1. **Please enter your name and the company/scheme you represent**

   Rosie Leech, ShareAction

Scope and interest

2. **Please indicate what type of stakeholder you are and whether you produce a Taskforce on Climate-related Financial Disclosures (TCFD) report.**

   Civil Society Group

3. **What is your interest in the survey?**

   Would like to provide feedback on the TCFD requirements and guidance
   Interested in the future direction of UK sustainability disclosures

4. **Currently, trustees of schemes whose relevant assets are £1bn or more, are in scope of the requirements in Part 2 of, and the Schedule to, the Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021, do you feel the threshold:**

   Other – should be lower (say, £250m) for basic disclosures, including reporting of strategy, metrics and targets. However governance, scenario analysis and risk management for such smaller schemes is largely outsourced to investment consultants and asset managers at the sub-£1bn level, so mandatory narrative disclosures would likely be boilerplate and add limited value, so we suggest that these might be excluded. However, clarity on climate strategy and quantitative disclosures would ensure trustees were managing climate risk beyond the current single sentence requirements of the 2018 regulations and provide comparable data for The Regulator and for savers and civil society/research organisations.

Challenges and opportunities with the TCFD framework

How easy / difficult on a scale of 0 – 10 (with 10 being extremely difficult) has it been to meet the TCFD requirements for

5. **:Governance?** 3

6. **Strategy?** 3

7. **Scenario analysis?** 5

8. **Risk management?** 3

9. **Metrics & targets?** 2

10. **Please expand on your scores and outline any particular challenges or things that have worked well?**

    Governance and risk management duties are burdensome on first implementation as the statutory guidance sets many more expectations of individual disclosures (we set out recommendations on streamlining reporting expectations below). However, they do not need regular updating.

    The strategy requirements are much less numerous in terms of individual expectations in the statutory guidance, and - whilst these might involve some deeper consideration – are precisely the sorts of issues trustees ought to be considering as an absolutely central part of their fiduciary duty to manage relevant risks and opportunities.

    Finally, metrics and targets reporting duties are also not unduly burdensome – whilst schemes may not have access to specialist data sources which enable them to calculate portfolio emissions, schemes with pooled funds can use product-level disclosures, whilst schemes with the governance capacity to use segregated mandates will have the market power and/or the contracts to require that their investment managers provide the necessary data. Advisers will also have recognised that provision of this data is a regular request from clients, and therefore have access to data sources that allow them to calculate the data on trustees' behalf.

    Scenario analysis is most burdensome because of a lack of complete clarity in the statutory guidance which can be taken to mean that schemes must carry out quantitative analysis. Numerous studies have exposed the severe limitations of current quantitative approaches which result in the exercise being low value. It could be easily clarified in the guidance that qualitative approaches are adequate. There are also questions to be considered about the extent to which trustees can make actual use of 3 and 4 degree scenarios in their scheme governance, and whether fewer scenarios should be proposed.

    We cover all these points in later sections.

11. **Do you engage with others' TCFD reports; is learning/best practice shared across schemes?**
    We believe that larger and better resourced schemes which have the capacity to do so are doing this and making use of the public information to learn from others' strategies to improve their own climate risk management (as well as the quality of their own reporting), but that smaller schemes close to the £1bn threshold are more

likely to be viewing this as a box ticking exercise, and are not doing so.

12. **If applicable, what, if any, specific information under the FCA's TCFD entity and product-level reporting rules do you need for your own decision-making and/or reporting requirements?**

    Our view is that schemes (and consultants, on their behalf) should be using product-level reporting of emissions data to calculate scheme level emissions for the purposes of their own decision-making and reporting requirements.

    Schemes will also be able to make some use of entity and product level strategy disclosures.

    Nevertheless, with the exception of fiduciary management scenarios, trustees will retain responsibility for strategic asset allocation (and in the case of DB, funding and covenant considerations), and there will be an important overarching layer of trustee decision-making which must take place and is required to be reported.

    We would anticipate that schemes or their advisers are using other disclosures for decision-making, but not for reporting. A scheme cannot aggregate its multiple investment managers' governance or risk management processes and call that its own processes, and scenario analyses will not be sufficiently comparable in their assumptions to allow aggregation.

Governance

13. **How have you used TCFD to develop governance processes for managing climate-related risks and opportunities?**

    We provide a combined response to the governance questions here.

    We believe the 2 governance-related governance requirements set out in part 1 of the schedule to the regulations - and the 3 governance-related reporting requirement set out in part 2 - are appropriate, and reasonable expectations for medium and larger pension schemes to meet and report on. We would urge that these governance duties are maintained or even strengthened - the need to ensure strong governance of climate risk has strengthened, not eased, and it would send an extremely dangerous signal if statutory requirements were diluted.

    However, there are arguably too many individual expectations in the statutory guidance, to which trustees are required to have regard (and therefore should cover, or explain why they have not). This has tended to contribute to ballooning reports full of boilerplate text.

We have identified 13 governance requirements in the statutory guidance that trustees should carry out, which trustees therefore may feel an expectation of showing that they have done in order to demonstrate compliance with the statutory guidance. There are also 6 further specific items which trustees should report on.

DWP could ease trustee concerns about the reporting burden by, for example, indicating that trustees are only expected to report on the 6 items listed in guidance, not the other items listed in guidance; or by providing guidelines on the length of trustees' governance disclosures (we would suggest 2 pages would be adequate).

We believe that all of the 6 disclosure expectations themselves in the statutory guidance are in themselves reasonable expectations for schemes managing more than £1bn of savers' money. It is the extended details with which they are being described that is excessive.

14. **Are any TCFD activities outsourced to consultants, and why? Which activities are managed in-house?**

    See answer to Q13 above.

15. **Aside from the TCFD framework, how else do you ensure climate risks are considered?**

    See answer to Q13 above.

Strategy

16. **How have the scheme's investment, funding and/or trustee decision-making strategies been shaped to incorporate climate-related risks and opportunities as a result of the TCFD requirements?**

    We provide a combined response to the strategy questions here.

    We believe the 3 strategy-related governance requirements set out in part 1 of the schedule to the regulations (identifying climate-related risks and opportunities over short, medium and long term, assessing the impact of those risks and determining their own short, medium and long term), as well as the corresponding requirements in part 2 of the schedule, are entirely appropriate and reasonable requirements for medium and larger pension schemes both to meet and to report on as part of climate risk management.

The statutory guidance expectations in relation to strategy are light touch and also exactly the kinds of activities which trustees should be expected to carry out. Whilst there are 8 individual "should" requirements to which trustees are required to have regard (and therefore should carry out, or explain why they have not) when carrying out their strategy duties, none of these are identified as items which trustees should report on.

Nevertheless, we believe a contributing factor to the ballooning size of standardised TCFD reports is reporting by trustees against the activities which the statutory guidance sets an expectation of them carrying out. We suggest, as with governance, that this can be addressed by, first, making clear that there is no expectation of trustees reporting against the 8 items listed in guidance, only their statutory requirements; and second, providing guidelines on the length of trustees' strategy disclosures (we would suggest 2 pages would be adequate for single section DC schemes, and up to 4 pages for multi-section schemes and DB schemes).

To reiterate, the things which schemes are required (in regulation) and expected (in guidance) to carry out, and the things which they are required by regulations to report on are proportionate for schemes managing more than £1bn of savers' money. The challenges in relation to these requirements stem from over-interpretation of the guidance, which could be remedied by the measures outlined above.

17. **Has TCFD reporting helped identify new investment opportunities linked to the low-carbon transition?**

    See answer to Q16 above.

18. **Have any other factors, other than TCFD, impacted the scheme's investment and / or funding strategy in relation to climate-related risks and opportunities?**

    See answer to Q16 above.

Scenario analysis

19. **Which areas of the guidance relating to scenario analysis do you find helpful? Which areas have been challenging?**

Scenario analysis has been the biggest problems with implementation of the TCFD requirements. Current climate models (known as Integrated Assessment Models, or IAMs) have been widely shown to be grossly inadequate tools for considering the physical risks of climate, as a result of flawed assumptions and insurmountable challenges in accounting for the impact of matters like water and heat stress on economic output, let alone mass migration, potential conflict, and consequent social disruption.

Whilst the flawed assumptions can be corrected, it will remain difficult for these wider impacts of a 3 or 4 degree world to be adequately priced into modelling. Trustees are therefore carrying out a very limited and partial analysis, which largely disregards the physical risks of climate change and predominantly considers changes to the valuations of fossil fuel dependent firms under a faster or slower transition. Unsurprisingly this frequently results in the ridiculous conclusion that a 4 degree world (with slower decline in fossil fuel use) will have a more benign effect on investment returns than a 2 degree one (where fossil fuel demand will need to fall faster).

Schemes are currently required to model at least 2 scenarios, of which one must be below 2 degrees. Many schemes voluntarily report on more than 2, and most include high temperature (3 or 4 degree) scenarios. However, it is worth DWP considering whether there is significant value in schemes carrying out scenario analyses of 3 or 4 degree worlds at all. Whilst every scheme can take some action to limit climate-related risks and impacts, many of the challenges associated with higher temperature rises – flood defences, water and heat stress, forced migration and so on – have collective country-level solutions. A medium-sized UK pension scheme can do very little to tackle these issues, meaning that high temperature scenarios tend to become less useful "boilerplate" disclosures.

As we made clear in our response to DESNZ's transition plan consultation), rather than requiring trustees to try to quantify how bad 3° or 4° outcomes might be, using assessment tools which seriously underestimate the financial risks, Government and DWP could choose to focus the attention of trustees and others on how they will respond to the Paris Agreement, to which 85% of the global economy is signed up.

In the immediate term, we would urge DWP to update its statutory guidance at paragraphs 65-67 to make clear that there is no expectation on trustees to progress to quantitative scenario analysis, if in their judgment qualitative analysis remains sufficient.

As part of its work on transition plans policy, Government should also give longer term consideration to going further and subsuming TCFD (S1 and S2) reporting into transition plan reporting, meaning that schemes would only be required to model a single scenario, a below 2-degrees outcome. Ironically, existing Integrated Assessment Models can produce better quantitative modelling of lower temperature rise scenarios, although these remain under-estimates due to the undercounting of the wider social and economic effects from physical climate risk.

If DWP were to issue guideline page lengths for scenario analysis reporting, we would suggest a maximum of 4 pages under the current regime where schemes report against 2 or more scenarios, or just 2 pages if DWP follows our recommendation and reduces requirements to a single scenario.

20. **How have you used guidance to produce / commission scenario analysis?**

    See answer to Q19 above

21. **Have you had reason to evolve your approach to scenario analysis (e.g., either updates to underlying models, or moving to narrative scenarios)? If so, what were your reasons for this?**

    See answer to Q19 above

Risk Management

22. **How have the TCFD requirements and guidance helped you manage climate-related risk?**

    We provide a single answer for the risk management section.

    Risk management faces similar issues to those outlined for governance in Q13.

    The risk management requirements are proportionate and appropriate –establishing and maintaining processes for the purpose of enabling them to identify, assess and manage climate-related risks which are relevant to the scheme, whilst also ensuring that these processes are integrated into their overall risk management of the scheme.

    So too are the disclosure requirements - the processes trustees have established and how they are integrated into the trustees' overall risk management of the scheme.

However, these are complemented by a significant volume of risk management statutory guidance. 12 additional items are identified as “shoulds” in the carrying out of risk management, whilst there are a further 4 items that trustees should disclose. Again, most of the risk management activities are reasonable ones to expect trustees to carry out when they are managing £1bn or more of savers’ money, and these are processes which only need to be managed on an ongoing basis, not restarted from scratch on an annual basis.

However, an understanding amongst trustees that they need to provide evidence of carrying out each and every activity results in reports of excessive length and low readability. We would suggest under risk management especially that DWP provide some guidance as to the length of the risk management section of trustees reporting (2 pages ought to be sufficient), and again emphasise that trustees are not expected to demonstrate in their reporting that they have carried out every individual recommended risk management activity. Rather, they must simply disclose the 3 items specified in part 2 of the schedule to the regulations – and additionally should (but are not required to) disclose the 4 items in statutory guidance.

We suggest 2 pages would be an adequate guideline length for the TCFD report section on risk management.

23. **What types of climate-related risks are you managing and which processes do you use to manage climate-related risk?**
    See our answer to Q22 above

Metrics & Targets

24. **How have you used TCFD requirements and guidance to choose metrics and set targets? Have these metrics or targets made a difference in moving investment to greener sectors?**

    We would suggest that this question is - inadvertently - incorrectly phrased. Respondents should instead be asked whether metrics or targets made a difference in measuring and tracking climate risk, as the goal of the regulations is climate risk management, not increasing investment in greener sectors.

    A lot of noise has been made by some stakeholders about the burdens of reporting metrics such as total emissions or greenhouse gas emissions intensity. This is curious given that schemes investing via pooled funds are simply able to calculate their total emissions by the following equation:

    Σ (scheme holding in fund i) * (carbon footprint of fund i per £ invested) for each fund held by the scheme. The scheme should have immediate access to details of its own fund valuations, whilst the carbon footprints are mandatorily reported by investment managers under FCA rules.

Furthermore they could calculate their emissions intensity by simply dividing the result above by the total assets of the scheme. These measures are very far from advanced mathematics.

Other industry stakeholders have tended to argue that greenhouse gas emissions are backward-looking indicators whereas other measures are more effective in looking forward. However the recent weakening of climate targets by some of the world's biggest greenhouse gas emitters exposes the limitation of "forward-looking" indicators – they are much less certain, whereas greenhouse gas emissions, which are current not backward looking indicators, are an indicator with certainty.

Some commentators have suggested that these indicators are measuring the wrong thing – that funded GHG emissions are a poor way to measure climate risk. Whilst total emissions and emissions intensity measures are imperfect, all the other measures are considerably worse. TCFD reports are a review of climate-related financial risk. They are not a measure of how much engagement or voting the scheme is doing with polluters or how much the scheme is talking about climate change. None of these activities are connected with measuring risk, although some may contribute to managing it. Furthermore such measures are useless without a baseline understanding of the level of climate risk the scheme is exposed to. They are also unverifiable, wholly subjective and therefore entirely non-comparable. Greenhouse gas emissions reporting provides this - cutting through much more nebulous and unverifiable claims about how much schemes or those acting on their behalf are engaging. This is probably why GHG reporting has met with resistance, as it is a hard measure which shows robustly which schemes are lagging and which schemes are failing to improve.

Finally, other commentators have argued that such measures are appropriate for DC schemes but are not meaningful or straightforward for closed or derisked DB schemes. Again, it is not clear why such reporting should be deemed difficult. Statutory guidance makes clear that schemes do not need to report on the emissions of derivatives such as interest rate swaps. DWP provided a methodology for reporting gilt emissions, which can be readily applied. The emissions of other holdings, such as corporate bonds and the government bonds of other jurisdictions are a useful proxy for their climate risk.

ShareAction is not aware of any changes to the metrics or targets which need to be made. Indeed, there are significant risks with relaxing the range of permitted targets, as this will lose time series of data, reduce comparability between schemes and result in underperforming governance bodies hiding their lack of progress behind vague and unaccountable pseudo-metrics which do not actually measure climate risk.

Member outcomes

25. How have member outcomes been impacted since the introduction of these requirements? (Select any that apply)

Other –it will be extremely difficult for trustees to disaggregate TCFD reporting from other initiatives in improving member engagement, trust, or transparency. It will also be hard to disaggregate changes to investments and risk management through TCFD from changes which result from the growing salience of climate change as a risk, driven by Government's public consultations on the topic. Had there been no requirements, climate risks would have been much less salient.

It's self-evident that more consideration of climate risk will over the long term (even if not over the 4 years since coming into force) enhance returns, and bring about wider societal impacts alongside, than if the risk were considered less or not considered at all.

We therefore encourage DWP to be wary of claims that TCFD has had no impact and any changes which schemes have made after the proposals came forward would have been made anyway without the regulations. This is highly unlikely to be the case for many schemes.

Member engagement

26. How has member engagement changed since the introduction of TCFD reporting? Please include:

- **Whether you produce a member-facing summary.**
- **How members interact with the report.**
- **Any observed changes in member preferences or behaviour**

We provide a combined response for Qs 26 and 27. We have been concerned to note that many schemes, including some of the largest schemes, are failing to produce a member facing summary, despite this being an expectation under statutory guidance (see page 17 – "As a minimum, the TCFD report should include a plain

English summary which is for members to read and allows them to become easily acquainted with the key findings from the report.")

Some schemes have produced helpful reports (such as, for instance, The People's Pension and Universities Superannuation Scheme). However, this statutory guidance, with which schemes are required to comply or explain, does not appear to have been universally complied with or explained. Some of the largest DC master trusts appear not to have produced such summaries, or explained their absence. It is deeply concerning that The Pensions Regulator appears not to have enforced this key expectation.

It would therefore be premature – when many reports are far too long due to over-compliance, whilst others fail to be accompanied by member summaries - to conclude that reporting is not resulting in observed changes to member preferences, behaviour, understanding or decisions.

Research studies, including by Scottish Widows (Employees want responsibly invested pensions) and Share Action (British public concerned by socially and environmental harmful investments) have consistently shown that more than 7 out of 10 savers want at least some consideration given to the social and environmental impact of their investments. Rather than grumble that "members aren't really interested" whilst providing them with indigestible 75 page reports, Government and industry must give savers the tools to swiftly verify that their provider is delivering. To enhance member engagement with the reports, we would encourage DWP to urgently consider the clarifications to statutory guidance identified above, and for TPR to carry out a rapid review of member-facing summaries, with accompanying communications targeted at trustees reminding them of their responsibilities in this area.

27. **Have climate-related disclosures improved member understanding or influenced their decisions (e.g. fund choices, contribution levels)?**

    See our answer to Q26 above.

Cost of reporting

28. **How much did it cost to produce your latest TCFD report? How has this changed over time?**

    As ShareAction has not produced TCFD reports, we cannot offer costs of compliance. However, in our combined answer to Qs 28-35 we would remind DWP of the underpinning assumptions made in its original impact assessment for TCFD.

    This made clear that trustees were already required to take into account all financially material risks, including climate change, as part of their fiduciary duty, which therefore necessitates having an effective system for doing so – this means that there should be no costs to business of complying with requirements in relation to governance, strategy, risk management or trustee knowledge and understanding.

Only the costs of reporting constitute a cost to business. Schemes and their advisers cannot claim that changes to governance or risk management processes, strategic exercises to identify climate risks or trustee training on climate risks and opportunities are costs attributable to the regulations. They are not regulatory costs – they are investments which schemes ought to have been making already as part of their fiduciary duty.

Only the costs of carrying out scenario analysis and underlying data collection for metrics and targets ought to be considered as governance costs of compliance.

DWP would therefore be incorrect to use responses on – for example - "an estimated cost for the Governance-related activities underpinning the production of a report" to form a view on the costs to business of implementation. Instead Government should only be considering "an estimated cost for the production of the governance section of a report".

29. **If possible, can you provide an estimated cost for the Governance related activities underpinning the production of a report?**

    See our response to Q28 above.

30. **If possible, can you provide an estimated cost for the Strategy related activities underpinning the production of a report?**

    See our response to Q28 above.

31. **If possible, can you provide an estimated cost for the Scenario analysis related activities underpinning the production of a report?**

    See our response to Q28 above.

32. **If possible, can you provide an estimated cost for the Risk management related activities underpinning the production of a report?**

    See our response to Q28 above.

33. **If possible, can you provide an estimated cost for the Data collection & processing for metrics related activities underpinning the production of a report?**

    See our response to Q28 above.

34. **If possible, can you provide an estimated cost for the Trustee training related activities underpinning the production of a report?**

    See our response to Q28 above.

35. **Are there any other costs that underpin the production of a report, you would like to submit?**

    See our response to Q28 above.

Future reporting

36. **Do you have any views on the frequency of reporting going forward?**

    We believe annual reporting, combined with triennial reporting of scenario analysis (unless they decide to undertake new scenario analysis in order to have an up-to-date understanding of the matters they are required by the Regulations to consider) is sufficient.

    The concerns about burdens have, to a great extent, been overegged. Governance and risk management sections will not change significantly from year-to-year, and strategies ought to receive at least a light touch annual revisiting. As regards metrics and targets, schemes are expected to have targets which are not more than 10 years in the future. If schemes only report – say – every 3 years, they will produce only 3 reports before the target should be (voluntarily) met. This would offer feedback which was far too infrequent to allow scheme governance bodies to report progress and correct course.

    Some respondents might argue that they can measure and report on progress internally more frequently without the need to publicly report annually. But if they produce progress reports and papers annually as part of their internal management , it is far from burdensome to make the same summaries public.

    Trustees should not be able to hide behind an argument that savers are not engaged, or as non-professional investors, should not receive the reporting which will be applicable to the rest of the investment chain. To the extent that member engagement is a problem, we would advocate for a strengthening of member-focused communications and better enforcement of the expectation to produce member-facing summaries (or explain why this is not needed – which would certainly make for an interesting explanation).

    We would urge DWP to push back on calls to make TCFD reporting less frequent or to even abandon it altogether. This is not a long term issue on which we have many years to reach a solution. The urgency of action on climate change means that every year through the 2020s counts, and schemes cannot be permitted to lose focus on action until the next reporting phase comes around in, say, 2028.

37. **Does your scheme currently produce a Transition Plan, or does it plan to soon? How do current TCFD requirements and climate-related transition plans interact?**

Only a small number of schemes appear to be producing explicit transition plans, but a significant number of others will be producing TCFD reports which – voluntarily - share very similar characteristics to the recommendations of the TPT. This would be where the scheme has set a net zero target, together with interim absolute emissions or emissions intensity targets that reflect a Paris-aligned decarbonisation trajectory.

This is because many of the TCFD regulatory requirements in respect of below 2 degree outcomes map very clearly onto TPT Taskforce recommendations – for example, compare the TCFD requirements for:

> "A statement describing—
> (a) how the trustees maintain oversight of climate-related risks and opportunities which are relevant to the scheme;
> (b) the role of any person who otherwise than as a trustee undertakes scheme governance activities, in identifying, assessing and managing any climate-related risks and opportunities which are relevant to those governance activities and the process by which the trustees satisfy themselves that the person is taking adequate steps to identify, assess and manage the climate-related risks and opportunities;"

With the TPT recommendation:

> "information about the governance body(s) ... or individual(s) responsible for oversight of the transition plan" (5.1 of the TPT's disclosures) and "information about management's role in the governance processes, controls, and "procedures used to monitor, manage, and oversee the transition plan, as well as how it is embedded within the entity's wider control, review, and accountability mechanisms" (5.2)

There are corresponding duties in relation to most TPT recommendations in the climate governance and reporting regulations – the only difference being that the TPT recommendations are geared to a world where the economy transitions to decarbonisation, whereas the TCFD requirements also cover scenarios where this fails to take place with the necessary urgency.

We highlighted earlier, in our response to Q19, that information on how trustees will oversee any climate-related risks and opportunities associated with the economic, social and environmental devastation of a 4 degree world are of limited benefit. We would therefore encourage DWP and other government departments and regulators to consider refocusing TCFD reports and transition plans into combined reports which describe how pension schemes and other entities will carry out governance, set strategies, put in place risk management and use appropriate metrics and targets, to align with a 2 degree or below world, rather than produce longer and longer documents which explain how trustees and others would try and fail to mitigate the unmanageable pile-up of risks and impacts associated with much higher temperature scenarios.

In any case, DWP would be quite wrong to conclude that, because a number of schemes are producing TCFD reports which voluntarily look something like transition plans, there should be no requirement for schemes to produce such plans. DWP regulations and statutory guidance do not prescribe or set any expectations of particular emissions targets, or of timescales of longer than 10 years. This also means that schemes are free to unwind such targets at any point – which will be a significant risk later this decade as many schemes' decarbonisation plans are mostly predicated on the wholesale decarbonisation of the wider economy which is not happening at the pace anticipated around COP26.

In summary, any net zero targets voluntarily set out in TCFD reports are quite different from mandatory Paris-aligned transition plans. Mandating Paris-aligned transition plans by occupational, as well as personal, pension schemes is essential to ensure that the whole investment chain takes account of, and contributes to, an economy-wide transition.

38. **Government has indicated movement towards UK Sustainability Reporting Standards – do you use these standards to manage climate risk?**

We are not aware of most schemes using the UK sustainability report standards as yet. We do not have strong views as to whether these standards should apply to occupational pension schemes (which do not produce annual reports under the Companies Act) as well as companies.

Whilst there is a logic to applying the SRS along the whole investment chain, there are also a number of challenges for schemes, which (i) typically have far fewer day-to-day resources than companies with similar asset values; (ii) are highly dependent on advisers and investment managers for many activities which would be carried out in house by “real economy” firms, (iii) have fiduciary duties to beneficiaries rather than to shareholders (iv) like financial firms, but unlike most other firms, have extremely low operational emissions, but much higher funded emissions.

This means that the UK SRS, which are themselves derived from S1 and S2, are less immediately applicable to pension scheme circumstances and will raise as many uncertainties and concerns as they address.

Were Government to make the move to require occupational schemes to adopt the UK SRS they must accompany this with statutory guidance – not non-statutory guidance, which is purely voluntary – which offers supplementary explanations of how these apply to pension schemes and what activities and reporting they are expected to undertake.