Pensions funds cannot deliver proper climate change rep...

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The FT has reported that:

Pension schemes in the UK are to be forced to explain how millions of their members' retirement pots will be affected by rising temperatures under new government measures as part of a response to climate change.

On Wednesday, the government will announce plans to "step up" existing requirements on pension schemes managing tens of billions of pounds of retirement cash to disclose what they are doing to manage climate risks for their savers.

With the greatest of respect to the government, this is a meaningless objective. Not a single UK company in which those pension funds invests does, as yet, account for climate change on their balance sheet. Most do not follow the Task Force on Climate-related Financial Disclosures, which are inadequate because they are voluntary, do not require on-balance sheet disclosure of the costs of climate change to a company and ignore Scope 3 emissions, which has the result that an airport can claim to be carn neutral because it can ignore the emissions of the airlines that use it.

So, unless the government also backs sustainable cost accounting, which is the only proposal there currently is to put the cost of climate change on company's balance sheets, pension funds cannot deliver what is demanded of them.