



FOR IMMEDIATE RELEASE

## **LAPFF Submits Response to EU Sustainable Corporate Governance Consultation**

*Supports EU legal framework rooted in stakeholder engagement*

London 14.00 (BST) The Local Authority Pension Fund Forum (LAPFF) has submitted a response to the EU sustainable corporate governance consultation expressing support for an EU legal framework in this area.

LAPFF's response is rooted in three main propositions. First, self-regulation in this area has been given ample opportunity to work over the last forty years and has largely failed. Second, any legal framework must be based on meaningful and effective stakeholder engagement, including with workers and community members affected by corporate activities, products, or services. Third, environmental, social, and governance issues, including stakeholder engagement, are not 'nice to haves' and they are not 'non-financial'. They have financial implications for both companies and investors and therefore are integral to any consideration of corporate governance.

This approach is consistent with LAPFF activities on human rights and climate, for example. LAPFF uses international human rights and environmental law to guide its stakeholder engagement with communities affected by tailings dam collapses in Brazil, the destruction of culturally significant caves at Juukan Gorge in Australia, and the threat to culturally significant sites by mining in Arizona. LAPFF has also long pointed to the financial implications of climate change, a reality being reinforced by market reactions, a range of government regulations and policies, and shareholder engagement globally.

**Cllr Doug McMurdo, Chair of Local Authority Pension Fund Forum, said:** "I want to emphasise that how we treat people and the planet is financially material to our members' investment considerations. We are seeing from the delay in responding to the climate crisis that the cost of not acting is much greater than any cost of taking effective steps as quickly as possible. In LAPFF's experience, this is true across the ESG spectrum which is why we are so invested in working toward a just transition. A good EU legal framework would help to institutionalise this process."

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**9 February 2021**

### **For further information:**

Lara Blecher, Engagement Services Manager  
PIRC Ltd, (research and engagement partner to LAPFF)  
Tel: 020 7247 2323 Email: [lara.blecher@pirc.co.uk](mailto:lara.blecher@pirc.co.uk)

**About the Local Authority Pension Fund Forum:** The Local Authority Pension Fund Forum (LAPFF) is a voluntary association of 82 public sector pension funds and seven pools based in the UK with combined assets of over £300 billion. It exists to 'promote the long-term investment interests of local authority pension funds, and to maximise their influence as shareholders to promote corporate responsibility and high standards of corporate governance amongst the companies in which they invest.' PIRC is the Research and Engagement partner to the Forum @lapfforum <https://lapfforum.org/>