

[Shift: Action for Pension Wealth and Planet Health](#) helps pension members engage with their pension funds on the climate crisis. Shift is a charitable project of [MakeWay](#). Annually, we publish the [Canadian Pension Climate Report Card](#), an assessment of the climate strategies of Canada's largest pension managers, including OMERS. In this briefing, we are sharing some relevant context for your consideration of OMERS' climate progress.

Pension funds and climate change

- Climate change creates financial risk in the short, medium and long-term.
- OMERS investments, in assets such as real estate, utilities, ports, transportation and logistics, and private and public companies, can take financial hits due to extreme weather events. An example is the closure of the Jasper Park Lodge during the Jasper Wildfire Complex in 2024.
- OMERS beneficiaries are counting on their pension fund as part of a secure and dignified retirement-- but a secure and dignified retirement will be impossible if climate pollution continues its current trajectory.

Recent legal developments

- Four young Canadians brought a lawsuit against the Canada Pension Plan Investment Board (CPPIB) in October 2025, alleging that it was failing to adequately manage climate-related risk while investing billions of dollars in fossil fuel companies.ⁱ The case is awaiting a hearing of merit.
- In March 2026, a class action lawsuit was brought against Cushman & Wakefield in the United States, alleging that the employer breached its duties under the Employee Retirement Income Security Act by failing to protect workers' 401(k) savings from material climate-related financial risks.ⁱⁱ
- In 2024, in an effort to prevent greenwashing, Canada made changes to the *Competition Act*. Some pension funds used these changes as an excuse to back away from previously announced climate commitments. In Shift's view, such backtracking is not consistent with fiduciary duty.

A widening divide among Canadian pension funds

- Some funds have gone backwards on climate. CPPIB abandoned its net-zero commitment.ⁱⁱⁱ The Ontario Teachers' Pension Plan released an updated plan that removed previous targets and lowered its ambition.^{iv}
- In contrast, funds such as La Caisse in Quebec have increased their ambition with updated and strengthened climate strategies.^v

OMERS' climate progress

- Score increased from C+ to B- in Shift's *Canadian Pension Climate Report Card*.^{vi}
- Has shifted its portfolio away from coal and oil and related infrastructure and toward renewables, electrical transmission, and battery storage.
- Has introduced tools and frameworks to support implementation of its climate action plan, e.g. mapping physical risk, climate taxonomy.^{vii}
- Still reports nearly \$3 billion invested in fossil fuels.^{viii}
- Has not yet reported progress toward its target that 20 polluting portfolio companies will have credible net-zero transition plans in place by 2030.

Geopolitical context

- The energy transition away from fossil fuels is already accelerating globally.
- Current events in the Middle East have created a global energy shock, highlighting the volatility and precarity of fossil fuel dependency.
- Following previous shocks, such as Russia's invasion of Ukraine, countries such as Pakistan saw a rapid uptake in solar and battery installation from households and businesses, reducing dependence on expensive imported fossil fuels.^{ix}
- In response to the current shock, the United Kingdom has announced efforts to reduce fossil fuel dependence, including a requirement for solar panels and heat pumps in all new homes.^x

Canadian context

- Pension funds are facing pressure from the federal government to invest domestically in projects being considered by the Major Projects Office.^{xi,xii} Such potential projects include LNG infrastructure and gas pipelines.
- A build-out of Canadian fossil fuel infrastructure (LNG, pipelines) in response to the current energy shock would be a mistake: new infrastructure won't come online in time to address the crisis; importing countries are already moving to cut oil and gas demand; countries prioritizing energy security and affordability will move to reduce import dependency for the long-term.
- Projects that attempt to lock in fossil fuel production long-term create financial risks and climate risks which are not in the best long-term interests of OMERS members. Demand decline could result in asset stranding. Fossil fuel lock-in would contribute to further climate destabilization.
- A number of potential projects lack the free, prior, and informed consent from all impacted Indigenous communities and thus face heightened investment risk due to opposition and legal challenges.^{xiii}
- Canada and its investors, especially long-term investors such as OMERS, need to invest in clean energy for the future, not the high-risk system of the past.

Takeaways for OMERS' members, beneficiaries and stakeholders

- A worsening climate crisis increases financial risks for OMERS and your retirement savings.
- An accelerating energy transition makes investments in new fossil fuel production and/or infrastructure a bad bet.
- If investing in "major projects" in Canada, OMERS must ensure that such projects:
 - Have free, prior and informed consent from all impacted Indigenous communities;
 - Will accelerate the energy transition, not delay it;
 - Have long-term financial viability to meet funds' fiduciary obligations.

- ⁱ Ecojustice: [Canada's largest pension investment manager sued over alleged climate risk mismanagement](#). October 27, 2025.
- ⁱⁱ Client Earth: [First-of-its-kind lawsuit filed against Cushman & Wakefield for failure to protect employee 401\(k\) plan from climate-related financial risks](#). March 4, 2026.
- ⁱⁱⁱ Shift: [CPPIB abandons its net-zero commitment and its obligations to Canadians](#). May 21, 2025.
- ^{iv} Shift: [Statement on Ontario Teachers' flawed 2026-2030 climate strategy](#). February 19, 2026.
- ^v Shift: [Statement: CDPQ's new climate strategy and transition financing framework](#). June 19, 2025.
- ^{vi} Shift: [2025 Canadian Pension Climate Report Card](#). January 28, 2026.
- ^{vii} Shift: 2025 Canadian Pension Climate Report Card - OMERS Analysis ([pdf](#)). January 28, 2026.
- ^{viii} OMERS: [2025 Annual Report](#). P. 31. See: Industry Exposure.
- ^{ix} Shah, J. World Resources Institute. [The Perfect Storm Fueling Pakistan's Solar Boom](#). October 1, 2025.
- ^x Meredith, S. CNBC. [Britain responds to Iran war energy shock by requiring solar panels and heat pumps in all new homes](#). March 24, 2026.
- ^{xi} Seglins, D. and Thompson, E. CBC News. [Amid 'Buy Canadian' fervour, Canada's top pension funds still heavily invested in U.S.](#) February 14, 2026.
- ^{xii} Ellmen, E. Corporate Knights. [Can Ottawa convince Canada's pension giants to invest at home?](#) April 1, 2026.
- ^{xiii} Shift: [The federal government is pressuring your pension fund to invest in LNG and pipelines](#). April 2, 2026.