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Data is the biggest challenge for trustees dealing with new climate change regulations, says Sackers' survey

Sacker & Partners LLP (Sackers), the UK's leading specialist law firm for pensions and retirement savings, today announced the results of their most recent webinar survey* which shows that the biggest challenge for trustees as they come to terms with the raft of new climate reporting regulations is data.

Stuart O'Brien, partner at Sackers and Chair of the Pensions Climate Risk Industry Group (PCRIG), commented: "New climate-related governance and reporting rules mean that many pension scheme trustees have a raft of new rules and disclosure requirements. Schemes in scope** will need to establish and maintain clear governance frameworks and processes for identifying and managing scheme related climate risks and select and report on at least three (or from October 2022 four) climate related metrics, setting a non-binding target for at least one of them. Some schemes will have their work cut out to get ready in time."

O'Brien continued: "The learning curve within the industry will be steep, but schemes in the £1bn to £5bn range can benefit from the work undertaken by the larger schemes who are already implementing these regulations. It's no surprise, however, that going into our recent webinar, over a quarter of attendees (29%) were unsure of what they need to do. Nor is it a surprise that the biggest concern is identifying and collecting the required data (46%)."

O'Brien concluded: "Trustees aren't expected to be climate experts or scientists, but they are ultimately responsible and accountable for ensuring that they comply with the new regulations. They need to start asking the relevant questions of their advisers and investment managers now to ensure they're well placed to comply with the regulations when their scheme comes into scope. There is also industry guidance to support trustees too, including a practical step-by-step guide from PCRIG*** that covers all aspects of the new regulations that will help trustees better navigate their way through this."

* Based on 70 respondents representing trustees and employers of both DB and DC schemes

** The new requirements are being phased in, with larger schemes whose net assets are £5bn or more and master trusts already in compliance. Schemes with £1bn or more of assets will be in scope from 1 October 2022.

*** The Pensions Climate Risk Industry Group (PCRIG), which is chaired by partner Stuart O'Brien, published guidance "Aligning your pension scheme with the Taskforce on Climate-Related Financial Disclosures recommendations" on 27 January 2021. You can download the full guidance document or quick start guides at <https://www.sackers.com/expertise/services/esg/pcrig-guidance/>

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Notes to Editors:

Sacker & Partners LLP (Sackers) is a top tier commercial law firm specialising in advising pension scheme trustees, employers, providers and corporate investors on all aspects of their pension arrangements.

Widely viewed as leaders in the field, Sackers advises more of the UK's top 200 pension funds than any other law firm. Sackers is consistently ranked in the top tier for pensions by both leading UK legal directories (Chambers UK and the Legal 500) and has been for over twenty years.

Based in London, Sackers provides support to trustee boards, sponsoring employers, providers and Government bodies across a range of areas, including day to day scheme management, funding and investment, projects, risk and litigation.

Sackers is an active member of the Pensions and Lifetime Savings Association and The Association of Pensions Lawyers and is technical legal expert partner to the Pensions Management Institute and Pension Chair. Sackers also works closely with TPAS, the SPP, and the Pensions Investment Academy.

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