

Climate Change Strategy report – Initial findings of assessment of energy companies noted – Instruction to Director of Strathclyde Pension Fund.

6 With reference to the minutes of 2nd June 2021 (Print 2, page 81) approving an update and proposed amendments to Strathclyde Pension Fund's Climate Change Strategy and agreeing that the Director of Strathclyde Pension Fund would submit a report to the next meeting of this committee in relation to meeting its climate change targets, there was submitted a report by the Director of Strathclyde Pension Fund regarding the initial findings of an assessment of energy sector companies in Strathclyde Pension Fund portfolios, advising

- (1) that Strathclyde Pension Fund's Climate Change strategy followed the thematic approach set out by the Task Force in Climate-related Financial Disclosures (TCFD), which was the most recognised and used framework for climate change reporting by companies and other entities and that by using the TCDP framework, standards would be set and companies would be assessed under the 4 key areas of governance, strategy, risk management and metrics and targets and each of these and the standards which might be applied to them, were as detailed in the report;
- (2) of the working assumption of how the overall categorisation of each company could be determined using a red, amber and green rating system and what action would be taken in respect of each of the overall categories; and
- (3) of the next steps required to produce a final framework.

After consideration, the committee

- (a) noted the initial findings of an assessment of energy sector companies in Strathclyde Pension Fund portfolios;
- (b) agreed that a further report be submitted to this committee for consideration once the next steps, as detailed in the report had been completed; and
- (c) instructed the Director of Strathclyde Pension Fund to arrange a workshop with members of this committee to consider how to take the matter forward, particularly in relation to timescales, resources and what involvement the committee would have and that a separate workshop be arranged for members of Strathclyde Pension Fund Board and thereafter a combined workshop of members of this committee and the Board would be arranged.