

20 December 2021

PRAG publishes guidance on the Taskforce on Climate-related Financial Disclosures governance and reporting requirements

The Pensions Research Accountants Group (PRAG) has published guidance to help practitioners understand the Taskforce on Climate-related Financial Disclosures (“TCFD”) governance and reporting requirements that have been introduced for certain pension schemes from 1 October 2021. The new requirements do not affect financial reporting disclosures but do have an impact on the information included in (and linked from) the annual report of occupational pension schemes.

Sarah Lacey, Chair of the PRAG ESG Working Party, said:

“Occupational pension schemes are at the forefront of mandated climate-related financial disclosures with the Pension Schemes Act 2021 and Climate Change Regulations introducing new disclosure requirements around climate change risk. The guidance has been produced as a starting point for schemes caught in the initial two waves of reporting and we will develop the document as more information, increased regulation and examples of best practice emerge”.

Shona Harvie, Chair of PRAG Executive, said:

“The largest schemes are beginning to report on how they manage climate risk through TCFD reports. The UK being the first country to mandate TCFD reporting in the pensions sector. Thank you very much to Sarah and the other members of the working party for putting together the guidance in this important area. We look forward to further developments in future.”

Notes to editors:

Contacts:

For further information or a copy of PRAG’s guidance paper, please contact Andy Chambers, PRAG’s Press Officer, on press@prag.org.uk The guidance is available to PRAG members on our website.

About PRAG:

Pensions Research Accountants Group (“PRAG”) is a leading independent industry body working for the development of occupational pensions schemes, with a focus on financial reporting and internal controls. PRAG is a body of accountants and professionals working in the pensions industry. PRAG is the body recognised by the Financial Reporting Council for the publication of the accounting guidance through the Pensions Statement of Recommended Practice (“SORP”) which is a significant focus of our activities. PRAG also issues guidance on other topical areas and responds to consultations on areas affecting occupational pension schemes.

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