

CPP Investments Publishes 2020 Report on Sustainable Investing

Report highlights sustainability as a business imperative for investors and companies alike

Toronto, Canada (September 29, 2020) – Canada Pension Plan Investment Board (CPP Investments) has published its annual [Report on Sustainable Investing](#), which outlines the organization’s approach to environmental, social and governance (ESG) factors. It includes:

- New data showing investments in global renewable energy companies more than doubled to \$6.6 billion in the year to June 30, 2020. Partners include Alberta’s Enbridge Inc. and Brazil’s Votorantim Energia;
- A new section which formally sets out for the first time CPP Investments’ expectations of our portfolio companies;
- Increased detail on how our investment teams assess the potential impact of climate change on our portfolio and new investment opportunities; and
- The latest work of our Climate Change Opportunities strategy.

“This new century has fundamentally changed the nature of business, with the heightened expectations of stakeholders helping to bring ESG issues to the forefront. We believe that by fully considering ESG risks and opportunities, we become better investors and are able to enhance returns and reduce risk for the Fund’s more than 20 million contributors and beneficiaries,” said Mark Machin, President & CEO, CPP Investments. “Addressing sustainability is not just pressing for society and the planet – it is a business imperative.”

In the report, CPP Investments articulates its support of companies aligning reporting with the recommendations of the Sustainability Accounting Standards Board (SASB) and the Financial Stability Board’s Task Force on Climate-related Financial Disclosures (TCFD).

“We require that companies we invest in demonstrate that they have, or are working towards, effective and diverse boards of directors, have incentives aligned to long-term performance, effective disclosure of material climate change impacts and that they clearly articulate how integration of ESG factors has informed strategy and enhanced returns or reduced risk in the business,” said Richard Manley, Managing Director, Head of Sustainable Investing, CPP Investments. “Companies should also have a culture that proactively identifies emerging risks and opportunities and seeks solutions to reduce or capture their potential.”

Some other key highlights of the 2020 report include:

- **Climate Change:** we provide greater clarity regarding our views on the energy industry's evolution in the context of climate change, including our support of and partnership with companies in the development of solutions and strategies as we move to a lower-carbon world.
- **Engagement:** we highlight the importance we place as an active manager on engagement with businesses on focus areas including climate change, water, human rights, executive compensation and board effectiveness. We believe engagement gives us a powerful influence with the Canadian and global companies in which we invest. Active ownership through constructive engagement can significantly reduce investment risks and enhance and sustain returns over time.
- **Partnerships:** CPP Investments continues to leverage partnerships and collaborations globally to help improve transparency and standards on ESG, promoting governance best practices and advocating for long-term thinking in the investment and corporate worlds.

Produced during the COVID-19 pandemic, the report also cites how the pandemic has reaffirmed the organization's belief in the importance of having a resilient long-term strategy and incorporating ESG issues into the investment process.

A summary of the report can be downloaded [here](#) and the full report can be downloaded [here](#).

About CPP Investments

Canada Pension Plan Investment Board (CPP Investments™) is a professional investment management organization that invests around the world in the best interests of the more than 20 million contributors and beneficiaries of the Canada Pension Plan. In order to build diversified portfolios of assets, investments in public equities, private equities, real estate, infrastructure and fixed income instruments are made by CPP Investments. Headquartered in Toronto, with offices in Hong Kong, London, Luxembourg, Mumbai, New York City, San Francisco, São Paulo and Sydney, CPP Investments is governed and managed independently of the Canada Pension Plan and at arm's length from governments. As of June 30, 2020, the Fund totalled C\$434.4 billion. For more information about CPP Investments, please visit www.cppinvestments.com or follow us on [LinkedIn](#), [Facebook](#) or [Twitter](#).

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