

**Reuters Pension
Fund Task Force on
Climate-Related
Financial Disclosures
("TCFD") Report –
Member Summary**

For Fund year-end 31 December 2022

Member Summary

The Trustee of the Reuters Pension Fund (“the Fund”) has prepared the following statement in response to new requirements for pension schemes under the Climate Change Governance and Reporting Regulations and accompanying statutory guidance issued by the Department of Work and Pensions (June 2021). The regulation sets out four elements which are based on the recommendations of the Task Force on Climate-Related Financial Disclosures (“TCFD”) and a summary of the Fund’s positions against each element is given below:

Governance

The Trustee of the Reuters Pension Fund retains ultimate responsibility for the management of climate-related risks and opportunities. Day-to-day management and oversight is delegated to the Investment Sub-Committee of the Trustee Board. Through the creation of a Climate Policy, the Trustee has created a governance structure which specifies roles regarding climate change risks and opportunities. Climate beliefs have also been articulated within the Policy. Furthermore, the Trustee has received training on climate change risks and opportunities, carbon emission and targets, climate change scenario analysis, and stewardship to help in its understanding of how climate change may impact the Fund.

Strategy

The Trustee considers climate-related risks across short-, medium- and long-term time horizons, and has performed scenario analysis on the assets, liabilities, and sponsor covenant of the Fund to assess the potential impact of climate change under three different scenarios. Under a “Slow transition” scenario (where global temperature increases are kept below 2 degrees Celsius relative to pre-industrial levels), the Fund’s funding level (combining the impact on assets and liabilities) is projected to fall by 3.9% by 2050.

This is driven by a negative impact of the assets falling by 1.9% due to the physical and transitional risks related to climate change for the underlying investments. Likewise, as life expectancy improves for members due to improved air quality and health conditions, the value of the Fund’s liabilities increase by 2% – the equivalent of a 2% decrease in funding level. As such, the overall impact on the Fund’s funding level is -3.9% by 2050.

Risk Management

The Trustee recognises the Fund is exposed to climate change-related risks and incorporates these risks into its wider risk management and decision-making frameworks. It manages these risks through conducting and considering the results of climate change scenario analysis, receiving climate-related reporting from the Fund’s investment consultant (including carbon emissions), and requiring the Fund’s investment managers to robustly consider climate-related risks and opportunities within their investments.

Metrics and Targets

The Trustee measures the following metrics:

1. Total greenhouse gas emissions of the Fund’s assets (“absolute emissions metric”)
2. Carbon footprint – i.e. total carbon dioxide emissions for the portfolio per million pounds invested (“emissions intensity metric”)

3. The result of the “Slow Transition Prudential Regulatory Authority (“PRA”) stress tests” (“non-emissions-based metric”)
4. Science Based Targets initiative (“SBTi”) portfolio alignment metric (“portfolio alignment metric”)

The Trustee has adopted the target of aligning the Fund’s investment strategy with the goals of the Paris Agreement, i.e. to aim to reduce the greenhouse gas emission intensity of the Fund’s assets to net zero by 2050. Given this is a long-term target, the Trustee has also set an interim target of a 50% reduction of carbon footprint by 2030 (compared to a baseline as of 31 December 2021).

The Trustee will monitor these chosen metrics, methodology, and progress against the net zero target, on an annual basis.

The Task Force on Climate-related Financial Disclosures was set up in 2015 by the Financial Stability Board to encourage companies and investors to report the financial risks for climate change. If members wish to understand more, further information can be found on their website [here](#).