Climate Pension Quarterly
Issue #7
March 2023

shift ACTION FOR PENSION WEALTH AND PLANET HEALTH

This quarter turned up the heat on pension funds and climate.

At the beginning of 2023, Shift released our inaugural *Canadian Pension Climate Report Card*, which established a clear benchmark for evaluating Canadian funds on their approach to climate-related risk. The analysis found that as a whole, the pension sector is not yet on track to protect pensions from the worsening climate crisis or to align portfolios with a safe climate future. The report was covered in the *Toronto Star*, *Financial Post*, *National Observer* and *Canadian Press*, as well as several other Canadian and international finance and responsible investing media outlets.

And toward the end of the quarter, CBC profiled pension fund beneficiaries calling on their pension funds to divest from fossil fuels and analyzed the overlapping directorships between Canada's largest pension funds and fossil fuel companies.

Other big news from the first three months of 2023:

- An analysis from Investors for Paris Compliance reviewed proxy voting patterns of Canadian investor members of Climate Action 100+ and found that pension fund beneficiaries cannot take their plans' claims of climate engagement at face value.
- The *Canadian Pensions Dashboard for Responsible Investing* found that, even with 2022's banner year for oil and gas stocks, all Canadian pension funds' public equities portfolios would have had a higher rate of return if they had divested from oil and gas ten years ago.
- Canada's Net-Zero Advisory Body recommended that the Canada Pension Plan Investment Board should have a formal net-zero mandate.
- The Sustainable Finance Action Council released its Taxonomy Roadmap Report (see Shift's statement in response) and the Office of the Superintendent of Financial Institutions issued new guidance for how banks, pension funds and insurers should disclose and manage climate-related financial risks (Shift's statement).
- The International Panel on Climate Change's Sixth Assessment Report, communicating the expert consensus of the global scientific community, described the "multiple, feasible and effective options" to secure a livable future. What we do in the next few years will determine humanity's fate for millennia, with critical implications for the decisions of governments and investors today.

This quarter also saw pension beneficiaries pressuring their funds to act in line with climate science:

In "Pensions worthless without a future" (*Hamilton Spectator*), beneficiaries of the Ontario Teachers' Pension Plan (OTPP), Healthcare of Ontario Pension Plan (HOOPP), and OMERS wrote:

> *"As a teacher, a mental health practitioner and a municipal worker, we are disappointed and concerned that a recent report showed that our public pensions have not caught up with the seriousness of the climate crisis…*
>
> *Beneficiaries like us have been calling on our pensions to safeguard our retirement from risky fossil fuel investments and to invest in climate safety. We don't want our pension payments undermining the financial and environmental interests of health care workers, municipal employees, and teachers retiring 20 years from now. And we don't want our retirement savings making the climate crisis worse."*

In "Ties between pension fund directors and fossil fuels are 'incompatible' for some Canadians" (*CBC News*), British Columbia teacher Teri Burgess commented on her pension plans' investments in fossil fuels:

> *"I don't know any colleague of mine in any school who wants to stand at the front of the room and say, 'Hey kids … I'm going to continue to invest in something that I know is harming you.'"*

Looking ahead, we're turning our attention to shareholder season. With climate-related shareholder resolutions put forward at the Royal Bank of Canada (RBC) and TD Bank, Shift will be keeping a keen eye on how Canada's pension funds vote. You can use Shift's online tool to tell your pension manager to call on RBC and TD to develop credible science-based transition plans, end financing for fossil fuel expansion and respect Indigenous rights.

Read on for the full stories in this issue of the *Climate Pension Quarterly*.

-Adam, Patrick and Laura
The Shift team

P.S. Shift is hiring a BC-based pensions campaigner - please share the job posting!

Pension Fund Reports, Policies and Climate Announcements

CLIMATE STRATEGIES & CLIMATE PROGRESS

Healthcare of Ontario Pension Plan (HOOPP) released its inaugural climate strategy.
Following close to two years of pressure from beneficiaries and a concerning D grade in Shift's *Canadian Pension Climate Report Card*, the Healthcare of Ontario Pension Plan (HOOPP) released its inaugural climate strategy. Shift commends HOOPP for communicating with its beneficiaries about the climate crisis, for its intention to secure an external climate change advisor to support the Board's governance oversight, and for its commitment to $23 billion in green investments by 2030. The plan also included a 2030 emissions intensity target, a target for 50% of assets in the infrastructure and private equity portfolios to have climate transition plans by 2030, and an incomplete and loophole-filled attempt at creating a fossil fuel exclusion policy by 2025. See Shift's statement.

OMERS' Annual Report demonstrated climate progress, committed to 2023 Climate Action Plan.
OMERS' *2022 Annual Report* documented a 32% reduction in the carbon intensity of its portfolio below 2019 levels and a new commitment to reduce the emissions intensity of the portfolio by 50% below 2019 levels by 2030. OMERS' green assets ($19 billion) held steady as a percentage of assets under management (AUM). OMERS also announced a $3 billion "transition sleeve" allocation that's earmarked for "assets playing a key role in the global transition toward a lower-carbon economy." More details are needed, and Shift looks forward to OMERS' promised climate action plan later this year. See Shift's statement.

The Ontario Teachers' Pension Plan (OTPP) added $3 billion in new green assets in 2022.
With $34 billion invested, the OTPP is about two-thirds of the way to its target of $50 billion in green assets. The OTPP has also issued nearly $3 billion in green bonds since 2020, reduced the emissions intensity of its portfolio by 32% between 2019 and 2022, and bolstered emissions reporting to cover 88% of emissions in its private portfolio, up from 27% in 2019. Shift will be watching closely to see how the OTPP fulfills its commitment to invest $5 billion in "High Carbon Transition Assets", an allocation meant to accelerate the decarbonization of "very high-emitting companies", with a focus on power generation, heavy industry, mining and transportation.

The British Columbia Investment Management Corporation's (BCI) updated proxy voting guidelines make it the first Canadian pension plan to require companies to include climate in their audit processes.
BCI strengthened its proxy voting guidelines, adding the expectation that climate-related metrics and risk considerations be incorporated into corporate disclosures. For companies in high-emitting sectors, BCI may vote against a company's financial statements or against audit committee members if climate change risk is not sufficiently incorporated.

BCI also added a section on Indigenous rights and reconciliation to its Proxy Voting Guidelines, although the guideline stops short of saying that the pension manager will support proposals calling for companies to obtain and maintain the free, prior and informed consent of Indigenous peoples.

PSP Investments (PSP) approved an updated *Corporate Governance and Proxy Voting Principles* and *Sustainable Investment Policy* in February. See Shift's analysis.
PSP strengthened its *Proxy Voting Principles* on climate, including stating that it will generally vote for climate-related resolutions calling for a transition plan aligned with climate science. Unlike BCI, PSP did not include a section on incorporating climate risk into financial disclosures and audit processes. And while PSP "may" vote against directors for failing to adequately oversee climate-related risks, guidelines from pension managers such as the **Canada Pension Plan Investment Board (CPPIB)** and **Investment Management Corporation of Ontario (IMCO)** say that they "will" vote against directors. PSP's guidelines do not indicate how it will vote on shareholder resolutions related to Indigenous consent, although the guidelines state that "Companies should strive to ensure that they maintain their long-term 'social license to operate' …. This may include, where appropriate, the free, prior, and informed consent of Indigenous peoples."

PSP's updated *Sustainable Investment Policy* sets out conditions under which PSP may refrain from investing or decide not to maintain investment in a company. In Shift's analysis, these conditions would apply to fossil fuel companies, although PSP does not name the sector.

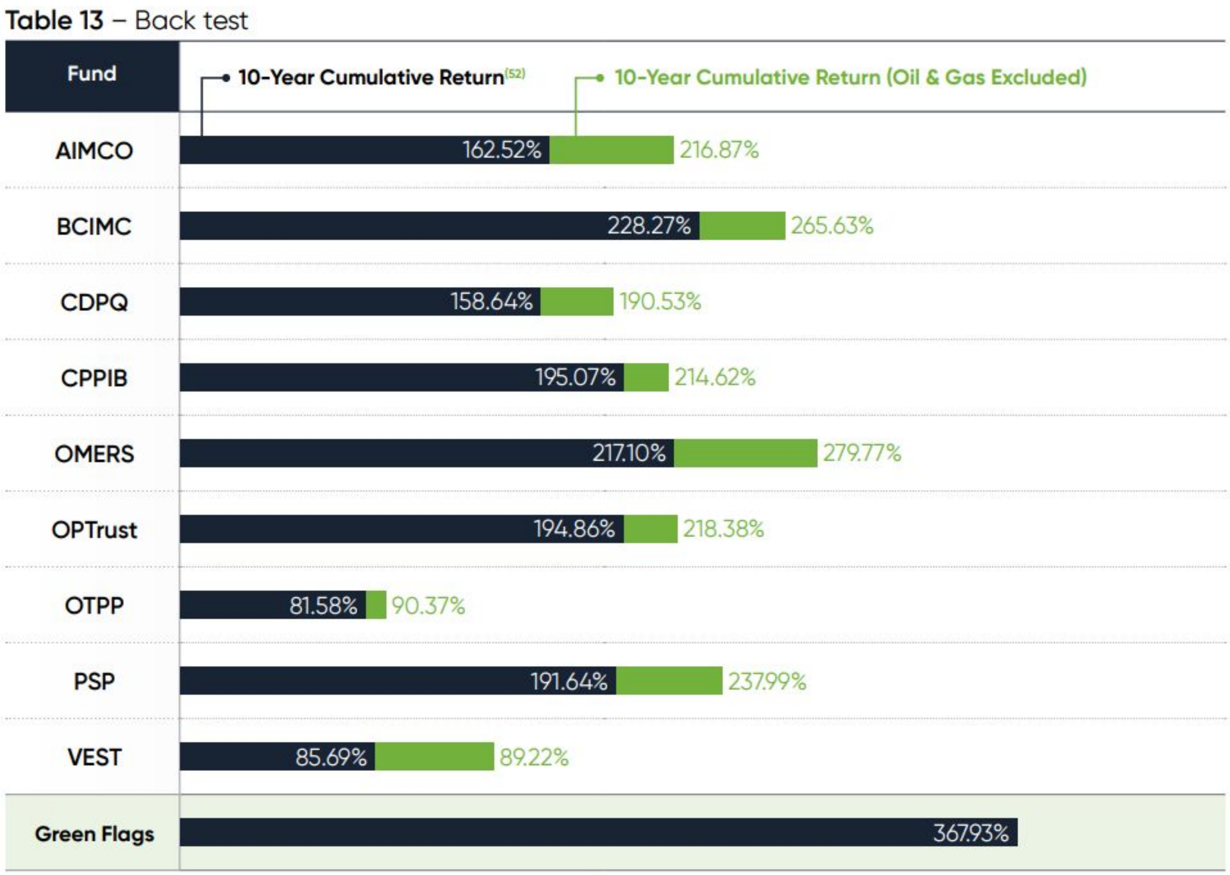
PSP mandated to manage the $15 billion Canada Growth Fund.
In its 2023 budget, Canada's federal government mandated PSP to manage the Canada Growth Fund (CGF). The CGF is an innovative public finance tool to leverage private capital for decarbonization, but Shift is concerned that the CGF appears to be disproportionately focused on risky private investments in false climate solutions that can undermine the energy transition by prolonging the use of oil and gas, like fossil hydrogen and carbon capture, utilization and storage. We were surprised to see the federal government assign the management of $15 billion to one of the only Maple Eight pension managers that has yet to commit to net-zero emissions. The budget announcement underscores the need for the federal government to require PSP to develop a credible, science-based climate plan as part of requirements laid out in the 2021 *Canadian Net-Zero Emissions Accountability Act*. Read Shift's statement.

Canadian Pension Mentions

Quebec Pension Plan members called for re-opening and modernizing the legislation governing the Caisse de dépôt et placement du Québec (CDPQ).
[English translation] "The mission of the Caisse, enshrined in law, must reflect the challenges of our time. The climate emergency and the collapse of biodiversity, the lack of respect for human rights, including those of Indigenous peoples in particular, require considerable change and effort from business, the financial sector and society as a whole to counter these interrelated social and environmental crises. These challenges are forcing us to thoroughly rethink the very mission of our institutions, including the CDPQ," the authors wrote in Le Devoir.

IMCO counting on fossil fuels.
Despite the investment manager's November 2022 commitment to phase out new investments "in development of new unabated fossil fuel assets," IMCO CEO Bert Clark told the Financial Post in January that he thinks fossil fuels will be around for the coming decades and that IMCO can "help decarbonize" by "working with and investing in fossil fuel companies". Clark also said that IMCO will launch a new strategy to deploy $5 billion over the next five years in "energy transition investing."

If Canadian pensions had divested from fossil fuels ten years ago, they would have seen significantly higher returns.
In March, the *Canadian Pensions Dashboard for Responsible Investing* for the second year in a row ran a backtest on public equities portfolios. It determined that, even while accounting for the oil and gas industry's windfall returns in 2022, divesting from fossil fuel stocks ten years ago would have resulted in higher returns for all pension funds examined.



Canadian Pensions Dashboard for Responsible Investing, Second Edition, pg. 29

BCI's climate engagement needs strengthening, and its arguments against divestment don't hold up - IEEFA.
In March, a report from the Institute for Energy Economics and Financial Analysis (IEEFA) on BCI's approach to climate-related financial risks found that BCI's climate engagement strategy was unlikely to succeed unless it is paired with divestment, and that BCI's arguments against fossil fuel divestment did not stand up to scrutiny. The report was published just before the British Columbia Teachers' Federation held its annual meeting, at which BC teachers passed a resolution calling on their union to develop a plan for their pension fund to fully divest from fossil fuels by 2027, in line with fiduciary duty.

Alberta Investment Management Corporation (AIMCo) identifying joint investment opportunities with Gulf State sovereign wealth funds.
CEO Evan Siddall said that "AIMCo and the regional wealth funds agree on how to transition to cleaner energy." Mr. Siddall identified fossil fuel producers (who made "more money than God" last year) as those most in need of capital to move "from gray to green." Fossil fuel producers cannot become green, of course; the heat-trapping emissions from their products are the primary cause of the climate crisis.

An OTPP Director sits on the board of a company lobbying against climate legislation.
The OTPP's newest Director Deborah Stein also sits on the board of Washington Gas, which in just the last few months has tried to obstruct climate legislation in Washington D.C., faces litigation in D.C. and Maryland for allegedly misleading customers by falsely advertising its fossil gas to have environmental benefits, and fought a ban on gas stoves in Maryland. Ontario teachers remain concerned that a director of their pension fund, which has an ambitious net-zero strategy, simultaneously has a legal obligation to advance the financial interests of a gas utility trying to prolong the use of fossil gas and facing greenwashing lawsuits.

Ramping up Investments in Climate Solutions

BCI
In January, **BCI** acquired an interest in Eku Energy, which was launched to develop, build and operate a global portfolio of **utility-scale battery storage projects**, through an agreement with Macquarie's Green Investment Group.

CDPQ
CDPQ partnered with Pollen Street in January to raise $153 million in financing for Onto, a UK-based **electric car subscription service**.

OTPP and PSP
OTPP- and PSP-owned Cubico Sustainable Investments agreed in January to buy a one-gigawatt (GW) solar power project under development in Brazil from ZEG Energias Renovaveis, for an undisclosed amount. As of March 2023, Cubico had more than two GW of **renewable energy projects** at different stages of development, including in Brazil, Colombia, Uruguay and Mexico.

OTPP
In March, the OTPP committed $250 million in capital to acquire a majority stake in Sevana Bioenergy to develop renewable natural gas (RNG) projects across North America. With the OTPP's investment, Sevana plans to upgrade and expand its agricultural biodigesters that capture fugitive methane from farm and organic waste in rural regions and turn it into RNG for transportation, heating and industrial use. This is a smart medium-term climate solution, but still involves burning methane gas, and can only achieve marginal emissions reductions.

CPPIB
In March, CPPIB bought US$268 million in Goldman Sachs' shares in Indian **renewable energy developer** ReNew Power and will now have a 51.6% stake in the company. The CPPIB is also partnering with a Brazilian investor to launch Floen, a new company focused on accelerating the pace of the energy transition, including in areas such as power generation and storage, green hydrogen, alternative fuels and materials, mobility solutions, energy efficiency, and carbon management. And a joint venture between the CPPIB and Enbridge called Maple Power, in partnership with EDF Renewables, has been chosen to develop the 1-GW Centre Manche 1 wind farm 32 kilometres off the coast of France. The offshore wind project is expected to go online around 2030 and will generate enough renewable energy for 1.5 million people.

A Closer Look At the CPPIB'S Purchase of a Major Oil and Gas Producer

In February, the CPPIB purchased a 49% stake in Aera Energy, which is responsible for about 25% of California's oil production. The CPPIB attempted to pass this off as a "transition" acquisition, making promises to invest in renewable energy to power the oil company's production, stating vague intentions to capture some amount of carbon from Aera's facilities, and speculating about using unproven concentrated solar technology to extract oil. As the story developed in the media, Shift was somewhat relieved to see the CPPIB provide additional details, including that the "oilfields are mature and that there is a plan to ramp down production over time," and "that runoff actually works quite well with increased steps to build that renewable power and decarbonization on site." This is a significant detail, as winding down production is the only credible pathway for Aera to align with global climate safety, Canadian retirement security and CPPIB's own net-zero commitment. But we remain concerned that this is an unacceptable example of greenwashing, and call on the CPPIB to transparently alleviate Canadians' concerns about this risky fossil fuel purchase by disclosing its homework on Aera using the CPPIB's own Abatement Capacity Assessment Framework. See Shift's statement.

A Closer Look at BCI's Investment in National Grid

In January, BCI announced completion of its acquisition, in partnership with Macquarie Asset Management, of a 60%, $15.5 billion stake in the United Kingdom's (UK) National Gas. A Macquarie spokesperson claimed that "Hydrogen and other green gases offer the quickest and cheapest path to decarbonise home heating and key industrial processes," and BCI pitched its fossil gas deal as a "testament to (BCI's) support of the UK's commitment to net zero carbon emissions by 2050."

BCI's acquisition of 7,600 km of fossil gas transmission pipelines raised eyebrows among financial experts and hydrogen industry analysts, however. "If the price you paid was driven by hydrogen for space heating, then this will end up as one for the history books—and not in a good way…" wrote Bloomberg New Energy Finance founder Michael Liebrich. He called the BCI acquisition "A cynical bet that the UK's Net Zero 2050 plan will be delayed or derailed (with the help of lashings of lobbying), and the asset can be milked indefinitely… Glad it's not my money." The Energy Mix covered the story, and explained why hydrogen is not the decarbonization panacea that BCI seems to believe it is.

A Deep Dive on Climate Engagement

Canadian investors cling to their claims that they are better able to influence decarbonization and manage climate-related risks through active ownership and climate engagement than by divesting. Shift maintains that engagement is a critical tool for investors, but must be approached rigorously-- and backed by escalation to divestment-- in order to be an effective lever for protecting portfolios from climate-related risks.

News from this past quarter provides both strong and weak examples of engagement. **Climate Engagement Canada**, our country's version of Climate Action 100+, must take note: if beneficiaries are to take pension managers' claims about climate engagement seriously, investors must set clear, escalatory, timebound expectations for companies to decarbonize, follow through using their votes on climate-related shareholder resolutions, and be willing to divest when expectations are not met.

Engagement that missed the mark

Inconsistent proxy voting
Investors for Paris Compliance (I4PC) found that the climate-related proxy voting patterns of Canadian investor members of Climate Action 100+ are inconsistent. Members such as the **CDPQ**, **OTPP** and **AIMCo** supported around just one-third of climate-related resolutions, while members such as **IMCO** and Ontario's **University Pension Plan (UPP)** respectively supported 73% and 82% of resolutions examined in the report. A similar analysis from Majority Action revealed that the **OTPP** (the only Canadian fund assessed), failed to vote against corporate directors of companies that are lagging on climate.

Ineffective engagement practices
In Australia, Market Forces found that five of Australia's largest superannuation funds-- all with net-zero commitments– have failed to comprehensively adopt the effective engagement practices recommended by major responsible investor initiatives.

Engagement that shows promise

Investors filing climate-related resolutions
New York City's pension manager has filed shareholder resolutions calling on major US and Canadian banks, including Royal Bank of Canada, to set absolute emissions reduction targets for 2030, and require oil and gas and utility companies to do the same.

Investors setting clear timebound expectations, backed by the threat of divestment
Europe's largest pension fund, the Netherlands' ABP, is setting key performance indicators for financial firms related to the sector's financing of the fossil fuel sector. APB will divest if financial firms do not meet the indicators within three years. "We're concerned that the financial sector is still invested massively in fossil fuels," said ABP's head of investment. "If you say you're committing to a climate course and then still actively granting loans to new fossil products, that's just not aligned."

Aviva, one of the UK's largest insurance and pension providers, maintains a "Stoplist" of fossil fuel companies that fail to sign up to science-based net-zero targets, or fail to have the targets validated within 18 months of submission. As of March, Aviva had divested almost all of its £2.5 billion exposure to fossil fuel companies on its "Stoplist".

Investors using their clout to publicly call for the end of fossil fuel finance
Eleven pension funds are among investors publicly calling for European banks to "stop directly financing new oil and gas fields by the end of 2023 at the latest, to demonstrate [their] commitment to tackling the climate crisis and keeping global warming to 1.5°C."

Meanwhile, in Canada, none of the large pension funds have committed to stop financing both oil and gas themselves (although the CDPQ has an exclusion on oil producers), let alone begun publicly challenging Canadian banks for their fossil fuel finance.

Investors strengthening exclusions to align with the Paris Agreement
PFZW, the €316 billion pension fund for Dutch healthcare workers, is tightening its exclusion policy for coal and tar sands. Holdings in companies that depend on the production of coal for more than 5% of turnover or on tar sands for more than 1% will be sold. The thresholds were previously 30% (coal) and 10% (tar sands). PFZW has already offloaded €303 million in fossil fuel investments and committed to gradually divest from any fossil fuel company that doesn't have a "convincing and verifiable" strategy to align with the Paris Agreement by 2024. (Meanwhile, in Canada, Ontario's healthcare pension said it would start excluding "new direct private" investments in thermal coal and oil... but not until 2025.)

Investors using the courts to hold corporate directors personally accountable
Pension managers Nest, London CIV and AP3 are backing a lawsuit holding Shell's corporate directors personally liable for failing to properly prepare their company for the net-zero transition. "Over the next few decades 1 billion lives and trillions of pounds will be at risk due to a single issue: climate change," said London CIV's head of responsible investment, Jacqueline Amy Jackson. "We do not believe [Shell's] board has adopted a reasonable or effective strategy to manage the climate risks affecting Shell... the board of a high-emitting company has a fiduciary duty to manage climate risk."

(Meanwhile, in Canada, pension fund directors simultaneously sit on the boards of fossil fuel companies.)

Your Pension Fund's Assets in the News

Net4Gas
*50% owned by **OMERS.***

Czech fossil gas pipeline operator **Net4Gas** did not receive its monthly contracted payments from Russian gas company Gazprom, according to a January *Reuters* report. Net4Gas' revenues from the contracts accounted for three quarters of total 2021 revenue, as it typically ships Russian gas from Germany through the Czech Republic to Slovakia and on to Austria.

Puget Sound Energy
*Co-owned by **OMERS**, **OTPP**, **AIMCo** and **BCI**, as well as Dutch pension fund PGGM and Macquarie Asset Management.*

Puget Sound Energy is pushing for state legislation that would allow the Washington-based electric and gas utility to secure 60% ownership of new renewable energy generation as the state replaces gas-fired power plants to meet its 100% clean energy requirements. As part of the deal, Puget Sound Energy would be required to stop offering new commercial or residential gas hookups by June 2023 and to file a gas decarbonization and electrification plan every four years starting in 2026. The proposed legislation has drawn strong opposition from independent power producers, as well as renewable energy advocacy and consumer protection groups that are concerned about high electricity prices and privatization. The legislative proposal highlights the risks and opportunities faced by Canadian pension managers as they transition their utility assets away from fossil fuels in a way that protects both the climate and their beneficiaries' savings.

Coastal GasLink (TC Energy)
***AIMCo** is the co-owner of Coastal GasLink, while other large Canadian pension funds hold over US$1.3 billion in shares in TC Energy, the company behind the fracked gas pipeline.*

- In January, the *Globe and Mail* reported that Fisheries and Oceans Canada was investigating Coastal GasLink after Wet'suwet'en chiefs captured video footage of the pipeline company violating environmental regulations on sensitive salmon-spawning rivers on their unceded territory.
- Also in January, Coastal GasLink was fined a third time for construction activities that ignored environmental orders and put ecosystems at risk.
- As of February, the cost of the pipeline had risen to $14.5 billion, more than double its original $6.6 billion estimated cost. Later that month TC Energy reported a nearly $1.45 billion loss in its fourth quarter due to the rising cost of the project.
- In late March, the RCMP raided a camp on traditional Wet'suwet'en territory that is traversed by the pipeline, in order to enforce an injunction allowing for Coastal GasLink construction. The Union of BC Indian Chiefs called the raid part of a troubling pattern of police intimidation. A federal policy watchdog agency has launched an investigation into the RCMP's Community-Industry Response Group following the police force's approach to community protests against Coastal GasLink and other resource extraction projects in BC.

Bristol Airport
*100% owned by the **OTPP.***

A UK High Court ruled that the expansion of Bristol Airport would be allowed to proceed, finding that despite environmental and climate impacts, a local planning decision cannot overturn national government policy. Bristol Airport Action Network and other local groups pledged to appeal the decision, saying "As the government's own committee on climate change has pointed out, airport expansion is completely incompatible with our commitments on climate change… In the real world, there is no such thing as green aviation or carbon-neutral jet fuel. We must listen to the scientists, not the airports."

Your Pension Fund's Assets in the News (continued)

Cascade Power Plant
***OPTrust** played a lead role in financing Cascade.*

The Cascade fossil gas power generation facility in Alberta is scheduled to come online this year. In 2021 OPTrust described the project as "lead[ing] the transition to a lower carbon-intensive power grid in Alberta" and said the plant "is expected to result in the largest emissions reduction opportunity in Canada's electricity sector." However, a February report from Clean Energy Canada shows that in Alberta, solar and wind power are already cheaper than gas-fired power. Even without factoring in carbon pricing, wind is set to be 40% cheaper than gas in Alberta by 2030. "Building new natural-gas-fired power plants means locking in emissions—and costs—for many years to come," the report warns. "There is also the risk that fossil fuel infrastructure is retired before the end of its economic lifetime and becomes a stranded asset—a liability taxpayers would likely pay for."

Calpine
*The **CPPIB** owns a 13.4% stake.*

Calpine, already the largest generator of gas-fired electricity in the United States, is planning to build a 425-megawatt (MW) gas plant in Texas. Despite the CPPIB's net-zero commitment, the fund's privately-owned companies continue to expand, prolong and lock-in the use of fossil fuels.

Pulse Clean Energy
*100% owned by **IMCO.***

In March, Pulse completed the acquisition of 72 MW of battery storage energy systems in Manchester, England. The assets will come online in 2024, part of Pulse's ambition to develop over one gigawatt in energy storage assets. Pulse is a UK-based developer, owner and operator of flexible renewable energy generation and battery storage projects.

Navisun
*A 100% **OMERS**-owned company.*

In March, solar power producer Navisun secured up to US$235 million in financing to support the company's growth and expand its portfolio of solar and storage projects.

Open Grid Europe (OGE)
***BCI** owns a 32% stake in OGE*

In January, OGE's CEO demanded that the German government accelerate its hydrogen strategy, saying that "Investment decisions have to be taken now, ideally by the summer (2023), because adjusting and expanding pipelines to carry hydrogen needs between around three and six years." With German plans to achieve 10 GW of green hydrogen capacity by 2030, the head of OGE said that if Berlin does not act now, it could lead to the loss of an industry that depends on secure power supplies. OGE 's CEO also said that its shareholders, including BCI, Abu Dhabi Investment Authority, and Munich Re, would at least partially cover its hydrogen plans. Similar to BCI's investment in National Gas, energy experts have raised concerns about the viability of OGE's gas pipeline networks being converted to transport hydrogen.

Brookfield Global Transition Fund
*$15 billion decarbonization fund backed by the **OTPP** as a lead investor, as well as **PSP** and **IMCO**.*

In December, the **Brookfield Global Transition Fund (BGTF)** announced it would invest up to US$500 million in

Your Pension Fund's Assets in the News (continued)

California Bioenergy (CalBio) to scale CalBio's growth in renewable natural gas and other waste-to-energy opportunities. A Brookfield-led consortium, backed by the BGTF, also agreed to spend AU$15.3 billion to acquire Origin Energy, which owns Australia's largest fleet of fossil gas-fired power plants and its largest coal plant. Brookfield says it has a business plan to invest at least AU$20 billion over the next decade to phase out coal, build out renewables and storage, and reduce Origin's carbon emissions by 70% by 2030.

TPG Rise Climate
*The **OTPP** is an anchor investor in, and **PSP Investments** a contributor to, this decarbonization fund.*

- In January, German company Enpal, which leases integrated packages of solar power, energy storage, electric vehicle chargers and smart energy products to homeowners, secured an additional US$230 million in investment, led by TPG Rise Climate.
- Also in January, India's Tata Motors raised US$1 billion in financing from TPG Rise Climate to develop a portfolio of electric vehicles.
- In March, TPG Rise Climate provided US$150 million in financing to Palmetto, a technology-enabled clean energy platform, to continue spurring the adoption of clean energy and access to residential solar across the US.

What We're Reading

- Hydrogen is not a panacea for reaching Net Zero, warn MPs (UK House of Commons report)
- Members of the Glasgow Financial Alliance for Net Zero provided loans and underwriting of US$269 billion to 102 large fossil fuel expanders since joining (*Financial Post*)
- The six largest fossil fuel companies headquartered in Canada, as well as industry associations like the Canadian Association of Petroleum Producers and the Pathways Alliance are systematically blocking ambitious climate policy and misleading Canadians (Influence Map)

About Shift

Shift Action for Pension Wealth and Planet Health provides tools and resources for pension beneficiaries who want to engage with their pension managers on the climate crisis.

Canada's largest pension funds manage over $2 trillion: their investment decisions can influence whether businesses in Canada and around the world build electric cars and solar panels, or expand oil production and fossil gas pipelines.

Email us at info@shiftaction.ca to learn more about how your pension fund is handling climate-related risk, and to get involved.

Subscribe to receive future editions of the Climate Pension Quarterly and other updates from Shift.