

Management roles and responsibilities

Climate change-related responsibilities must be assigned to a dedicated member of management. Responsibilities within a fund manager can sit with a single individual or be allocated across a number of individuals and/or management committees. For clarity, this template assumes the roles and responsibilities are assigned to an individual (the manager).

Roles and responsibilities:

Governance

- Established as the clear point person who arranges and communicates climate change information to the board.
- Monitors, understands and communicates the latest external market and regulatory climate change developments to the board and executives.
- Monitors climate governance implementation and proposes actions to strengthen processes as necessary.
- Identifies and ensures that climate change-related training needs are met throughout the organisation.
- Delegates tasks to other team members, as appropriate.

Strategy

- Influences, advises and provides strategic leadership on climate change.
- Supports the development of the organisation's climate change strategy, which includes defining its climate change ambitions, so climate change is positioned and integrated with the organisation's investment strategy.
- Supports the development of a strategy for addressing climate change within the current portfolio.
- Supports the development of short, medium and long-term goals and targets, including consideration of Paris-alignment and net zero commitments.
- Supports the development of a long-term transition plan to ensure the organisation's strategic objectives are met.
- Tracks, understands and engages external fund stakeholders and reports fund-level perspectives internally to management.
- Provides insights, training and research to the organisation's management and staff.
- Actively engages with portfolio companies to ensure the organisation's climate change requirements are clearly understood.
- Participates in business association forums on climate change and provides leadership on key policy issues.
- Leads climate change scenario analysis development and iteration.

Risk

- Develops and documents the necessary processes and policies to ensure climate change-related risks are properly identified, managed, and communicated throughout the organisation.
- Develops frameworks or tools (publicly available or bespoke) to assist investment officers and portfolio companies in identifying and assessing climate risk.
- Supports investment teams with assessments of potential climate change risks and opportunities for new transactions.
- Develops a mechanism for internal risk reporting (such as senior management/committee reports, risk appetite reporting) on climate change risks and opportunities.
- Assists in the integrating and documenting climate change risk and opportunities into existing risk management processes.
- Establishes necessary climate-related criteria, such as exclusion lists, emissions benchmarks, and climate-related risk thresholds for new investments.

Metrics and Targets

- Develops and implements a documented reporting process that outlines the climate information captured, tracked and reported (including how and where).
- Develops appropriate climate metrics to assess climate risks and opportunities aligned with the organisation's strategy and risk management process and risk appetite.
- Tracks, monitors and reports internally on the progress of the organisation's climate-related metrics and initiatives.
- Leads and coordinates external reporting and disclosures on climate change across the organisation.