

Investment in Aera Energy

February 28, 2023

CPP  Investments



Disclaimer and Forward-looking Statements

Certain statements included in this presentation constitute “forward-looking information” within the meaning of Canadian securities laws and “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 and other applicable United States safe harbors. All such forward looking statements are made and disclosed in reliance upon the safe harbor provisions of applicable United States securities laws. Forward-looking information and statements include all information and statements regarding CPP Investments’ intentions, plans, expectations, beliefs, objectives, future performance, and strategy, as well as any other information or statements that relate to future events or circumstances and which do not directly and exclusively relate to historical facts. Forward looking information and statements often but not always use words such as “trend,” “potential,” “opportunity,” “believe,” “expect,” “anticipate,” “current,” “intention,” “estimate,” “position,” “assume,” “outlook,” “continue,” “remain,” “maintain,” “sustain,” “seek,” “achieve,” and similar expressions, or future or conditional verbs such as “will,” “would,” “should,” “could,” “may” and similar expressions. The forward-looking information and statements are not historical facts but reflect CPP Investments’ current expectations regarding future results or events. The forward-looking information and statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including available investment income, intended acquisitions, regulatory and other approvals and general investment conditions. Although CPP Investments believes that the assumptions inherent in the forward-looking information and statements are reasonable, such statements are not guarantees of future performance and, accordingly, readers are cautioned not to place undue reliance on such statements due to the inherent uncertainty therein. CPP Investments does not undertake to publicly update such statements to reflect new information, future events, and changes in circumstances or for any other reason. The information contained on CPP Investments’ website, LinkedIn, Facebook and Twitter are not a part of this presentation. CPP INVESTMENTS, INVESTISSEMENTS RPC, CANADA PENSION PLAN INVESTMENT BOARD, L’OFFICE D’INVESTISSEMENT DU RPC, CPPIB and other names, phrases, logos, icons, graphics, images, designs or other content used throughout the presentation may be trade names, registered trademarks, unregistered trademarks, or other intellectual property of Canada Pension Plan Investment Board, and are used by Canada Pension Plan Investment Board and/or its affiliates under license. All rights reserved.

About the investment

- CPP Investments to acquire 49% interest in California energy producer, Aera Energy, from IKAV
- CPP Investments, IKAV and Aera Energy will partner together to deliver innovative solutions to help meet California's climate goals
 - Partnership to help Aera Energy balance its energy transition efforts
 - Will invest in renewable energy portfolio that will power Aera Energy's existing operations
- Formed in 1997, Aera Energy is a leader in the energy industry
- Based in Hamburg, Germany, IKAV is a real assets fund with deep renewables expertise and a strong track record in managing U.S. conventional energy assets
- Investment supports CPP Investments' [net-zero strategy](#)



About Aera Energy

- Assets consist of oil production and midstream projects in Kern County, north of Los Angeles
- Aera Energy is aiming to achieve net-neutral emissions by 2033 by:
 - replacing the use of natural gas with photovoltaic solar projects to generate steam needed for wells pumping heavier oil; and
 - using carbon capture and storage projects
- Aera Energy is based in Bakersfield, California



Decarbonization investment approach in action

“ Our investment in Aera Energy is consistent with a number of investments we’ve made which will help California transition to secure, green energy supplies, while at the same time will deliver long-term risk-adjusted returns for the CPP Fund. CPP Investments believes that enabling emissions reduction and business transformation in the energy sector can drive strong returns for long-term investors as part of the whole economy transition, and partnering with a like-minded investor like IKAV presents an excellent opportunity to put that decarbonization investment approach into action. ”

Bruce Hogg, Managing Director, Head of Sustainable Energies, CPP Investments

Our journey to net zero

We committed our portfolio and operations to being net zero of greenhouse gas emissions across all scopes by 2050.

We seek to invest in companies across all industries that are driving carbon reduction that will lead to maximized returns.

Actions we are taking towards our net-zero commitment:

-  Invest and exert our influence in the whole economy transition as active investors, not through blanket divestment
-  Achieve carbon neutrality for our internal operations by fiscal 2023
-  Expect to increase our \$67 billion in green and transition assets to at least \$130 billion by 2030
-  Build our new decarbonization investment approach to help transform high-emitting sectors

Renewables investments in California

Existing investments to help California transition to secure, green energy supplies



Sustainable Energies at CPP Investments

DESCRIPTION

- Net assets totalling approximately C\$30.6 billion as of December 31, 2022
- Focuses on strategic opportunities with long-term investment horizons
- Pursues opportunities across the full spectrum of energy sources and the energy value chain, including conventional energy, renewable energy, carbon capture and emerging/ disruptive opportunities through our innovation, technology and services (ITS) team
- Advances key initiatives around renewable energy and fuels, industrial decarbonization and carbon markets
- Provides flexible capital across asset stage (greenfield/brownfield), risk profile and hold period

- Draws on expertise from other teams including Infrastructure, Sustainable Investing, Direct Private Equity and Active Equities

SECTOR FOCUS

- Power and Renewables
- Energy Midstream
- Commodities and Alternative Fuels
- Distributed Energy & Services
- Innovation, Technology & Services

SELECT INVESTMENTS



Contact Us

Canada Pension Plan Investment Board (CPP Investments™) is a professional investment management organization that manages the Fund in the best interest of the 21 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 December 31, 2022, the Fund totalled \$536 billion. For more information, please visit www.cppinvestments.com or follow us on [LinkedIn](#), [Facebook](#) or [Twitter](#).

Contributors and beneficiaries
One Queen Street East, Suite 2500
Toronto, ON, Canada M5C 2W5
contact@cppib.com
Tel: +1 (416) 868-4075
or +1-866-557-9510

For More Information:
Frank Switzer
Public Affairs & Communications
CPP Investments
T: +1 416-523-8039
fswitzer@cppib.com

CPP ||| **Investments**