

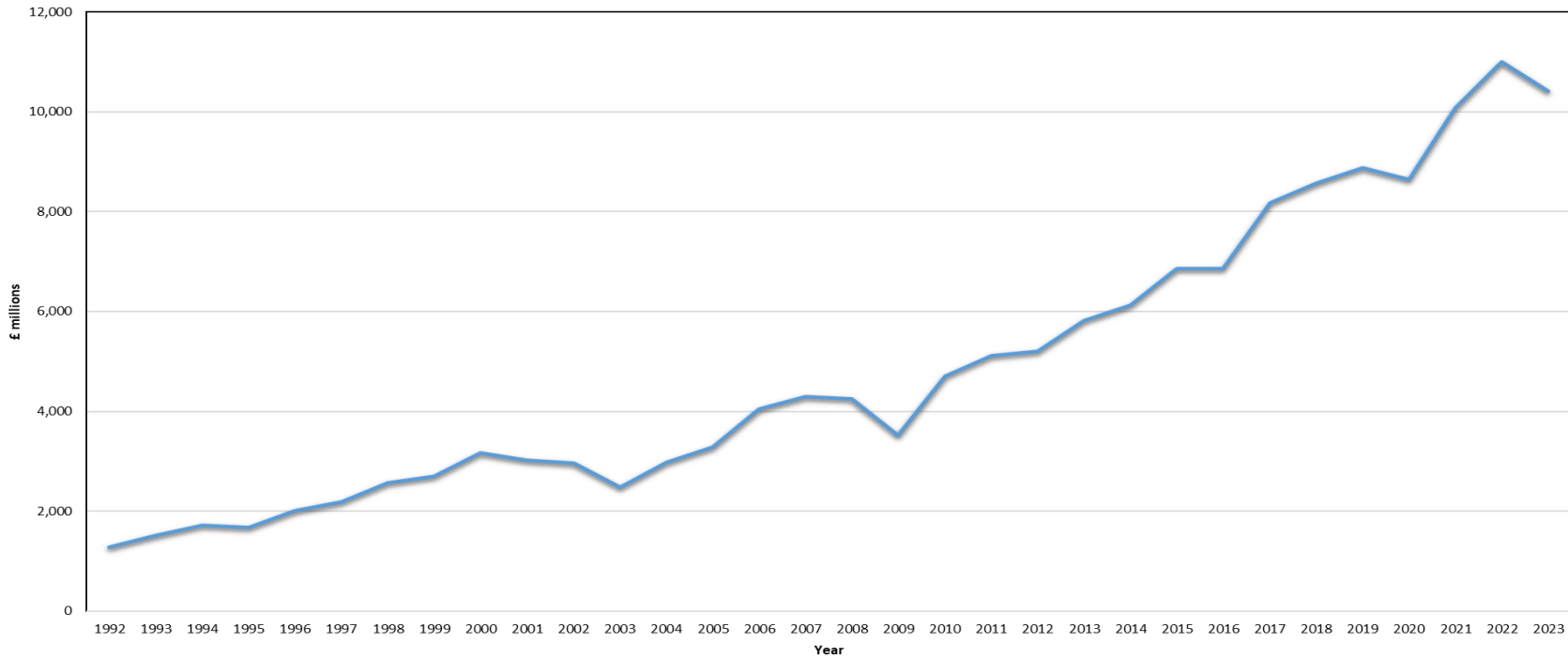


Merseyside Pension Fund (MPF)

Introduction to our Climate Strategy

Introduction to MPF

Assets Under Management



Key Metrics

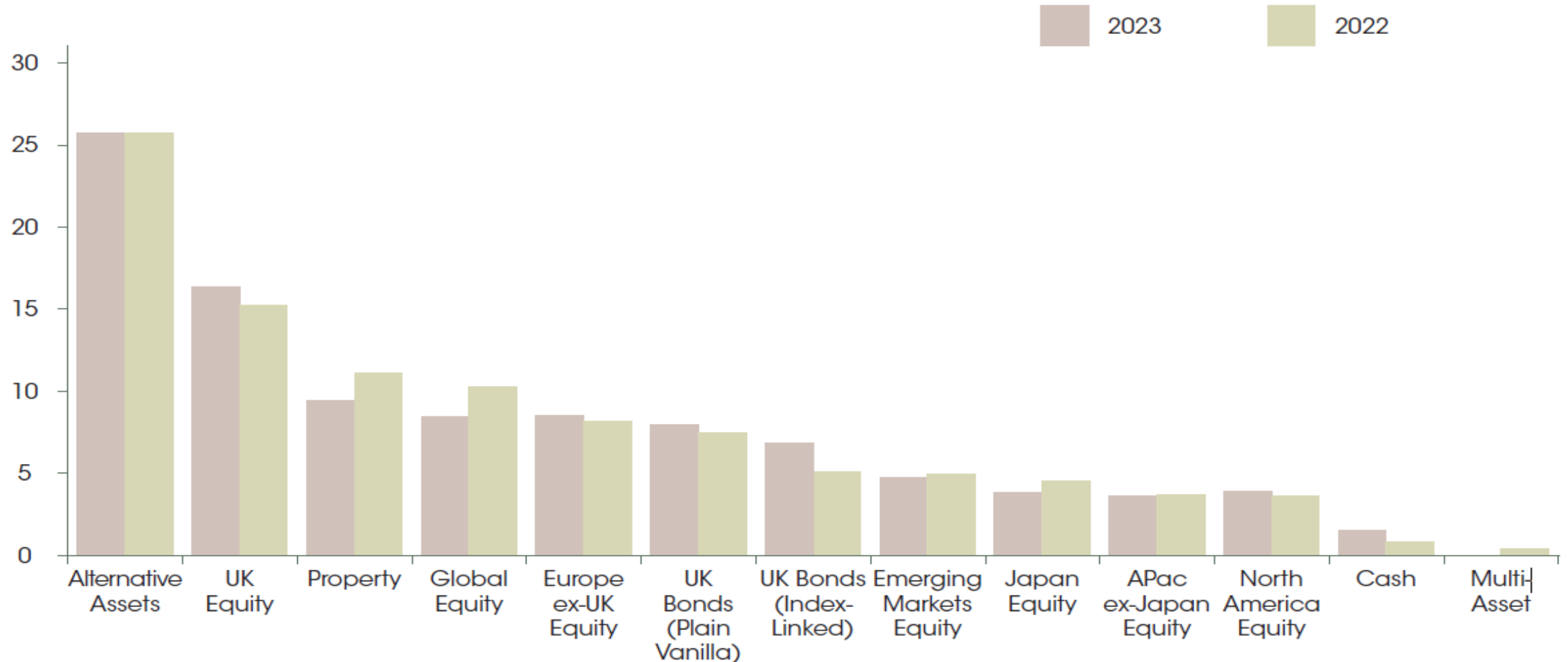
Members	149,140
Funding Level	106%

Relative Investment Performance

1 year	+1.38%
3 year	+2.13%
5 Year	+2.13

Introduction to MPF

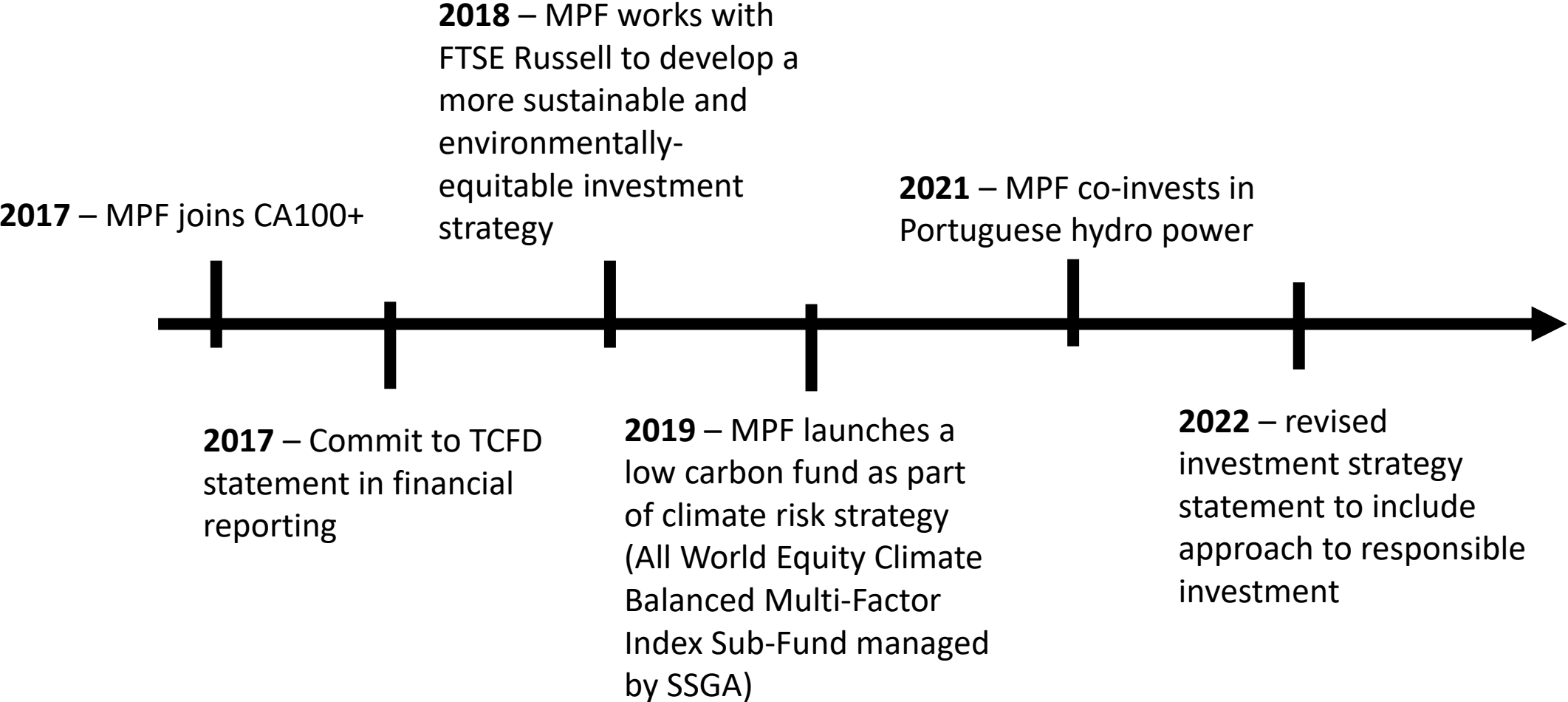
Asset Allocation Changes



Local Investments

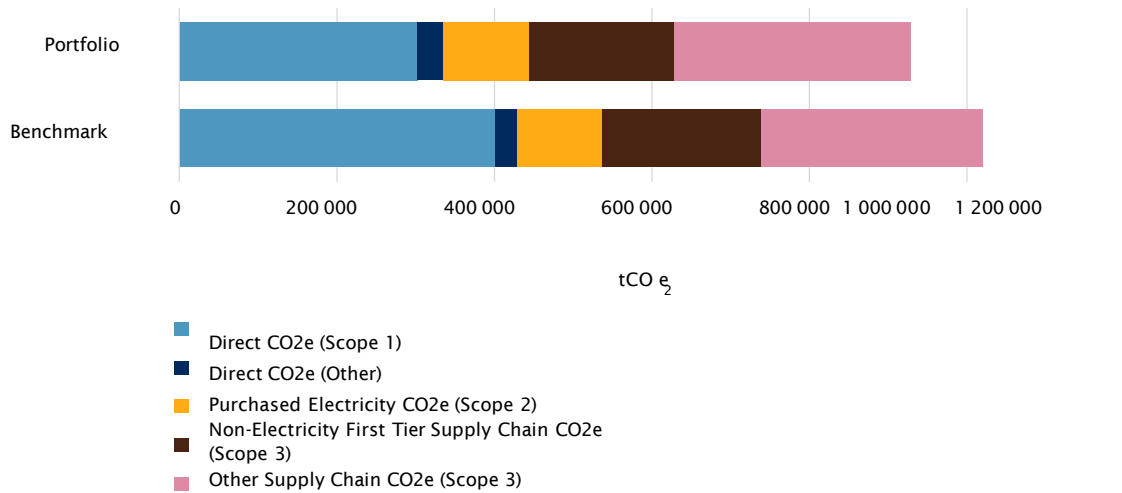
Investment	Purpose	Type	Amount
Liverpool Waters	Construction of District Heat Network	Loan	£20m
Wirral Waters	Development of a Grade A 30,000 sq ft office/MEA Park	Loan	£8.5m
Foresight NW Regional Fund	Growth capital for regional SME	Equity	£20m
Legacie	Baltic Triangle residential blocks, 633 residences	5 Loan	£59.5m
Royal Albert Dock	Investment loan to fund the acquisition and capex to enhance value and deliver ESG improvements	Loan	£27.5m

Key Climate Related Decisions to Date

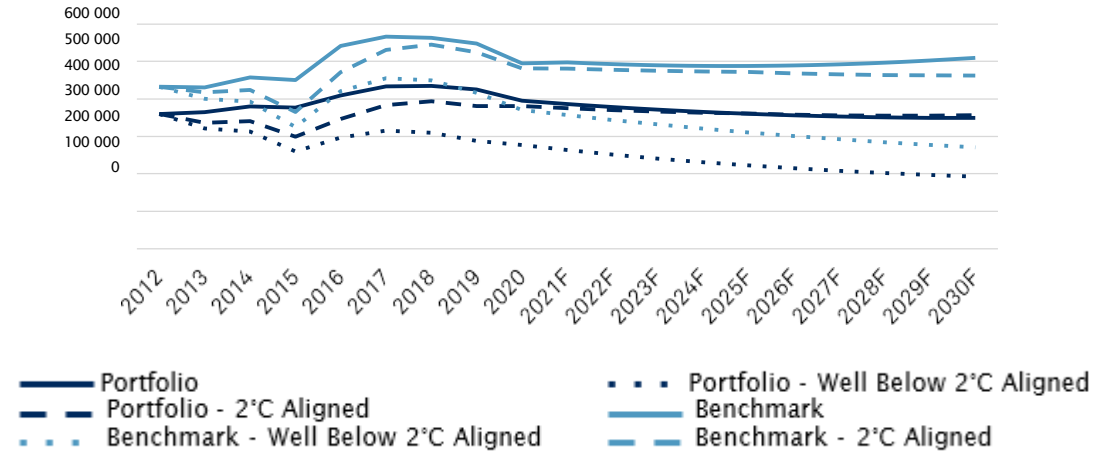


MPF Current Climate Baseline

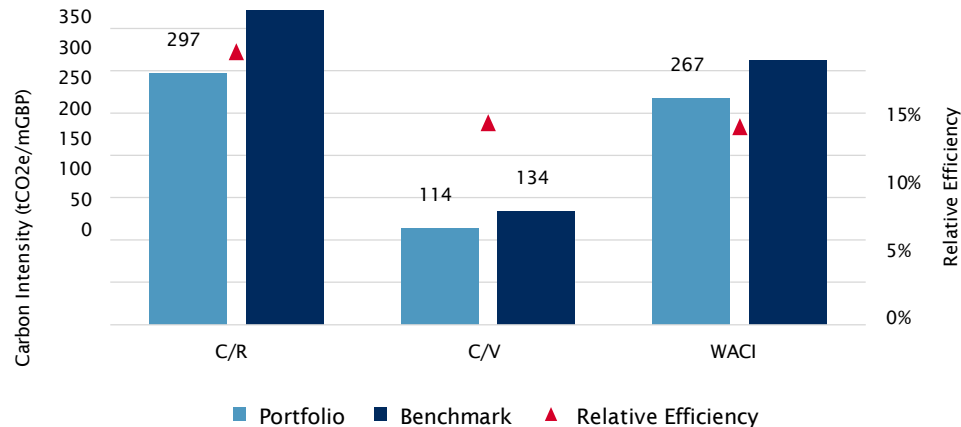
Portfolio Carbon Intensity



Temperature Warming and Emissions Trajectory



Total Portfolio Emissions



The boxes below show the level of warming associated with the portfolio and benchmark, based on performance over the period assessed.



2°C Scenario

	Portfolio	Benchmark
Tonnes Carbon (Under)/Over	423 532	578 695
Percent of Total (Under)/Over	5,9%	6,0%
Carbon/mGBP Invested (Under)/Over	79	108

1.5°C Scenario

	Portfolio	Benchmark
Tonnes Carbon (Under)/Over	2 368 696	2 866 726
Percent of Total (Under)/Over	45,3%	39,3%
Carbon/mGBP Invested (Under)/Over	442	535

Investor Climate Objectives

Emissions reduction

- Greenhouse gas emissions are the primary cause of climate change and rising global temperatures.
- To limit the most severe impacts of climate-related risks on the planetary ecosystem, real economy GHG emissions must get to net zero by 2050 at the latest, reducing by 45-50%.
- To contribute to this global decarbonisation goal, investors are setting longer term and interim decarbonisation targets.

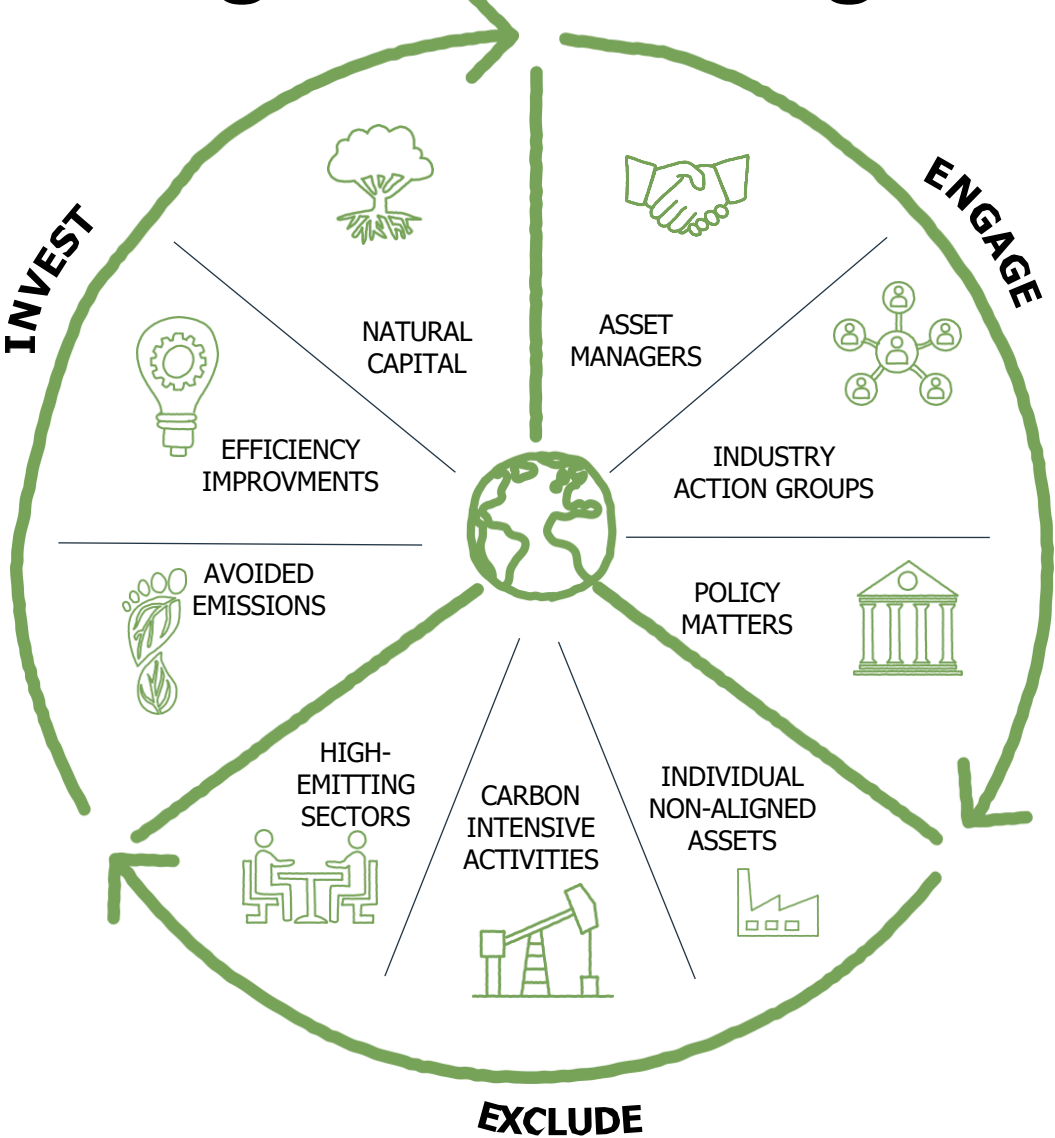
Increase alignment of assets

- Alignment measures the extent to which an asset or a portfolio is aligned to the goals of the Paris Agreement of limiting global warming to well-below 2°C by 2050, ideally 1.5°C.
- Recognising that emissions are inherently backward-looking, targeting an alignment metric allows investors to monitor the portfolio's forward-looking climate performance.

Allocations to climate solutions

- Increase investments in the range of climate solutions needed to meet the goals of the Paris Agreement.
- This target recognises that a significant increase in investments is required to meet the global net-zero goals.

Levers for Achieving Climate Targets



MPF Company Climate Engagement Example

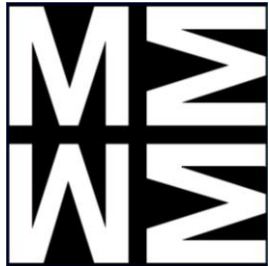
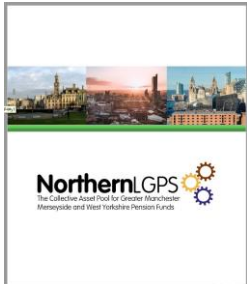
Banking Sector

- MPF co-filed shareholder resolutions and actively participated in climate related engagements recently at HSBC and Barclays.
- Holding banks to account on aligning their financing commitments on thermal coal and oil & gas sectors.
- Encourage UK banks to be leaders among their global peers

Results 2023

- HSBC confirmed commitments not to directly finance new oil and gas fields and metallurgical coal mines, to set an absolute thermal coal on balance sheet financed emissions target, and to introduce restrictions for prospective clients linked to oil and gas exploration.
- Barclays brought forward commitments to phase coal, oil & gas project financing out by 5 year following its publication of a new energy policy for the first time in three years.

Engagements ongoing into 2024



MPF Climate Solutions Example:

Through an infrastructure investment fund (GLIL) MPF directly holds a number of considered climate solutions in the renewable energy space.

Valuation

£2,972.8m

Clyde Windfarm



Clyde Windfarm is one of the largest operational windfarms in the UK. GLIL also took the opportunity to invest in the “Clyde Extension” Project, which saw the wind farm grow from 350MW to 522MW in the summer of 2017.

GLIL Ownership: 21.7% with 2 board seats

Asset Life: 28 years

Cubico Sustainable Investments



Cubico has been operational since 2015 and comprises over 250 MW of onshore wind and solar projects at 18 sites across the UK.

GLIL Ownership 49% with 1 board seat

Asset Life: 28 years

Flexion Energy



Flexion is a battery storage operation company that aims to support the UK's transition to net zero with ambitions to deploy initially 300MW of operational assets extending to 1GW after five years.

GLIL Ownership: 95% with board control

Asset Life: 25-40 years