

Canada Pension Plan Investment Board Sustainable Investing Report highlights push for board effectiveness

TORONTO, CANADA — October 15, 2018 — [Canada Pension Plan Investment Board](#) (CPPIB) is increasing its focus on strengthening corporate governance, with an emphasis on improving the gender composition of investee companies' boards.

In its 11th Report on Sustainable Investing, CPPIB outlines how its Sustainable Investing team added Board Effectiveness as a fifth focus area this year, joining Climate Change, Water, Human Rights and Executive Compensation. The change helps CPPIB better identify and address issues such as gender diversity that are key drivers of value for long-term investors.

The report reveals that in the 2017 proxy season, CPPIB voted on measures at shareholder meetings for 45 Canadian companies with no female directors to demonstrate the organization's desire for improved diversity. One year later, nearly half of those businesses had appointed at least one woman to their boards.

"It's crucial for companies in which we invest capital to assemble boards that reflect the full range of talent available," says Mark Machin, President & CEO, CPPIB. "If companies don't take the required action to achieve the board effectiveness that today's business environment requires, it falls to investors to provide a nudge, and when necessary, a push."

CPPIB believes companies with diverse boards are more likely to achieve superior financial performance. Research from Credit Suisse and Catalyst Inc. has shown companies with a higher representation of women deliver higher returns.

Enhancing board effectiveness is just one of the ways CPPIB addresses environmental, social and governance (ESG) issues, which are critical to the long-term value of the CPP Fund. Others include engaging with companies on ESG practices, collaborating with other investors and incorporating ESG factors into investment decision-making processes.

The Report also shows the work CPPIB is doing to accelerate its understanding of, and take action on, climate change. This includes developing a toolkit to help investment teams better assess the impact of climate change on both existing and potential investments. It also includes CPPIB's longstanding efforts to encourage companies to improve climate change disclosure practices. This is all done with the goal of building long-term value.

"We aim to be a leader among asset owners and managers in understanding the investment risks and opportunities presented by climate change," says Mr. Machin.

Other highlights of the report:

- **Renewable Energy:** CPPIB expanded its portfolio of renewable energy assets, which its investment teams believe can provide attractive risk-adjusted returns when done in a thoughtful, prudent manner.

- **Inaugural Green Bond:** In 2018, CPPIB became the first pension fund in the world to issue green bonds, which further strengthened the organization's capacity to invest in renewables and are a hallmark of its investment-focused approach to climate change.
- **Financial Stability Board's Task Force on Climate-related Financial Disclosures:** CPPIB demonstrated its ongoing support for the Task Force with a progress report on implementing its recommendations. This included the release of the carbon footprint of CPPIB's public equity portfolio.

For more information on our approach to sustainable investing or to read the 2018 Report on Sustainable Investing, please click [here](#).

About Canada Pension Plan Investment Board

Canada Pension Plan Investment Board (CPPIB) is a professional investment management organization that invests the funds not needed by the Canada Pension Plan (CPP) to pay current benefits in the best interests of 20 million contributors and beneficiaries. In order to build a diversified portfolio of CPP assets, CPPIB invests in public equities, private equities, real estate, infrastructure and fixed income instruments. Headquartered in Toronto, with offices in Hong Kong, London, Luxembourg, Mumbai, New York City, São Paulo and Sydney, CPPIB is governed and managed independently of the Canada Pension Plan and at arm's length from governments. At June 30, 2018, the CPP Fund totalled C\$366.6 billion. For more information about CPPIB, please visit www.cppib.com or follow us on [LinkedIn](#), [Facebook](#) or [Twitter](#).

For more information:

CPPIB

Darryl Konynenbelt
Director, Global Media Relations
416-972-8389
dkonynenbelt@cppib.com