

CPP Investments Announces Delivery Partner to Support Decarbonization Capabilities

- *New partner will facilitate implementation of CPP Investments' approach to decarbonize new and existing portfolio companies in strategic, high-emitting sectors*
- *ERM will support identification and delivery of initial projects as well as the development of a decarbonization playbook*
- *Builds on strong internal capabilities supporting investment in sustainability*

Toronto, CANADA (January 20, 2022) – Canada Pension Plan Investment Board (CPP Investments) has entered into an agreement with ERM as a delivery partner for its recently announced decarbonization investment approach. This will identify attractive investment opportunities in companies that are committed to creating value by lowering their GHG emissions over time, consistent with CPP Investments' time horizon advantage.

Through the new engagement, ERM will help CPP Investments identify existing CPP Investments portfolio companies that can generate value from decarbonization and will work with them to establish and implement a roadmap.

"Decarbonization of competitively advantaged companies in strategic sectors that are essential, but high-emitting presents a significant investment opportunity and is aligned with our strategy to anticipate and proactively manage ESG risks and opportunities, including climate change-related ones, to drive long-term financial performance across existing and new investments," said Deb Orida, Global Head of Real Assets & Chief Sustainability Officer. "We have selected ERM based on their significant and relevant knowledge of the high priority sectors as well as the required technical and commercial skills for complex transformation projects at scale and will explore pilots in the previously identified priority sectors, including power, real estate, and agriculture."

Following the pilot transformations, CPP Investments and ERM will establish a clear methodology and blueprint for sector and company pathways, allowing similar existing and new portfolio companies to accelerate their decarbonization efforts. The playbook will leverage experience from the initial projects and deliver a competitive advantage to CPP Investments over time. It will set out a standardized road map and performance tracking process aligned with CPP Investments proposed Abatement Capacity Assessment Methodology ("The Future of Climate Change Transition Reporting" October 2021).

"ERM will support CPP Investments to turn board-level strategy into operational implementation, identifying and delivering value accretive decarbonization initiatives and enabling their investment teams to guide existing portfolio companies as well as new investments through transformation opportunities," said Sabine Hoefnagel, Director of Services, Brand and Communications at ERM. "The finance sector has a significant opportunity to influence and drive the transition to a low-carbon economy and we are excited to bring our strategic and technical expertise to CPP Investments long-horizon capital, building capability that in time will help decarbonize the entire portfolio."

“This engagement with ERM is an excellent complement to our existing, and growing, expertise in the area of sustainability, which includes our Sustainable Energies Group, our Sustainable Investing team, and most recently our appointment of Michael Hall, Managing Director, Sustainable Investing, who will work across our real assets portfolio to help companies develop broader and more ambitious ESG strategies and transition plans, benchmarked against public peers, all with a view to maximizing value,” added Orida.

Over the long-term, CPP Investments will work in partnership with like-minded companies, industry leaders, investors, and other interested parties to build out the investment approach to support current and future portfolio companies in their evolution.

For more information, the “*Investing to enable an economy-wide evolution to a low-carbon future*” perspective can be found on the CPP Investments website [here](#). The “*Future of climate change transition reporting*” paper can be found [here](#).

About CPP Investments

Canada Pension Plan Investment Board (CPP Investments™) is a professional investment management organization that manages the Fund in the best interest of the more than 20 million contributors and beneficiaries of the Canada Pension Plan. In order to build diversified portfolios of assets, investments are made around the world in public equities, private equities, real estate, infrastructure and fixed income. 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. At September 30, 2021, the Fund totalled \$541.5 billion. For more information, please visit www.cppinvestments.com or follow us on [LinkedIn](#), [Facebook](#) or [Twitter](#).

About ERM

Founded in 1971, ERM is the largest global pure play sustainability consultancy. The firm employs more than 6,000 consultants across 160 offices in over 40 countries. It reported gross revenues of c. \$1 billion in the 2021 financial year (ending March 2021). www.erm.com

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