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

For Fund year-end 31 December 2024

Member Summary

The Trustee of the Reuters Pension Fund (“the Fund”) has prepared the following statement in response to 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 position against each element is given below.

The Fund’s TCFD report for the year-ending 31 December 2024 can be read in full [here](#).

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 are delegated to the Investment Sub-Committee (“ISC”). For example, the ISC receive an update on the level of climate risk posed to the Fund from the results of climate stress tests as part of a wider risk report on the Fund which is issued quarterly by the Fund’s Investment Consultant. The Fund’s Climate Policy lays out a governance structure which specifies roles regarding the management of climate change risks and opportunities. The Trustee’s climate beliefs are also articulated within the Policy.

Strategy

In the Fund’s first TCFD report, the Trustee performed scenario analysis on the assets, liabilities, and sponsor covenant of the Fund under three climate scenarios. Given there have been no significant changes to the Fund’s strategic asset allocation or scenario analysis methodology used since this analysis, the Trustee chose to not update the scenario analysis for the current reporting period. The Trustee is aware of the regulatory requirement to refresh the Fund’s scenario analysis every third year after the initial analysis and will therefore update the Fund’s scenario analysis in the Fund’s next TCFD report.

For the period under review, the Trustee is comfortable the Fund’s strategy remains resilient to climate-related risks. The Trustee continues to consider climate-related risks and opportunities over the short, medium, and long term, and will incorporate risks identified when evaluating the Fund’s strategy.

The Trustee acknowledges that since the Fund’s first TCFD report (as at 31 December 2022) there has been a lack of global decarbonisation progress. Further, it is recognised there are policy headwinds going forward. The Trustee will therefore be undertaking further work in 2025 to understand the implications for the Fund of the goals of the Paris Agreement not being achieved. For example, the Trustee will be seeking to understand to what extent physical climate-related risks (such as the impact of increased instance of flooding) may have increased.

Risk Management

The Trustee recognises the Fund is exposed to climate related risks and incorporates these into its wider risk management and decision-making frameworks. It identifies these risks through conducting climate scenario analysis, as well as reviewing other climate reporting (including carbon emissions from the Fund’s assets) prepared by the Fund’s Investment Consultant.

Once identified, the Trustee seeks to manage these risks in two principal ways – through asset allocation and manager selection, and engagement and voting. No new managers were selected over the year to 31 December 2024.

The Trustee's policy is to delegate responsibility for engagement with investee companies and sovereigns to its investment managers. Over the year the ISC met with three of the Fund's investment managers and asked the managers to cover their approach to managing climate-related risks and opportunities as part of their presentations.

Metrics and Targets

The Trustee measures the following metrics for the Fund:

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. Data Quality ("Non-emissions-based metric") – i.e. the reliability of the underlying companies' emissions data ranked one to five.
4. Science Based Targets initiative ("SBTi") portfolio alignment metric ("portfolio alignment metric") – i.e. the proportion of the Fund's assets invested in companies that are classified as being Paris-aligned.

The Trustee's target is to align 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 set an interim target of a 50% reduction of carbon footprint by 2030 (compared to a baseline as of 31 December 2021).

The Fund's carbon footprint increased over the year to 31 December 2024. This was primarily due to an increase in the carbon footprint of the Fund's credit mandates, as well as an improvement to the methodology for calculating emissions on another of its investments. Overall, there has been a 3% reduction in carbon intensity from RPF's baseline.

The Trustee continues to believe that decarbonisation to a net zero economy would be in the best interest of members. However, when the Trustee's decarbonisation targets were agreed these were considered appropriate given the Fund's investment time horizon and the expectation that the global transition to a low-carbon economy would occur at a reasonable pace – making a net zero objective achievable. However, a distinct lack of global decarbonisation progress so far, and an unsupportive policy environment going forward, has led the Trustee to reconsider whether the Fund's decarbonisation targets remain appropriate. Accordingly, a formal review of RPF's these targets has been scheduled to take place over 2025.

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 associated with climate change. If members wish to understand more, further information can be found on their website [here](#).