



HOUSE OF COMMONS

LONDON SW1A 0AA

Mr H C Mather  
Chair of Trustees  
Shell Contributory Pension Fund  
Shell International Ltd  
Trustee Services Unit, Pensions Administration  
Shell Centre, London  
SE1 7NA

28 February 2018

Dear

*Mr Mather,*

**Re: Green Finance inquiry - request for information**

The Environmental Audit Committee is conducting an inquiry into Green Finance, examining how the UK can mobilise the investment necessary to meet our climate change targets and factor sustainability into financial decision-making. As part of this work, the committee wishes to understand the strategic response of some of the largest UK pension funds to known environmental risks, such as climate change.

As you may be aware, the Government has endorsed the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD), which apply to companies, investment managers, pension funds and other asset owners. The committee is now seeking written evidence on how best these recommendations should be implemented and would welcome your response to the following questions:

1. Do the trustees accept the TCFD conclusion that pension funds are potentially exposed to financial risks through climate change?
2. Which climate-related financial risks are you most concerned about?
3. Has your pension scheme formally considered climate change risk at Board (or Investment Committee) level?

4. If you have considered climate change related risks, what actions have you taken in response to these risks? We are interested, for example, in the development of specific investment strategies on this issue, whether you have taken formal advice, any changes in your investment strategy made or planned, and the exercise of your ownership responsibilities on this issue (either directly, or through your investment managers).
5. Are you planning to adopt the TCFD recommendations in your scheme's reporting? If so, please indicate your planned timing.
6. How would you suggest the Government and regulators implement the recommendations on climate-risk reporting? Is a voluntary approach sufficient to ensure widespread adoption?
7. Would guidance from Government or regulators on climate-risk reporting be helpful for pension funds?
8. Have you discussed climate change with your actuarial advisers, having regard to the Risk Alert that the Institute and Faculty of Actuaries (IFoA) issued to its members last year?
9. Please share with us any other information you think may be relevant as we develop our understanding of the approach UK pension funds are taking to climate change and, more generally, green finance.

Thank you for your attention in this matter. We would appreciate a response by 28th March. Please note that the Environmental Audit Committee intends to publish the responses it receives, including nil returns.

Yours sincerely,

*Best wishes,  
Mary Creagh*

**Mary Creagh MP**

**Chair of the Environmental Audit Committee**

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