



Cambridge Associates Limited

TCFD Entity Report

1 January 2025 – 31 December 2025

Compliance statement

This report is published by Cambridge Associates Limited (“CA Ltd” or “CA Limited”) in accordance with the requirements set out in Chapter 2 of the Financial Conduct Authority’s Environmental, Social and Governance sourcebook (“ESG Sourcebook”) that requires CA Limited to publish an entity level disclosure consistent with the Task Force on Climate-Related Financial Disclosures (“TCFD”).

This report has been approved by Annachiara Marcandalli (CA Limited board member and Head of Sustainability and Impact Solutions), confirming that the disclosures comply with the requirements under the ESG Sourcebook.

A handwritten signature in black ink, appearing to read 'Annachiara Marcandalli'.

[Annachiara Marcandalli](#)

Partner, Head of Sustainable and Impact Solutions

www.cambridgeassociates.com/en-eu/

Introduction



Cambridge Associates (“CA”) is a global investment firm. We aim to help private clients, endowments and foundations, pension plans, and corporations implement and manage custom investment portfolios through investment in third-party managers.

As at 31 December 2025, CA Limited, a subsidiary of CA, represents \$57.8 billion of assets under management and advice, of which \$10.2 billion are discretionary mandates and in scope of this report. It is important to note that in all cases our discretionary client relationships are managed under individually negotiated Investment Management Agreements (“IMAs”) that specify our mandate, often including how climate risks and opportunities are incorporated into investment analysis and decision-making, as well as if, and how, net zero goals may be incorporated into such analysis and decision-making. The inclusion of climate-related provisions in client mandates varies across our client base, and in each case is driven by each client’s specific frameworks, interpretations, and reporting needs.

We do not design and manage our own products or offer preset investment portfolios; therefore, there is no single approach, target, or metric that we impose on clients. Our portfolios are implemented entirely through third-party investment managers spanning a wide range of public and private asset classes. Our business model shapes the nature of CA Limited's climate-related disclosures. The firm's principal tools for managing climate-related risks and opportunities are manager selection, manager assessment, and stewardship and engagement with managers, rather than direct security-level decision-making. This report aims to describe the general approach and resources we bring to advising and managing the assets of CA Limited in relation to climate and any other factors.

As to our own business operations, we have identified that those interests are substantially aligned with those of our clients for two principal reasons:

1. Our business success is dependent on the ability to meet the growing climate analysis needs of current and prospective clients. This incentivises our development of thought-leading approaches to the incorporation of risk and opportunity from climate change.
2. Over the longer term, climate change under a ‘business as usual’ scenario is likely to result in substantial damage to the global economy and financial asset valuations broadly, impacting our clients’ portfolios and our fee revenue. This incentivises both ourselves and our clients to contribute to the collective benefit of climate change mitigation and, hence, net zero approaches to investing.

Note: information provided throughout the disclosures below may reference processes established at the CA group level. These processes and activities are implemented as described at CA Limited.

A) Board oversight of climate-related risks and opportunities

CA Limited operates under the stewardship of its Board of Directors, which provides strategic guidance, establishes corporate strategy, and supervises management operations. The Board holds ultimate accountability for governance issues, including those related to climate risks. Operational responsibilities concerning CA Limited strategy, oversight, and management are entrusted to the following specialised committees:

- CA Limited Benefits and Pension Committee,
- CA Limited Product Governance Committee,
- Europe, Middle East & Africa (EMEA) Risk Committee, and
- EMEA Regional Operational Committee.

These committees meet regularly and report to the Board. CA Limited's Head of Sustainability and Impact Solutions, Annachiara Marcandalli, sits on the Board and is also a member of the EMEA Regional Operating Committee, ensuring that sustainability and climate-related matters are considered by the Board of CA Limited and throughout the EMEA region.

The EMEA Risk Committee forms part of CA's global risk governance structure. The risk committees within this framework support CA's global Enterprise Risk team with risk assessment, oversight and management.

The EMEA Risk Committee oversees, manages, and reports on Enterprise Risk across CA's EMEA entities, including climate-related risks. It reports directly to the EMEA regional boards, including the CA Limited Board, and indirectly to CA's global Risk and Compliance Committee.

B) Management's role in assessing and managing climate-related risks and opportunities

As the next section will show, the risks and opportunities our organisation faces from climate change relate primarily to our ability to serve existing and potential clients, as well as from financial market asset values that drive a portion of our revenues. Assessing and managing climate-related risks and opportunities for our individual client mandates is integral to managing both these sources of business risk. Management of these risks is considered primarily at the global (group) level. The considerations of CA Limited and its clients are integrated into that process in a number of ways, including through significant representation from CA Limited staff in the firm's global management team.

Head of Climate Strategy

Following Cambridge Associates' net zero commitments (discussed under 'Metrics and Targets') and the formation of the Net Zero Investment Consultants Initiative ("NZICI"), the firm appointed Simon Hallett, Partner, as its 'Head of Climate Strategy' ("HCS"). The HCS coordinates delivery of the firm's NZICI commitment by integrating climate and net zero considerations throughout our investment work. The HCS role connects management with climate topics in two other important ways:

1. The HCS is a member of the Investment Strategy Office, reporting directly to the Head of Investment Strategy. This structure ensures that climate considerations included in investment strategy development.
2. The HCS is a member of a six-person Sustainability and Impact Investing ("SII") Leadership Team, which oversees strategy and implementation for sustainability topics, including climate, across the firm and recommends key decisions to firm leadership. This

committee is chaired by the Global Head of Sustainability and Impact Solutions, who leads in identifying climate issues specific to CA Limited and bringing proposals that address these issues to the CA Limited Board.

Head of Sustainable and Impact Investing Integration Strategy

In September 2024, Cambridge Associates hired the firm's Head of SII Integration Strategy, Quyen Tran. This role's responsibilities include oversight of climate data used by the firm and ensuring that robust climate analysis is conducted on portfolios. Tran also sits on the SII Leadership Team.

Head of Sustainability and Impact Solutions

As mentioned, Annachiara Marcandalli, Partner, serves as Head of Sustainability and Impact Solutions (and was formerly European Head of SII). In this role, she leads in identifying climate issues specific to CA Limited and bringing proposals to the CA Limited Board. Annachiara co-chairs the SII Council alongside Liqian Ma (Partner, Head of SII Research) and Tom Mitchell (Partner, Head of North America SII Solutions).

How management responsibility flows into day-to-day operations

The SII Leadership Team set the firm's climate and sustainability investment strategy and policy positions. These are communicated to investment and client teams through the SII Council (which meets at least quarterly, with sub-teams meeting at least monthly), through the monthly Climate Café forum (established by the HCS in 2024 to foster common understanding of CA's climate approach across the firm), and through the firm's internal research and communications channels.

Governance

At the investment level, we review climate competence and net zero alignment in all manager assessments (see more on our 'Manager Assessment Framework' in our 'Risk Management' section). This ensures that climate considerations are embedded in every manager due diligence process, regardless of whether a client has a specific climate mandate. Investment teams use this diligence, alongside thematic and policy research, to incorporate climate factors into portfolio construction and manager selection.

The Sustainability and Impact Solutions team is empowered to raise sustainability and climate issues where they are relevant to the investment process. With the Head of Sustainability and Impact Solutions sitting on the Board of CA Limited and on the EMEA Regional Operational Committee, the SII Council and SII Leadership Team have primary channels through which climate-related issues identified at the investment or client level are escalated to senior management and, where appropriate, to the CA Limited Board.

This section describes the climate-related risks and opportunities that CA Limited has identified as material, their potential impact on the firm's business, strategy, and financial planning, and the resilience of the firm's strategy under different climate scenarios. In line with the TCFD framework, this section addresses climate-related risks and opportunities across three levels:

- **CA Limited entity level** — risks and opportunities that affect CA Limited as a business, including its operations, revenues, and strategic positioning
- **Investment and manager research level** — how climate risks and opportunities are integrated into the firm's manager assessment and portfolio construction processes
- **Client implementation level** — how climate considerations are incorporated into individual client mandates, where relevant

A) Climate-Related Risks and Opportunities Identified (Short, Medium, and Long Term)

Time horizons

The TCFD framework requires firms to describe climate-related risks and opportunities over short, medium, and long-term time horizons. CA Limited has not formally defined specific time horizons for this purpose. This is consistent with the position of many investment advisory firms, which face similar challenges in applying fixed time horizons to a business model that is primarily advisory and where the relevant time horizons vary significantly by client, asset class, and mandate. For the purposes of this report, CA Limited uses the following indicative time horizons:

Time Horizon	Indicative Period	Rationale
Short term	Up to 2030	Aligned with near-term policy and regulatory developments, including the UK's 2030 climate commitments and NZICI near-term milestones
Medium term	2030–2040	Covers the period over which transition risks are expected to become increasingly material across most asset classes
Long term	2040 and beyond	Covers the period over which physical risks are expected to become increasingly systemic and non-diversifiable

Climate-related risks

As we wrote in our 2023 research report, "From Policy to Implementation: A Net Zero Playbook for Investors,"¹ the IPCC has concluded that climate change is a threat to human well-being and that the window of opportunity to secure a liveable and sustainable future for all is rapidly closing². If societies fail to act, there may be catastrophic impacts on the global economy, asset values, and portfolio returns.

From the perspective of CA Limited's investment and advisory activities, climate-related risks can be categorised as follows:

Transition risk

Transition risks arise from the changing economics of businesses as they transition to a lower-carbon economy, driven by policy, regulation, technology, and shifting consumer preferences. This can be further impacted by business model, taxation, and litigation.

The principal overarching factor is the pace and manner of policy commitment to a low-carbon transition, over which there is substantial uncertainty. An understanding of transition risk comes from fundamental analysis of business and sector behaviour and the market,

regulatory, and political environment in which businesses operate. These sources of risk are therefore well captured by existing analytical approaches and data, even if the range of uncertainty becomes very wide over the medium and longer term.

Physical risk

Physical risks arise from the direct impacts of climate change on assets, businesses, and economies. They may be acute risks, where increased frequency and severity of extreme weather events affect specific assets and geographies, or chronic risks, where shifts in climate patterns affect broader economic activity. In our view, physical risk may manifest as follows:

- In the short run, risks will be more acute. There will be storm damage, disruption to specific crops, and rising sea levels. These impacts will initially be sensitive to geography and sector.
- As the time horizon extends, risks start to become chronic. Sea level rise will progressively become a large issue as it starts to impact major cities and the viability of low-lying agricultural land. Disruption to food crops will become increasingly generalised.
- In the longer term, food shortages and flooding will likely drive mass migration and political turmoil that will have a broad economic impact irrespective of geography or sector.

Physical risks are not well captured by traditional financial analysis and, while increasing amounts of data are available, the investment industry is still exploring how this can best inform views on future earnings and asset values.

¹ For more information, please see Simon Hallett and Sarah Edwards, "From Policy to Implementation: A Net Zero Playbook for Investors," Cambridge Associates LLC, January 2023.

² IPCC, 2023: Sections. In: [Climate Change 2023: Synthesis Report. Contribution of Working Groups I, II and III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change](#) [Core Writing Team, H. Lee and J. Romero (eds.)]. IPCC, Geneva, Switzerland, pp. 35-115, DOI: 10.59327/IPCC/AR6-9789291691647

We believe these two types of risks may be applicable, within varying time horizons, across both the Investment and manager research and client implementation dimensions. However, given the varied nature of both the managers and markets we assess, and our client mandates, we have not yet undertaken analysis related to potential exposure across specific transition and physical risks, in the context of different time horizons.

Two overarching points about climate risks are important for understanding CA Limited's approach:

1. There is very high uncertainty regarding the financial impact of climate change, making accurate modelling difficult.
2. As the time horizon extends, the risks move from being specific and diversifiable to systemic and undiversifiable, which is an important consideration for long-horizon investors.

In our judgement, there is no path to a prosperous and sustainable economy that does not involve tackling climate change. Runaway climate change is a systemic risk that no investor, however smart, can diversify away.

Entity-level risks for CA Limited

We see entity-level risks as set out in the following table.

Risk	Description	Relevant Time Horizon(s)
Revenue risk	Severe climate change under a business-as-usual scenario is likely to result in substantial damage to the global economy and financial asset valuations, reducing assets under management and advice and, consequently, CA Limited's fee revenues.	Medium term; Long term
Business model risk	The growing importance of climate-aware investing creates both a risk (if CA Limited fails to develop sufficient climate capabilities) and an opportunity (if the firm can position itself as a leader in climate-aware investment advisory services).	Short term; Medium term
Operational risk	CA Limited's own operations are exposed to physical climate risks, including the potential for extreme weather events to disrupt office operations and business continuity.	Short term; Medium term; Long term
Regulatory risk	CA Limited is subject to FCA climate-related disclosure requirements and may face increasing regulatory obligations.	Short term; Medium term

Climate-related opportunities

Cambridge Associates believes climate-related opportunities can add both differentiated growth-oriented exposure and long-term resilience to investment portfolios.

In January 2025, Cambridge Associates published a [report](#) outlining that the investment thesis of the energy transition remains attractive despite anticipated policy shifts in the US. The report provides an overview of the favourable unit economics of solar and explores which energy transition sub-sectors might demonstrate growth.

Cambridge Associates' manager research function focuses on these opportunities through the [Sustainable & Impact Investing \(SII\) research team](#). The SII research team identifies and evaluates funds that can meet

financial objectives, mitigate long-term risk, and achieve intentional impact outcomes, including managers who focus on key climate opportunity themes.

Throughout calendar year 2025, the Cambridge Associates SII Research team conducted thematic deep dives and generated client-facing education materials on specific areas within the climate solutions opportunity set:

- Sustainable forestry
- Geothermal power
- Grid modernization
- Circular economy
- Water
- Carbon markets
- Agri-food technologies

In 2025, in two episodes of the latest season of Cambridge Associates' award-winning podcast series, Unseen Upside, we spotlighted [geothermal](#) and [sustainable agriculture](#) to educate clients and the general public about these opportunity sets which sit at the intersection of innovation, AI, and climate change. In late 2025, as part of our [2026 Outlook](#) report, we highlighted the differentiated opportunity to invest in grid renewal by adding exposure across the electricity transmission food chain.

All of this work builds upon the work from the Cambridge Associates' Capital Markets Research team, which has identified a range of investment opportunities arising from the transition to a lower-carbon economy. In July 2023, the team published a report outlining identified areas of opportunity for clients to [invest in a low-carbon future](#).

B) The impact of climate-related risks and opportunities on businesses, strategy, and financial planning

Integrating climate considerations into the way CA Limited advises and manages client assets is a journey, not an event. The firm's understanding of climate-related risks and opportunities has evolved alongside the broader investment industry's thinking, and CA Limited's processes and capabilities have developed accordingly.

For CA Limited, incorporating climate considerations into investment is fundamentally forward-looking; we seek to understand the potential path of real-world greenhouse gas (GHG) emissions over the next 30+ years, along with policy, business, and consumer responses. It does not mean reacting solely to backward-looking data such as portfolio emissions, even if they remain helpful for risk management. To avoid getting bogged down in detail and process, we prioritise pragmatic action over perfectionism and focus on where interested clients can make the biggest difference most easily.

As an investment manager, our approach to climate change is determined by distinctive features of our business model:

- **Bespoke portfolios** – all the portfolios we manage are customised for individual clients. The firm cannot impose policy criteria or limitations, but we can educate clients on the potential approaches and implement them where the client decides to do so.

- **Third-party implementation** – client portfolios are almost entirely implemented through third-party investment managers and are exposed to a wide range of public and private asset classes. Therefore, our tools for climate risk and opportunity management are primarily (i) how we select manager mandates (asset class/strategy), and (ii) how we select managers to implement them. Our decision point is never whether or not to hold a specific security.

Recognising the growing client demand for 'climate-aware' investing and the need to accurately analyse the impact of climate-related risks and opportunities of underlying investments, our strategy is to embed consideration of climate risk and opportunity across all our manager research, while producing thematic policy-level research to identify and articulate the most effective ways to implement climate-aware or net zero investment approaches for our clients. This approach has been informed by risks and opportunities identified across the different dimensions of our business, as detailed above. For more information on our approach to embedding the consideration of climate risks and opportunities within our manager research, please see more detail under the 'Risk Management' section below.

C) Resilience of the organisation's strategy under different climate scenarios

Cambridge Associates does not build products but tailors investment strategies to meet different client goals. Therefore, we do not offer a preset or single investment strategy to our discretionary clients. Where relevant, we seek to incorporate a client's approach to climate-related risks and opportunities in our investment and advisory processes, which we believe will lead to improved client outcomes.

In 2025, we reviewed multiple methodologies and data vendors to understand the credibility and decision usefulness of available climate data. This effort sets the foundation for potential advances in our qualitative climate risk indicators in calendar year 2026.

We see temperature scenarios are most relevant for the longer term – 2050 and beyond. Over this horizon, as we have noted before, we believe climate risk becomes principally systemic and non-diversifiable. For example, it will be much harder to preserve, let alone make a return on, the value of assets in a 4-degree world. While we endeavour to protect client portfolios from adverse environments to the extent possible, runaway climate change poses risks that are beyond our control or our ability to manage. The same would be true of any investor.

CA Limited's approach to scenario analysis

CA Limited has not undertaken formal quantitative scenario analysis at the entity level for the current reporting period. This reflects the nature of CA Limited's business model: as an investment advisory and discretionary management firm that does not manage its own investment products, the application of standard climate scenario models (which are typically designed for asset managers with direct security-level exposures) is not straightforward.

Strategy

CA Limited is sceptical of the usefulness of climate risk models in quantifying the financial risk to portfolios. As co-chair of the NZICI, the firm has convened discussions with other advisory and consulting firms and with Carbon Tracker to debate methodological concerns with existing models. Independent studies³ raise significant concerns about the reliability of current models. Consequently, quantitative climate-risk models do not form a significant part of CA Limited's climate-risk management process. Please see additional detail on this under 'Metrics and Targets.' We will continue to monitor advances in the quantification of climate-related risks under scenario analysis models and may consider implementing such analysis into our strategy in the event they are deemed decision-useful.

Qualitative resilience assessment

At a qualitative level, CA Limited's strategy is designed to be resilient across a range of climate scenarios:

- **In a 2°C or lower scenario** — CA Limited's investment in climate capabilities, its Manager Assessment Framework, and its thematic research on climate investment opportunities position the firm to serve clients seeking to align their portfolios with a low-carbon transition. The firm believes it will be able to deliver higher relative returns by investing with managers capable of identifying sectors and companies better positioned for a low-carbon transition.
- **In a higher-warming scenario** — severe climate change would reduce global asset values and CA Limited's fee revenues. While the firm endeavours to protect client portfolios as much as possible from adverse environments, runaway climate change poses risks that are beyond any single investor's control or ability to manage.

³ See, for example: Steve Keen, [Loading the DICE Against Pensions](#) (Carbon Tracker Initiative, 2023); Sandy Trust et al., [The Emperor's New Climate Scenarios](#) (Institute and Faculty of Actuaries, 2023); Luca Bongiorno et al., [Climate scenario analysis: An illustration of potential long-term economic & financial market impacts](#) (British Actuarial Journal, Volume 27, 2022).

Risk Management

A) processes for identifying and assessing climate-related risks

CA Limited identifies and assesses climate-related risks through several interconnected processes, described below.

Manager research: Manager Assessment Framework (“MAF”)

Since our clients’ portfolios are implemented through third-party investment managers, the principal means by which CA Limited identifies and manages climate-related risks at the investment level is by assessing how those managers approach climate risk and the comprehensiveness of the data they report back to investors.

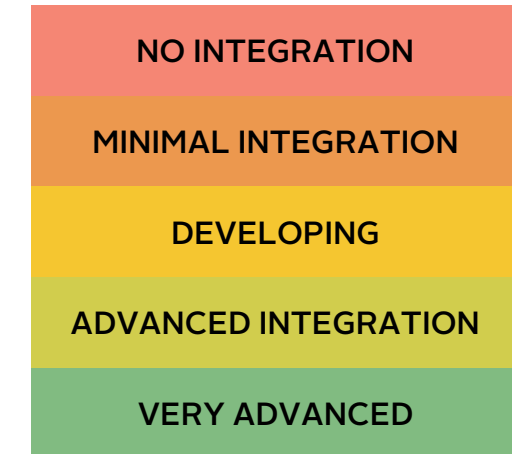
CA Limited embeds sustainability analysis across its research platform so that material climate factors are considered as part of every manager due diligence process. In 2024, we implemented an enhanced manager assessment process, the Manager Assessment Framework, that considers climate in more granular and consistent ways. With this approach, managers are assessed through two dedicated climate perspectives:

- **Climate competence** – assesses how effectively a manager integrates climate risks and opportunities,
- **Net zero alignment** – evaluates how effective a manager could be as a component of a net zero-aligned portfolio, using the Paris-Aligned Investment Initiative’s Net Zero Investment Framework (NZIF) approach.

These are assessed across the following dimensions:

Climate Competence	Policies & governance	Formal policies are verified, hold leadership accountable, and involve specific climate action.
	Communications & transparency	Intentional, transparent, and consistent reporting that covers key climate factors and is consistent with internationally recognised standards (e.g., TCFD); demonstrates thought leadership that advances the field.
	Investment process	Thorough assessment of climate risk and opportunities is systematically integrated into the investment process; buy-in from the team; regular impact on investment selection.
	Investment outcomes/ portfolio construction	Clear, consistent impact of climate perspectives on portfolio construction; efforts to quantify and provide evidence of positive climate outcomes.
Net zero alignment		Portfolio holdings have a net zero ambition for 2050 and earlier time scales; robust engagement with portfolio investments; systematic reporting; significant investment in climate solutions; and full emissions disclosure.

In each of these areas, managers are graded on a maturity scale as follows:⁴



As at 31 December 2025, 901 manager assessments have been completed using this enhanced process.

As part of the manager assessment process, CA Limited also gathers security-level information where possible to augment our understanding of climate risks at the manager and portfolio level (for example, carbon intensity measures and the setting of science-based targets). These are described in more detail under ‘Metrics and Targets.’ For private funds, holdings-level climate information is much more restricted, so we may use sector proxies to understand the relevant risks at the fund and portfolio level. For more information on our stewardship and engagement practices with managers, see ‘B) Processes for managing climate-related risks,’ below.

⁴ When grading ‘net zero alignment’, the following scale is used: N/A; Not aligned, not aware; Not aligned, but aware; Committed to aligning; Aligning; Aligned. Certain strategies are out of scope as no methodology or guidance exists from industry groups (e.g., some risk managed strategies or hedge funds). As such, this category may be marked as “N/A”. An assessment of N/A requires an explanation, and there is an expectation that over time there will be methodologies to assess net zero alignment for these strategies in the future.

Risk Management

Thematic and policy research

From an investment perspective, as discussed under ‘Climate-related Opportunities’ under ‘Strategy’, the Cambridge Associates SII Research team conducted thematic deep dives and generated client-facing education materials on specific areas within the climate solutions opportunity set in 2025, including in sustainable forestry, geothermal power, grid modernization, circular economy, water, carbon markets, and agri-food technologies.

CA Limited’s Legal and Compliance departments monitor current and forthcoming climate and ESG regulation across relevant jurisdictions to support the firm’s and clients’ compliance obligations. As part of this process, developments are evaluated for potential impact, and any resulting risks are captured through the firm’s risk identification process. Where regulatory changes require implementation work, Legal and Compliance work with the CA’s SII Solutions team and the broader business to address this prior to the implementation date. The CA Limited Board receives a quarterly report on this work.

Enterprise risk management

At the entity level, climate-related risks to CA Limited’s own business are considered within the firm’s enterprise risk management framework. As noted above, CA’s EMEA Risk Committee supports the firm’s global Enterprise Risk team with assessment, oversight and management of risk, including climate-related risks. The EMEA Risk Committee reports directly to the EMEA regional boards, including the CA Limited Board, and indirectly to CA’s global Enterprise Risk and Compliance Committee.

B) Processes for managing climate-related risks

Client advice and portfolio management

The foundation of CA Limited’s climate-risk management at the investment level is the MAF described above. Investment teams can use MAF outputs, alongside thematic and policy research, to incorporate climate factors into portfolio construction and manager selection, with the aim of meeting or exceeding return objectives. This approach is tailored to each client’s needs and preferences, which may include pursuing specific impact goals such as net zero, excluding certain sectors (such as fossil fuels), and/or emphasising opportunity strategies such as climate-tech or renewable infrastructure for interested clients. As described, Cambridge Associates does not mandate the integration of climate-related risk management into its approach for all clients.

The climate-related metrics and tools described in the ‘Metrics and Targets’ section are available to all client teams and can be applied across all portfolios. Their use in any given client portfolio depends on the client’s mandate, preferences, and instructions.

In September 2024, Cambridge Associates published a report, [Simplifying Net Zero Implementation: Possible Pathways to a Portfolio That Can Be Good for the Climate](#), outlining a simplified approach to implementing net zero in clients’ portfolios. Building on the earlier report, ‘From Policy to Implementation: A Net Zero Playbook for Investors,’ the paper prioritises practical and pragmatic steps toward real-world emissions reductions. It offers a feasible pathway to climate impact for investors with a mature portfolio and a template for building a net zero portfolio from scratch. It focuses on the three levers available to asset

owners: manager selection, manager engagement, and investment in climate solutions.

Stewardship and engagement

Stewardship is the responsible allocation, management, and oversight of capital to create long-term value for investors. Cambridge Associates finalized its firmwide Stewardship and Engagement policy in September 2025,⁵ and CA Limited is a signatory to the UK Financial Reporting Council’s Stewardship Code.⁶ Engagement puts stewardship into action through purposeful dialogue with specific objectives of promoting disclosure and accountability. CA Limited works on stewardship and engagement to meet climate objectives in three ways:

1. We assess how investment managers engage with their underlying portfolio companies.
2. We engage directly with asset managers to promote transparency, disclosure, science-based target setting, and credible transition plans.
3. We support interested clients in direct engagements with their investment managers and help them participate in collaborative groups of their choosing.

Each MAF assessment formalises CA Limited’s engagement agenda, identifying up to three engagement priorities per manager. These are logged internally and monitored for progress. Where engagement stalls, the escalation pathway progresses through correspondence, formal calls, formal letters, side letter assurances, watch list placement, declining future fundraise participation, and potentially deeming a manager uninvestable.

⁵ [Cambridge Associates Stewardship and Engagement Policy](#).

⁶ [Cambridge Associates 2025 Stewardship Report](#).

Risk Management

Collaboration with external groups

Where appropriate, CA Limited seeks to exercise industry leadership on our clients' behalf. We selectively collaborate with investor groups, trade associations, and/or the academic community to support the evolution of industry practices that benefit our clients and ensure our thinking remains leading edge. During 2025, we were active members of organisations including:

- [UN PRI \(United Nations Principles for Responsible Investing\)](#) – an international network of investors working to incorporate ESG factors into investment and ownership decisions.
- [NZICI \(Net Zero Investment Consultant Initiative\)](#) – Cambridge Associates is a founding member and co-chair. The initiative commits signatories to support global net zero greenhouse gas emissions by 2050 or sooner.
- [IIGCC \(Institutional Investors Group on Climate Change\)](#) – a European membership body for investor collaboration on climate change.
- [ICSWG UK](#) and [US \(Investment Consultant Sustainability Working Group\)](#) – a working group focused on sustainability practices among investment consultants.
- [iCI \(Initiative Climat International\)](#) – an initiative for private equity investors to address climate change.
- [EDCI \(ESG Data Convergence Initiative\)](#) – an initiative to standardise ESG data reporting in private markets, bringing together general partners and limited partners to develop a core set of comparable ESG metrics.

C) Integration of climate-risk processes into overall risk management

CA Limited manages portfolio risk holistically with respect to each client's ability to meet their financial and other objectives. Climate risk is integrated into the firm's overall risk management framework primarily through the assessment of manager suitability – the firm's judgement on managers' effectiveness at managing climate risk. Secondly, climate risk may influence views on the relative attractiveness of specific sectors or asset classes.

At the entity level, climate-related risks to CA Limited's own business are considered within the enterprise risk management framework described above.

Metrics and targets

A) Metrics used to assess climate-related risks and opportunities

CA Limited seeks to continually improve the tools and resources available to investment and research teams for assessing managers on material sustainability and climate considerations. While there is an evolving plethora of data regarding climate issues, and we aim to focus on decision-useful information; we seek to avoid data for data's sake since this distracts attention and impedes timely decision making.

The following climate-related metrics can be calculated for client portfolios, using either actual or proxy data. These metrics represent both a snapshot 'point-in-time' assessment, and an assessment of a portfolio's future trajectory. They are available to all client teams and can be provided to clients on request:

Metric ⁷	Description	Assessment Type
Absolute carbon emissions	Total GHG emissions attributable to the portfolio (tCO _{2e}).	Point-in-time snapshot
Carbon intensity	Emissions per unit of revenue (tCO _{2e} / \$M revenue).	Point-in-time snapshot
Weighted average carbon intensity	Portfolio-weighted average of investee carbon intensity.	Point-in-time snapshot
Carbon per investment	Emissions per unit of investment (tCO _{2e} / \$M invested).	Point-in-time snapshot
Science-Based Targets (SBTs) exposure	Portfolio exposure to companies with SBTi-approved targets.	Forward-looking trajectory
Portfolio Implied Temperature Rise (ITR)	Forward-looking estimate of portfolio temperature alignment.	Forward-looking trajectory

Climate Value-at-Risk (CVaR)	Estimate of potential portfolio loss under different climate scenarios.	Forward-looking trajectory
Green revenues exposure	Portfolio exposure to companies with revenues from areas such as alternative energy, energy efficiency, and sustainable agriculture.	Point-in-time snapshot

Cambridge Associates uses two main data sources for climate-related information:

- Data provided by fund managers – the primary source for manager-level climate data.
- External data provider(s) – currently MSCI. An external data provider is used for holdings-level ESG and climate data for public market securities.

Given the variation in client investment mandates, we do not currently calculate these metrics aggregated at a firm level. In addition, these metrics are not incorporated into remuneration policies.

The firm has exposure to a broad range of asset classes across public and private securities with varied degrees of data availability. Public market securities, such as equity and credit, generally have widespread security-level data, albeit of varying quality, accessible through managers or platforms such as MSCI. In private markets, few companies report climate data centrally. For private investment programs, CA Limited can use public market proxies at the sector level (for example, assuming a private company's emissions characteristics equal the average of public companies in the same Global Industry Classification Standard (GICS®) sector). There is currently no equivalent way of proxying alignment data for private markets.

Climate risk models

Many investment organisations use asset-risk models to estimate the impact on portfolios of different climate scenarios. We have spent some time understanding the considerations behind such models and have concluded that current models convey outcomes that can be misleading, often mis-ranking different scenarios and understating plausible downside potential. These models require layers of assumptions to consider how a complex, dynamic system might evolve over decades; assumptions that have limited-to-no precedence and are rarely testable, but common usage is to distil the output down to a single number. As referenced above, we have noted a number of independent studies⁸ that raise significant methodological concerns with such approaches.

In our capacity as the co-chair of the NZICI, we convened a meeting of other advisory and consulting firms with NGO Carbon Tracker, who have published work in this area to debate the problems and potential solutions. While there is important work ongoing to refresh and improve climate risk models, we are concerned that they presently do not lend themselves to use in a prudent risk management process. Consequently, quantitative climate-risk models do not form a significant component of CA Limited's climate-risk management process.

⁷ Please note that we have de-emphasized the use of ITR and CVAR models, as discussed in the following section 'Climate Risk Models'. We continue to monitor the development of climate models for suitable approaches.

⁸ See, for example: Steve Keen, [Loading the DICE Against Pensions](#) (Carbon Tracker Initiative, 2023); Sandy Trust et al., [The Emperor's New Climate Scenarios](#) (Institute and Faculty of Actuaries, 2023); Luca Bongiorno et al., [Climate scenario analysis: An illustration of potential long-term economic & financial market impacts](#) (British Actuarial Journal, Volume 27, 2022). Source Cambridge Associates 2026.

Metrics and targets

B) Scope 1, Scope 2, and Scope 3 Greenhouse Gas (GHG) emissions

Client portfolio emissions

CA Limited does not create standardised products, and its discretionary clients' portfolios are managed under bespoke IMA's that define the degree to which climate is incorporated into decision-making and reporting. Data coverage and base-level emissions therefore depend on the nature of the mandate and asset classes included. Consequently, it is not possible for CA Limited to aggregate total figures for client GHG emissions, and associated metrics such as weighted average carbon intensity, or to interpret these metrics meaningfully in aggregate. We will evaluate our ability to aggregate portfolio emissions data as advances in data quality and availability continue.

CA Limited's own operational emissions

CA Limited measures and manages its own operational greenhouse gas emission as part of its corporate sustainability programme. Over time, we have worked to increase the coverage of emissions data to now cover nearly all capital and operational expenses, including all facilities and grid emissions. Additionally, it maintains a commitment to offsetting large shares of its emissions and is currently undergoing a complete strategy review to realign its offsetting approach to leading industry standards. While previously CA Limited has maintained carbon neutrality certifications, it is now working with the Science Based Target Initiative ("SBTi") to certify and guide its short-term and long-term emissions programme. The emissions and offsetting process is managed via a

partnership with two industry-leading greenhouse gas emissions measurement and offsetting partners.

C) Targets used to manage climate-related risks and opportunities

Client portfolio targets

CA Limited does not set top-down targets for client portfolios. Targets are developed in partnership with each client on an individualised basis, reflecting each client's specific objectives, constraints, and mandate. The table below describes the default target-setting framework CA Limited may use for discretionary client portfolios with a net zero goal, though actual targets may vary by clients.

Baseline	2019 is the preferred base date for emissions and climate solutions comparisons (individual portfolios may differ according to availability and recency of relationship).
Alignment Target	2025 – 70% of portfolio emissions from in-scope ⁹ assets are from companies/assets aligned or aligning with net zero or held by managers whose voting and engagement policies support alignment. 2030 – 90% of portfolio emissions from in-scope ¹⁰ assets are from companies/assets aligned or aligning with net zero.
Climate Solutions Target	2030 – Allocation to climate solutions either doubles from the base date or reaches 10% of in-scope assets.
Decarbonisation Target	2030 – Portfolio decarbonisation milestone: 50% emissions decline by 2030 from a 2019 base, net zero by 2050. Preferred measure tons CO _{2e} per \$ AUM.
GHG scopes	Scope 1 and 2 emissions currently included; Scope 3 for material sectors, where data is available. ¹¹
Methodology	Net Zero Investment Framework (NZIF) used as a benchmark of good practice for target setting, adapted as necessary. SBTi data is used to

	define corporate alignment, but more development is needed in this area.
Scenarios	IPCC Special Report on 1.5°C, P1/P2/P3 pathways interpreted as requiring 50% GHG reduction by 2030 from a 2019 base.
Fossil Fuels	Net-zero portfolios will have no manager strategies wholly or largely focused on upstream oil, gas, or coal production & exploration, and no strategies with more than de minimis exposure to thermal coal production or coal-fired power generation. Natural run-off is allowed for legacy assets.
Additional Observations	Our approach to net zero focuses on contributing to real-world decarbonisation with the levers we and our clients directly control. Financed emissions are not directly in our control and are a backward-looking metric. We would not rebalance a portfolio solely to meet an emissions level in a specific year since this may undermine both real-world climate goals, such as funding climate solutions, as well as a client's financial objectives.

CA Limited's own operational targets

In 2025, CA signed onto the SBTi, committing to targets to halve absolute emissions in the short-term and to reduce overall emissions by over 90% by 2050. It is in the process of setting detailed targets and infrastructure to achieve these goals, aligned with SBTi guidance and best practice. CA has partnered with a SBTi advisor to complete its application and target certification before the summer of 2027. CA has also launched an SBTi working group and a firm-wide Sustainability Council to guide emissions reductions. Further information regarding these targets will be provided once finalised.

⁹ Assets are in scope where there is sufficient transparency, established methodology, and relevance to incorporate in net zero strategy and target setting.

¹⁰ Assets are in scope where there is sufficient transparency, established methodology, and relevance to incorporate in net zero strategy and target setting.

¹¹ We will look to include Scope 3 emissions in our reporting and targets when data coverage and quality improve sufficiently.

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