

Checklist for Policy Implementation and Accountability

When a pension fund improves its policies and principles to better understand and limit climate risk, it sets itself up for much stronger financial sustainability and security of public workers' retirement futures. However, setting goals and deciding on an approach is just the starting point. A pension fund's actual outcomes will be determined by how well it implements its policies and holds itself accountable.

Here are eight questions to ask to determine if your fund is setting itself up for effective climate risk policy implementation and accountability. **The factors, in bold, can be the key to how effective and impactful any policy can be in practice.**

- ☐ Is the policy's purpose **explicitly named in the fund's Investment Statement/ Policy**, which serves as the foundation for most investment processes and decisions?
- ☐ Are there **clear, measurable metrics** that define success and progress?
- ☐ Does any commitment or principle include **concrete, actionable timelines** for what that looks like in practice?
- ☐ Does the system conduct **consistent performance reviews, with formal spaces for learning** and adaptation based on the reviews?
- ☐ Is the fund equipped with the **monitoring processes, research tools, and data access** needed to understand climate risk in its portfolio accurately and whether a policy solution is helping to reduce it?
- ☐ Is there **transparent, accessible reporting, and engagement** to ensure the beneficiaries (for whom the fund is responsible) are aware, understand, and have the opportunity to offer input on policy decisions, practices, and outcomes?
- ☐ Are there **correlating expectations, standards, and assessments for the external managers** who handle investments and proxy engagement on behalf of the fund?

(This set of standards and practices for how the fund hires, manages and evaluates its asset managers and proxy service providers is called "due diligence"-- and can be a lynchpin in ensuring a given policy or commitment is actually being put into practice.)

- ☐ Is there **adequate resourcing for the pension system** to successfully build and maintain the activities needed for policy implementation and accountability?

(Depending on the policy's goal, that can take multiple forms. Commons considerations include additional staff capacity and expertise, expanded agency over the fund decisions, trustee education and engagement opportunities, specialized contract services or data resources, or membership in beneficial networks or collaboratives.)