

## Climate Action Plan

### Calendar Year

2022

### 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: <ul style="list-style-type: none"> <li>• 23% from June 2021 baseline by 2024</li> <li>• 57% from June 2021 baseline by 2030</li> </ul>	✓
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 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	✓

2023

### 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 Environmental, Social and Governance (ESG) integration	
Implement carbon aware passive equity	
ISC consider proposals for impact investing in private markets - Infrastructure	

### Quarter 3 2023

Engage with ACCESS on sustainable/impact equity managers (based on Committee preferences following Q2 2022 discussion)	
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### Quarter 4 2023

ISC receive report on availability of data and approach on alternatives assets	
ISC consider proposals for impact investing in listed equity	
ISC consider proposals for impact investing in private markets (private equity/property)	

2024

### Quarter 1 2024

Consider setting more granular targets across: - Sustainable/Climate solutions - Transition alignment - Stewardship	
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 Financial Reporting Council (FRC)	
ISC consider proposals for including asset classes beyond listed equity in climate reporting and target setting	

### Quarter 3 2024

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