

	Brent Pension Fund Sub-Committee 8 October 2025
	Report from the Corporate Director of Finance and Resources
LAPFF Engagement Report	

Wards Affected:	All
Key or Non-Key Decision:	Not Applicable
Open or Part/Fully Exempt:	Open
List of Appendices:	One Appendix 1: LAPFF Engagement Report June 2025
Background Papers:	N/A
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1.0 Executive Summary

- 1.1 This report is for noting and presents members with an update on engagement activity undertaken by LAPFF (the Local Authority Pension Fund Forum) on behalf of the Fund. The Fund's commitment with LAPFF and its work demonstrates its commitment to Responsible Investment and engagement to achieve its objectives.

2.0 Recommendation(s)

- 2.1 The Committee is recommended to note this report.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

- 3.2 The work of the Pension Fund is critical in ensuring that it undertakes statutory functions on behalf of the Local Government Pension Scheme and complying with legislation and best practice. Efficient and effective performance and service delivery of the Pension Fund underpins all Borough Plan priorities.

4.0 Background to LAPFF

- 4.1 LAPFF (the Local Authority Pension Fund Forum) represents 87 members and 7 pools with combined assets exceeding £425bn. With investments widespread in many sectors, LAPFF's aim is to act together with the majority of the UK's local authority pension funds and pool companies to promote the highest standards of corporate governance in order to protect the long-term value of local authority pension funds.
- 4.2 Leading the way on issues such as campaigns against excessive executive pay, environmental and human rights campaign, reliable accounting and a just transition to a net zero economy, the Forum engages directly with company chairs and boards to affect change at investee companies. LAPFF engages with companies and its stakeholders, such as employees and local communities, to understand their views on a company's behaviour and risks. Some issues extend beyond the behaviour of individual companies to the way markets function. The engagement is member led and on behalf of the Brent Pension Fund and other local authorities, LAPFF are able to challenge regulators and deliver reforms that advance corporate responsibility and responsible investment.
- 4.3 In October 2019, the Pension Fund Sub-committee approved Brent Pension Fund's membership into LAPFF. Members of the Pension Sub-committee are welcome to attend meetings of the Forum. As a member of LAPFF, Brent Pension Fund are entitled to contribute to and participate in the work plan organised by the Forum around issues of common concern.
- 4.4 Collaboration with other investors has the potential to strengthening the voice of Pension Funds, influence major companies on key ESG issues and help drive real-world change. Examples of the work carried out by LAPFF are provided below and in previous engagement reports to the committee. Individual funds, like Brent, engaging with companies on their own are unlikely to much of an impact and the Fund would require significant resources to do so effectively. Therefore, membership of collaboration groups such as LAPFF is considered to be more efficient whilst also likely to have greater impact.

5.0 Engagements Conducted by LAPFF

- 5.1 The LAPFF policy on confidentiality requires that all company correspondence (letters and meeting notes) remain confidential; however, LAPFF produce a Quarterly Engagement report to give an overview of the work undertaken. A

summary of key engagement work has been provided in this report. The full report is attached in Appendix 1 (as of June 2025) and highlights the achievements during the relevant period.

Water Stewardship

- 5.2 The United Nations warns of a 40% global water shortfall by 2030 driven by population growth, climate change and unsustainable consumption. In this context, water stewardship has become a critical aspect of responsible business, particularly for sectors such as mining and agriculture.
- 5.3 LAPFF encourages mining companies to integrate comprehensive water stewardship and human rights due diligence into their corporate strategies and risk management frameworks. In the last quarter, LAPFF engaged with mining companies Glencore, Antofagasta, and Anglo-American.
- 5.4 LAPFF continued its engagement with Glencore on the topic of water. The company has advanced its understanding and monitoring of water related risks through the implementation of Geographic Information Systems (GIS) which integrates over 50 data layers to effectively track water quantity and quality. The company has also begun integrating external frameworks such as those prescribed by the Taskforce on Nature-related Financial Disclosures (TNFD) and the LEAP Approach (Locate, Evaluate, Assess, Prepare) to conduct site specific water assessments and identify gaps in nature monitoring and maintenance across its operations.
- 5.5 Comprehensive and independent water assessments at mine sites are still evolving and not yet universally implemented. Through engagement the company acknowledged an increase in fines related to water issues in 2024, attributing this primarily to historic problems that have since been rectified. LAPFF will continue to engage with Glencore and welcomes the scheduled meeting with Chair Kalidas Madhavpeddi in London in October to further discuss governance and sustainability oversight.

Housebuilders

- 5.6 This quarter, LAPFF furthered its engagement with the UK's largest housebuilders on climate-transition planning. The Forum's dialogue with housebuilders aims to encourage the adoption of Paris-aligned targets, the publication of credible roadmaps to net zero homes, collaboration with suppliers to reduce embodied carbon, and the advancement of low-carbon innovation.
- 5.7 LAPFF met with Robert Noel, Chair of Taylor Wimpey, who outlined the company's decarbonisation and just transition developments. The company has cut its absolute emissions by 47% since 2019 and is the only UK housebuilder to reach the Carbon Trusts "Route to Net Zero – Advancing Level" in 2024. The company has introduced new water protocols and developed low-carbon construction methods, particularly in foundations. The company reaffirmed its commitment to reaching net zero operational emissions by 2035.

- 5.8 Taylor Wimpey has embedded this decarbonisation strategy across its governance structures, with full board alignment and engagement via employee forums. The company also demonstrated a willingness to incorporate stakeholder input, including a cautious approach to bringing its sustainability plan to a shareholder vote, due to evolving political and investor landscape.
- 5.9 While Taylor Wimpey has made internal advances, including technology trials and community consultation, the company acknowledged that it is still testing solutions and has not yet identified a definitive pathway to zero-carbon homes. LAPFF will continue to monitor and follow how Taylor Wimpey advances its decarbonisation and just transition plans in practice, including homes and technology testing, contractor training, supply chain resilience, and equitable workforce adaptation, especially in the face of broader sectoral pressures such as skills shortages and energy-grid limitations.

Governance

- 5.10 In 2024, LAPFF raised concerns that the luxury goods sector receives less scrutiny on human rights and supply chain management than high street apparel. The Forum remains committed to ensuring that regulatory changes do not weaken oversight of human rights in the luxury sector.
- 5.11 During the quarter, LAPFF met with Louis Vuitton Moët Hennessy (LVMH) and Moncler to discuss human rights in the respective supply chains. This year marks the first time that LVMH had produced a Corporate Sustainability Reporting Directive compliant report, which it appeared keen to promote despite the current uncertainties surrounding the regulation amidst the EU's Omnibus Directive. The company significantly increased the number of audits it conducted over the past year.
- 5.12 Moncler has also made notable progress publishing its first report which is aligned with the EU's Corporate Sustainability Reporting Directive (CSRD) alongside a first iteration of its key raw materials risk report, providing valuable insight into how Moncler is assessing risks for certain materials. Both companies outlined the challenges associated with the CSRD. However, a key message from both engagements was that in undertaking the process, sustainability teams had gained wider benefits from working more closely with colleagues in different parts of the business.
- 5.13 LAPFF recommended that LVMH'S human rights policy include clear governance responsibilities signed by senior leadership, explicit commitments to international human rights frameworks including the UNGPs and ILO standards, and robust implementation processes, covering detail on risk identification, access to remedy, and meaningful engagement with affected stakeholders. LAPFF also emphasised transparency, urging the company to report openly on audit outcomes and how breaches in more details than it currently does.

Steelmaking

- 5.14 ArcelorMittal is a Luxembourg headquartered steelmaker and is the second largest globally. Conventional steel production is a significant emitter of carbon dioxide. LAPFF's approach to decarbonisation has been to deal with other disadvantages with fossil fuels, such as price volatility and geopolitical risk.
- 5.15 LAPFF has engaged with ArcelorMittal for several years and most recently met with the Arcelor in June 2025. There is now less emphasis on carbon-dependent processes and more on disruptive technologies. LAPFF is increasingly of the view that decarbonisation of the steel industry can be achieved by changes with an appropriate long-term view.
- 5.16 ArcelorMittal outlined its decarbonisation pathway, but critical timing gaps remain. CA100+ recently flagged the absence of a published Just Transition plan. The company says internal workforce roadmaps are in place, at Dunkirk, for example, where employees are being transitioned to Electric Arc Furnace (EAF) roles, which involves steelmaking that uses electricity rather than traditional blast furnaces, or offered retirement. LAPFF will continue to press for clear timelines, fuller disclosure of community engagement outcomes, and transparency on electricity sourcing and costs. At the July LAPFF business meeting, a report will be presented on electricity costs related to the transition.

6.0 Stakeholder and ward member consultation and engagement

- 6.1 There are no direct considerations arising out of this report.

7.0 Financial Considerations

- 7.1 There are no direct financial considerations arising out of this report.

8.0 Legal Considerations

- 8.1 There are no legal considerations arising out of this report.

9.0 Equality, Diversity & Inclusion (EDI) Considerations

- 9.1 There are no equality considerations arising out of this report.

10.0 Climate Change and Environmental Considerations

- 10.1 The Brent Pension Fund is committed to being a responsible investor, which involves engaging with and encouraging companies to take positive action on environmental, social and governance (ESG) issues.

11.0 Human Resources/Property Considerations (if appropriate)

- 11.1 There are no HR or property considerations arising out this report.

12.0 Communication Considerations

12.1 There are no communication considerations arising out of this report.

Report sign off:

Minesh Patel

Corporate Director of Finance and Resources