

Northern LGPS is the partnership between the Greater Manchester (GMPF), Merseyside (MPF) and West Yorkshire (WYPF) Local Government Pension Scheme (LGPS) funds, holding £46 billion AUM and representing 880,000 members and over 1,100 contributing employers.

Northern LGPS understands environmental factors can be financially material and, as such, should be part of the assessment and monitoring of investments in all asset classes. Achieving sustainable, long-term financial returns underpins the ability to pay pensions and a focus on ESG issues helps reduce risks to the partnership's beneficiaries. Hence, as well as setting a whole portfolio decarbonisation target of 50% emissions reduction by 2030 and net zero by 2050, Northern LGPS has committed to scaling up investments in climate solutions by 2030, as recommended by the Net Zero Investment Framework.

### Measuring and setting targets for increasing allocations to climate solutions by 2030

Northern LGPS recognises the need to increase investment in the range of technologies required to support decarbonisation of sectors across the economy whilst also providing an attractive investment opportunity. Therefore, Northern LGPS analysed its current and projected investment in climate solutions in line with the methodology set out by IIGCC and the [Climate Investment Coalition](#), and joined the [collective COP26 pledge from Nordic and UK pension funds to increase investment in climate solutions by USD130 billion by 2030 and track progress against this target over time.](#)

In April 2015, GMPF and the London Pensions Fund Authority formed a joint venture to invest directly in infrastructure assets, with a focus on the UK. The joint venture is structured as a limited liability partnership and has been named GLIL Infrastructure LLP (GLIL). As part of the LGPS pooling discussions, West Yorkshire, Merseyside and Lancashire County Council pension funds joined GLIL in 2016. In 2018 GLIL was re-structured as an open-ended FCA Regulated fund to facilitate potential new members. Additional commitments made by existing members mean GLIL now has committed capital of approximately £3.6 billion. GLIL has invested £2.1 billion through thirteen transactions since 2015.

One third of GLIL's AUM is currently invested in climate solutions, with growth a key objective for the Northern LGPS pool; investments in climate solutions are expected to grow in parallel. Going forward, Northern LGPS will continue to be at the forefront of scaling up investments in climate solutions in the asset owner-space, emphasised by the partnership's commitment to increase investment in climate solutions to approximately \$2 billion by 2030, up from \$1 billion in the baseline year of 2021.

### Clyde Wind Farm

An early transaction of GLIL was the purchase from SSE of a 21.7% stake in Clyde wind farm for £150 million, followed by an additional £30 million and £88 million in 2017 and 2018, respectively. Clyde now has a total generation capacity of 522MW, making it one of the largest onshore windfarms in Europe.

