

## PENSIONS COMMITTEE

**17 March 2026**

<b>Subject Heading:</b>	2025 Review of Voting and Engagement Activity
<b>ELT Lead:</b>	Kathy Freeman
<b>Report Author and contact details:</b>	Tara Haroon <a href="mailto:Tara.Haroon@havering.gov.uk">Tara.Haroon@havering.gov.uk</a>
<b>Policy context:</b>	To meet objectives set out in the Investment Strategy Statement
<b>Financial summary:</b>	No direct financial implications

### The subject matter of this report deals with the following Council Objectives

People - Supporting our residents to stay safe and well	<input checked="" type="checkbox"/>
Place - A great place to live, work and enjoy	<input checked="" type="checkbox"/>
Resources - Enabling a resident-focused and resilient Council	<input checked="" type="checkbox"/>

## SUMMARY

**LOLA Module 6** – Responsible Investments - provides background on what Environmental, Social & Governance factors influence voting & engagement issues.

**LOLA Climate workshop** slides - outlines engagement vs divestment

The attached report at **Appendix A**, produced by the Fund's investment adviser (Hymans Robertson LLP), provides an overview of the Fund's investment managers' voting and engagement activity over the 12-month period to 30 June 2025. It highlights trends in voting behaviour, key thematic engagement areas (including environmental and social issues), and stewardship considerations for the Committee.

## **RECOMMENDATIONS**

That the committee:

1. Note Hymans Robertson review of Fund Manager Voting and Engagement activity attached as **Appendix A**.
2. Consider the recommendations set out in **Appendix A (page 2)**, particularly in relation to the Committee's ongoing stewardship oversight and expectations of LCIV.
3. Consider the next steps set out in **Appendix A (page 10)**, including the need for continued scrutiny of stewardship and engagement reporting following LCIV's assumption of delegated implementation responsibility from 1 April 2026

## **REPORT DETAIL**

1. **Investment Strategy Statement (ISS) Context**
  - 1.1 The attached report at **Appendix A**, prepared by the Fund's investment advisor (Hymans Robertson LLP), provides an overview of the Fund's investment managers' voting and engagement activity over the 12-month period to 30 June 2025
  - 1.2 This review supports the Committee's annual monitoring responsibilities under the Investment Strategy Statement (ISS). These responsibilities include monitoring voting decisions made by the Fund's investment managers, reviewing any changes to their voting or engagement policies (which managers are required to report annually), and challenging managers where necessary to explain the rationale behind their approach.
  - 1.3 In line with the ISS, the Fund does not operate a separate voting policy. Voting and engagement activity is delegated to investment managers, with the Committee undertaking an annual review of their approach. The Hymans report at Appendix A provides this annual assessment for the Committee's consideration.
  - 1.4 The Committee may also periodically examine managers' wider voting patterns and challenge managers on specific issues where appropriate, including matters relating to climate-risk disclosure.
  - 1.5 Appendix A also includes information on the Fund's equity managers that are signatories to the Principles for Responsible Investment (PRI). The PRI is a voluntary framework demonstrating commitment to responsible investment through the integration of Environment, Social and

Governance factors into investment and ownership practices. Signatories report annually against six principles.

## **IMPLICATIONS AND RISKS**

### **Financial implications and risks:**

There are no direct financial implications arising from this report. The Committee's objective is to ensure that voting policies and engagement activity are regularly reviewed so that changing practices and regulatory developments continue to be reflected where necessary.

Ongoing scrutiny of stewardship activity will remain important as LCIV assumes delegated responsibility for implementation of the Fund's investment strategy from 1 April 2026.

The cost of producing the report is included within the core contract costs as set out in the National LGPS Framework for Investment Management Consultancy Services agreed with Hymans Robertson LLP.

All costs are met by the Pension Fund

### **Legal implications and risks:**

There are no apparent legal implications in noting the content of the Report and making the requested decisions.

### **Human Resources implications and risks:**

There are no immediate HR implications.

### **Equalities implications and risks:**

An EHIA (Equality and Health Impact Assessment) has not been completed and is not required for this decision. The Council seeks to ensure equality, inclusion, and dignity for all. There are no equalities and social inclusion implications and risks associated with this decision.