

# Innovation in Pension Fund Governance

A climate change angle

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# The current ‘climate’

- **Regulatory and legislative backdrop**
  - Pension schemes bill & TCFD incoming
  - MHCLG consultation upcoming
  - TPR’s Consolidated code - consultation
  - FCA consultation
- **Economic considerations**
- **Social aspects & public engagement**
  - Opportunity to engage with members
  - Reputational risks and opportunities



# TCFD governance disclosures for schemes

Describe the board's oversight of climate-related risks and opportunities.

Describe management's role in assessing and managing climate-related risks and opportunities.

**TCFD** | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES



# What does this mean in practice?

Trustees should have appropriate knowledge and understanding of climate change.

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Investment beliefs (including climate change beliefs) are documented.

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Processes and policies for consideration of climate related risks and opportunities are documented (plus frequency of review).

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Clear roles and responsibilities for oversight, accountability of climate related issues are documented.

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The processes and frequency consider climate issues when setting the scheme's investment strategy should be documented.

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Document the extent to which climate-related issues are included in the trustees' investment consultant's strategic objectives.

# The role of data

Improvements in  
data coverage

Managers and  
mandates

What we may  
expect to see

Breadth



Depth

Creativity



Consistency

**Finding the right balance**

# Thank you

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