



Climate Risk and Sustainable Finance Forum

Terms of Reference – June 2022

1. Introduction

These Terms of Reference govern the work of the Climate Risk and Sustainable Finance Forum (hereafter ‘the Climate Forum’), which is formally established on 29 June 2022. The Terms of Reference will be updated if and when the scope or purpose of the Climate Forum changes.

2. Purpose and Scope

The Climate Forum is a consultative forum, the main aim of which is to build and accelerate a shared approach between the financial sector and the Central Bank to the understanding and management of the financial risks and opportunities posed by climate change.

The Climate Forum will focus discussion on high-priority issues where cross-sectoral input would be valuable, and will seek to establish a framework within which industry could progress work to address these high-priority issues, for instance by sharing examples of good practices on how firms / sectors are improving their response to climate-related financial risks. To this end, working groups will be established within the Climate Forum, as appropriate.

On this basis, the Climate Forum proposes to address the following broad topics:

- (i) Build a shared knowledge and understanding of the implications of climate change for the Irish economy and financial system.
- (ii) Share/publish best practices on climate-risk assessment and modelling.
- (iii) Build a shared understanding of data gaps and how to address them.
- (iv) Share/publish examples of good practice on embedding climate-related risk assessment and sustainable finance considerations within firms’ operations.



3. Composition of Forum and Participant Responsibilities

Participants at the Climate Forum include the Chair, Secretariat, Members, Observers and Climate Experts. Each participant at the Climate Forum (and its working groups) will be responsible for complying with the legal obligations in respect of their position within their own firm/organisation. Each participant will also be responsible for complying with their obligations under all applicable competition laws.

3.1 Chair

The Forum will be chaired by the Central Bank of Ireland. The Chair will be responsible for:

- (i) Setting the Forum agenda;
- (ii) Hosting Forum meetings and leading / facilitating Forum discussions;
- (iii) Reviewing and determining membership of the Forum;
- (iv) Inviting observers and guests to attend when deemed appropriate;
- (v) Establishing working groups, as appropriate, appointing a Chair to each working group and determining its membership;
- (vi) Proposing and securing agreement, as appropriate, from members on output;
- (vii) Approving any documentation to be published by the Forum.

The Forum Chair will be a deputy governor, or alternate, from the Central Bank of Ireland.

3.2 Secretariat

The Central Bank of Ireland will provide secretariat support to the Climate Forum and will be responsible for:

- (i) Organising Forum meetings;
- (ii) Drafting Forum agendas, minutes and supporting documentation for meetings, as required;
- (iii) Disseminating documentation among members in advance of Forum meetings;
- (iv) Liaising with Forum members, as necessary, to facilitate coordination and communication on Forum related issues.

The secretariat duties for any working groups that are established by the Climate Forum may, at the discretion of the Forum Chair, be provided by members other than the Central Bank of Ireland.



3.3 Members

In addition to the Chair and the Secretariat, the Central Bank of Ireland members will include, when appropriate, staff from relevant business areas of the Central Bank.

Members from outside the Central Bank of Ireland will comprise a group of senior-level representatives from across the Irish financial sector, to include representative bodies from the banking, insurance, credit unions, asset management and markets sectors, in addition to a select number of financial firms and climate risk and sustainable finance expert bodies. It is expected that these participants will be at a suitably senior decision-making level within their organisations.

Forum members will be expected to:

- (i) Participate in the design of the Forum's meeting agendas and work programme;
- (ii) Actively participate in and contribute to Forum meetings;
- (iii) Contribute resource to Forum activities and working groups that may be established, where relative contributions across members should be proportionate to the size of member firms / organisations.

It is envisaged that Forum membership will be reviewed on an annual basis to ensure representativeness of the Irish financial sector.

3.4 Observers and Climate Experts

At the Chair's discretion, the Forum may also include a number of observers and climate experts who will not be expected to contribute to the setting of the Forum's agenda nor to participate in delivery of Forum outputs. This does not preclude observers and experts, however, from making representations to the Chair concerning the Forum's activities. These observers / experts may be invited to attend the Forum on an ongoing basis, or, in certain cases, they may be invited to attend only a select number of meetings. Forum members can suggest potential observers / experts to the Chair.



4. Forum Activities

4.1 Meetings

The Climate Forum will meet twice a year. In the event that working groups are established as part of the Forum, these groups may convene at alternative frequencies that are commensurate with the aims and needs of those groups (to be defined in a working group's Terms of Reference), while progress updates would be delivered at the biannual Climate Forum meetings.

Materials for Forum meetings will be shared with members in advance of each meeting.

The minutes from Forum meetings will be published on the Central Bank of Ireland website within four weeks after each Forum meeting.

4.2 Outputs

Outputs may be produced for broad dissemination as part of the Forum or its working groups. These outputs could include, for example, information documents or practical tools to advance the understanding, measurement and management of climate related risks within firms. Outputs could also emerge from events such as conferences or round tables that may be organised through the Forum to advance the Forum's objectives. Where practicable, outputs will be published in an appropriate outlet, to be agreed by Forum members, with the aim of sharing broadly among financial sector participants and other stakeholders. This may include, but is not limited to, the Central Bank of Ireland's website.

5. Governance

The Climate Forum will be chaired by the Central Bank of Ireland. At its inaugural meeting, the Forum Chair will seek agreement on the Forum's purpose and scope from Forum members. Thereafter, the Forum Chair will determine changes to the Forum's purpose and scope, agree outputs and decide on the establishment of any working groups in consultation with the Forum members. Proposals will be approved at Forum meetings when they are supported by at least a majority.

While the agenda for Forum meetings will be set by the Central Bank of Ireland, Forum members and observers can make requests or suggestions about the content of agendas by communicating with the Forum secretariat in advance of Forum meetings. Any such request should be



communicated no less than two weeks before the meeting to which the agenda relates. The final content of any Forum meeting agenda will be decided by the Forum Chair.

The Forum secretariat will share with Forum members drafts of minutes (anonymised) from Forum meetings to be published within four weeks after each Forum meeting. Forum members should communicate any comments or edits to the Forum secretariat within one week of receiving the draft. The final content of the minutes will be decided by the Forum Chair.

No one Forum member will have veto power over Forum or working group decisions.

6. Transparency

The Climate Forum is committed to publicly disseminating as much information as possible from the Forum's work programme and discussions. The purpose, scope, membership and Terms of Reference of the Climate Forum and any working groups will be published on the website of the Central Bank of Ireland. The agenda and minutes of each Forum meeting (or working group meeting) will also be published on the Central Bank of Ireland website, and this publication will take place within four weeks after a Forum meeting has occurred. Key decisions and actions taken by the Climate Forum or its working groups will also be published, once agreed, provided they do not disclose confidential information that was shared during Forum proceedings.

The key outputs that are produced for the Climate Forum or its working groups will be published through an appropriate means, which may be the website of the Central Bank of Ireland, to ensure broad dissemination among financial market participants and other stakeholders.

Other Climate Forum communications may be published if agreed by the majority of Forum members in addition to the Central Bank of Ireland. Non-public information or opinions that are disclosed during Forum or working group proceedings will be treated as confidential. Climate Forum members can opt for the public release of same under the majority opinion rule (and with the specific consent of individual members that are party to the confidential information). Where there is no clear majority (but consent has been provided by individual members that are party to the confidential information), the Forum Chair can make the final decision with a combined vote.

Climate Forum participants may discuss their participation in the Forum or its working groups externally, but they must neither claim that they speak for the Climate Forum nor make specific



reference to any non-public information without prior approval by the Forum (as per previous paragraph).

7. Intellectual Property

It is expected that outputs produced for the Climate Forum or its working groups will be published for broad consumption. Climate Forum participants accept that they will not gain any ownership rights to such outputs or to any intellectual property that is created through the Climate Forum or its working groups. This will not affect pre-existing intellectual property rights on material that is brought by participants to the Climate Forum or its working groups. It is the responsibility of Climate Forum participants to make clear any pre-existing intellectual property rights relating to information or material shared through the Climate Forum or its working groups.

8. Disclaimer

The Central Bank of Ireland and its staff or representatives (including, but not limited to Forum Chair, Members and Observers) will not be responsible for any views or statements expressed by other Climate Forum participants.

The views expressed in outputs produced by the Climate Forum may not necessarily reflect the views of the Central Bank of Ireland or of the European System of Central Banks.

Discussions at the Climate Forum and outputs produced by the Forum or its working groups should not be taken as an indication of future policy by the Central Bank of Ireland or by the European System of Central Banks.

9. Review of Terms of Reference

The scope, obligations and membership of the Climate Forum may change over time and these Terms of Reference will be reviewed and updated when necessary. Any changes will be approved by the Chair and communicated to Forum members and an amended version of the Terms of Reference will be published on the website of the Central Bank of Ireland.