

Climate Financial Risk Forum (CFRF) Membership – Session 3

Call for interest

Climate change and society's response to it presents financial risks and opportunities that are relevant to the PRA's and FCA's objectives. Firms are enhancing their approaches to managing these risks, but face barriers to implementing the forward-looking, strategic approach necessary to minimise the risks. The CFRF has a unique structure that brings regulators and firms together to add value by building capacity and sharing best practice to advance the UK financial sector's response to the financial risks and opportunities generated by climate change.

The CFRF met in October 2021 and agreed to refresh up to half of the Forum membership to ensure it remains reflective of the industry and brings in new viewpoints and relevant expertise to the collective benefit of the CFRF and the UK financial sector. The Forum will consist of a group of member firms (*Forum members*) whose representatives are expected to attend all Forum meetings and take part in setting the agenda and strategic direction of the CFRF¹. Working Group members will be active participants in their selected working groups only.

The following indicative criteria will be taken into account when selecting Forum and Working Group members (collectively referred to as *Members*). Further guidance on each criteria are illustrated in Appendix 3:

- (i) Ability to commit to the work of the CFRF in a meaningful manner;
- (ii) Provide sufficiently suitable senior² representation;
- (iii) Resources (proportionate to the size of the organisation);
- (iv) Current and planned approach by your firm to managing climate-related financial risks; and
- (v) Diversity of perspective your organisation will bring to the CFRF.

Accordingly, we are pleased to open the nomination process for becoming a Member and we would like to invite you to express your interest. Roles and responsibilities of being a member are outlined in the CFRF Terms of Reference attached in Appendix 1.

Should your organisation be interested to (re)join the CFRF for Session 3, **please complete the attached nomination form in Appendix 2 and return the completed form to the CFRF Secretariat (climate.forum@fca.org.uk) no later than 17 December 2021.**

¹ The Forum Members will be comprised of: 5 x banks, 5 x insurers, 5 x asset managers, 2 x asset owners and 2 x supporting institutions.

² Appropriate senior representation refers to the influential senior executives of an organisation with responsibility for managing climate-related financial risks.

Next steps:

- Membership applications for Session 3 received by **17 December 2021**.
- Membership applications reviewed by FCA/PRA between **3-14 January 2022**.
- Chairs for the Working Groups confirmed³ by **14 January 2022**.
- FCA/PRA and WG Chairs to finalise membership of Working Groups between **17-21 January 2022**.
- Composition of working groups finalised between **24-28 January 2022** – Session 3 commences.

³ The 3 Working Groups agreed at the 7 October 2021 Forum meeting are Disclosure, Data & Metrics; Scenario Analysis and Transition to Net-Zero.

Appendix 1: CFRF Terms of Reference (see [separate link](#))

Appendix 2: CFRF Nomination Form

Name of Organisation: _____

1. Would your organisation like to (re)join the CFRF as either a Forum Member or member of a Working Group for Session 3 (Jan – Dec 2022)? [Note: All Forum members are expected to also be a member of a particular Working Group. Please answer question 3 if you selected option a.]
 - a. Forum member
 - b. Working Group member

2. As either a potential Forum member or Working Group member can you please confirm who will attend meetings on behalf of your organisation, their position within your organisation, and detail their relevant responsibilities for climate? Please note that representatives will be expected to attend regular CFRF and/or Working Group meetings and should not send delegates to act on their behalf.

3. Which proposed Working Group(s) do you wish to (re) join, stating preferences where appropriate?
 - a. Disclosure, Data & Metrics
 - b. Scenario Analysis
 - c. Transition to Net-Zero

4. Would you like to chair the Working Group you have selected? Yes/No

5. If your firm would like to chair a working group, please specify the individual who would undertake this role?

6. For the Working Group(s) you have selected, please provide a brief summary of why you want to join, setting out how the criteria outlined in the cover page would be met. Responses could include experience and expertise related to your preferred Working Group(s) and (if applicable) previous experience as part of the CFRF and/or track record of involvement in other domestic or international climate fora and willingness to openly share best practices with the other Forum members.

7. Any other supporting comments for consideration.

Appendix 3: CFRF Membership Criteria

We have outlined below some indicative criteria for membership selection but by no means an exhaustive list.

1. Ability to commit to the work of the CFRF in a meaningful manner
 - i. Ability to actively contribute to the objectives and work of the CFRF;
 - ii. Willingness to take ownership of the CFRF strategy and development of the agenda to ensure that it is sufficiently strategic, agile and continues to remain relevant in addressing the challenges generated by climate-related financial risks;
 - iii. Willingness to openly share best practices with the other CFRF members and wider industry;
 - iv. Commitment to raise awareness of the Forum's work within the industry/sector your organisation operates in, both domestically and internationally;
 - v. Participate when appropriate in the outreach events conducted by the Forum.
2. Provide sufficiently suitable senior representation
 - i. Appropriate senior representation refers to highest ranking and influential senior executive who are primarily responsible for the development and delivery of climate strategy within the organisation;
 - ii. Have overall oversight of climate across every aspects of the business areas. This would typically fall into (but not limited) to the Group CRO or CEO.
3. Resources (proportionate to the size of the organisation)
 - i. Dedicating the appropriate senior resources (see criteria 2 above) in their organisation to support their participation in the Forum;
 - ii. Appoint relevant expert(s) to participate in the relevant Forum's technical working groups.
4. Current and planned approach by your firm to managing climate-related financial risks
 - i. Demonstrate organisation's experience and maturity of approach to climate-related financial risk management to drive best practice in enabling an economy wide transition to net-zero;
 - ii. This includes consideration of the needs of large and smaller organisations across the different financial sub-sectors.
5. Diversity of perspective your organisation will bring to the CFRF
 - i. Demonstrate diversity of thought, skills, experience and views the organisation will bring to CFRF given the Forum's unique structure that brings regulators and representation across the industry together to add value given the ongoing climate initiatives both domestically and internationally.