

SCHEDULE

PART 1

Climate change governance etc. requirements

Strategy

3. Trustees must, on an ongoing basis, identify climate-related risks and opportunities which they consider will have an effect over the short term, medium term and long term on the scheme's investment strategy and where the scheme has a funding strategy, the funding strategy.

4. For the purpose of paragraph 3, the time periods which comprise the short term, medium term and long term are such time periods as the trustees determine are appropriate taking into account the scheme's liabilities and its obligations to pay benefits.

5. Trustees must, on an ongoing basis, assess the impact of the climate-related risks and opportunities which they have identified on the scheme's investment strategy and where the scheme has a funding strategy, the funding strategy.

6. Trustees must, as far as they are able, undertake scenario analysis which considers the matters in paragraph 7 in at least two scenarios where there is an increase in the global average temperature and in one of those scenarios the global average temperature increase selected by the trustees must be within the range of 1.5 degrees Celsius above pre-industrial levels to and including 2 degrees Celsius above pre-industrial levels.

7. For the purposes of paragraph 6, the matters are—

- (a) the potential impact on the scheme's assets and liabilities of the effects of the global average increase in temperature and of any steps which might be taken (by governments or otherwise) because of the increase in temperature in these scenarios;
- (b) the resilience of the scheme's investment strategy in these scenarios; and
- (c) where the scheme has a funding strategy, the resilience of the funding strategy in these scenarios.

8. The scenario analysis required by paragraph 6 must be undertaken—

- (a) in the first scheme year in respect of which the requirements of this Part apply to the trustees; and
- (b) thereafter in accordance with paragraph 11.

9. For the purposes of paragraph 8(a), trustees may rely on scenario analysis undertaken on any day, or days, in the first scheme year in respect of which the requirements of this Part apply, including any day before the requirements apply.

10. Trustees must, in each scheme year except the first scheme year in respect of which the requirements of this Part apply, review the most recent scenario analysis they have undertaken and determine whether it is appropriate to undertake new scenario analysis to ensure they have an up to date understanding of the matters set out in paragraph 7 in at least two scenarios as set out in paragraph 6.

11. Where—

- (a) the trustees have determined in accordance with paragraph 10 that it is appropriate to undertake new scenario analysis; or
- (b) the trustees have not undertaken scenario analysis in the two previous scheme years,

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the trustees must undertake new scenario analysis which meets the requirements specified in paragraphs 6 and 7.