

# Cambridgeshire Pension Fund

# Climate Action Plan



# Climate Action Plan

The Cambridgeshire Pension Fund's Climate Action Plan is a commitment to sustainability, aiming to achieve net zero carbon emissions by 2050 or earlier.

The plan includes a decarbonisation pathway for the investment portfolio and has made significant progress towards these targets since 2021.

The plan is supported by the Fund's Investment Sub Committee ("ISC") and forms part of the Fund's broader strategy to manage carbon and climate risks effectively.

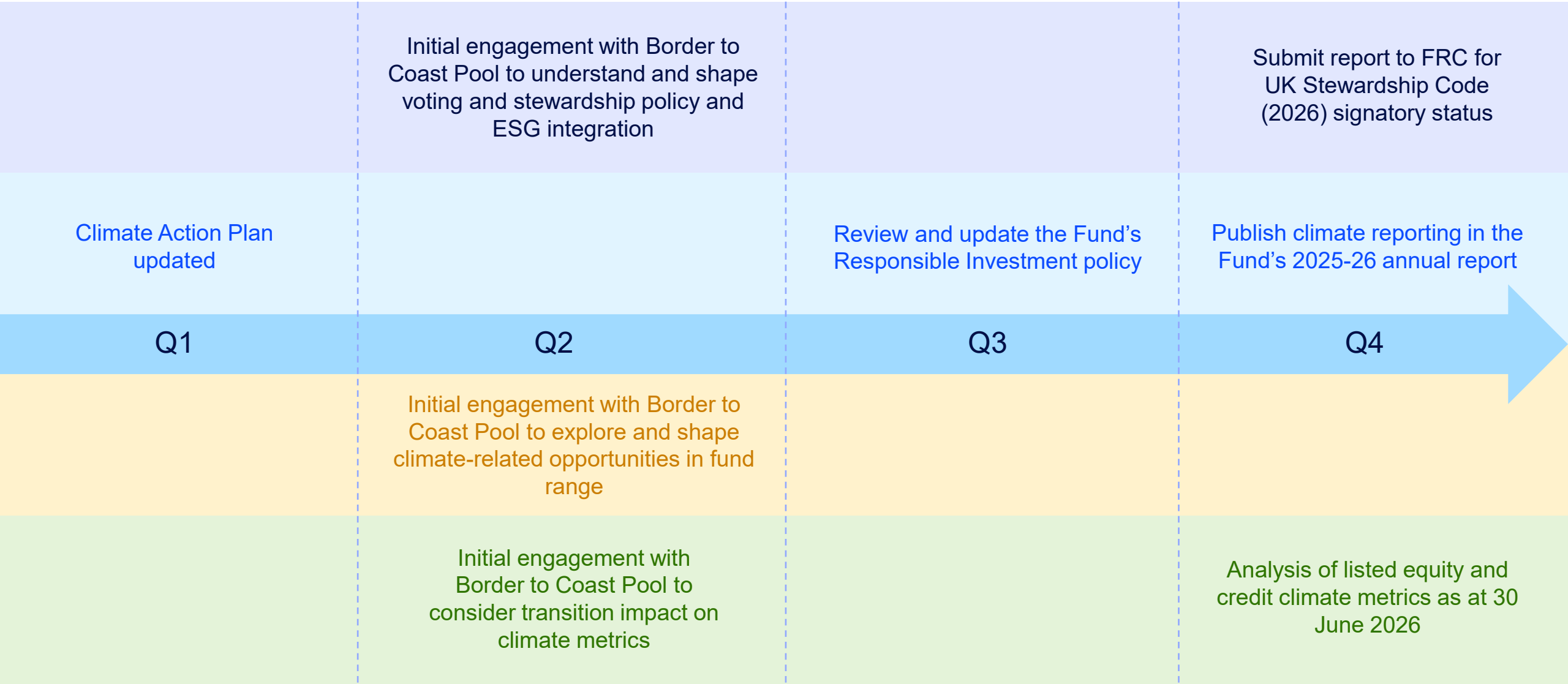
On the following pages, The Fund's key climate-related actions are set and documented on an annual basis across four broad categories:

- **Stewardship – This refers to actions relating to the responsible stewardship of its investments, including engagement with the Pool, investment managers and investee companies.**
  - **Portfolio - This refers to actions taken within the Fund's portfolio, such as new asset allocations or changes to underlying mandates, to improve sustainability.**
  - **Reporting – This refers to actions taken to develop and improve the Fund's reporting on climate-related issues.**
  - **Net Zero – This refers to actions taken to support the Fund's decarbonisation pathway and to demonstrate progress made.**
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# Next calendar year– 2026

## Key actions:

Stewardship	Reporting
Portfolio	Net Zero



# Last calendar year– 2025

## Key actions:

Stewardship	Reporting
Portfolio	Net Zero

Agreed a climate engagement target list, comprising the Fund's most carbon intensive holdings

Engagement with investment managers around exposures on the Fund's climate engagement target list

UK Stewardship Code (2020) successful resubmission

Climate Action Plan updated

Publish climate reporting in the Fund's 2024-25 annual report

2025

Timberland allocation implemented (1% of Fund assets)

Analysis of listed equity and credit climate metrics as at 30 June 2024

Review targets and metrics. Agreed to include credit alongside listed equity in decarbonisation pathway.

Analysis of listed equity and credit climate metrics as at 30 June 2025

# Prior calendar years – 2024

## Key actions:

Stewardship	Reporting
Portfolio	Net Zero

Draft UK Stewardship Report ahead of submission to FRC

Submit approved UK Stewardship Report to FRC

UK Stewardship Code (2020) signatory status achieved

Climate Action Plan updated

ISC consider incorporating SBTi alignment along with Transition Capacity Analysis.

Collect alternative asset climate data to support engagement with managers

Publish climate reporting in the Fund's 2023-24 annual report

2024

Considered investment proposals for UK impact and natural capital, including timberland and affordable housing

Agreed to expand scope of reporting to include credit alongside listed equity – increasing asset coverage by 15% of Fund assets

Review targets and metrics. Agreed to collate Scope 3 data but not set targets against it due to limitations

Agreed additional climate metrics: SBTi (Science Based Targets Initiative) alignment and Transition Capacity Analysis

# Prior calendar years – 2023

## Key actions:

Stewardship	Reporting
Portfolio	Net Zero

Ongoing engagement with active equity managers

Engage with private asset managers to improve carbon data provision and increase ESG integration

Engage with ACCESS Pool on sustainable and impact focused infrastructure options

Climate Action Plan updated

Publish climate reporting in the Fund's 2022-23 annual report

# 2023

Agreed managers and portfolio structure for climate aware passive equity investing

Implement carbon aware passive equity in Q2 2023 – c.20% of Fund assets

ISC consider proposals for sustainable/impact investing in listed equity and infrastructure

ISC consider proposals for sustainable/impact investing in listed equity.

Analysis of listed equity climate metrics as at 30 June 2022

Reviewed progress against climate targets and appropriateness of metrics

Analysis of listed equity climate metrics as at 30 June 2023

# Prior calendar years – 2022

## Key actions:

Stewardship	Reporting
Portfolio	Net Zero

Climate targets & objectives communicated to the Fund's investment managers

Climate Action Plan agreed and published

Publish climate reporting in the Fund's 2021-22 annual report

2022

Approaches to climate aware passive equity investing investigated

ISC received training on approaches for decarbonising the active equity portfolio.

ISC consider climate aware passive equity options

Decarbonisation pathway to Net Zero by 2050 or earlier agreed

Communicate agreed targets and aspirations to investment managers.

Listed equity emissions reduction targets agreed, including a 23% reduction by 2024 and a 57% reduction by 2030 vs 2021 baseline

# Essential terms

## Essential terms

- **Pension Fund Committee** - The Administering Authority delegates to the Pension Fund Committee the power to determine and maintain the Fund's strategies, policies and procedures, including investment strategy
  - **Investment Sub Committee** - Implementation of the strategy and the monitoring of performance is delegated to the Investment Sub-Committee ("ISC"), for which the membership is drawn from the Committee.
  - **TCFD** - Task Force on Climate Related Financial Disclosures - Established by the Financial Stability Board to improve and increase the reporting of climate-related financial information.
  - **Carbon Footprint** - A carbon intensity metric against which the Fund's decarbonisation targets are set and progress is monitored. Other climate-related metrics are also monitored by the Fund on an annual basis.
  - **Stewardship Code** - The UK Stewardship Code, an initiative of the Financial Reporting Council ("FRC") establishes the core Principles of effective stewardship and sets a high standard of transparency for asset owners and asset managers, and for the service providers that support them. Asset owners may submit a report to apply for signatory status.
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