

SURREY COUNTY COUNCIL**PENSION FUND COMMITTEE****DATE:** 11 SEPTEMBER 2020**LEAD OFFICER:** ANNA D'ALESSANDRO, DIRECTOR OF CORPORATE FINANCE**SUBJECT:** TASKFORCE FOR CLIMATE RELATED FINANCIAL DISCLOSURE REPORT 2019-20 (TCFD)**SUMMARY OF ISSUE:****Strategic objectives****Investment**

This report is a summary of the Fund's first report complying with the Taskforce for Climate Related Financial Disclosures. The report supports the Fund's Strategic Investment Objectives, with particular focus on how it fulfils its role as a Responsible Investor.

RECOMMENDATIONS:

It is recommended that the Pension Fund Committee:

- Approves the 2019-20 TCFD Report
- Continues to enhance its approach to Climate Risk in the context of its SDG Mapping work.

REASONS FOR RECOMMENDATIONS

In accordance with The Fund's Mission Statement, as well as its Investment Strategic Objectives, the Fund is required to fulfil its fiduciary duty to protect the value of the Pension Fund, to meet its pension obligations. The role of the Fund as an investor includes being aware of its wider responsibilities in Responsible Investment, as well as how it exercises its influence through engaging as active shareholders.

Part of this consideration of Environmental, Social and Governance factors, is the systemic risk that Climate Change poses to economies as well as to the Fund's investments.

DETAILS:**Background**

1. The LGPS Investment Regulations 2016 instructs funds to '*consider any factors that are financially material to the performance of their investments, including social, environmental and corporate governance factors, and over the long*

term, dependent on the time horizon over which their liabilities arise. Climate Change is not only considered an environmental risk for current and future generations, but equally a systemic economic risk, which can have a significant financial impact on the Fund's investments and its ability to meet future pension obligations.

- The Fund had become a voluntary supporter of TCFD in July 2019, with the objective to present its first TCFD report in line with its 2019-20 Annual Report. The TCFD provides the most recognised industry standard basis to report an organisation's approach to Climate Change in four key areas; Governance, Strategy, Risk Management and Metrics.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES						
About		Events	Publications	TCFD Knowledge Hub	TCFD Supporters	News
Companies						
Name	Location	Region	Sector	Industry	Date	
Surrey Pension Fund	United Kingdom	Europe	Financial	Pension	June 2019	

- The full report can be found in the Annexe.

CONSULTATION:

- The Chairman of the Pension Fund has been consulted and fully supports the conclusions of the report.

RISK MANAGEMENT AND IMPLICATIONS:

- There are no risk related issues contained within the report.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

- There are no financial and value for money implications.

DIRECTOR OF CORPORATE FINANCE COMMENTARY

- The Director of Corporate Finance is satisfied that all material, financial and business issues and possibility of risks have been considered and addressed.

LEGAL IMPLICATIONS – MONITORING OFFICER

- There are no legal implications or legislative requirements

EQUALITIES AND DIVERSITY

- The TCFD Report does not require an equality analysis, as the initiative is not a major policy, project or function being created or changed.

OTHER IMPLICATIONS

10. There are no potential implications for council priorities and policy areas.

WHAT HAPPENS NEXT

11. The TCFD Report will also be included in the 2019-20 Annual Report with the additional analysis provided by the Fund's Independent SDG Mapping Provider, due for completion by the end of September 2020. The Pension Fund will continue to monitor the progress of its approach to Climate Risk and Reporting, in the context of all risks to sustainable development, and how it can impact investment decisions.

Contact Officer:

Mamon Zaman, Senior Pensions Finance Specialist

Consulted:

Pension Fund Committee Chairman

Annexes:

Taskforce for Climate Related financial Disclosure Report 2019-20 (TCFD) - Annexe

Sources/background papers:

1. BCPP TCFD Report 2019-20
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