



OMERS Climate Action Plan

Presentation to the
City of Toronto
Infrastructure and
Environment Committee

September 20, 2023

Introducing OMERS Leaders at IEC Today



George Cooke,
Chair of the Board of Directors,
OMERS Administration Corporation



Celine Chiovitti,
Executive Vice President &
Head of Pensions



Michael Kelly,
Chief Legal & Sustainability Officer



Katharine Preston,
Vice President, Sustainable Investing



OMERS is one of Canada's largest public-sector jointly sponsored defined-benefit pension plans

The people we serve

599,000+

Members

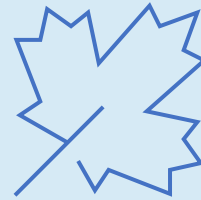
1,000+

Employers

30+

Unions/Associations

One of
Canada's
largest



defined benefit
pension plans

Founded in **1962**

95% Member service
satisfaction

Over

\$127B In net assets

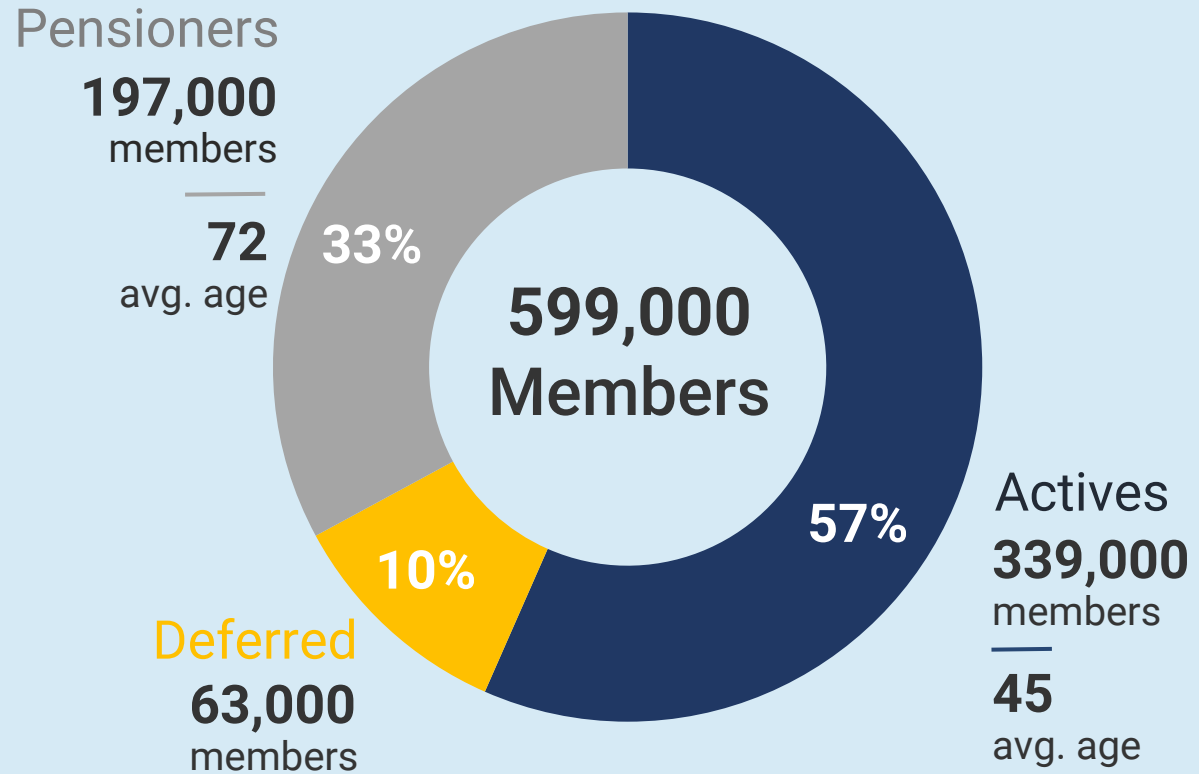
Annualized net return to
June 30, 2023:

3.1% 6-month

7.8% 1-year

7.8% 10-year

We serve multiple generations...



Figures as of June 30, 2023, unless stated otherwise

*Pension average includes total pensions paid (normal, early, disability) from the Primary Plan and RCA combined, divided by the number of pensions; excluding spouse/child pensions

Facts about our members

67%

Full time members

42.3%

Male

57.3%

Female

33%

Non full time members

0.4%

Identify as "other"

\$30,000

Average pension*

13,700

New pensions added in 2022

+\$5.9B

Pension payments (2022)

+4.6B

Contributions (2022)

108

Oldest pensioner

14

Youngest Member



Sustainable Investing and Climate Action Plan

What is 'Sustainable Investing'?

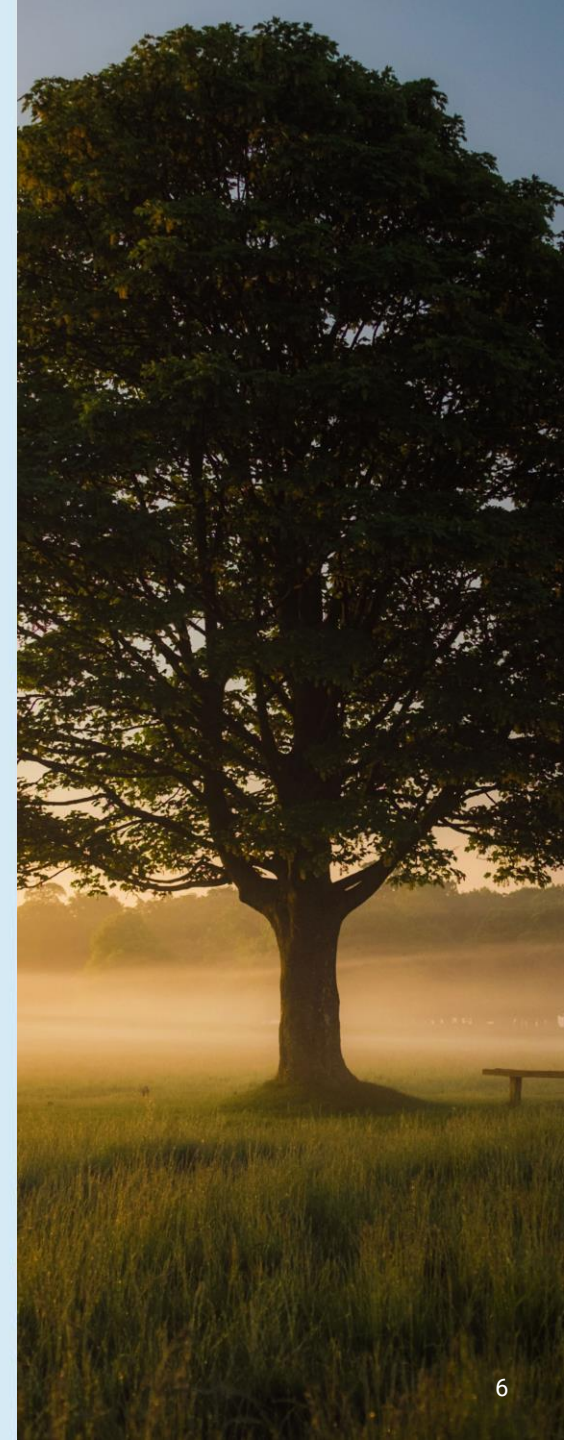
Sustainable investing at OMERS involves the integration of environmental, social and governance (ESG) considerations into investment decision-making. ESG integration is **not an alternative** to returns, we use it alongside our traditional financial analyses to provide a more holistic way of assessing value, risk and opportunity in our investments.

Vision

To be a leader in sustainable investing, to better **protect** and **generate** superior **value** for our members over the long term.

Drivers

- We believe well-run organizations with sound environmental, social and governance ("ESG") practices will perform better, particularly over the long-term
- Integrating ESG factors into our investment approach is consistent with our fiduciary duties
- Our members, stakeholders and colleagues are asking
- Evolving public policy and regulatory landscape



Our Approach

Three overarching pillars guide our approach to sustainable investing: **Integration, Collaboration** and **Engagement**



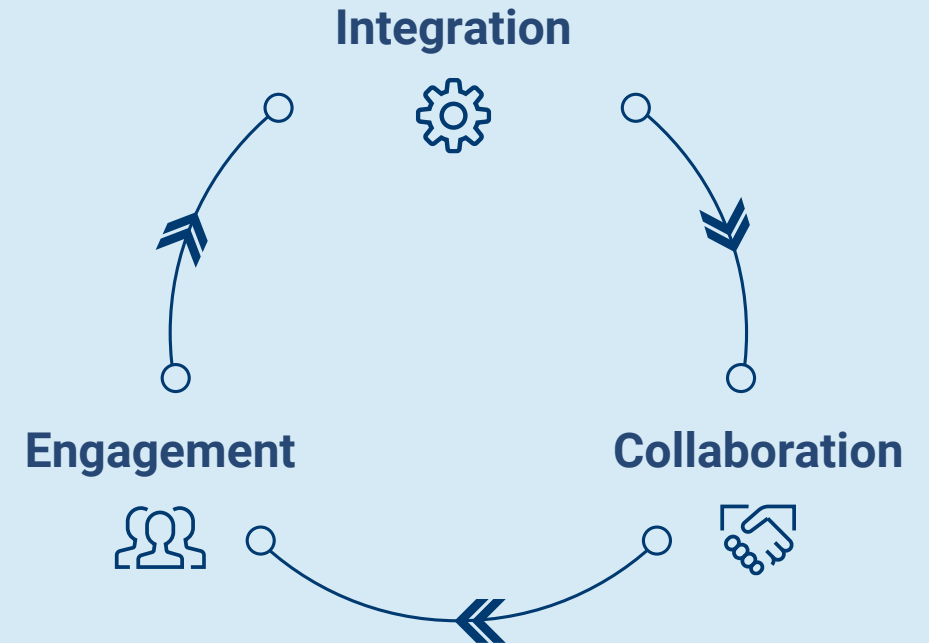
Integrate ESG factors into our investment analysis and decision-making



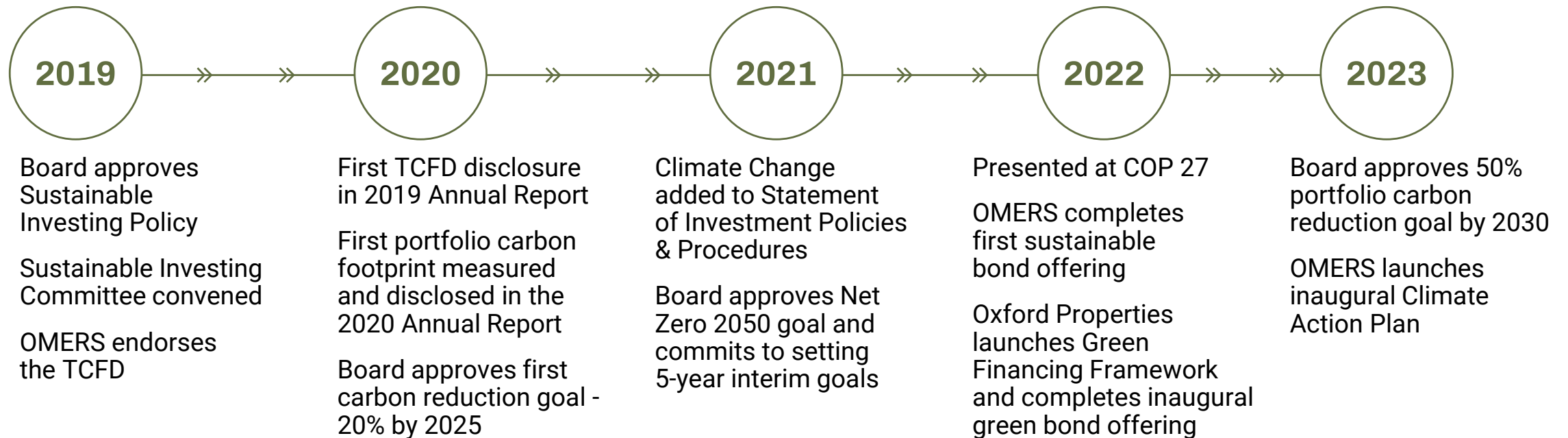
Collaborate with like-minded institutions to amplify our voice at the systems level



Engage with portfolio companies to promote sustainable business practices



5 year Snapshot: OMERS Climate Change Journey



Our Commitments



Net Zero

By 2050; portfolio and operations

Portfolio emissions intensity reduction

↓20%

By 2025

↓50%

By 2030

Interim

Goals every five years

\$30B

Green investments by 2030

Highest emitters

Top 20 WACI contributing portfolio companies expected to have credible net zero transition plans in place by 2030

\$3B

Transition sleeve



Integration



Throughout investment lifecycle

We are working hard to understand the climate profile of our assets and our total portfolio. Each business unit has developed ESG assessment frameworks that incorporate climate considerations into due diligence of potential new investments and stewardship of existing investments.



Transition assets

To support our decarbonization ambition we have established a \$3 billion transition sleeve to support investments in high carbon assets with credible plans to decarbonize themselves and/or their high-emitting customers.



Active decarbonization

We are working with portfolio companies on their decarbonization plans. We expect these plans to be credible and to align with our net zero ambition. We are increasing investments in green and transition-enabling companies.

Collaboration

Amplifying our impact

When collaborating with like-minded investors and other key stakeholders, we can amplify our ability to evolve sustainable finance tools and methodologies at the systems level, creating more efficient markets.

Better information for better decisions

We contribute to several organizations aimed at improving and harmonizing climate-related disclosures, data and metrics, enabling better informed decisions on opportunity and risk.



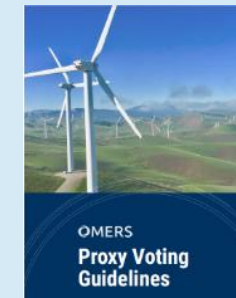
Engagement

Using our influence

Our approach is informed by our investment strategy and the level of control and influence we have in the **portfolio** asset. In our private markets investments where we hold direct ownership, we actively engage through board representation and direct communication with portfolio companies. For our public holdings we seek to actively engage, **whether** directly **or** in partnership with like-minded investors, **in addition to voting** our proxies on climate-related issues.

Prefer engagement to divestment, for now

Our preferred approach is active engagement, however we may decide that specific industries or sectors, such as thermal coal, do not align with our long-term view, in which case we may implement specific restrictions as we progress towards our goals.



Investing in Climate Solutions



Leeward

Bringing renewable energy to millions of homes

About: A portfolio of U.S. renewable energy facilities

Impact: Clean power to +7 million homes, more than 7 million metric tons of avoided CO2 emission

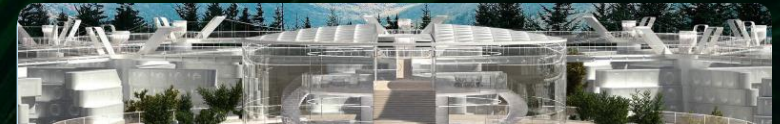


Northvolt

Sustainable batteries are cutting CO2 emissions

About: Supplies sustainable high-quality battery cells and systems

Impact: 90% reduction in carbon footprint compared to an industry reference cell by 2030

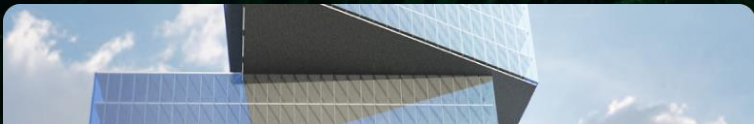


Deep Sky

Bold endeavours to solve the crisis

About: A very early-stage business aiming to build direct air and seawater carbon capture infrastructure and sequestration at massive scale

Impact: If it succeeds, it will remove gigatons of CO2 from the atmosphere at an unprecedented rate



The Stack

Canada's first zero carbon office tower

About: Commercial high-rise in Vancouver with a world-class design

Impact: The first commercial high-rise tower to receive the Canada Green Building Council Zero Carbon Building certification



Kenter and Groendus

A European sustainable energy partnership

About: Two companies, in the Netherlands and Belgium, providing sustainable energy solutions

Impact: To offer existing and new customers holistic, integrated energy solutions that support decarbonization of their operations and help them reach their net zero goals



Bruce Power

Reliable, emission-free electricity powering Ontario

About: The world's largest operating nuclear power facility

Impact: Provides emission-free, low-cost, reliable electricity to one in three homes, hospitals, schools and businesses in the province of Ontario

Questions?

