

For immediate release

Pension funds push on climate change

Local authority pension funds have signalled their support for urgent action on climate change by backing international collaborative investor engagement.

The Local Authority Pension Fund Forum (LAPFF) has become a member of the Investor Network on Climate Risk (INCR), a grouping of institutional investors and financial institutions that promotes better understanding of the financial risks and investment opportunities posed by climate change. Since its launch at the first Institutional Investor Summit on Climate Risk at the United Nations in 2003, INCR's membership has grown to more than 70 investors managing more than \$7 trillion of assets.

LAPFF also backed the recent joint statement sent by investors to heads of state and climate negotiators, which calls for a binding framework to succeed the Kyoto Protocol. The statement outlines what investors are looking for from policymakers in order to allocate capital in a way that supports both the transformation to a low carbon economy and the development of adaptation measures. The statement was signed by the INCR, the UK-based Institutional Investors Group on Climate Change, and the Investor Group on Climate Change Australia/New Zealand. Overall more than 130 investors backed the statement.

The Forum believes that with a global issue such as climate change, collaboration can prove to be a powerful tool to share resources and influence. The Forum started the process of dialogue with companies on the issue of climate change in 2001, when it undertook research on corporate carbon reporting. From 2002 to 2004 the Forum wrote jointly with the Environment Agency Pension Fund to companies with poor disclosure to encourage fuller reporting. In 2004, LAPFF attended the AGMs of a number of companies to ask about lack of disclosure. In all instances the companies committed to look at the issue of reporting. Recent engagement has focused on companies in the oil and gas, transport and food and drink sectors. LAPFF has also lobbied Government, pushing for tougher targets on emissions and mandatory corporate carbon emission disclosure.

Ian Greenwood, LAPFF chair, said: "Climate change is unique issue for investors to grapple with as it is global in both its real-world impact, and its effect on investors' portfolios. Clearly shareholders cannot tackle this alone, which is why LAPFF believes that collaborative engagement is vital. If investors are to play an active role, as we believe they should, then we have to work together."

The 2008 LAPFF conference will take place on the 3rd to 5th December at the Bournemouth Highcliff Marriott Hotel and will include a session on climate change and sustainability featuring Nick Robins, head of the Climate Change Centre at HSBC Bank. Other confirmed speakers at the conference include George Magnus, senior economic adviser at UBS, Legal & General's head of equities Mark Burgess, First Group chairman Martin Gilbert and Jack Dromey of the Unite trade union.

About LAPFF:

The Local Authority Pension Fund Forum (LAPFF), which was set up in 1991, is a voluntary association of 48 public sector pension funds based in the UK. It exists 'to promote the investment interests of local authority pension funds, and to maximise their influence as shareholders to promote corporate social responsibility and high standards of corporate governance amongst the companies in which they invest.' The Forum's members currently have combined assets of over £95 billion.

For more information on the LAPFF conference contact Janice Hayward on 020 7392 7894, or email janiceh@pirc.co.uk

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