<u>Cambridgeshire Pension Fund - Climate Action Plan</u>

Calendar Year Quarter 1 2022

| Agree decarbonisation pathway and targets that align the beliefs and ambitions of the Investment Sub Committee (ISC). The ISC agreed target reductions in absolute carbon emissions of the Fund's listed equity holdings of at least: | √ |
|---|----------|
| 23% from June 2021 baseline by 202457% from June 2021 baseline by 2030 | |
| Communicate agreed targets and aspirations to investment managers | ✓ |
| Instruct advisers to investigate high level approaches to climate aware passive equity investing | ✓ |
| Publish Climate Action Plan | ✓ |

Quarter 2/3 2022

| ISC receive training on strategic options to decarbonise the Pension | \checkmark |
|--|--------------|
| Fund's active equity portfolio, including setting targets for existing | |
| managers and considering sustainable and impact equity and/or UN | |
| Sustainable Development Goals (SDG) alignment | |
| ISC receive report on high level climate aware passive equity | ✓ |
| options | |

Quarter 3/4 2022

| Receive implementable proposal on carbon aware passive equity portfolio | ✓ |
|---|----------|
| Prepare and publish reporting in line with the Task-Force on | ✓ |
| Climate-Related Financial Disclosures (TCFD) disclosure | |
| requirements for the 2021-22 Fund annual report | |

<u>2023</u>

Quarter 1 2023

| Agree managers and portfolio structures for climate aware passive investing | ✓ |
|---|---|
| Analysis of climate metrics as at 30/06/22 | ✓ |

Quarter 2 2023

| Review progress against targets and appropriateness of metrics. | ✓ |
|--|---|
| Continue to engage with existing active equity managers around decarbonisation approaches - as required | ✓ |
| Engage with private asset managers to improve carbon data provision for portfolios and increased ESG integration | |
| Implement carbon aware passive equity in Q2 2023 | ✓ |
| ISC consider proposals for impact investing in private markets - Infrastructure | ✓ |

Quarter 3 2023

| Engage with ACCESS on sustainable/impact infrastructure | √ |
|--|----------|
| managers (based on Committee preferences following Q2 2022 | |
| discussion) | |

Quarter 4 2023

| Analysis of climate metrics as at 30/06/23 | ✓ |
|---|---|
| ISC consider proposals for sustainable/impact investing in listed | |
| equity as part of equity portfolio review | |

<u>2024</u>

Quarter 1 2024

| ISC consider proposals for including asset classes beyond listed equity in climate reporting and target setting | |
|---|--|
| Consider setting more granular targets across: | |
| - Sustainable/Climate solutions | |
| - Transition alignment | |
| - Stewardship | |
| ISC receive report on availability of data and approach on | |
| alternatives assets | |
| ISC consider proposals for sustainable/impact investing in private | |
| markets (Private equity/property) | |
| Review progress against targets and appropriateness of metrics | |
| Consider draft UK Stewardship Report ahead of submission to FRC | |
| ISC consider feasibility of including Scope 3 within emissions | |
| reduction reporting and targets | |

Quarter 2 2024

| Use insights and recommendations to shape discussions and support climate change reporting (TCFD) - awaiting outcomes of consultation | |
|---|--|
| Consider potential connections to biodiversity/natural capital | |
| Submit approved UK Stewardship Report to FRC | |

Quarter 3 2024

| Continuation of the work with active managers to implement carbon | |
|--|--|
| reduction measures and increase the sustainability of the portfolios | |
| they manage | |