



APPT LAUNCHES RESPONSIBLE INVESTMENT AND CLIMATE CHANGE COMMITTEE

31 MARCH 2021 - The Association of Professional Pension Trustees (APPT) has launched a new committee to look at Responsible Investment and Climate Change, as it continues to take a proactive role in raising the profile of ESG issues within the industry.

The committee has been formed as part of the APPT's response to the Department for Work and Pensions' consultation 'Taking action on climate risk: improving governance and reporting by occupational pension schemes', which set out proposals to require trustees of larger occupational pension schemes and authorised schemes to address climate change risks and opportunities.

The APPT are supportive of the proposals and believe that by requiring boards to discuss climate change and ESG, they will act as a trigger for wider action. However, although the proposed regulations will be rolled out to larger schemes first, the APPT believes that smaller schemes will find it challenging to implement the framework without a step change in the level of investment governance. The new committee is working to support the APPT's membership with these issues throughout 2021, with over 300 professional trustees now signed up for accreditation through the APPT programme.

Chaired by Tega Harding, Director at Independent Trustee Services (ITS), the Committee will also seek to encourage professional trustees to ensure climate risk is being managed effectively and to act as drivers for change in the industry, giving them a say in crafting new regulations, as well as responding to them.

Harding will work alongside Committee members Nigel Hill of Pi Pension Trustees, Marcus Hurd of ndapt, and Andrew Cole of BESTrustees. The group has already identified three key workstreams for 2021, starting with legislation, both in terms of clarifying trustee duties and responding to consultations.

Tega Harding, Director at ITS and Chair of the APPT Committee on Responsible Investment and Climate Change, said:

"The changes set out in the DWP consultation will result in a step change for the investment governance requirements of many schemes, particularly around how to assess climate risk embedded in the employer covenant. Still, the regulations won't hit all schemes equally. Many of the tools trustees need to properly assess climate risk are still in their development stages and it will be a challenge for the industry to roll these out more widely.

"If we are to enable the whole industry to move beyond tick box policies to meaningfully engage with the companies they invest in, there is still work to do. This has to come from joined up investor action, and that is why we have set up this Committee to support our members and help drive activity over the next 12 months and beyond."

-ENDS-



Notes to editors:

The Association for Professional Pension Trustees is the industry body for professional trustees of occupational pension schemes, working to encourage best practice within the sector and promote the interests of our members. We are recognised by the industry as the principal accreditation body for professional trustees, responsible for promoting and maintaining high standards amongst practitioners.