

---

*Changes to legislation: There are currently no known outstanding effects for the Pension Schemes Act 2021, Paragraph 12. (See end of Document for details)*

---

## SCHEDULES

### SCHEDULE 11

#### FURTHER PROVISION RELATING TO PENSION SCHEMES: NORTHERN IRELAND

#### PART 2

##### OTHER PROVISION

##### *Climate change risk*

- 12 (1) The Pensions (Northern Ireland) Order 1995 (S.I. 1995/3213 (N.I. 22)) is amended as follows.
- (2) After Article 41 insert—

##### *“Climate change risk*

- 41A(1) Regulations may impose requirements on the trustees or managers of an occupational pension scheme of a prescribed description with a view to securing that there is effective governance of the scheme with respect to the effects of climate change.
- (2) The effects of climate change in relation to which provision may be made under paragraph (1) include, in particular—
- (a) risks arising from steps taken because of climate change (whether by governments or otherwise), and
  - (b) opportunities relating to climate change.
- (3) The requirements which may be imposed by the regulations include, in particular, requirements about—
- (a) reviewing the exposure of the scheme to risks of a prescribed description;
  - (b) assessing the assets of the scheme in a prescribed manner;
  - (c) determining, reviewing and (if necessary) revising a strategy for managing the scheme's exposure to risks of a prescribed description;
  - (d) determining, reviewing and (if necessary) revising targets relating to the scheme's exposure to risks of a prescribed description;
  - (e) measuring performance against such targets;
  - (f) preparing documents containing information of a prescribed description.
- (4) Regulations under paragraph (3)(b) may, in particular, require—
- (a) that assets are assessed by reference to their exposure to risks of a prescribed description, and

---

*Changes to legislation: There are currently no known outstanding effects for the Pension Schemes Act 2021, Paragraph 12. (See end of Document for details)*

---

- (b) that an assessment includes determining the contribution of the assets of the scheme to climate change.
- (5) The regulations may require the trustees or managers of the scheme to take into account—
  - (a) different ways in which the climate might change, and
  - (b) different steps that might be taken because of climate change.
- (6) Regulations under paragraph (5) may require the trustees or managers of the scheme to adopt prescribed assumptions as to future events, including assumptions about—
  - (a) the steps that might be taken for the purpose of achieving the Paris Agreement goal or other climate change goal, or
  - (b) the achievement of the Paris Agreement goal or other climate change goal.
- (7) In complying with requirements imposed by the regulations, a trustee or manager must have regard to guidance prepared from time to time by the Department.
- (8) In this Article “the Paris Agreement goal” means the goal of holding the increase in the average global temperature to well below 2°C above pre-industrial levels referred to in Article 2(1)(a) of the agreement done at Paris on 12 December 2015.

*Climate change risk: publication of information*

- 41B (1) Regulations may require the trustees or managers of an occupational pension scheme of a prescribed description to publish information of a prescribed description relating to the effects of climate change on the scheme (which may include information about matters to which regulations under Article 41A may relate).
- (2) Regulations under paragraph (1) may, among other things—
    - (a) require the trustees or managers to publish a document of a prescribed description;
    - (b) require information or a document to be made available free of charge;
    - (c) require information or a document to be provided in a form that is or by means that are prescribed or of a prescribed description.
  - (3) In complying with requirements imposed by the regulations, a trustee or manager must have regard to guidance prepared from time to time by the Department.

*Articles 41A and 41B: compliance*

- 41C (1) Regulations may make provision with a view to ensuring compliance with a provision of regulations under Article 41A or 41B.
- (2) The regulations may in particular—
    - (a) provide for the Authority to issue a notice (a “compliance notice”) to a person with a view to ensuring the person's compliance with a provision of regulations under Article 41A or 41B;

---

**Changes to legislation:** There are currently no known outstanding effects for the Pension Schemes Act 2021, Paragraph 12. (See end of Document for details)

---

- (b) provide for the Authority to issue a notice (a “third party compliance notice”) to a person with a view to ensuring another person's compliance with a provision of regulations under Article 41A or 41B;
  - (c) provide for the Authority to issue a notice (a “penalty notice”) imposing a penalty on a person where the Authority are of the opinion that the person—
    - (i) has failed to comply with a compliance notice or third party compliance notice, or
    - (ii) has contravened a provision of regulations under Article 41A or 41B;
  - (d) provide for the making of a reference to the First-tier Tribunal or Upper Tribunal in respect of the issue of a penalty notice or the amount of a penalty;
  - (e) confer other functions on the Authority.
- (3) The regulations may make provision for determining the amount, or the maximum amount, of a penalty in respect of a failure or contravention.
- (4) But the amount of a penalty imposed under the regulations in respect of a failure or contravention must not exceed—
- (a) £5,000, in the case of an individual, and
  - (b) £50,000, in any other case.
- (5) In this Article “First-tier Tribunal” and “Upper Tribunal” mean those tribunals established under section 3 of the Tribunals, Courts and Enforcement Act 2007.”
- (3) In Article 113 (breach of regulations), in paragraph (3)(b), after “10” insert “ or under provision contained in regulations made by virtue of Article 41C ”.
- (4) In Article 167 (Assembly, etc. control of orders and regulations), after paragraph (3) insert—
- “(3A) Paragraph (2) also applies in relation to the first regulations made by virtue of Article 41A or 41C (whether made alone or with other regulations).”

---

**Commencement Information**

**II** Sch. 11 para. 12 in force at 1.9.2021 by S.R. 2021/240, art. 2(2)(e)

**Changes to legislation:**

There are currently no known outstanding effects for the Pension Schemes Act 2021, Paragraph 12.