

## Message from our Inaugural Chief Sustainability Officer

CPP Investments has a long, successful track record in integrating environmental, social and governance (ESG) considerations, including climate change, into our investment activities. As the organization's first Chief Sustainability Officer, I look forward to collaborating with my colleagues across the enterprise and our partners around the world to ensure that CPP Investments continues to be a leader in sustainability as we invest to create and preserve value over the long term. At CPP Investments, we recognize that factors that affect the global economy, our portfolio and the sustainability of the CPP can shift and evolve over time. As both Global Head of Real Assets and Chief Sustainability Officer, I believe that leadership in sustainability is an investment imperative.

The impacts of climate change are fundamentally transforming the investment landscape. At CPP Investments, we understand that this is about understanding the risks, but also about identifying opportunities. Over the decades to come, some of the most rewarding long-term investment opportunities in the global economy rest among those businesses that will enable, evolve and innovate along the path to a net-zero world. As a large, long-term investor, we are well positioned to continue our leadership in investing in the whole economy transition required by climate change –across sectors, asset classes and geographies. We combine our patient capital with the influence of active ownership to support companies well positioned to enable the economy transition, as well as companies with viable transition plans. We help inform those plans by sharing insights and best practices and provide capital to companies with opportunities to support the economy evolution and generate superior long-term investment returns. While being patient and constructive with capital is our modus operandi in seeing through complex transformations, there are limits. We will not equivocate when progress is manifestly not advancing and intentions unconvincing.

Over the past 15 years, driven by our Sustainable Investing team, CPP Investments has been a leader in pressing the market for better standards and decision-useful disclosure of sustainability factors. We have used our proxy votes to drive change at companies, notably pushing for greater diversity on boards and for action on climate change-related risks and have seen significant change as a result. For instance, we first introduced our board gender diversity voting practice in Canada in 2017, and have continued to evolve our practices each year to improve the diversity balance and, hence, the overall effectiveness of public company boards worldwide. In 2021, we further expanded our expectations of boards in certain developed markets to have at least 30% female directors.

While Global Head of Active Equities, I am proud to have been the executive sponsor of our cross-departmental, multi-year climate program that allowed us to build our foundational capabilities to develop and integrate climate change into our investment process, risk monitoring and portfolio design. Over the last year, CPP Investments has made considerable progress in further integrating

the assessment of climate change-related risks and opportunities into our investment processes. While we continuously explore ways to innovate and demonstrate leadership in this space, we recognize that a fundamental transformation of the real economy is necessary to achieve a significant reduction in GHG emissions.

Since my appointment as Chief Sustainability Officer, we have updated our Policy on Sustainable Investing to include our Climate Change Principles – to invest, evolve, influence, support and report. These [Climate Change Principles](#) help inform our decision-making as we support the long-term sustainability of the Canada Pension Plan against the backdrop of escalating climate risk and growing opportunities. We’ve seen an increasing number of governments, companies and citizens pledge to support the transition of the whole economy to net zero by 2050. Economies that have set later targets will be under pressure to bring them forward. As a global investor, this level of international conviction compels CPP Investments to manage the Fund accordingly. To that end, we will update stakeholders on our thinking before the end of our current fiscal year.

As a global institutional investor with a time horizon that spans generations, we must and will leverage our sustainability expertise and collaborate across the enterprise to drive investment decisions ensuring the CPP Fund is well placed in this transition. I look forward to working with colleagues from across the Fund and our partners around the globe to accelerate our sustainability efforts, and leading the execution of a sustainability roadmap that is both in line with our mandate and allows us to navigate the Fund as many of the major economies in which we invest converge to achieve net zero. By anticipating sustainability risks and opportunities, including climate change, we become better investors, able to enhance returns and reduce risk for our more than 20 million contributors and beneficiaries.

Sincerely,

**Deborah Orida**

Senior Managing Director, Global Head of Real Assets & Chief Sustainability Officer