
October 22, 2024

OMERS Climate Action Plan: Update

Presentation to the
City of Toronto Infrastructure and
Environment Committee

 OMERS



Introducing OMERS Leaders at IEC Today



George Cooke

Chair of the Board
of Directors,
OMERS Administration
Corporation



Katharine Preston

Vice President,
Sustainable Investing



Hala El Akl

Vice President,
Sustainable Investing
& Operations,
Oxford Properties

Sustainable Investing Approach

It has been our long-held belief that well-run organizations, with sound environmental, social and governance practices will perform better, particularly over the long-term.

Three overarching pillars guide our approach:



la



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

Strong governance underpins OMERS SI Framework and approach.

A deeper dive on our Climate Action Plan

Climate change is one of the most pressing issues of our time. OMERS inaugural Climate Action Plan (CAP) sets out the steps on our pathway to Net Zero 2050¹. Launched in September 2023, the CAP details our efforts to manage climate risk and opportunities at a total fund and portfolio level.

Climate change is systemic: It impacts every economic activity, investment, and asset

It is a fiduciary imperative: As a long-term investor, we must understand how it does and will affect the way we invest

It impacts our communities: including our members, stakeholders, employees, and investee companies



Our commitments

2050

Achieving net zero: portfolio and operations

50%

Portfolio carbon intensity¹ reduction by 2030

Interim

Goals set every 5 years

\$30B

Green investments by 2030

\$3B

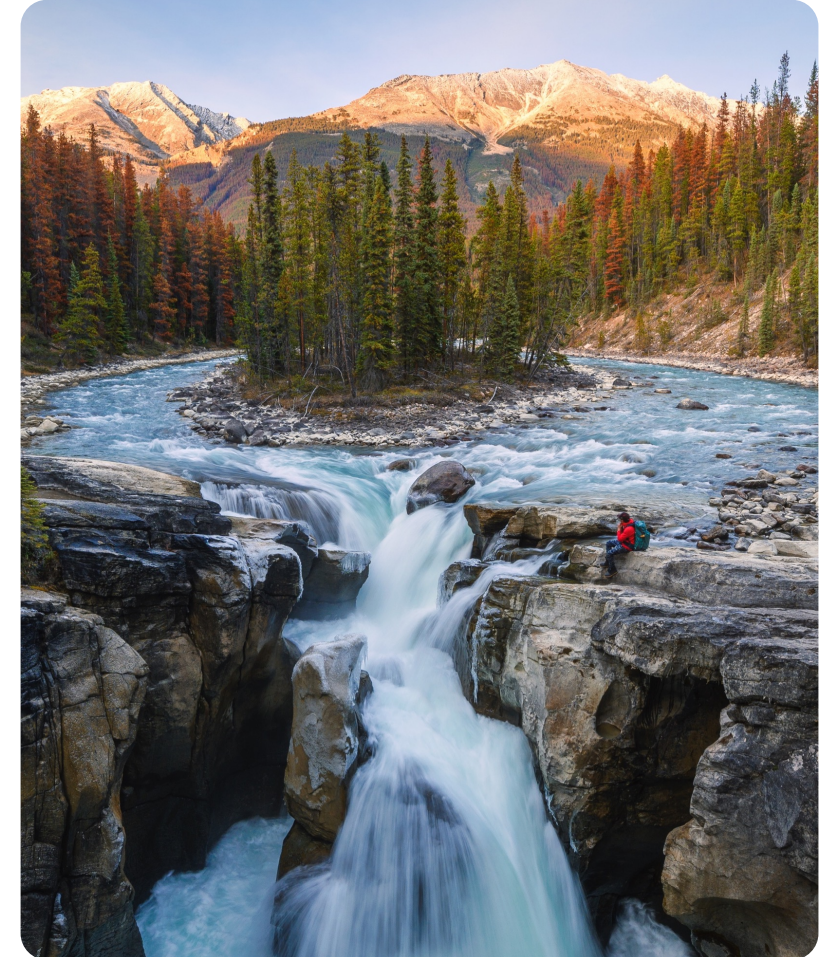
Transition sleeve

2030

Highest emitters have credible net zero transition plans

Exclude

Companies with material revenues from thermal coal



Our progress

52%

Portfolio carbon intensity¹ reduction

\$21B

In green investments

\$2B

In sustainable and green bonds

Align

Compensation to climate change performance measures



OMERS portfolio climate metrics

Each year since 2019, we engaged PwC LLP, an independent third party, to provide limited assurance on our portfolio climate metrics

Portfolio Climate Metrics by Year

Metric	2019	2020	2021	2022
Absolute emissions (tCO ₂ e)	4,586,547	5,124,998	3,939,910	3,381,652
Carbon Footprint (tCO ₂ e/\$M invested)	57	57	36	30
WACI (tCO ₂ e/\$M Revenue)	190	174	129	90
Green Assets (\$B)			18	19

Portfolio Climate Metrics by Asset Class

Metric	Equities ¹	Fixed income ²	Real Asset ³	Total Portfolio ⁴
Value of In-scope Exposure analyzed (\$M)	47,187	5,124,998	52,090	112,272
Absolute emissions (tCO ₂ e)	2,024,869	405,694	951,089	3,381,652
Carbon Footprint (tCO ₂ e/\$M invested)	43	31	18	30
WACI (tCO ₂ e/\$M Revenue)	99	66	89	90
Company-Reported Emissions (% of market value)	50%	35%	81%	63%
Estimated Emissions (% of market value)	50%	65%	19%	37%



¹Includes public and private equity holdings.

²Includes corporate bonds and credit holdings.

³Includes infrastructure and real estate holdings.

⁴This value represents the % of in-scope OMERS long-only economic exposure with existing carbon footprinting methodology where we have position transparency and includes notional value to account for equity derivatives.

Oxford Properties

Our ESG Framework

Three-year plan: Priorities of our ESG Framework

1. Integrate ESG throughout our activities
2. Solidify our data foundation
3. Decarbonize our assets



Environment

Climate-proofing our portfolio

Net zero carbon

- Operational carbon
- Embodied carbon

Climate resilience

- Climate risk
- Resilient design

Nature

- Circularity
- Biodiversity



Social

Creating meaningful impact

Our people

- Employee engagement
- Inclusion & diversity

Community impact

- Community wellbeing
- Local economic development

Sustainable sourcing

- Labour practices
- Responsible materials



Governance

Enhancing ESG practices

ESG governance

- ESG leadership
- ESG risk management

ESG toolkit

- ESG protocols
- Innovative instruments

Investment grade data

- Data management
- ESG transparency



Questions & Comments