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The UK Local Authority Pension Fund Forum (LAPFF) is urging companies to link pay under long-term incentive plans to the achievement of both financial and non-financial performance targets. LAPFF chairman Ian Greenwood said: “The use of traditional financial metrics does not link pay tightly enough to performance. Investors in particular are in the hot seat on this one as they need to integrate environmental, social and governance considerations into their investment decisions to safeguard long-term returns – it does not make sense to then insist solely on financial metrics when it comes to long-term pay schemes. We need to address this worrying lack of long-term focus in pay schemes. Investors, remuneration committees and their consultants need to work together towards a reform of market practices in this area.”