

	Brent Pension Fund Sub-Committee 9 th July 2026
	Report from the Corporate Director of Finance and Resources
LAPFF Engagement Report	

Wards Affected:	All
Key or Non-Key Decision:	N/A
Open or Part/Fully Exempt:	Open
List of Appendices:	One - LAPFF Engagement Report Q1 2026
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.

- 4.2.1 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.

- 4.3 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 March 2026) and highlights the achievements during the relevant period.

Water Utilities

- 5.2 LAPFF has maintained longstanding engagement with the water utilities sector regarding pollution from storm overflows and required upgrades to ageing Victorian infrastructure. Building on this foundation, LAPFF is expanding its engagement focus to include the growing risks posed by poly fluoroalkyl substances (PFAS) and other environmental contaminants, such as microplastics.
- 5.3 PFAS are synthetic chemicals and environmental contaminants built around strong carbon–fluorine bonds. These bonds are among the strongest in organic chemistry, which is why PFAS are often called “forever chemicals” as they break down extremely slowly as their chemical stability makes them highly resistant to oil, water, heat, and stains.
- 5.4 As a result, PFAS have been widely used in many commercial and household products, including non-stick cookware, water and stain-repellent fabrics, firefighting foams, certain paints, medical devices, and various types of food packaging.
- 5.5 However, the same durability that makes PFAS useful also makes them a major environmental concern. PFAS, especially short-chain varieties, can travel easily through the environment and accumulate in air, soil, plants, and animals, ultimately entering the human food chain. They are frequently detected in drinking water supplies around the world.
- 5.6 LAPFF notes the significant regulatory changes underway within the UK water sector via the government’s decision to dismantle Ofwat and transition to a new integrated water regulator. LAPFF’s engagement, will encourage companies to demonstrate how they are addressing both legacy pollution challenges and emerging risks, while adapting to the forthcoming regulatory and supporting sector-wide collaboration to deliver a more resilient and sustainable water system.
- 5.7 LAPFF met with Pennon’s (South West Water’s parent company) ESG Committee Chair, senior executives, and incoming leadership to discuss progress across environmental performance, preparation for regulatory changes, and governance, particularly in relation to its South-West Water operations.
- 5.8 A summary of the actions taken by Pennon include improving water quality at source, energising two new renewable energy sites and reducing pollution via storm overflows. Further details on what they are doing to resolve the issues can be found within the full LAPFF Engagement paper attached, see Appendix 1.

- 5.9 In conclusion, Pennon continues to operate in a challenging risk environment, where climate-driven weather variability and legacy infrastructure pressures are shaping day-to-day performance. Although progress has been made on storm-overflow reductions, progress is lagging, and Pennon remains under heightened public and regulatory scrutiny.
- 5.10 Pennon also faces a period of leadership transition, with CEO Susan Davy stepping down and incoming CEO Keith Haslett assuming the role in April 2026. The transition will require continued stability and board-level focus to maintain momentum on long-term environmental targets.
- 5.11 LAPFF will monitor how the company manages this leadership change while responding to regulatory expectations, rebuilding public trust, and ensuring that lessons from recent incidents translate into operational improvements.

Say On Climate - Schroders and Land Securities

- 5.12 LAPFF and CCLA (see point 5.19 & 5.20 below for summarised note on who CCLA are and their focus) lead an investor campaign calling on FTSE 100 companies to provide shareholders with a regular vote on their climate risk and resilience strategies. LAPFF's view is that companies should give shareholders a say at least once every three years, in line with guidance from the Transition Plan Taskforce (TPT), now under the International Sustainability Standards Board (ISSB).
- 5.13 LAPFF's view is that climate change is a systemic financial risk, and companies should demonstrate credible decarbonisations plans. A dedicated shareholder vote improves accountability, transparency, and investor confidence in how companies plan to navigate climate transition.
- 5.14 LAPFF met with Schroders and Land Securities Group in Q1 to request the companies consider including a management resolution setting out their respective transition plans. LAPFF built on an engagement with Schroders in Q4 2025, in which the company provided further detail regarding its climate stewardship, including voting and engagement activity. The company outlined its established expectations of investee companies, including the adoption of material Scope 1, 2 and 3 emissions targets, net-zero commitments, credible transition plans, and ongoing disclosure, noting that these expectations have remained broadly consistent and are reviewed annually. LAPFF queried the effectiveness of engagement with Schroders' highest-emitting and hard-to abate companies.
- 5.15 Schroders outlined its approach to climate stewardship, describing voting and engagement as a continuum, and at the core of its efforts on managing climate risk whilst maximising opportunities. The company reiterated its long-standing expectations of investee companies, including the setting of material Scope 1, 2 and 3 targets, net-zero commitments, credible transition plans and ongoing disclosure, noting that these expectations have remained consistent and are reviewed annually.

- 5.16 LandSec undertakes large-scale development and regeneration projects and launched a dedicated £135 million Net Zero Transition Investment Plan in 2021 to support decarbonisation initiatives through to 2030, forming a key component of the company's transition strategy. LAPFF sought further detail on capital allocation under the plan, including the effectiveness of investments to date and how capital will be deployed through to 2030 to ensure the company meets its targets. LAPFF also asked about the company's approach to addressing harder-to-abate embodied emissions associated with development activity, and whether LandSec would consider submitting a 'Say on Climate' resolution to its 2026 AGM.
- 5.17 Schroders and LandSec indicated that they would keep market sentiment around climate transition plans under review but confirmed that there are currently no plans to include such a resolution on the agenda of upcoming AGMs.
- 5.18 LAPFF will continue to approach shareholder oversight of climate transition plans as an ongoing governance issue. Throughout 2026, the Forum will track the introduction, withdrawal, and framing of climate related resolutions at company AGMs and maintain engagement and, where appropriate, escalation.
- 5.19 CCLA, is the acronym for Churches, Charities and Local Authorities Investment Management Limited, which is a leading UK asset manager that specializes in providing ethical and responsible investment services for non-profits.
- 5.20 Their primary focus is a) value-based investing which means ensuring financial objectives are met in a way that aligns with the social and ethical values of their clients; b) Stewardship & Campaigns, actively campaigning for industry improvements in areas like corporate mental health, climate action, and addressing modern slavery; c) Asset Management - offering a variety of pooled funds, segregated mandates, and cash funds designed to balance risk and provide long-term growth or income.

Electric Vehicles – General Motors

- 5.21 LAPFF engages automotive manufacturers to assess how they are managing the human rights and supply chain risks associated with a transition to electric vehicles. Engagements focus on critical mineral sourcing, supply chain traceability, and the extent to which companies apply robust human rights due diligence in regions where risks are more present, and supply chains more opaque.
- 5.22 LAPFF also seeks greater clarity on governance, oversight, and implementation, including how risks linked to battery production and raw material extraction are identified, mitigated, and remediated, and whether disclosure is sufficient to demonstrate that electrification plans are being delivered responsibly.
- 5.23 LAPFF has been engaging General Motors (GM) on these issues since 2022. In a notable move, the company did not publish a standalone sustainability

report in its most recent reporting period. Whilst a more fragmented approach to reporting has been taken by GM, it has made notable progress in mapping its supply chain, providing better visibility throughout its supply chains. It has also been consulting NGOs and other civil society organisations to better understand how to address both systemic and localised human rights issues, designed to complement a series of other tools that GM is using such as social auditing, capacity building, and training with suppliers.

- 5.24 LAPFF will continue to expand its engagement across automotive manufacturers and relevant value chain actors to assess how human rights risks associated with electric vehicle production are being identified and managed.

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 which is delivered through the LAPFF.

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