

<b>LONDON BOROUGH OF CAMDEN</b>	<b>WARDS:</b> All
<b>REPORT TITLE</b> Climate Analytics as at 31 March 2025	
<b>REPORT OF</b> Executive Director Corporate Services Interim	
<b>FOR SUBMISSION TO</b> Pension Committee	<b>DATE</b> 18 March 2026
<b>SUMMARY OF REPORT</b> Climate Action remains one of Camden Pension Fund's principal Investment Beliefs. The Fund recognises that climate change presents financially material risks and opportunities, and that robust measurement and disclosure are necessary to manage long-term investment risk. This report provides: <ul style="list-style-type: none"> <li>• Climate analytics metrics for the Fund's public market mandates as at 31 March 2025</li> <li>• An update on fossil fuel exposure and implied temperature alignment</li> <li>• A review of climate-related disclosures from private market managers</li> </ul>	
<b>Local Government Act 1972 – Access to Information</b> No documents requiring to be listed were used in the preparation of this report <b>Contact Officer:</b> Saul Omuco Head of Finance Treasury & Pensions Finance Corporate Services 5 Pancras Square London N1C 4AG <b>Telephone:</b> 0207 974 7116 <b>Email</b> <a href="mailto:saul.omuco@camden.gov.uk">saul.omuco@camden.gov.uk</a>	
<b>RECOMMENDATION</b> The Pension Committee is asked to note the contents of the report.	
<b>Signed by</b> Director of Finance: <b>Agreed</b> Date: <b>6 March 2026</b>	

## **1. SCOPE OF REPORTING**

### **Public Market Coverage**

- 1.1. The London CIV Climate Analytics service covers the following mandates as at 31 March 2025:
  - LCIV Multi Asset Credit (MAC)
  - LCIV Global Alpha Growth Paris-Aligned
  - LGIM - Global Equities
  - LGIM Future World Global Equity Index Fund
- 1.2. The Climate Analytics dashboard provides:
  - Carbon intensity (Scopes 1-3)
  - Financed emissions (tCO<sub>2</sub>e)
  - Revenue-weighted fossil fuel exposure
  - Implied temperature alignment
  - Data coverage
- 1.3. The dashboard analysis date is confirmed as 31 March 2025.

## **2. DATA COVERAGE**

- 2.1. The climate analytics presented in this report are sourced from the LCIV Climate Analytics dashboard, which applies the S&P Global methodology to the Fund's public market holdings.
- 2.2. As at 31 March 2025, the dashboard covers the Fund's listed equity allocations and the LCIV MAC Fund. These public market holdings total approximately £1.36bn, representing around 68% of total Fund assets at that date.
- 2.3. Within this public market allocation 92% of holdings are classified as "in scope" under the S&P Global methodology (primarily listed equities and corporate bonds). Of those in-scope assets, 84% have underlying emissions data available (Scope 1, 2 and 3), either through company disclosure or modelled estimates. This equates to approximately 53% of total Fund assets being supported by underlying company-level emissions data within the LCIV dashboard framework.
- 2.4. The remaining assets are excluded primarily due to:
  - Private market investments (property, private equity, infrastructure and affordable housing),
  - Cash and other non-corporate exposures, or
  - Securities for which emissions data is unavailable.
- 2.5. Officers note that data coverage levels reflect corporate disclosure practices and data provider methodology. Coverage is expected to improve over time as reporting standards continue to develop, particularly in relation to Scope 3 emissions.

### **3. PUBLIC MARKET METRICS**

#### **Carbon to Value Intensity**

- 3.1. As at 31 March 2025, the Fund's public market allocation reported a carbon-to-value intensity of 466 tCO<sub>2</sub>e per £m (Scope 1, 2 and 3) under the S&P Global methodology used within the LCIV Climate Analytics dashboard. This compares to 531 tCO<sub>2</sub>e per £m for the MSCI ACWI benchmark, meaning the Fund's public market portfolio is approximately 12% less emissions-intensive than the benchmark on this measure.
- 3.2. Carbon-to-value intensity measures emissions relative to the market value of invested companies, providing an indicator of the quantity of emissions embedded per £m of capital invested. Officers note that carbon-to-value intensity is influenced by portfolio weights and sector allocation and can also be affected by changes in market valuations. As with other climate metrics, Scope 3 emissions are often estimated and may vary in quality across sectors; results should therefore be interpreted as directional indicators rather than precise measurements.

#### **Weighted Average Carbon Intensity**

- 3.3. As at 31 March 2025, the Fund's public market allocation reported a Weighted Average Carbon Intensity (WACI) of 1,291 tCO<sub>2</sub>e per £m revenue (Scope 1, 2 and 3) under the S&P Global methodology used within the LCIV Climate Analytics dashboard. This compares to 1,513 tCO<sub>2</sub>e per £m revenue for the MSCI ACWI benchmark, indicating that the Fund's public market portfolio is approximately 15% less carbon intensive than the broad global equity benchmark on this measure.
- 3.4. WACI measures the carbon intensity of underlying portfolio companies relative to their revenues and provides a normalised indicator of exposure to carbon-intensive sectors. The reported figure is based on available emissions data for 84% of in-scope public market holdings (with 92% of public market assets classified as in scope), equating to approximately 53% of total Fund assets. Officers note that data coverage reflects company disclosure and modelling assumptions and is expected to improve over time as corporate reporting standards continue to develop.

#### **Implied Temperature Alignment**

- 3.5. As at 31 March 2025, the LCIV Climate Analytics dashboard indicates that the Fund's public market allocation demonstrates an emissions trajectory that is below the modelled 2°C decarbonisation pathway under the S&P Global methodology. While the portfolio's projected emissions pathway remains above the more ambitious "well-below 2°C" trajectory, it shows a declining trend over the forecast period to 2030.
- 3.6. The implied temperature assessment reflects forward-looking modelling of company transition plans, sector decarbonisation pathways and historical emissions data. Officers note that temperature metrics are inherently model-based and sensitive to underlying assumptions, including corporate target credibility and data availability. As such, they should be interpreted as indicative of direction of travel rather than precise forecasts of future warming outcomes.

## **Fossil Fuel Exposure**

- 3.7. As at 31 March 2025, the Fund's public market allocation reported a revenue-weighted fossil fuel exposure of 1.25%, compared to 1.89% for the MSCI ACWI benchmark. This indicates that the Fund's exposure to companies deriving revenues from fossil fuel extraction activities is approximately 34% lower than the broad global equity benchmark.
- 3.8. Revenue-weighted fossil fuel exposure measures the proportion of underlying company revenues generated from fossil fuel extraction activities (including coal, oil and gas), weighted by portfolio holdings. The lower exposure relative to the benchmark reflects the impact of the Fund's strategic allocation decisions, including climate-tilted mandates and diversified global equity positioning.
- 3.9. At individual mandate level, exposure varies by region, with higher fossil fuel revenue concentration observed in certain regional index funds (for example, Asia Pacific (ex-Japan), UK and Emerging Markets), reflecting sector composition and market structure. Officers note that exposure metrics are based on available company revenue disclosures and may include estimated data where company-level information is incomplete.

## **4. OTHER MANDATES**

- 4.1. The LCIV Climate Analytics dashboard covers listed equities and corporate credit. The Fund also has a number of "other mandates" (private markets and property) where climate metrics are typically reported via manager Environment Social and Governance (ESG)/ Task Force on Climate-related Financial Disclosures (TCFD)-style disclosures and may be manager-level or fund-level, rather than Camden-portfolio-level. The updates below summarise the most recent information publicly available on each manager's website at the time of writing; these publications are not necessarily aligned to the Fund's 31 March 2025 reporting date, and where relevant we indicate the publication timeframe.

### **Baillie Gifford – Diversified Growth Fund**

- 4.2. Baillie Gifford has provided carbon intensity data for the [Diversified Growth Fund](#) as at 31 March 2025. On a Scope 1 and 2 bases, the Fund reports a Weighted Average Carbon Intensity (WACI) of 251 tCO<sub>2</sub>e per £m revenue. When Scope 3 emissions are included, WACI increases materially to 1,141 tCO<sub>2</sub>e per £m revenue. The increase reflects the impact of value-chain emissions within underlying holdings, which are particularly relevant in multi-asset portfolios with exposure to global equities and credit markets. No benchmark comparison was provided. Officers note that Scope 3 data remain subject to estimation and evolving disclosure standards, and results should therefore be interpreted with appropriate caution.

### **HarbourVest (Private Equity)**

- 4.3. HarbourVest publishes a standalone [TCFD Report](#) (most recently for 2025), outlining its governance, strategy, risk management and metrics related to climate-related financial risks and opportunities. HarbourVest continues to expand how emissions data is reported for its funds, with emissions data now available for funds launched from 2013 or later, and coverage increasing from 0% in 2022 to approximately 33% of the total portfolio by current value in 2025. The 2025 TCFD Report also includes additional metrics such as Weighted Average Carbon Intensity (WACI) and Carbon Footprint at the fund level,

reflecting progress in aligning reporting to recognised frameworks including TCFD and IFRS S2. Officers note that while this represents meaningful improvement in private markets climate disclosure, emissions reporting in these asset classes remains partly based on estimates and is constrained by underlying company disclosure.

#### **Partners Group (Property)**

- 4.4. Partners Group's [latest sustainability reporting](#) reiterates its positioning around Paris-alignment and transition management and describes how it embeds climate considerations into ownership (particularly for controlled investments) through asset-level initiatives, governance and operational improvement programmes. As with most private markets reporting, the published material is primarily manager-level and may not map cleanly to Camden's specific vintages/vehicles as at 31 March 2025.

#### **CBRE Investment Management (Property)**

- 4.5. CBRE Investment Management continues to publish a dedicated sustainability / ESG report and associated materials describing its approach to physical climate risk, transition risk, asset-level data improvement (energy, emissions and EPC-style building metrics), and stewardship with operators and occupiers. The [latest publicly available report](#) does not necessarily align with Camden's 31 March 2025 reporting date but is a helpful reference point for the manager's methodology, governance and reporting maturity.

#### **Aviva (Property)**

- 4.6. Aviva plc's 2024 [Climate-related Financial Disclosure](#) confirms its ambition to be Net Zero by 2040, supported by interim 2030 science-based targets. Within investments, Aviva reports a 64% reduction in Scope 1 and 2 weighted average carbon intensity (WACI) of listed equities and corporate bonds from its 2019 baseline, significantly exceeding its original 25% target.

It has also invested £8.7bn in sustainable assets since 2019, surpassing its £6bn target. Total financed emissions are reported at 7.4 million tCO<sub>2</sub>e, with a portfolio-level Partnership for Carbon Accounting Financials (PCAF) data quality score of 2.5. Aviva does not currently disclose aggregated investee Scope 3 emissions at Group level due to methodological and double-counting challenges.

#### **StepStone (Infrastructure)**

- 4.7. StepStone's updated [Climate Policy \(April 2025\)](#) sets out how the firm integrates climate-related risk and opportunity considerations across its private markets investment activities. The policy emphasises the importance of assessing climate risks at both the due diligence and monitoring stages of the investment process and notes that climate considerations are overseen by the Responsible Investment Committee. StepStone engages with underlying General Partners to encourage the adoption of emissions tracking, science-based targets and improved climate disclosure, although quantitative emissions reporting at the mandate level remains limited due to data availability constraints typical of private market strategies. The policy also highlights that StepStone has been carbon neutral in its own operations since 2019 and continues to incorporate climate risk into its internal governance frameworks.

StepStone's approach is aligned with TCFD principles and reflects ongoing development of climate integration and GP engagement practices as private market reporting standards evolve.

## **5. RESPONSIBLE INVESTOR COMMENT**

- 5.1. Understanding the level of the Fund's carbon footprint, and the available reporting that make this up, is a key part of exercising the Fund's influence as a responsible investor, helping to ensure that the assets in which the Fund invests align with Camden's investment beliefs.

## **6. ENVIRONMENTAL IMPLICATIONS**

- 6.1. Further to the Responsible Investment Comment above, a firm understanding of how the Fund receives measurements on the carbon emissions of the assets which it holds improves the Fund's ability to invest in line with our investment principles.

## **7. FINANCE COMMENTS OF THE DIRECTOR OF FINANCE**

- 7.1. The Fund takes its Responsible Investment responsibilities extremely seriously and appreciates that a lack of focus on environmental, social and governance issues can lead to poor financial returns. This is particularly relevant in the case of stranded assets. The Fund has recently reviewed its investment beliefs and still has as one of its three principal beliefs Climate Action. This report embodies a key strand of the work the Fund does to ensure that future returns are aligned to the Paris Agreement and ensure returns are sustainable and do not lead to future issues with unaligned company business models and that the Fund progresses towards a net zero carbon economy in an orderly way.

## **8. LEGAL COMMENTS OF THE BOROUGH SOLICITOR**

- 8.1. The administering authority is under a duty to prepare, maintain and review their Funding Strategy. The scheme should consider any factors that are financially material to the performance of their investments, including social, environmental and corporate governance factors. This report demonstrates that the administering authority is discharging its responsibility.

## **9. APPENDICES**

Appendix A: Extracts From the LCIV Climate Analytics Dashboard