

## **Environmental Information Regulations – Response - 27445**

*Please provide the following information in relation to the conduct of the 2025 local government pension scheme (LGPS) Triennial Valuation - published in April 2026:*

*1) The name(s)/ & firm of your actuarial consultant?*

Hymans Robertson

*2) The name(s)/ & firm of your investment consultant? (IC)*

Hymans Robertson and Mark Stevens

*3) Names/ descriptions of relevant climate scenarios selected for the purpose of the 2025 valuation - & the temperature pathway (i.e. 2C, 3C) each scenario relates to?*

We can confirm that Suffolk County Council holds this information. However, the information is readily accessible to you, as it is already in the public domain.

**Section 21** of the FOIA states that a public authority does not need to provide information under section 1 of the Act if that information is reasonably accessible to the applicant by other means.

The climate scenarios are set out in the Fund's 2025 actuarial valuation report which is on the Fund's website

[Suffolk Pension Fund 2025 Final Valuation Report | Suffolk Pension Fund](#)

*4) For each scenario/pathway, please provide the estimated financial damages from climate change after 5 years, 10 years, 20 years & where applicable 40 years (if presented/published in chart form, please also provide the underlying chart data in MS Excel format)*

The actuarial valuation report linked above sets out the potential impact to the Fund's funding strategy long-term success and downside risk measures under each climate scenario.

*5) Were climate scenarios selected by committee for the valuation following advice/information from your a) actuary, b) investment consultant, c) IC & actuary d) Other? - please explain*

Climate scenarios were considered based on advice/information from our actuary

*6) In assessing the potential for physical climate risk to negatively impact the valuations and future returns of the fund over the next 20 years (per LGPS SAB) - do you consider future impacts of climate change to be already priced into financial assets? (inc: bonds, equities, PE & infrastructure)*

We believe that current pricing of financial assets should reflect all information available to the market, including the impact of climate (physical) risk. We also acknowledge that the impact of climate risk is very uncertain and complex. As any impacts emerge, they could fundamentally affect the prices of financial assets over time. This is one of the

reasons why the Fund includes a margin of prudence within its assumptions and funding strategy.

*7) What discount rate has the fund selected? Has physical climate risk been factored into the assumed discount rate/ future returns? If so, how?*

The discount rate chosen by the Fund was 5.6% pa as at 31 March 2025. Climate risk (both physical and transition) has been factored in via the methodology used to derive the discount rate and when considering the level of prudence within the rate.

*8) If the fund has opted to reduce pension fund contributions relative to 2022 due to current surplus levels - to what extent have you factored potential future climate related losses into the reasonableness of this decision?*

As above, the Fund has considered all relevant factors, including but not limited to climate risk, when determining the contribution strategy for this valuation.

*9) What level of prudence has the fund set? To what extent does this prudence level provide a buffer against future climate damages impacting your future surplus & funding level?*

The Fund has set a prudence level of 85% which helps provide a buffer against future adverse experience resulting from all risks identified by the Fund, including but not limited to climate risk. The prudence level remains under review at each triennial funding valuation.

*10) Were the DB scheme to tip into deficit (for e.g. due to climate damage/ market loss) - based on the administering authority Treasury Management Strategy, would any immediate shortfall be made up via a) increased borrowing, b) council tax increases, c) higher scheme contributions, d) government bailouts, e) other - please explain?*

Any emerging shortfall would be considered carefully by the Fund, including the cause and expected permanence of any loss, and range of possible corrective actions. This would be discussed and agreed with the Pensions Committee and other relevant stakeholders, in line with the Fund's governance framework. Any remedial action (if at all needed) would be taken with a longer-term view in mind, mitigating any material financial impact.