ASSOCIATION OF CONSULTING ACTUARIES

PRESS RELEASE

ACA CALLS FOR A FLEXIBLE AND EVOLUTIONARY IMPLEMENTATION OF TCFD REPORTING REQUIREMENTS

7 October 2020: The Association of Consulting Actuaries has published its response to the DWP's consultation 'Taking action on climate risk'.

The ACA is supportive of the DWP's mandatory climate governance and TCFD requirements. **Chair of the ACA Patrick Bloomfield said** "*Major UK pension schemes are being asked to take a leadership role in action on climate change. To fulfil this important role schemes need Government and regulators to drive rapid change across the world of finance, to make the necessary information available from asset managers and the businesses they invest in.*"

The ACA agrees with the DWP's proposal that implementing the largest schemes first makes sense, although it notes that 'the devil will be in the detail' and urges the detail to be released soon, to give schemes time to prepare. The ACA suggests that the costs and benefits of the implementation should be considered more fully.

Robert Evans, a member of the ACA's Climate Risk Group, notes that "*To be of maximum benefit to trustees, scheme members and sponsors, the ACA believes the requirements will need to be flexible and to develop as knowledge and experience of climate risk management develops. To guard against schemes using metrics or models that may become redundant quickly, the ACA is calling for The Pensions Regulator to produce an Annual Climate Risk Management Statement to guide trustees in this area.*"

To ensure the disclosures are effective in communicating to pension scheme members how climate related risks and opportunities are being considered and managed across the assets supporting their pensions, the ACA asks the DWP to focus more on 'what' should be disclosed, as well as 'how'.

For further comments:

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NOTE FOR EDITORS
About the Association of Consulting Actuaries (ACA)

Members of the ACA provide advice to thousands of pension schemes, including most of the country's largest schemes. Members of the Association are all qualified actuaries and all actuarial advice given is subject to the Actuaries' Code. Advice given to clients is independent and impartial. ACA members include the scheme actuaries to schemes covering the majority of members of private sector defined benefit pension schemes. The ACA is the representative body for UK consulting actuaries, whilst the Institute and Faculty of Actuaries is the professional body.

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