



GMPF Report **Approach to Climate Risk**

Approach to Climate Risk

Greater Manchester Pension Fund (GMPF) actively supports the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) and sets out below its approach to managing climate risk within the TCFD's four thematic areas of governance, strategy, risk management and metrics and targets. This report covers the GMPF Main Fund.

Governance

Recommended disclosure (a)

Describe the Board's oversight of climate-related risks and opportunities.

The Pension Fund Management Panel (the Panel) is responsible for managing climate-related issues as part of its remit of having responsibility for GMPF's investment strategy. The approach is codified in the Investment Strategy Statement and Responsible Investment Policy. The Investment Monitoring and ESG (Environmental, social and governance) Working Group, a specialist subcommittee of the Panel, also considers issues relating to climate change. The Panel and Working Group consider climate change issues across GMPF and specifically in areas such as strategic asset allocation, investment strategy and risk management with the aim of minimising adverse financial impacts and maximising the opportunities for long term economic returns on our assets. The Panel and Investment Monitoring and ESG Working group meet quarterly where elected members who represent beneficiaries, and the local population are given the opportunity to scrutinise GMPF's approach to managing climate-related risks and opportunities. GMPF's external managers routinely attend these Working Group meetings to update members on the steps they are taking to implement GMPF's climate-related policies and ways in which they are taking into consideration climate change. GMPF's stewardship approach is informed by PIRC Limited as its Responsible Investment advisor who assist in the development and implementation of the Responsible Investment Policy. GMPF is an active member in LAPFF (Local Authority Pension Fund Forum) and leverages its position to challenge companies in which it has an interest. The majority of GMPF's engagement activity is carried out via these relationships. Both LAPFF and the Northern LGPS produce publicly available [quarterly reports](#) that highlight responsible investment activity.

In recognition of the risks and opportunities of climate change, GMPF has committed to undertake an annual carbon footprint of applicable assets using the services of one of the most prominent companies in this field. GMPF recognises the carbon footprinting process is constantly evolving and so as part of their roles GMPF Officers meet with providers to keep up to date with the latest methodologies and ensure results are accurate and incorporate the latest practices. The results of these are reported to the Panel and are publicly available. GMPF reports its Responsible Investment related activities quarterly to the Panel and this [report](#) is also publicly available. The Fund worked with one of its external managers to

produce a [document](#) highlighting how it is investing for the energy transition. This includes GMPF's approach to oil and gas companies in terms of the climate challenge and how these companies will play a critical role in the energy transition. Additionally, GMPF takes ESG factors into consideration as part of its fiduciary duty to ensure it can pay the pensions of its members and to protect employers and local taxpayers from high pension costs.

Recommended disclosure (b)

Describe management's role in assessing and managing climate-related risks and opportunities.

Day to day management of GMPF's climate change strategy is delegated to the external Fund Managers, who operate under GMPF's policies on ESG. The external Fund Managers are regularly monitored by Officers from GMPF, and they also present the processes they have in place to implement GMPF's Responsible Investment Policies, which includes GMPF's approach to climate risk, to the Investment Monitoring and ESG Working Group. An annual carbon footprinting exercise is used to assess both the risks from climate change, but also areas of opportunity. Officers report quarterly to the Panel GMPF's responsible investment related activity which is also publicly available. GMPF employs a specialist advisor, PIRC, to instruct its voting activity on active equity holdings, including on areas such as climate change. GMPF also incorporates Voting Alerts from the Local Authority Pension Fund Forum on climate change within its policy. As the Panel members are ultimately responsible regular training is arranged for both Panel members, advisors and Officers to ensure they are kept abreast of latest developments. GMPF's annual report contains a list of conferences and training events attended by members and the Fund has an annual member development policy and training plan to ensure the decision-making bodies have the necessary level of knowledge and understanding to carry out their roles effectively. As an example, UBS, one GMPF's external managers provides an annual training day in Manchester for Members and Officers relating to responsible investment with sessions particularly focusing on climate change. The Working Group meetings, Officer reports and training all ensure the Panel are well informed to be able to assess and manage climate related risks and opportunities.

Strategy

Recommended disclosure a)

Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

GMPF considers climate-related issues across multiple timeframes and has strategies to help address these. GMPF identifies climate-related issues through collaboration with its external Fund Managers, and organisations such as the Local Authority Pension Fund Forum, the Institutional Investor Group on Climate Change, the Transition Pathway Initiative, Climate Action 100+, Investing in a Just Transition and the Principles for Responsible Investment. This has led to co-filing and supporting resolutions for action related to climate change and better disclosures of climate-related issues.

GMPF has identified a number of risks and opportunities including regulatory risk as governments use their legislative powers to decarbonise economies, the physical risks of climate change, technological advancements and changes in consumer behaviours that will arise over different timeframes. These risks and opportunities are likely to manifest themselves over different time horizons and there is too much uncertainty around the timings to place timeframes around them. Therefore, GMPF remains cognisant of risks and opportunities over all time horizons.

GMPF has signed up to the 'Investing in a Just Transition' initiative recognising that delivering a just transition will be key to the UK's success in building a zero carbon and resilient economy. GMPF understands this needs to be done in a sustainable way that supports an inclusive economy, with a particular focus on workers and communities across the country. Analysis shows that unless a transition is effected carefully, there will be significant impacts on workers and communities in the North.

Recommended disclosure b)

Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

A review of GMPF's Investment Strategy is carried out each year. During this process, GMPF seeks the opinions and comments of its advisors, external managers, and investment consultant on the strategy it is taking, which includes its approach to responsible investing, in the context of strategic asset allocation. The inputs are analysed within the investment team and then reported to the Management Panel. This review provides GMPF with a level of assurance in ensuring its policies and approach are effective and verification regarding the appropriateness of its strategy.

GMPF's ESG policies and considerations, including climate change, are incorporated into the mandates of the external Fund Managers via their respective Investment Management Agreements. External Fund Manager appointments also take ESG considerations into account, and these are monitored on an ongoing basis.

GMPF also makes several investments with positive impacts on climate change; these are only made where an acceptable level of financial return is also expected. Climate-related investment opportunities are available in areas such as energy efficiency, choice of energy sources, products and services and new markets. GMPF considers that currently there are

relatively limited climate related investment opportunities in the public markets with more opportunities existing in the private markets across private equity, private debt, infrastructure and real assets. This has asset allocation implications due to the illiquidity and complexity of some of these asset classes. Property is a significant asset class allocation and GMPF is aware that buildings are responsible for over one-third of total greenhouse gas emissions in the UK. For directly held properties, GMPF works with its property management teams on focus areas such as energy management and owner-occupier relations to reduce these emissions, and indirectly held property managers do likewise.

GMPF has increased its long term strategic allocation to infrastructure to 10%, allocating in excess of £3 billion of assets for this purpose. A key strategy within this allocation is investments in low carbon and renewable energy opportunities. For example, GMPF has invested directly in UK operational wind and solar assets, smart meters and energy storage.

GLIL Infrastructure formed a strategic partnership with Bluefield Solar Income Fund, the London-listed UK income fund, as part of a commitment to invest in UK-focussed solar energy assets. As a GLIL asset, this portfolio will be known as Lyceum Solar. Lyceum is a portfolio comprised of 58 operating solar PV assets with a 247MW capacity across two sub portfolios across southern and central England. Most of the portfolio is contracted under Feed in Tariffs until 2036, which provides a returns floor and reduces sensitivity to merchant power prices. These subsidies are inflation linked and generate a high cash yield. The 247MW assets include 183MW backed by Feed in Tariff subsidies, 15MW by Renewable Obligation Certificates (ROCs) and two subsidy-free projects with a total capacity of 48MW.

GLIL Infrastructure adopted a new investment management framework to help it deliver on its target to become net zero by 2050. The Institutional Investors Group on Climate Change (IIGCC) Net Zero Investment Management (NZIM) framework sets out clear methodologies and approaches for investors to align their portfolio goals with the Paris Agreement, supporting them to make informed decisions and work towards achieving net zero global emissions. The NZIM framework was published in March 2023 and GLIL is one of the first investors to adopt the NZIM guidance for infrastructure, which builds on IIGCC's broader NZIM framework. It is the most implemented net zero methodology for investors across all financial institutions within the Glasgow Financial Alliance for Net Zero.

The GLIL Executive Committee has worked swiftly to select the new framework to support the business with structuring its net zero strategy and to allow for a consistent framework across its portfolio. GLIL believes the NZIM approach will enhance its work in the energy transition by providing further support for its existing portfolio companies to ensure they have achievable net zero pathways.

Through the Impact portfolio, GMPF invested in Isle Group which is a global independent solutions provider to the water utility market, specialising in subscription services to facilitate knowledge sharing and collaboration and bringing forward water technology innovation aimed at overcoming common sustainability challenges within the sector. Other industries with high water use or impact are also supported.

The water utility market in the UK and globally faces an ever-increasing range of pressures connected to managing assets and delivering services safely and sustainably, including:

- regulatory change due to increasing pressures on water quality in water networks
- reducing water leakage from legacy network infrastructure

- maintaining and enhancing the water quality in freshwater bodies and coastal seas that networks drain into
- building resilience to the impacts of climate change across water catchments
- issues such as dealing with increasing presence of persistent contaminants in waste-water as a potential threat to human health in the water system

There is an urgent need for new technology, combined with digital transformation across the sector, to understand patterns and locations of issues and methodologies to deal with them. Cost control and energy efficiency, both for network operation resilience and reducing climate impacts, are further pressures. Many of these matters have been exacerbated by a general lack of industry collaboration to identify common problems and possible solutions and the unwillingness or inability of individual companies to adopt unknown or relatively untried new technology. Investment into new technology innovation meanwhile stalls without a ready market.

To address the challenges of complex, growing operational pressures, Isle has developed an innovative business model on collaboration and knowledge sharing. Its subscription-based Technology Approval Group platform (TAG) is a database detailing over 8,000 technologies, including its respective cost and relevant application. Peer to peer forums ran by Isle facilitate the dissection and understanding of common challenges faced in the sector and provide a space to work together towards solutions. Their consultancy is wrapped around each clients' membership subscription to ensure a tailored approach at individual utility company level. By improving collaboration through convening sector-based technology forums, it breaks down barriers to sharing experiences and insight of operational challenges in typically insular sectors, accurately identifying the common nature of problems to be addressed and bringing forward technological solutions to client audiences that would be unlikely to find them individually. In terms of growing the solutions eco-system, the TAGs, as well as an evergreen technology fund managed by Isle, support the de-risking of trials of new technologies in real commercial situations to provide context-based proof-of-concept, which in turn serves to attract further investment to smaller technology companies so that their applications can be successfully scaled.

Recommended disclosure c)

Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a two degree or lower scenario.

GMPF's annual carbon footprint has a backward-looking and forward-looking element to it. The backward-looking methodology uses the information from the companies' most recent reports, and third-party sources, to measure the level of GHG emissions of the company over the last year. As such, the Fund's carbon footprint is a measure of its emissions over the last year.

The forward-looking element uses publicly available information from companies and third-party data sources to estimate future emissions which enables GMPF to assess the alignment of its assets to the Paris goals. It incorporates both historical performance as well as forward-looking indicators over a medium-term horizon. This avoids the uncertainties of using only estimated forward-looking data, and it is of a sufficient time horizon to make the effect of year-on-year volatility less significant. Historical data on GHG emissions and company activity level is incorporated from a base year of 2012. Forward-looking data sources are used to track likely future transition pathways from the most recent year of company disclosed data through to 2030. This enables investors, such as GMPF, to assess

their portfolios against the goal of limiting global warming and to track progress over time.

The forward-looking analysis also includes a physical risk assessment. The risk types are split into two major categories, the first being transitional risks (including policy and legal risk, technology risk, market risk and reputational risk), and the second being physical risks. Physical risks resulting from climate change can be acute (driven by an event such as a flood or storm) or chronic (arising from longer term shifts in climate patterns) and may have financial implications for organizations such as damage to assets, interruption of operations and disruption to supply chains. GMPF is cognisant of the large levels of uncertainty which are inherent in forward looking climate models.

GMPF's actuary, Hymans Robertson, undertakes climate analysis in conjunction with their Asset Liability Modelling analysis. Hymans looked at GMPF's investment decision making process that is underpinned by key investment beliefs and carried out their analysis under three scenarios. The results of the analysis supported the work GMPF has been doing on integrating Responsible Investment best practices, GMPF's intention of being net carbon neutral by 2050, its implementation of the low carbon multi factor Scientific Beta mandate and the infrastructure allocation to renewables.

GMPF has considered the impact of climate change on employer covenant, and notes that the main employers served by the Fund are tax raising bodies with an extremely strong covenant.

Risk management

Recommended disclosure a)

Describe the organisation's processes for identifying and assessing climate-related risks.

GMPF believes that each of the following categories of risks, as outlined by the TCFD, pose a material financial risk, and are thus each a cause for concern:

- Market and technology shifts (eg reduced market demand for higher carbon products).
- Reputation (eg growing expectations for responsible conduct from stakeholders).
- Policy and legal (eg increased input/operating costs for high carbon activities).
- Physical risks (eg chronic changes and more frequent and severe extremes of climate).

GMPF's specialist IMESG working group which meets quarterly has a particular focus on ESG. To ensure strong governance and accountability all working groups including the IMESG working group have Terms of Reference that are periodically reviewed and updated. External managers, consultants and service providers who advise or act on behalf of GMPF periodically attend the working group meetings and report on their activities to members and Officers. The IMESG working group has detailed oversight of GMPF's external investment managers and Responsible Investment consultant.

GMPF appointed PIRC as its Responsible Investment advisor, to assist in the development and implementation of its Responsible Investment policy. PIRC are Europe's largest independent corporate governance and shareholder advisory consultancy whose objective is to facilitate and support responsible capital stewardship by long-term investors. PIRC's role is to assist GMPF to effectively exercise its shareowner rights and to identify and mitigate governance risk in its portfolios and set ESG criteria.

PIRC attend all IMESG working group meetings and it is in their remit to question or provide feedback to any other presentation within the meeting as well as presenting their own Responsible Investment updates. This provides GMPF with an additional resource in holding managers and its investment consultant to account. This also allows the Working Group to evaluate PIRC's own activities.

GMPF set its first set of objectives for its investment consultant, Hymans Robertson, in December 2019. GMPF includes Responsible Investment and ESG related objectives for its investment consultant to ensure advice provided should reflect the Management Panel's Responsible Investment policies as well as complying with relevant pensions regulation, legislation and guidance. The investment consultant is assessed on an annual basis against its objectives via an internal meeting between Officers of GMPF where their performance over the preceding year is discussed and a qualitative assessment of their objectives is undertaken.

Day to day management of GMPF's climate change strategy is delegated to the external Fund Managers, who operate under GMPF's policies on ESG issues. This means that the external Fund Managers fully integrate any climate-related risks when making their investment decisions. The decisions and thinking behind them is presented by the Fund Managers to the Investment Monitoring and ESG Working Group. This Working Group meeting provides a forum for the Panel to scrutinise the Fund Managers approach and assess whether their processes and activities are aligned to GMPF's policies.

GMPF conducts an annual review of its investment strategy to ensure the appropriateness of its approach. This involves questioning the external fund managers, GMPF's advisors and investment consultant on a range of issues requesting their thoughts, feedback and any recommendations they may have. Amongst the questions asked each year is the question of whether they see if there are any reasons GMPF should change its benchmark allocation in light of ESG risks or opportunities. GMPF Officers reflect upon the responses and formulate an appropriate strategy which is reported to the Panel for their consideration.

GMPF's annual carbon footprinting exercise which has expanded to include physical risks, coupled with the use of the Transition Pathway Initiative (TPI) toolkit, also help assess climate-related risks, including the identification of companies to engage with. GMPF's involvement in forums such as the Local Authority Pension Fund Forum, Climate Action 100+ and the Institutional Investor Group on Climate Change further provide an understanding of the climate-related risks that GMPF faces.

Recommended disclosure b)

Describe the organisation's processes for managing climate-related risks.

A significant pillar of GMPF's efforts to manage climate change risk is through engagement with companies, both through the external Fund Managers and in collaboration with wider industry groups such as the Local Authority Pension Fund Forum, the Institutional Investor Group on Climate Change, the Transition Pathway Initiative, Climate Action 100+, the Net Zero Asset Owner Alliance, Investing in a Just Transition, Say on Climate and the Principles for Responsible Investment. For example, through collaborative activities, GMPF aims to support 1.5 to 2-degree business model scenarios and participate in:

- engagement with companies to improve their approaches to climate change as well as encourage them to report on their actions for future business model scenarios;
- escalation of issues where GMPF feels progress is not being made. This may be done collaboratively, directly or via GMPF's Responsible Investment advisor;
- influencing policy makers; and
- promotion of relevant research projects in areas such as developing standardised carbon intensity measures, and investment initiatives that improve information flow and investment opportunities.

Examples of stewardship activities GMPF undertake are submitted annually to the Financial Reporting Council as part of GMPF's [Stewardship Code Submission](#). GMPF's external Fund Managers also implement the Fund's ESG policies in their management of the portfolios. GMPF's commitment to an orderly transition to a low carbon economy is demonstrated by the replacement of £2.5 billion of passive, index tracking investments, with an enhanced Factor Based Investing approach that has significantly reduced GMPF's exposure to carbon emissions and intensity. Factor Based Investing lends itself to incorporating ESG constraints. GMPF worked with Scientific Beta, and commissioned research for a bespoke GMPF version of their flagship indices that offers GMPF a diversified multi-factor exposure to developed market Global Equity, coupled with a significantly reduced carbon exposure, together with the incorporation of other important risk control design features. The index construction methodology developed by Scientific Beta allows for the creation of low carbon indices that substantially reduces GMPF's footprint, whilst maintaining well-diversified exposure to rewarded factors and preserving our expectations around long term returns. The results of the research undertaken by Scientific Beta on the GMPF Index suggest a reduction in the

Carbon Footprint of the Index (vs the market cap weighted Index) of around 45%, and a reduction in the Weighted Average Carbon Intensity of the Index (vs the market cap weighted Index) of around 35%.

Recommended disclosure c)

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

Climate change is included within GMPF's risk register in the context of the risk of the strategic allocation underperforming. Relevant controls and mitigating actions are also documented. The risk register is reviewed by the Management Panel. The risks of climate change and GMPF's approach to managing this risk are also addressed in GMPF's Investment Strategy Statement and Responsible Investment Policy.

GMPF has a business plan that is updated annually that formally incorporates an objective of enhancing stewardship activities and sets desired outcomes. The objectives include areas such as governance of GMPF, collaboration, local investments and ESG factors. The ESG outcomes include the encouragement of suppliers and investee companies to work towards a just transition to a net zero emissions economy by c2050 and to minimise the environmental impact in delivering GMPF's ultimate objective of paying its pensioners.

In addition, as set out above, the external Fund Managers have GMPF's ESG policies incorporated into their Investment Management Agreements. Day to day management of climate change strategy is delegated to the external Fund Managers. This means that the external Fund Managers consider any climate-related risks when making their investment decisions.

Metrics and targets

Recommended disclosure a)

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

GMPF monitors the voting and engagement of all its external Fund Managers and proxy voting advisor on issues including climate change.

GMPF undertakes an annual carbon footprint and measures the three industry standard normalised measures of carbon intensity. This allows for easy comparison and to better track progress towards net zero. A description of the three measures is below.

Carbon to Revenue (C/R) – Expresses the volume of carbon emitted per million pounds of sales generated. This reflects the portfolio's carbon efficiency in relation to generating revenue.

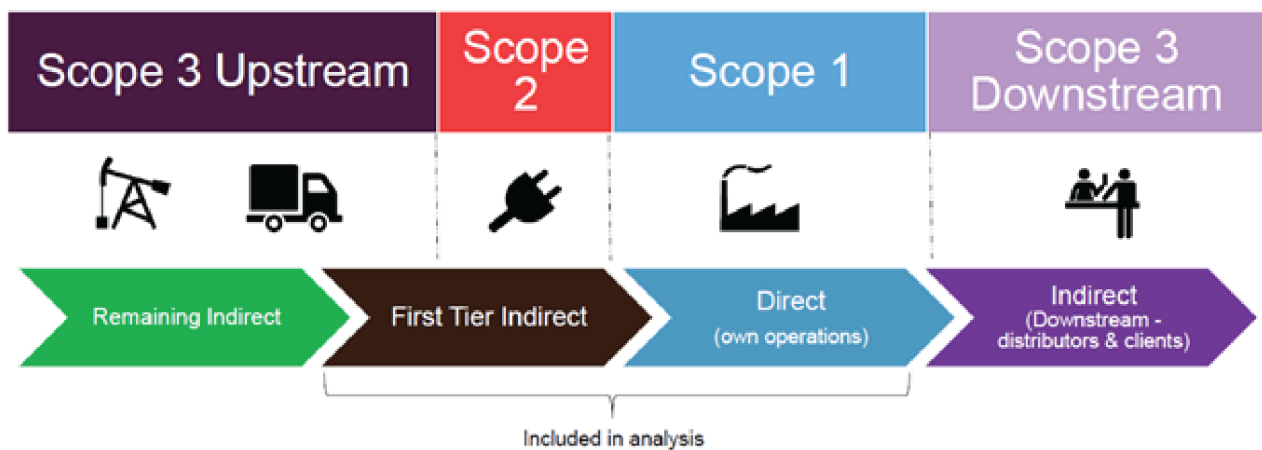
Carbon to Value invested (C/V) – Expresses the volume of carbon emitted per million pounds of investment. This reflects the carbon efficiency in relation to amount invested. This measure can be more volatile than the carbon to revenue measure due to fluctuations in the share price of a company and so can appear markedly different one year to the next.

Weighted Average Carbon Intensity (WACI) – Expresses the weighted average of the carbon to revenue metric. This method is recommended by the TCFD, of which the GMPF is a supporter.

Recommended disclosure b)

Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

GMPF uses the services of an independent, external provider to measure its carbon footprint annually. Whilst GMPF has selected a credible, best in class provider, GMPF acknowledges that there are a number of limitations to carbon footprinting as the process relies on data being disclosed by companies, and where this is not, data from third parties, modelled data or estimates are used. Additionally, carbon footprinting is still a relatively new discipline and continues to evolve, and methodological differences exist between data providers. Consequently, results can vary across service providers. The nature of the outputs from the exercise is a backward-looking measure that does not take into consideration future changes and therefore should not be viewed in isolation. GMPF has considered Scopes 1 and 2 in their entirety and Scope 3 upstream emissions partially in its analysis as at the time of measurement, Scope 3 data was not considered sufficiently robust to incorporate and risks double counting of emissions.



Scope 1 – CO₂e emissions from company-owned and controlled resources.

Scope 2 – Indirect CO₂e emissions generated by purchased electricity, heat, steam and cooling.

Scope 3 – Indirect CO₂e emissions that are linked to a company's operations that occur in the value chain. These can be upstream or downstream.

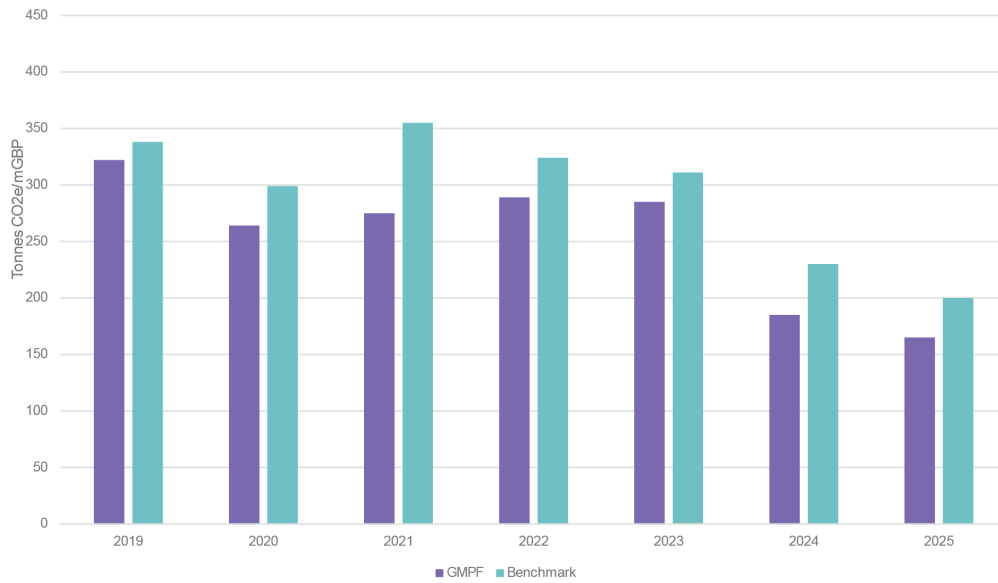
Upstream – The emissions associated with the production, processing, transmission, storage and distribution of raw materials beginning with extraction and ending with delivery to the site of use.

Downstream – The emissions associated with a product or service after it leaves the company's control or ownership.

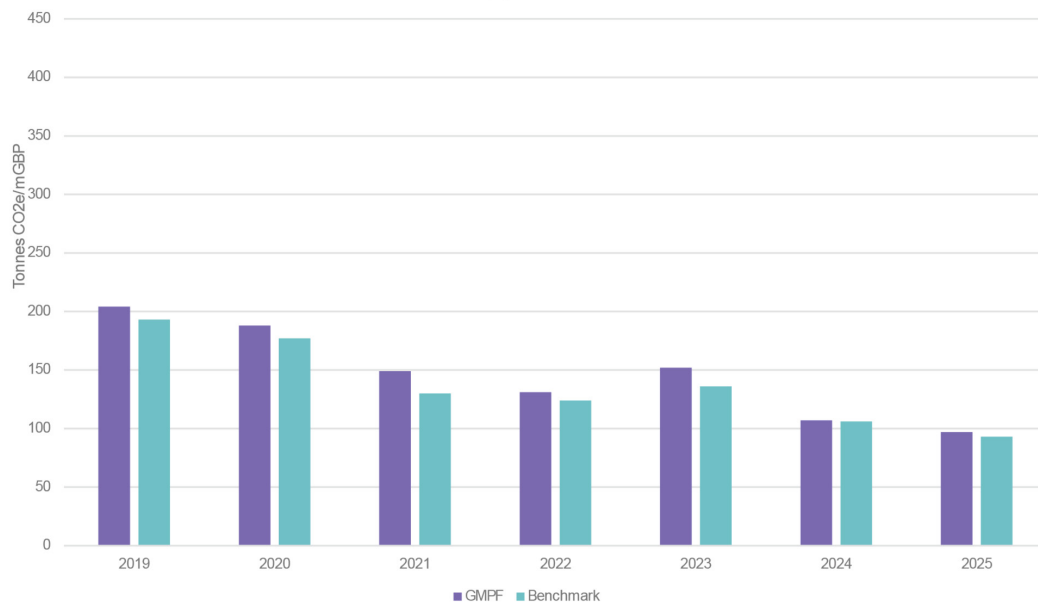
First Tier Indirect – Scope 2 emissions plus the company's first-tier scope 3 upstream emissions.

The three charts below show the historical intensities relative to the benchmark for the three normalised metrics. GMPF's carbon footprinting exercise found that as at 31 March 2025, the total fund holdings were 18% more efficient than the combined benchmark on the weighted average carbon intensity method, as recommended by TCFD. This compares with a figure of 20% as at 31 March 2024. The carbon footprinting covers £14.8 billion of assets, when the Main Fund was valued at £31.4 billion. The Fund intends to expand to other asset classes as methodologies and guidance improve.

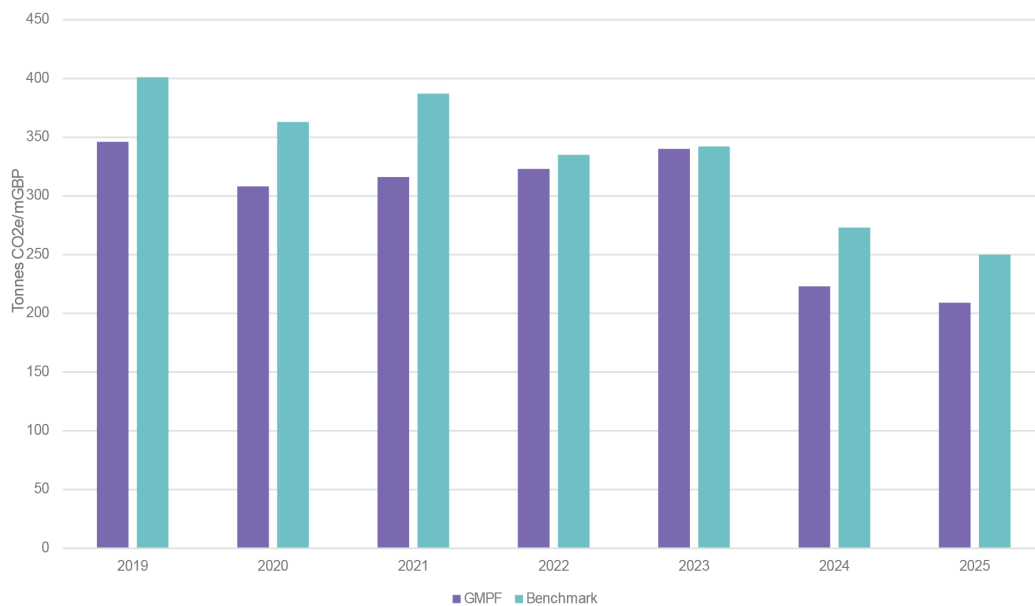
GMPF Weighted Average Carbon Intensity (WACI)



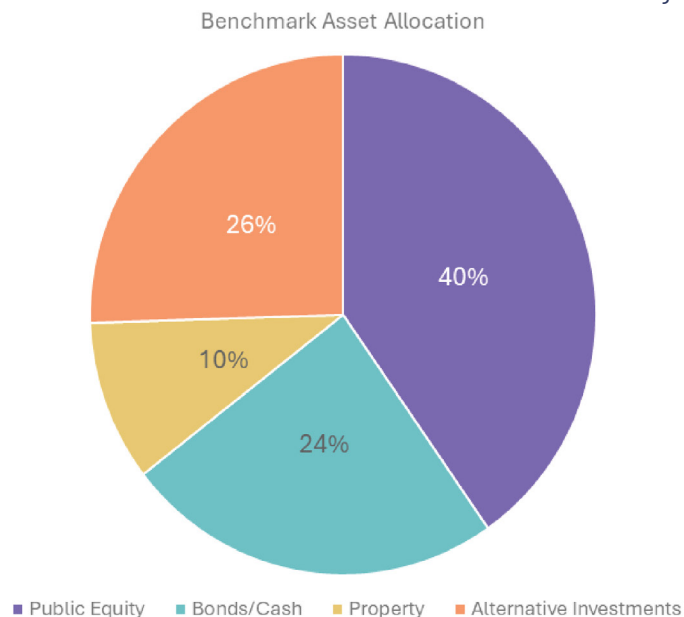
GMPF Carbon Intensity per Million of Value Invested



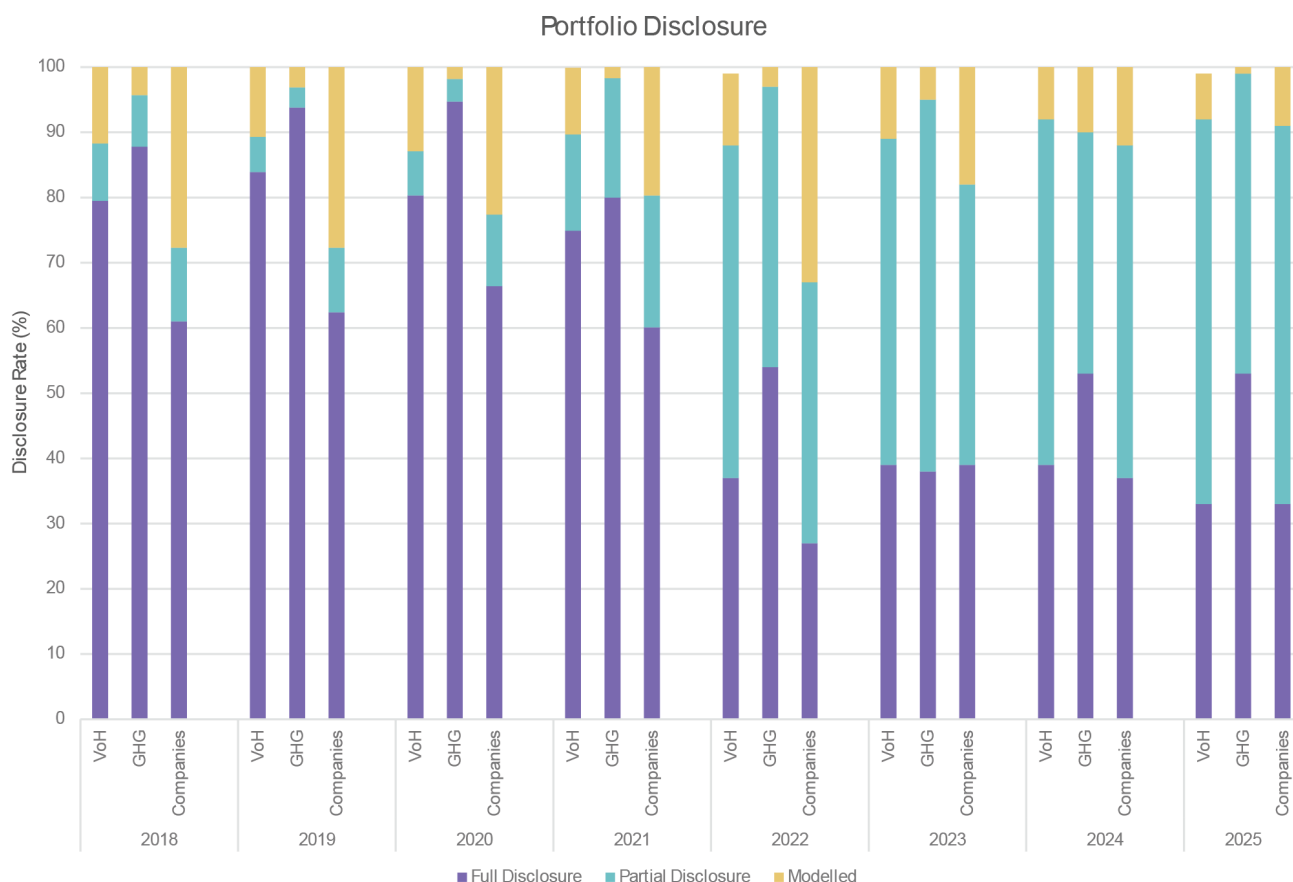
GMPF Carbon Intensity per Million of Revenue



The chart below shows GMPF's benchmark asset allocation of the major asset classes.



In order to understand the quality of the results GMPF tracks the disclosure rates which feed into the analysis. A higher level of disclosure would lead to more accurate results. The level of carbon disclosure is based on each company's Scope 1 emissions and are classified as fully disclosed, partially disclosed or modelled. Through its membership of CDP, GMPF calls for greater disclosure from companies on their carbon emissions. The chart below shows how disclosure rates change each year for GMPF's active equity holdings.



GMPF via the Northern LGPS is a signatory to the Transition Pathway Initiative (TPI) which is a global, asset-owner led initiative that assesses companies' preparedness for the transition

to a low carbon economy. The TPI enables assessment of how companies are managing climate change and the risk it poses to their business. Based on company disclosures, TPI's company assessments are divided into two parts. Firstly, Management Quality which covers companies' management/governance of greenhouse gas emissions and the risks and opportunities arising from the low-carbon transition and secondly, a Carbon 'Performance Assessment', which involves quantitative benchmarking of companies' emissions pathways against international targets and national pledges made as part of the 2015 UN Paris Agreement. In turn, this enables better informed investment processes and decisions and can shape engagement activities and proxy voting decisions.

The TPI tool enables the assessment of companies' carbon management quality and carbon performance based only on publicly available information, by analysing 2,018 of the largest corporations in a variety of high-emitting sectors. The companies within a selected sector appear on a management quality 'staircase' with their relative position from Level 0 to 5, with Level 5 being the highest rating.

Level 0 – Unaware of or not Acknowledging Climate Change as a Business Issue

Level 1 – Acknowledging Climate Change as a Business Issue

Level 2 – Building Capacity

Level 3 – Integrated into Operational Decision-making

Level 4 – Strategic Assessment

Level 5 – Transition planning and implementation

GMPF annually maps its holdings to the TPI's list of target companies. As of 31 March 2025, GMPF was invested in 585 companies that appeared in the TPIs universe of high emitters. GMPF's investment in these companies totalled £8.8 billion.

TPI Rating	Number of Companies	GMPF Holding (£m)	% of Equity Analysed
0	1	21	0%
1	14	106	1%
2	31	305	3%
3	326	3,665	42%
4	135	2,467	28%
5	78	2,247	26%

Recommended disclosure c)

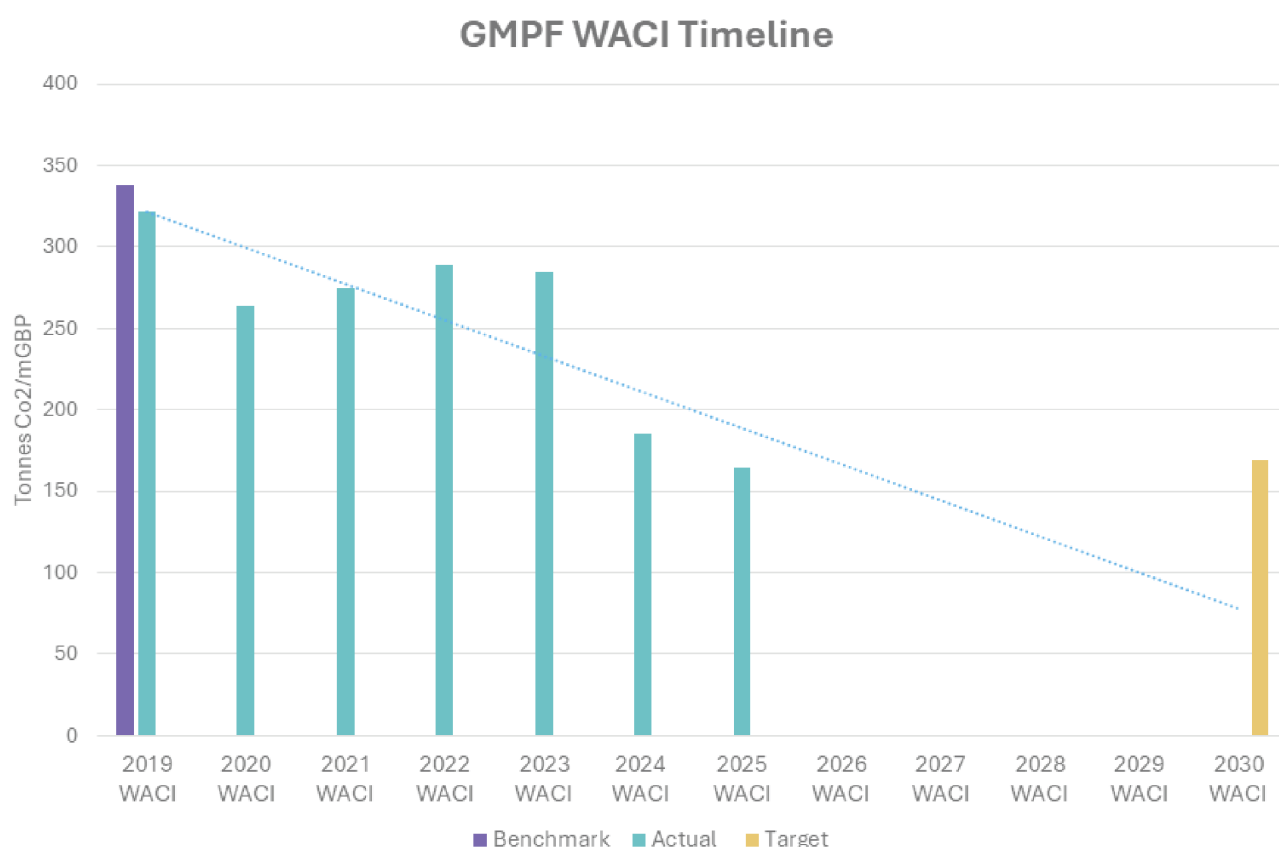
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

GMPF's long term goal is for 100% of assets to be compatible with the net zero emissions ambition by c2050 in line with the Paris Agreement. GMPF understands there are a

number of limitations to carbon footprinting. The methods rely heavily on data disclosed by companies and where this is not, reliable third-party data, modelled data or estimates are used. Additionally, the various data sources and methods mean that using different providers can lead to variations in the levels of carbon emissions being reported and subsequent results. For this reason, GMPF uses a combination of a number of calculated carbon related metrics from its provider and its external managers as well as qualitative data from Climate Action 100+ and TPI data to gain an understanding of the risks and opportunities it faces rather than relying on any single metric.

In March 2021, GMPF as a member of the Northern LGPS was among 22 asset owners committed to implementing the IIGCC's net zero framework to achieve net zero alignment by 2050 or sooner and to halve its WACI metric, as recommended by the TCFD, from a 2019 baseline by 2030 for its listed equity and corporate bonds assets. GMPF has calculated its baseline WACI (which takes into consideration all listed equities and corporate bonds) in 2019 to be 338 (tCO₂e/£m). GMPF's 2025 WACI is 165 (tCO₂e/£m) which equates to a 51% reduction vs the 2019 baseline.

The chart below shows the evolution of GMPF's WACI over time in teal bars and the purple bar represents GMPF's 2019 benchmark WACI. The yellow bar represents GMPF's 2030 WACI target and the blue line is the trendline.



As part of this commitment to implement the IIGCC's net zero framework, GMPF also committed to increasing investments in climate solutions by a further \$1 billion by 31 December 2030 from a baseline of \$520 million as of 31 March 2021. As at 31 March 2025, GMPF had an estimated \$1,168 million invested in climate solutions within its infrastructure allocation, predominantly across solar, onshore wind and offshore wind assets.

As a further enhancement, GMPF committed to two additional targets recommended by the

IIGCC's net zero framework in 2024. The first of the two new targets is an asset alignment target. A 5-year target for increasing the percentage of AUM (or financed emissions) in material sectors that are 'aligning' or 'aligned' to a net zero pathway or achieving net zero'. It is expected by 2040, that 100% of assets are, as a minimum, aligned to a net zero pathway. This expectation aims to enhance the probability that 100% of assets are consistent with the global goal to achieve net zero by 2050 and thus consistent with investors transitioning their individual portfolios in a manner consistent with global net zero goals.

The table below shows the split of GMPF's assets that split between the categories defined by the Framework from being Uncommitted progressing to Net Zero aligned. As part of the annual update to the IIGCC, GMPF submitted this initial data, as at 31 March 2024, in December 2024. GMPF will continue to monitor progress and report against this target.

	Uncommitted	Committed	Aligning	Aligned	Net Zero
Percentage of assets that fall into category	76%	21%	3%	0%	0%

The second new target is an engagement target. It is expected that investors set an engagement threshold target which immediately ensures that at least 70% of scope 1 and 2 financed emissions in material sectors are originating in assets that are either categorised as achieving net zero, aligned to a net zero pathway, or are subject to engagement and stewardship actions. This threshold should increase to at least 90% by 2030 at the latest. GMPF has estimated 78% of its financed emissions are subject to engagement. As part of the annual update to the IIGCC, GMPF submitted this initial data, as at 31 March 2024, in December 2024. GMPF will continue to monitor progress and report against this target.



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2025