Since September 2021, Wiltshire Pension Fund has made progress in many of its climate related activities. This includes improving its annual TCFD report by:

- Recalculating the Fund’s emissions baseline to align with the Net Zero Investment Framework recommendations and Brunel Pensions Partnership
- Integrating additional analysis of holdings to increase coverage of asset classes
- Incorporating forward-looking assessment of holdings to understand the alignment of different portfolios and highlight specific holdings to prioritise for engagement.

Forward-looking alignment analysis of holdings is a central part of the Net Zero Investment Framework. Leveraging Mercer’s Analytics for Climate Transition (ACT), Wiltshire Pension Fund now monitors both the decarbonisation progress and the forward-looking alignment of its portfolios, with holdings labelled shades of green, grey and in between. This analysis will inform the Fund’s net zero strategy, particularly in relation to corporate engagement priorities, and support granular target setting over the next 12-18 months following the disclosure of the Fund’s initial net zero targets in 2022. See Commitment 6: Implementing a stewardship and engagement strategy for an example of the Fund’s engagement with highest emitting holdings via its asset managers.

The forward-looking alignment analysis will also allow the Fund to report against any new TCFD disclosure requirements that may come into force for Local Government Pension Schemes in the UK, as is currently being consulted on. At present, many UK pension schemes are in scope of requirements from the Department for Work and Pensions to report, as far as they are able to, one absolute emissions metric, one emissions intensity metric, and a portfolio alignment metric. With the latter akin to the Net Zero Investment Framework’s asset-level alignment approach.

The Fund is committed to transparently reporting on progress made towards its net zero commitment. In addition to TCFD reporting and regular updates to the Wiltshire Pension Fund website, the Fund intends to produce a ‘Climate report’ for 2022/2023 and welcomes policy proposals that would require Local Government Pension Schemes in the UK to have effective governance, strategy, risk management and accompanying metrics and targets for the assessment and management of climate risks and opportunities and disclose these in line with TCFD.