

Canada Pension Plan Investment Board Issues 2019 Report on Sustainable Investing

Report highlights Progress on Climate Change, Renewable Energy and Board Diversity

Toronto, ON, Canada (November 6, 2019) [Canada Pension Plan Investment Board \(CPPIB\)](#) today released its [2019 Report on Sustainable Investing](#), an annual document that outlines the organization's approach to environmental, social and governance (ESG) factors. The report outlines how CPPIB is managing challenging topics such as climate change and board diversity.

- **Climate Change** – As part of its climate change program, CPPIB launched a bottom-up evaluation framework requiring investment teams to specifically analyze the climate change risks and opportunities of each major investment they are considering. This year's report also includes details on CPPIB's climate change scenario analysis and expanded carbon footprint reporting, which includes public and private holdings. CPPIB has also developed an initial framework for using key indicators, or signposts, to monitor climate change and the global transition to lower-carbon energy sources.
- **Investments in Power and Renewables** – CPPIB's investments in global renewable energy companies more than doubled to \$3 billion in the year to June 30, 2019. This is up from just \$30 million in 2016. For CPPIB, climate change is not merely about addressing risks, its disruptive impact is also creating opportunities. Our partners in this space include Alberta's Enbridge Inc., India's ReNew Power and Brazil's Votorantim Energia.
- **Board Diversity** – CPPIB expanded its efforts to improve board diversity among our portfolio companies. We have long believed companies with diverse boards, including in terms of gender diversity, are more likely to achieve superior financial performance. As of December 2018, we began voting against the chair of the board committee responsible for director nominations if that board has no female directors and where no exception is warranted. Our new [Global Board Gender Diversity Voting Practice](#) resulted in CPPIB voting against the election of 626 directors globally during the 2019 proxy season.

"Over the past year, we advanced our goal to be a leader among asset owners in understanding the risks posed, and opportunities presented, by climate change," says Mark Machin, President & CEO, CPPIB. "We're mindful that fully understanding the implications of climate change – including physical, transition and adaptation risks – will be a continuous process."

The Report on Sustainable Investing provides a comprehensive review of the actions CPPIB took over the previous year to manage ESG factors to enhance the long-term value of the CPP Fund. This year's report also highlights CPPIB's efforts to assess and engage with companies to seek improvements in business practices and disclosures, and collaboration with other investors.

"Our climate change work, investments in renewable energy, and actions to improve board diversity are just some of the activities we undertake to help encourage positive change and improve long-term investment returns for the Canadian workers and retirees we serve," says Richard Manley, Managing Director, Head of Sustainable Investing, CPPIB.

To learn more about our approach to sustainable investing or read the 2019 Report on Sustainable Investing, click [here](#) and follow us at @CPPIB.

About Canada Pension Plan Investment Board

Canada Pension Plan Investment Board (CPPIB) is a professional investment management organization that invests the funds not needed by the Canada Pension Plan (CPP) to pay current benefits in the best interest of 20 million contributors and beneficiaries. In order to build diversified portfolios of assets, CPPIB invests in public equities, private equities, real estate, infrastructure, and fixed income instruments. Headquartered in Toronto, with offices in Hong Kong, London, Luxembourg, Mumbai, New York City, San Francisco, São Paulo and Sydney, CPPIB is governed and managed independently of the Canada Pension Plan and at arm's length from governments. At June 30, 2019, the CPP Fund totalled \$400.6 billion. For more information about CPPIB, please visit www.cppib.com or follow us on [LinkedIn](#), [Facebook](#) or [Twitter](#).

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