of discharging that responsibility.

6. **APPENDICES**

**Appendix A** - LAPFF quarterly engagement report Q2 2022

**Appendix B** - The companies at which LAPFF voted during the quarter