

Green Bond Impact Report 2021



In 2018, CPP Investments became the first pension fund manager to issue a green bond.

Green bonds provide CPP Investments with additional funding as we pursue acquisitions of attractive long-term investments that will accelerate the energy transition to a lower-carbon economy.

More information on our Green Bond Program can be found on our [website](#).

The need to transition towards a lower-carbon economy presents opportunities in emerging technologies, renewable energy and carbon reduction in conventional industries. CPP Investments is a significant equity investor in many of these technologies and industries. Investing in our Green Bond Program provides lenders exposure to these investments.

CPP Investments has issued green bonds in Australian dollars, Canadian dollars, euros and U.S. dollars. Six outstanding issuances, totalling in excess of \$5 billion, provide our global investor base an opportunity to participate in the transition to a low-carbon economy.

Our Sustainable Investing Committee (SIC) determines which projects would be eligible for green bond proceeds in accordance with the Green Bond Framework. As of June 30, 2021, the framework, includes:

Renewable Energy (Wind and Solar)

- Acquisition, operation, maintenance and upgrades of wind and solar-energy projects
- Efficiency improvements to wind- and solar-energy projects

Sustainable Water and Wastewater Management

- Acquisition, operation and upgrades of projects that improve efficiency of water distribution and water recycling services
- Investments in tail water recovery systems, which collect run-off water from fields that is then recycled for agricultural production

Green Buildings (LEED Platinum-certified)

- Direct investments in buildings certified as LEED Platinum over the 24-month lookback period and during the life of the bond

As of October 14, 2021, the Green Bond Framework has been updated and is available on our [website](#). Since this Report covers the period from July 1, 2020 - June 30, 2021, this reporting is based on our [2018 Framework](#) which is applicable through October 13, 2021.

CPP Investments' Green Bond Issuance details for 2021

During 2021, CPP Investments issued three Green Bonds for a total amount equivalent to \$948M.

Issuer: CPPIB Capital Inc.
 Ratings: AAA/AAA/Aaa
 Format: Reg S
 Size: AUD 150M
 Pricing Date: 17 February 2021
 Maturity Date: 25 February 2041
 Coupon: 2.414%

Issuer: CPPIB Capital Inc.
 Ratings: AAA/AAA/Aaa
 Format: Reg S
 Size: AUD 120M
 Pricing Date: 05 March 2021
 Maturity Date: 12 March 2041
 Coupon: 2.79%

Issuer: CPPIB Capital Inc.
 Ratings: AAA/AAA/Aaa
 Format: Reg S
 Size: AUD 750M
 Pricing Date: 16 June 2021
 Maturity Date: 23 June 2028
 Coupon: 1.5%

Consistent with United Nations
Sustainable Development Goals



Evolution of CPP Investments' ESG Platform



Green Bond Register

The Sustainable Investing Committee also oversees the Green Bond Register. It documents the value of green bond issuance and to which assets proceeds have been allocated. To the right is the register as of June 30, 2021 (for further details on CPP Investments renewable energy assets, see pages 25–26 of our [2021 Report on Sustainable Investing](#). All figures are in Canadian dollars unless otherwise noted.

As of October 14, 2021, the Green Bond Framework has been updated and is available on our [website](#). Since this Report covers the period from July 1, 2020 - June 30, 2021, this reporting is based on our [2018 Framework](#) which is applicable through October 13, 2021.

Register for 2021 Green Bond Issuance:¹

As of June 30, 2021

Bonds		
AUD	A\$150,000,000	\$139,448,059
AUD	A\$120,000,000	\$111,558,447
AUD	A\$750,000,000	\$697,240,294
Total Bonds		\$948,246,800
Exchange Rates – June 30, 2021		
USD/CAD		1.2383
EUR/CAD		1.4685
BRL/CAD		0.2468
AUD/CAD		0.9297

Investment Currency

Renewable Energy

Pattern Energy ²		USD
Maple Power – Éolien Maritime France		EUR
Total Assets		\$1,627,428,000

Register for 2020 Green Bond Issuance:¹

As of June 30, 2020

Bonds		
USD	US\$500,000,000	\$681,000,000
EUR	€1,000,000,000	\$1,529,750,000
Total Bonds		\$2,210,750,000
Exchange Rates – June 30, 2020		
USD/CAD		1.36200
EUR/CAD		1.52975

Investment Currency

Renewable Energy

Pattern Energy ²		USD
Total Assets		\$2,315,400,000

Register for 2019 Green Bond Issuance:¹

As of June 28, 2019

Bonds		
CAD	\$1,500,000,000	\$1,500,000,000
EUR	€1,000,000,000	\$1,488,100,000
Total Bonds		\$2,988,100,000

Investment Currency

Renewable Energy

Cordelio Power		CAD
Votorantim Energia's Piaul I & Ventos III		BRL
Enbridge		CAD
Maple Power – Hohe See/Albatros Germany		EUR
Enbridge		USD
ReNew Power		USD

Green Buildings

Centennial Place (Alberta)		CAD
Eau Claire Tower (Alberta)		CAD
Richmond Adelaide Centre – 111 Richmond (Ontario)		CAD
Total Assets		\$3,033,821,458

Highlights 2021³

3 Green Bonds
(AUD)

\$948 Million Raised
(Net issuance of \$328 million after accounting for \$620 million maturity)

1 New Renewable Energy Project

9.91 Million Metric Tons of CO₂
in avoided GHG emissions per year

Equivalent to GHG emissions from
2,155,428 passenger cars
driven in one year⁴

14.98 Million Megawatt Hours (MWh)
of renewable energy generation
contributed annually

Equivalent to CO₂ emissions
from electricity used by
1,928,330 homes
for one year⁴

1. The CAD values of bonds and assets reported in this register are based on exchange rates on the last business day in June of each respective reporting year.
2. Pattern Energy has been allocated to bonds issued in our 2020 and 2021 Green Bond Registers. The CAD value of this asset reported across all reporting years is based on exchange rates on June 30, 2020.
3. For the period covered by this report (i.e., July 1, 2020 – June 30, 2021).
4. Data is derived using the EPA 2020 website: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator> based on CPP Investments' pro rata investment in renewable energy only.

Impact of Operational Renewable Energy Projects

Investment	Location	Date of Initial Investment	Description	Technology	CPP Investments Ownership ¹	Gross Capacity (GW) ²	CPP Investments' Pro rata Capacity (GW)
Pattern Energy³	Canada/United States/Japan	March 2020	A company with a portfolio of 28 renewable energy projects in the United States, Canada and Japan	Wind	69%	3.38	2.33
Cordelio Power^{3,4}	Canada	April 2018	Portfolio of six Canadian operating wind- and solar-power projects	Solar Wind	100%	0.20	0.20
Enbridge³	Canada/ United States	May 2018	North American onshore renewable power assets	Solar	49%	1.30	0.64
Maple Power – Hohe See/ Albatros³	Germany	May 2018	Two German offshore wind projects	Wind	49%	0.31	0.15
Votorantim Energia³	Brazil	December 2017	Two operational wind parks located in northeastern Brazil	Wind	50%	0.57	0.29
ReNew Power⁵	India	January 2018	Leading Indian renewable energy developer and operator with clean energy capacity diversified across wind, utility-scale solar and rooftop solar	Wind	18%	3.59	0.65
				Solar	18%	2.00	0.36
Maple Power – Éolien Maritime France	France	March 2021	Three offshore wind farms under construction in France	Wind	49%	Under construction	Under construction
Total						11.35	4.62

1. Figures are rounded up.

2. Gross capacity represents the total capacity of the sites wholly or partially owned by CPP Investments' portfolio companies, after deducting any minority interests.

3. For period June 2020 – May 2021.

4. In January 2021, Cordelio Power sold 49% of its stake in portfolio assets, lowering CPP Investments' pro rata share of capacity.

5. For period April 2020 – March 2021.

Estimated Green Building Impact¹

Qualitative Summary²

Investment	Location	Description	CPP Investments Ownership	Certification
Richmond Adelaide Centre – 111 Richmond	Canada	255,313 sq.ft. Multipurpose Commercial Space	50%	LEED EB Platinum
Eau Claire Tower	Canada	659,839 sq.ft. Multipurpose Commercial Space	50%	LEED CS Platinum
Centennial Place	Canada	1,458,600 sq.ft. Multipurpose Commercial Space	50%	LEED EB Platinum

Quantitative Summary – Energy Use Intensity (EUI) and Carbon Emission Intensity (CEI)¹

Investment	EUI (MJ/sq. ft.)	Industry Standard EUI (MJ/sq. ft.)	EUI Variation ³	CEI (kg CO ₂ e/sq. ft.)	Industry Standard CEI (kg CO ₂ e/sq. ft.)	CEI Variation ³
Richmond Adelaide Centre – 111 Richmond²	91.86	143.99	-36%	3.34	5.23	-36%
Eau Claire Tower	78.38	143.99	-46%	8.21	16.16	-49%
Centennial Place	81.71	143.99	-43%	8.65	16.16	-46%

1. Industry standard EUI and CEI rates are calculated from data provided in the [Energy Star – Canadian Energy Use Intensity by Property Type Technical Reference](#). Source EUI is used for this calculation.

2. 111 Richmond's lower EUI and CEI variation metrics differ from the standard in comparison to other buildings due to its older age. Eau Claire Tower utilizes Smart controls while Centennial Place has a co-gen system in place to produce incremental efficiencies.

3. EUI and CEI variation metrics are for the entire asset and not the pro rata percentage of CPP Investments.

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