

LAPFF tackle climate change

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UK – Local authority pension funds have urged the government to adopt more rigorous targets than those set out in the draft Climate Change Bill.

The Local Authority Pension Fund Forum (LAPFF) believes tougher targets should be set for carbon emissions than the Government's proposed legislation which calls for at least a 60% cut in carbon emissions by 2050.

In its response to the consultation on the Bill, the £75bn-strong Forum strongly encouraged the adoption of an 80% reduction target for the UK.

Climate change and greenhouse gas emission reporting has been a focus of the forum's work for a number of years. Six years ago, in autumn 2001, the Forum undertook research into the reporting of greenhouse gas emissions by FTSE100 companies according to the then DEFRA guidelines on disclosure. This showed that half of FTSE 100 companies followed none of the guidelines at all.

LAPFF chair Cllr Darrell Pulk said: "The time for discussion about possible effects of climate change has passed. Companies should now have in place risk management procedures as part of their business strategies as well as identifying relevant business opportunities.

"They must then follow a broad coalition of environment agencies, NGOs, think tanks and industry representatives that believe that high environmental standards are essential for the UK's future economic well-being and competitiveness through with this and report on these to their investors in their operating and financial or business reviews," added Pulk.

According to reports the LAPFF has also been drawing up a list of questions to put to defense companies in a bid to encourage responsible investing; this includes alleged bribery at BAE systems.

It is expected that the areas that will be investigated includes the conduct of companies in winning contracts, including the use of bribery.

According to national media reports, both BAE and the government are at the centre of the issue, following an by the Serious Fraud Office into bribery linked to the £40bn al-Yamamah arms deal with Saudi Arabia that has been abandoned.

A spokesperson for the LAPFF said: "Investment in the defence industry is a question that has been debated many times during LAPFF's existence. It is a complex issue and shareholders need to make carefully balanced decisions. In general the Forum seeks to approach responsible investment through a strategy of engagement, rather than avoiding particular stocks or industries. However it is up to individual investors to decide their own approach."