CDPQ

2024 SUSTAINABLE INVESTING REPORT

View the report →

Message from the President and Chief Executive Officer

Profitable ambitions for our depositors

The debate around the topic of sustainability is not new, but the intensity around it was unprecedented in 2024. As a long-term investor, our vision is unequivocal: sustainable investing is an integral part of our fiduciary duty.

To achieve the best performance for our depositors, we must align our capital with strong business models that create value now and will do so in the future, while taking all stakeholders into account.

Our approach has not only been profitable, it also allows us to maintain an informed and responsible view of the risks our assets will face in the years to come, and what it will take to make them more resilient, particularly in terms of climate risks.

Strong ambitions, targets achieved

Let's take a step back. In 2017, CDPQ launched its first climate strategy, which put the organization's leadership at the forefront of sustainable investing worldwide. Four years later, we raised and expanded our ambitions, based on clear and measurable objectives.

Today, having achieved our targets faster than anticipated, I would like to congratulate our teams for the colossal work that has been accomplished.

We have reduced the carbon intensity of our portfolio by 69% and more than tripled our low-carbon assets, which now amount to $58 billion, compared to 2017, as well as closely supported portfolio companies as they transitioned to more sustainable business models and completed our exit from oil production. In doing so, we have taken decisive action to decarbonize our portfolio, which today has close to 80% of assets that are low-carbon or low-intensity.

These are major initiatives that were well executed. And above all, we should never lose sight of the fact that this strategy has enabled us to generate excellent performance for our depositors.

Our figures bear that out: over five years, the annualized return of our approach to the energy transition has reached nearly 12%, compared to the MSCI ACWI Energy index's position of roughly 8%. Our return was stimulated by renewable assets, which generated performance that was twice as strong as that of the oil segment of the MSCI ACWI for the period.

In short, it is possible to perform well while benefiting the planet and future generations.

Achievements beyond climate

In addition to what has been achieved to address climate change, we have made progress on other issues, such as social aspects.

Our international taxation commitment, which is aligned with the recommendations of the Organisation for Economic Co-operation and Development (OECD), remains an important focus of our approach so that businesses adopt the most responsible behaviour in their own communities. We were one of the first investors in the world to make such a commitment, convinced that fair taxation promotes stronger economies.

In addition, we have also made advancements on representation. For example, 47% of our employees are women and 27% of our employees in Québec and Canada identify as members of visible or ethnic minorities or as Indigenous people. Beyond the statistics, what does this mean? It means that we can benefit from broader perspectives, a more varied range of experiences, and therefore richer reflections and deeper debates, to better fulfil our role and cover all the angles.

A more difficult environment going forward

It goes without saying that more difficult years lay ahead. Global geopolitical tensions could create upheavals, and even lead to lost ground, especially in the energy sector. Does that make us want to change course? No. Headwinds only test our convictions.

As such, we will need to continue finding the balance between ambition and pragmatism in our approach to take into account the current environment that companies are navigating.

Maintaining the long-term view

In rapidly shifting times that will force us to question some things, but above all to reaffirm our convictions, we are fortunate to count on teams of experts who inform our decisions and play an important role in our portfolio companies. This work is regularly celebrated. For a second straight year, CDPQ ranked at the top of the list of pension funds included in Global SWF's GSR Scoreboard, an internationally recognized benchmark that assesses the governance practices of 200 sovereign wealth and pension funds worldwide.

We remain vigilant about the challenges ahead. But we always keep a long-term view in order to have assets that are well positioned for the future. This is the best way to fulfil our fiduciary duty to our depositors, both current and from the next generation, and to the pensions of more than six million Quebecers.

Charles Emond
President and Chief Executive Officer

Creating sustainable value

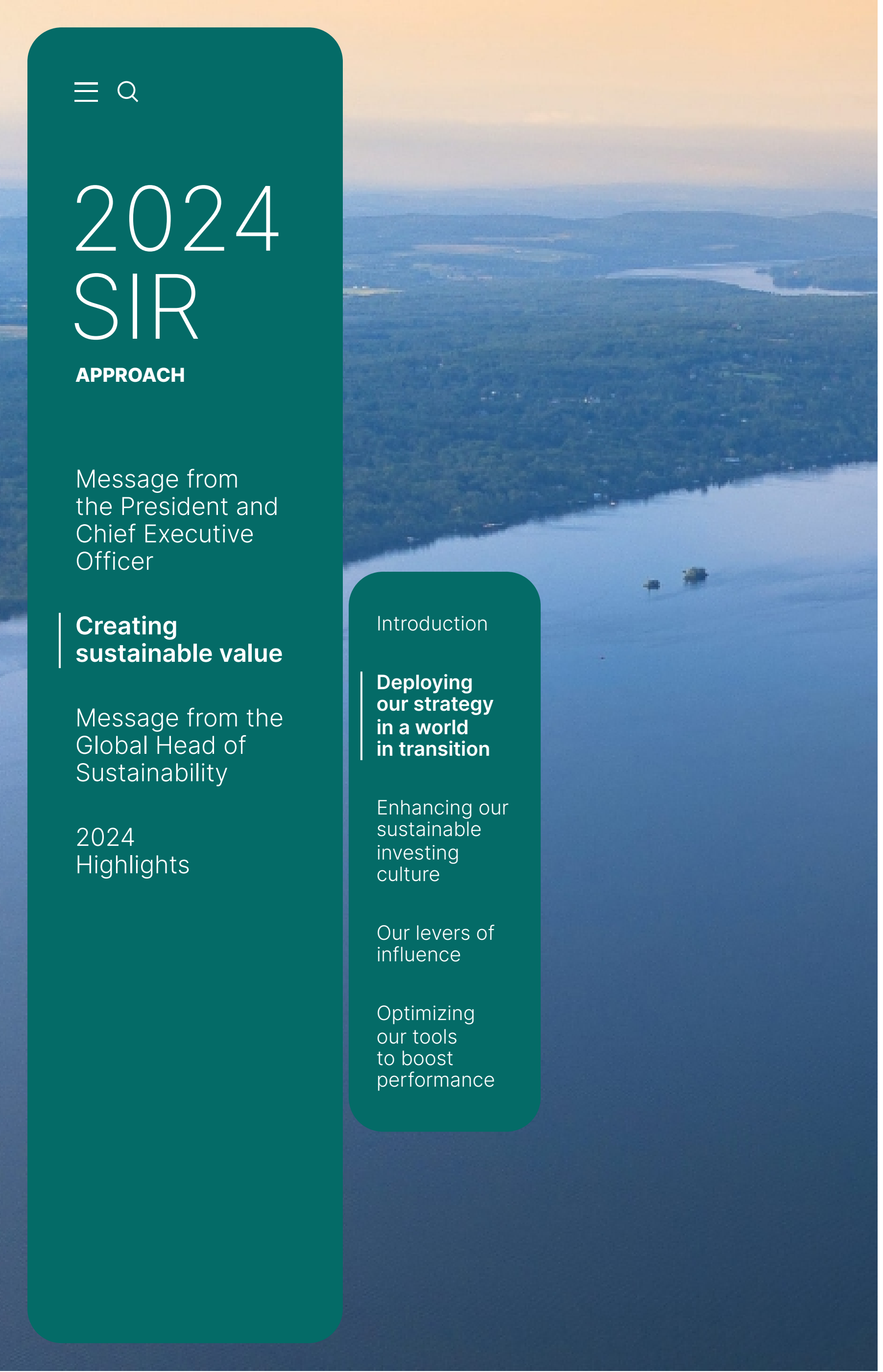
We make sustainable investing central to our investment strategies. This enables us to manage complex and rising risks and seize the best opportunities for deploying our constructive capital in Québec and around the world.

Our ambitious approach is delivering tangible results. By the end of 2024, we exceeded the climate targets we set in 2021 (see the Environment section). This is the result of our investments in low-carbon assets, the decarbonization of our portfolio companies, selection of lower-carbon assets and a proactive dialogue with our portfolio companies, external managers and partners. All of our actions lead to better-performing companies, which is a source of sustainable value creation for our depositors and for the communities in which they operate.

In 2024, our experts focused on three areas:

- Continuing to deploy our strategy in a world in transition
- Enhancing our sustainable investing culture
- Optimizing our tools to boost performance

Our ability to create successful collaborations and design innovative projects is also based on the expertise of our teams and the reach of our networks.



Deploying our strategy in a world in transition

Our ambition in sustainable investment takes shape through our commitments and the actions we take with our portfolio companies, peers and stakeholders. That is why we maintain an ongoing dialogue to help them improve their sustainable practices, in particular by offering them dedicated resources and tools.

This year, our teams have focused on:

- Assessing the maturity of the climate management practices of companies in the Infrastructure portfolio, based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). These studies help define the portfolio's orientations and the priorities of our assets in terms of the governance of climate issues, decarbonization strategies and resilience to climate risks. These priorities are addressed in specialized action plans carried out by investment teams on Boards of Directors.
- Strengthening our biodiversity commitments through the launch of dedicated indicators in Québec and active participation in international coalitions of investors. These initiatives allow us to support our portfolio companies in their nature preservation efforts.

Enhancing our sustainable investing culture

Integrating the activities of our subsidiaries, Ivanhoé Cambridge and Otéra Capital, has helped us optimize our methodologies and processes, enabling gains in efficiency and agility. Bringing our experts together in a single team also provides powerful leverage for strengthening our ties with all investment teams and accelerating the development of a shared sustainable investing culture in the organization. This evolution is inherent to our role as a long-term investor.

This year, we began developing new tools and training sessions to strengthen our skills and practices that we draw upon to integrate sustainability into our investment decisions. We have deployed these initiatives to real estate teams and teams in charge of our external funds and managers, and we aim to expand them further in 2025. This approach is in line with our ongoing efforts to make sustainability a cornerstone of our role as an investor.

Figure 1

Our six sustainable investing levers of influence

1

STRATEGY

Deployment of strategies, policies and initiatives to affirm our ambition in sustainability

2

LEADERSHIP

Participation in initiatives and working groups in Québec and abroad alongside our peers in the financial ecosystem

3

SUSTAINABILITY INTEGRATION

Assessment of performance based on sustainability criteria, integrated into the investment analysis and decision-making process

4

SUPPORT

Advisory role for our teams, nominee directors, portfolio companies, external managers and operating partners to improve the integration of sustainability issues

5

DIALOGUE AND ENGAGEMENT

Ongoing dialogue with our portfolio companies and external managers to promote sustainability best practices and create and protect value

6

SHAREHOLDER VOTING

Exercise of our right to vote as a shareholder in accordance with our sustainability convictions and priorities

Optimizing our tools to boost performance

In 2024, we continued to refine our methodology and internal tools to better assess our portfolio companies' positioning in the energy transition. This approach is focused in particular on the current governance at these companies, the adoption of decarbonization targets and the deployment of methods for achieving them.

Given the impacts of climate risks, we rely on internal tools and experts to identify the adaptation projects needed to strengthen real assets and ensure their climate resilience.

Sustainability data management

We have leveraged our in-house AGIR application, which is designed to improve access to our portfolio companies' sustainability information, to enhance the efficiency of our sustainability team's interventions. At the same time, we continued to refine our sustainability rating methodology, on which the AGIR application is based. Leveraging the Sustainability Accounting Standards Board (SASB) grid and aligned with the standards of the International Sustainability Standards Board (ISSB), the application enables us to take better account of material sustainability issues.

Rating and reference tools

During the year, our rating methodology for external managers was extended to all our investment teams. Furthermore, we have several reference documents destined to help our portfolio companies and external managers integrate sustainability criteria into their business strategies.

Valuing our real estate assets

In 2024, our investment teams adopted the Carbon Risk Real Estate Monitor (CRREM) tool and integrated it into their analyses. This tool enables us to assess the extent to which our real estate assets are aligned with a carbon trajectory that complies with the objectives of the Paris Agreement.

Message from the Global Head of Sustainability

The deployment of our constructive capital is a source of long-term value creation.

Financial value, because we generate performance for our depositors; economic and strategic value, because we support companies and economies; and, lastly, sustainable value, because we seek to align the return on our investments with positive impacts on society and the environment.

We analyze the current transition through two prisms: risk management and investment opportunities. On the one hand, physical climate risks, as well as those related to sustainability, are crucial for a long-term investor like CDPQ. Extreme climate events, whose strength and frequency considerably disrupt local and global economies, cannot be ignored. We therefore favour sustainable business models and the development of resilience. On the other hand, the transition and the accelerating decarbonization of the economy are generating investment opportunities that are significant, promising and profitable.

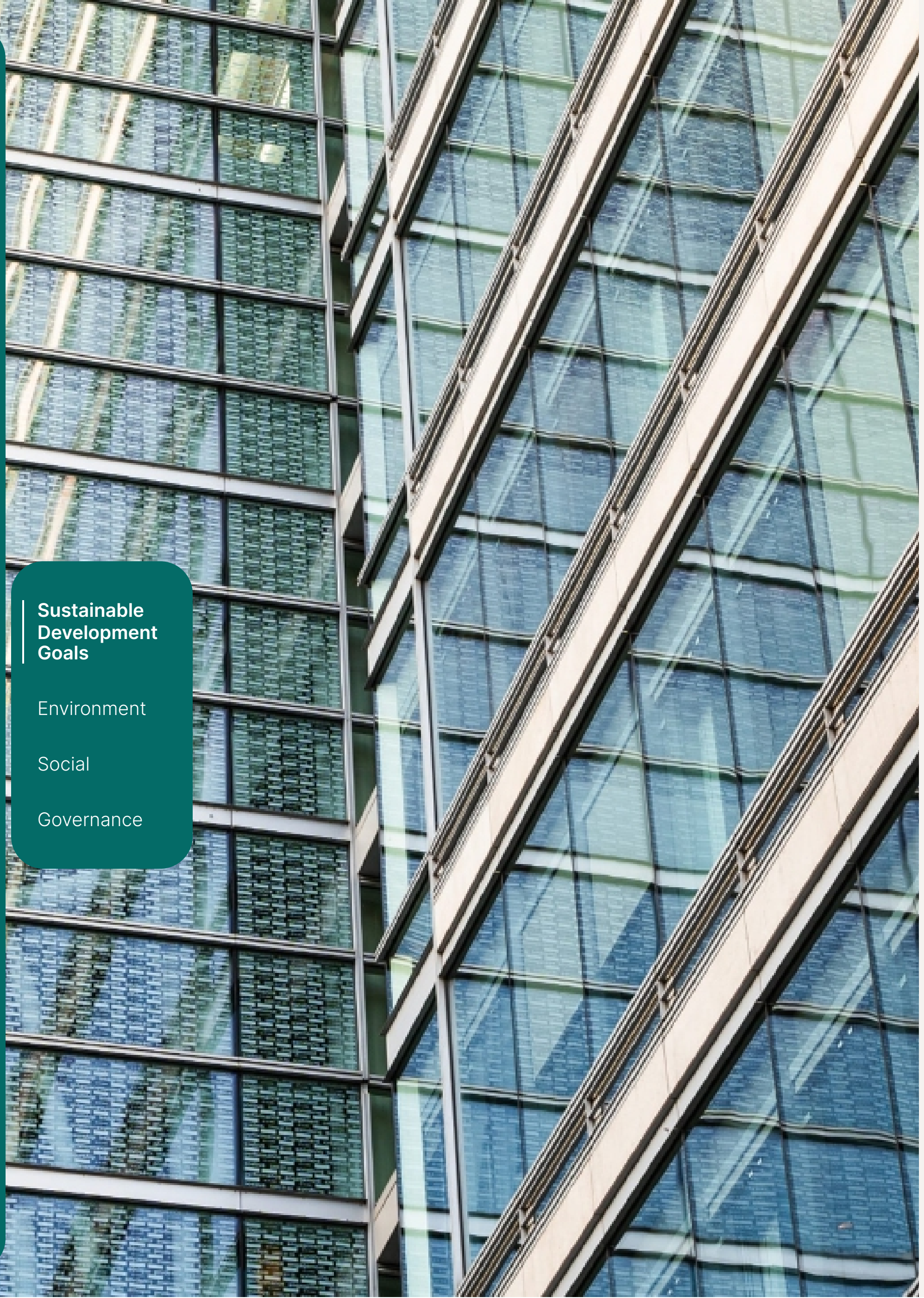
It is therefore important for us to support our portfolio companies by leveraging sustainability to protect and create value through targeted interventions that strengthen the strategic positioning of our companies, particularly in Québec.

We are pleased to present our achievements in this report. CDPQ's leadership in sustainable investing, both in Québec and around the world, is real and recognized. For the members of our organization, it is a source of immense pride. Our leadership position also opens doors to the most innovative partners and facilitates access to excellent opportunities, ensuring our continued success in the years to come.

We continue to view sustainable investing as an expression of our constructive capital in order to remain well positioned in the transition to ensure the resilience of our portfolio and generate optimal long-term returns.

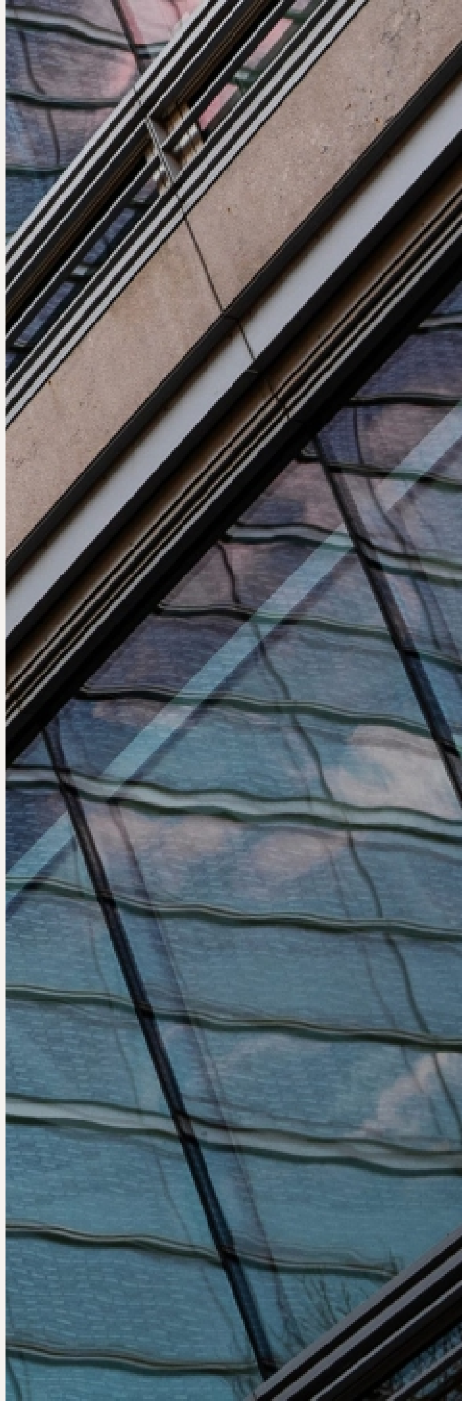
Marc-André Blanchard

Marc-André Blanchard
Executive Vice-President and Head of CDPQ Global and Global Head of Sustainability



Sustainable Development Goals

We contribute to six United Nations Sustainable Development Goals.



Environment

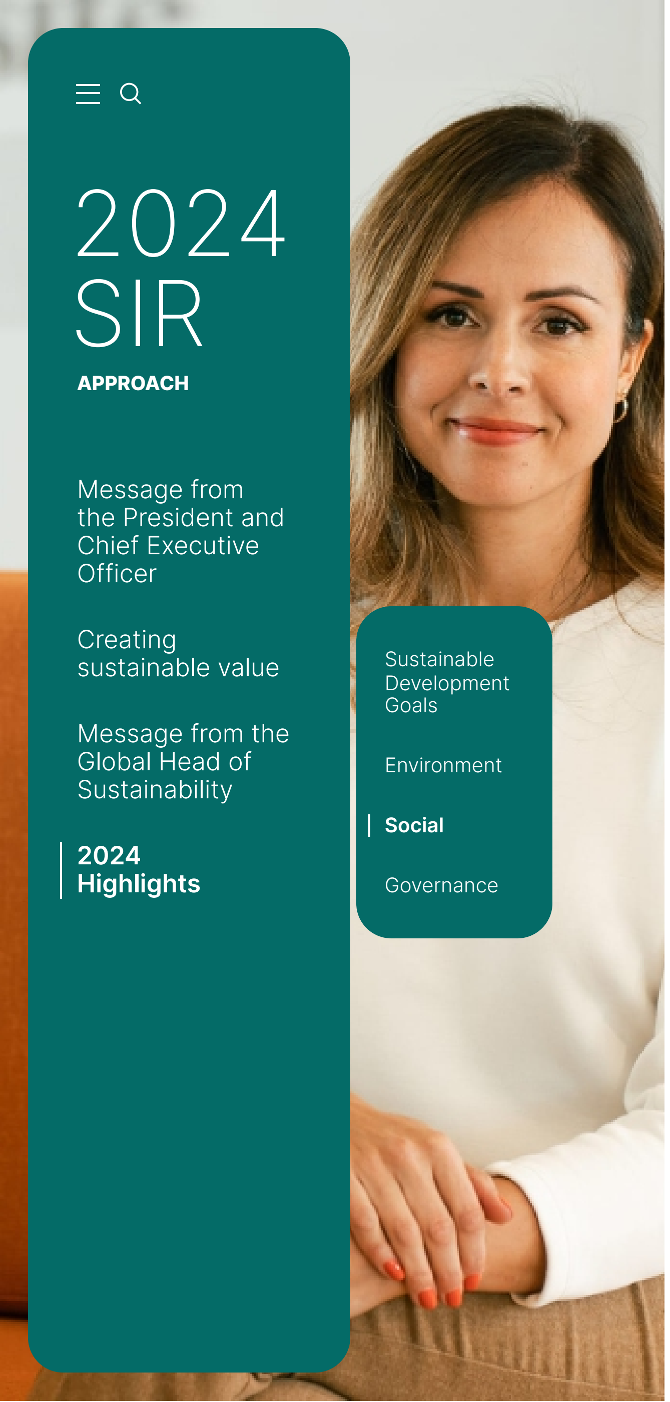
We actively contribute to decarbonizing the real economy.

$58 B
in low-carbon assets
TARGET EXCEEDED

$6.2 B
in transition assets

69%
decrease in our portfolio's carbon intensity since 2017
TARGET EXCEEDED

$358 B
in assets with a low-carbon footprint



Social

We value opennness and a variety of perspectives to enrich our decisions and enhance our performance.

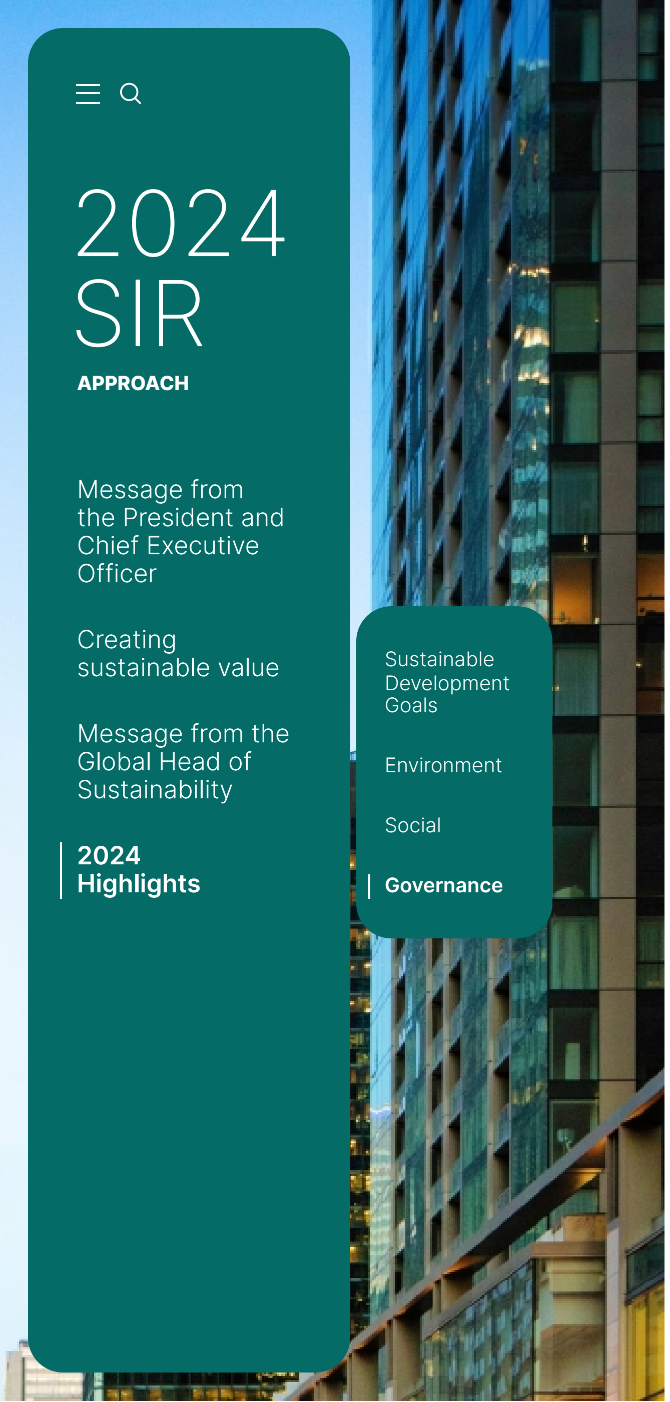
47%
of our employees are women

73%
of our actively managed public companies count at least 30% women on their Boards of Directors

27%
of our employees in Canada identify as a member of one of the following three groups:

- Visible minorities
- Ethnic minorities
- Indigenous peoples

310
pre-investment opinions on tax practices



Governance

We position governance at the heart of our practices and investments.

SEE NEXT SECTION – **LEADERSHIP**

12
Québec companies supported in their implementation of sustainable business practices

Dialogue with
537
portfolio companies in which we are shareholders

34,857
resolutions voted on at

3,326
shareholder meetings held by our portfolio companies

47%
support for shareholder proposals on environmental issues

We affirm our convictions to exercise our influence in Québec and around the world.

The scope of our actions

We are actively involved in a number of leading initiatives to affirm our convictions and leadership, as well as to raise awareness on sustainability issues among our peers and stakeholders (see Appendix 5). This mobilization is also intended to accelerate the deployment of private capital to finance sustainable solutions and promote the highest standards of disclosure. Our influence also extends to the communities where we are present, through our support for social, cultural and higher education organizations.

What sets us apart

Once again this year, we stood out on the world stage through our leadership and expertise in sustainability.

GSR 2024 Scoreboard

For the second straight year, we ranked at the top of the list of pension funds included in Global SWF's GSR 2024 Scoreboard. Considered a global benchmark, the scoreboard assesses the governance practices of 200 sovereign wealth and pension funds worldwide. This recognition reflects the quality of our teams' work as well as the organization's leadership on advancing sustainability issues around the world.

Institutional Connect Awards

IPE Real Assets & Infrastructure Global Investor Awards

IPE Real Estate Global Awards

Global Pension Transparency Benchmark

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GSR 2024 Scoreboard →

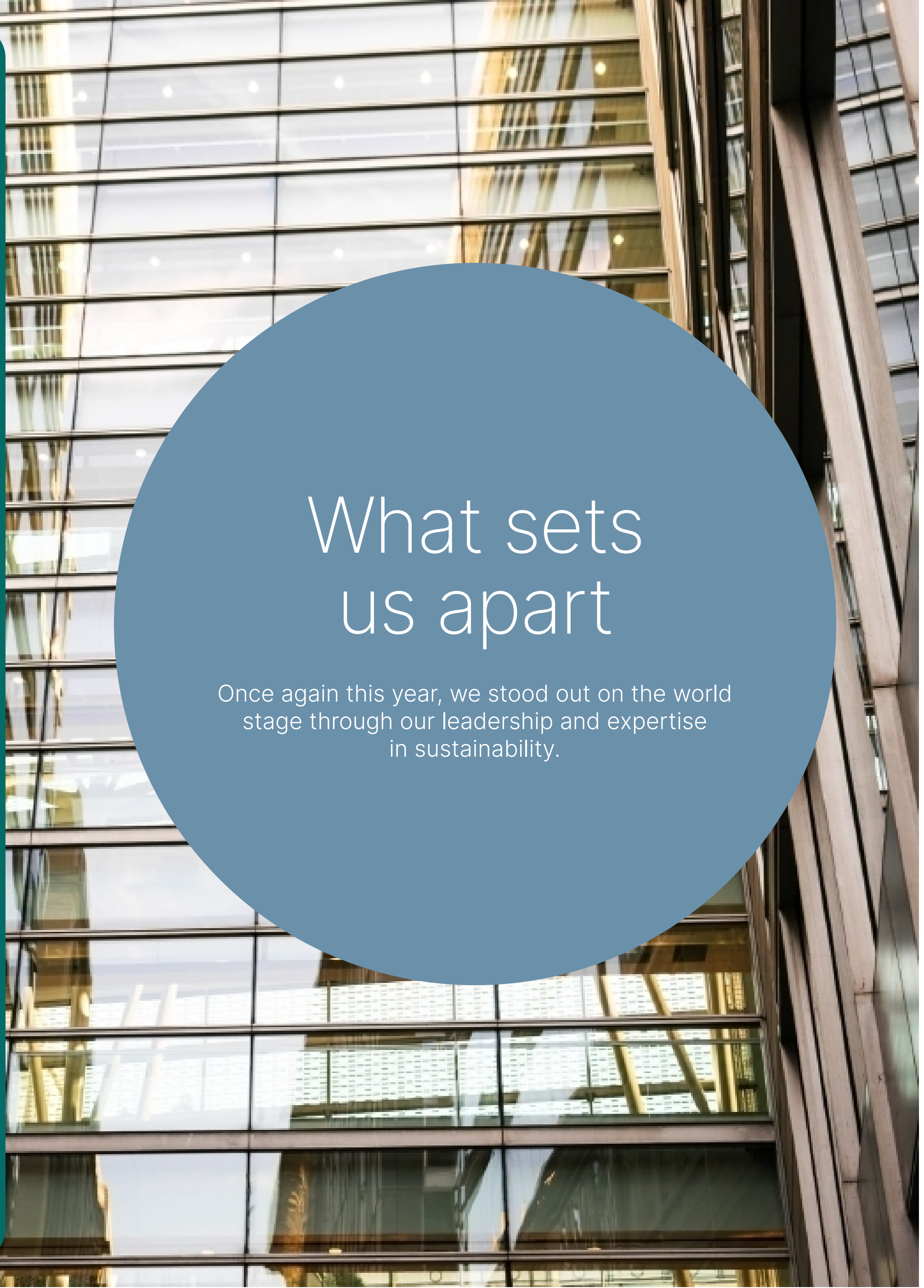
Institutional Connect Awards

CDPQ was recognized in the Climate Change Champion category. This distinction reflects our efforts in the area of sustainable investing and our progress toward achieving our environmental objectives.

IPE Real Assets & Infrastructure Global Investor Awards →

IPE Real Estate Global Awards →

Global Pension Transparency Benchmark →



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GSR 2024 Scoreboard

Institutional Connect Awards

IPE Real Assets & Infrastructure Global Investor Awards

CDPQ won the Direct Investor and ESG/Sustainable Investor awards at the IPE Real Assets & Infrastructure Global Investor Awards, which recognize the achievements of pension funds and other institutional infrastructure investors. We stood out for our long-term performance while addressing societal challenges related to climate change and sustainable mobility.

IPE Real Estate Global Awards

Global Pension Transparency Benchmark

What sets us apart

Once again this year, we stood out on the world stage through our leadership and expertise in sustainability.

GSR 2024 Scoreboard

Institutional Connect Awards

IPE Real Assets & Infrastructure Global Investor Awards

IPE Real Estate Global Awards

Our real estate portfolio won several awards for excellence at the IPE Real Estate Global Awards 2024, including Global Real Estate Investor of the Year and the ESG Award.

Global Pension Transparency Benchmark

What sets us apart

Once again this year, we stood out on the world stage through our leadership and expertise in sustainability.

GSR 2024 Scoreboard →

Institutional Connect Awards →

IPE Real Assets & Infrastructure Global Investor Awards →

IPE Real Estate Global Awards →

Global Pension Transparency Benchmark

Our leadership on sustainability issues and our transparency were recognized by Top1000funds.com and CEM Benchmarking, as we ranked fourth worldwide out of the 75 international investment funds evaluated.

Our mobilization initiatives

CDPQ is a central player in major climate leadership initiatives. Our actions, multi-stakeholder partnerships and commitments translate into tangible solutions to accelerate the transition. We support multiple initiatives and participate in several working groups aimed at advancing the finance sector. Our goal is to ensure that capital and sustainable development are better aligned.

Mobilizing private capital to accelerate the transition

In 2024, we contributed to a large number of private capital mobilization and climate leadership initiatives:

- Launch of the Emerging Market Transition Debt (EMTD) strategy managed by Ninety One. The initiative, to which CDPQ and other members of the Investor Leadership Network (ILN) have contributed, aims to support the energy transition in emerging markets.
- Alongside our partner Brookfield Asset Management, we made a commitment to the Catalytic Transition Fund (CTF), a multi-stakeholder fund focused on deploying capital in clean energy and transition assets in emerging markets.
- Publication of Blended Finance Best Practice: Case Studies and Lessons Learned, in collaboration with the Sustainable Markets Initiative (SMI) and the ILN. This report identifies the success factors and drivers of blended finance and provides illustrations through concrete examples. One of the 13 case studies showcased is Montréal's Réseau express métropolitain. The report was well-received by players in blended finance around the world because it shows how innovative partnerships can be structured to enhance capital mobilization and the development of public-private partnerships.
- Launch of a partnership created with the CREO Family Office Syndicate, the ILN, Builders Vision, and with the support of the Milken Institute, to develop an action plan to accelerate private financing and develop sustainable solutions in support of the energy transition.
- Publication of the Impact Disclosure Guidance document. CDPQ was a member of the steering committee and the general committee of the Impact Disclosure Taskforce.
- Participation in the Official Monetary and Financial Institutions Forum (OMFIF) working group that led to the publication of the report Global public funds and transition finance: risks, barriers and opportunities.
- The Global Investors for Sustainable Development (GISD) Alliance issued recommendations for the UN's Fourth International Conference on Financing for Development, and published Guidance on Sovereign SDG Bonds for Countries and Investors, a document for governments and investors that provides guidance on issuing sovereign bonds linked to the United Nations Sustainable Development Goals (SDGs).
- Publication by the Glasgow Financial Alliance for Net Zero (GFANZ) of several case studies on transition finance and decarbonization, including CDPQ's investment in AES Indiana.
- Publication of the fourth report of the Net-Zero Asset Owner Alliance (NZAOA) that shows notable progress toward the net-zero target, including average reductions in absolute financed greenhouse gas emissions of at least 6% annually.
- Participation in the NZAOA's call to action for governments to urgently find solutions to systemic climate risks.
- Participation in founding of the Hamburg Sustainability Platform (HSP), in collaboration with Global Affairs Canada, the German Federal Ministry for Economic Cooperation and Development (BMZ) and several European governments, including France, the United Kingdom and Denmark, as well as South Africa and other institutional peers such as Allianz and Zurich Re. This platform aims to accelerate mobilization of capital toward emerging countries.

Preparing for the adoption of new disclosure standards

Sustainability information represents a sign of confidence for investors, and must be comparable from one company to another. This enables us to make informed investment decisions.

For several years, we have been involved in the development and promotion of sustainability standards across Canada. We have also contributed to discussions on financial reporting standards related to sustainable development with the International Sustainability Standards Board (ISSB). These rules help consolidate existing disclosure frameworks, including the Sustainability Accounting Standards Board (SASB) standards and the Task Force on Climate-related Financial Disclosures (TCFD).

At the end of 2024, we also supported, through a Joint Statement with 10 Canadian peers, the roll-out of the Canadian Sustainability Disclosure Standards (CSDS 1 and CSDS 2) established by the Canadian Sustainability Standards Board (CSSB). These standards are aligned with the ISSB's international standards, while taking into account the specifics of the Canadian context.

Cultivating sustainable finance

In our role as an institutional investor, we take concrete action to propose sustainable solutions and raise awareness among our various stakeholders on the challenges in sustainable finance.

This year, we demonstrated our leadership in this area by participating in the following initiatives, particularly in Québec:

- Contribution to the Sustainable Finance Summit, organized in spring 2024 by Finance Montréal, by discussing biodiversity's potential for investors and for sustainability. This event brought together leading experts to talk about how finance can meet the challenges of economic development, environmental protection and sustainable development.
- Helping organize the Michael D. Penner Institute's inaugural conference on sustainability issues, held in Montréal on May 2024, under the theme "20 Years of ESG: What choices are needed to create a sustainable world?"
- Participation in meetings of the Con**vert**gence committee of the Chamber of Commerce of Metropolitan Montreal (CCMM). This initiative provides companies of all sizes and in all industries with specialized resources, services, training, tools and support to help them reduce their carbon footprint.

Contributing to international discussions

In order to promote sustainable investment best practices and build relationships with partners whose objectives are aligned with CDPQ's, we take an active role in discussions at the most important international meetings.

B20 Forum

CDPQ attended high-level meetings as part of the B20, an official forum organized on the sidelines of the G20 Summit in Rio de Janeiro to stimulate dialogue between the business community and international leaders. We co-led the "Finance and Infrastructure" working group, dedicated to developing an innovative approach to mobilizing private capital to accelerate the transition. The group published a series of recommendations, several of which were included in official G20 statements.

Climate Week NYC 2024 →

United Nations Conference of the Parties on Climate Change (COP29) →

United Nations Biodiversity Conference (COP16) →

ILN Global Investor Forum 2024 →

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B20 Forum →

Climate Week NYC 2024

This international event brought together members of the financial community, policymakers and civil society representatives from around the world. We discussed the challenges of developing blended finance and decarbonization policies in order to implement more concrete solutions to support the transition to a more sustainable economy.

United Nations Conference of the Parties on Climate Change (COP29) →

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B20 Forum →

Climate Week NYC 2024 →

United Nations Conference of the Parties on Climate Change (COP29)

Our attendance at COP29, which was held in Baku, Azerbaijan, gave us the opportunity to recall the fundamental role that private finance plays in accelerating the climate transition and strengthening nature conservation. We also reiterated the need to forge new partnerships to encourage investment in both developing and developed countries.

United Nations Biodiversity Conference (COP16) →

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B20 Forum

Climate Week NYC 2024

United Nations Conference of the Parties on Climate Change (COP29)

United Nations Biodiversity Conference (COP16)

At COP16, which was held in Cali, Colombia, we highlighted our biodiversity initiatives and promoted the indispensable role played by the financial sector in ensuring the preservation of nature.

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B20 Forum

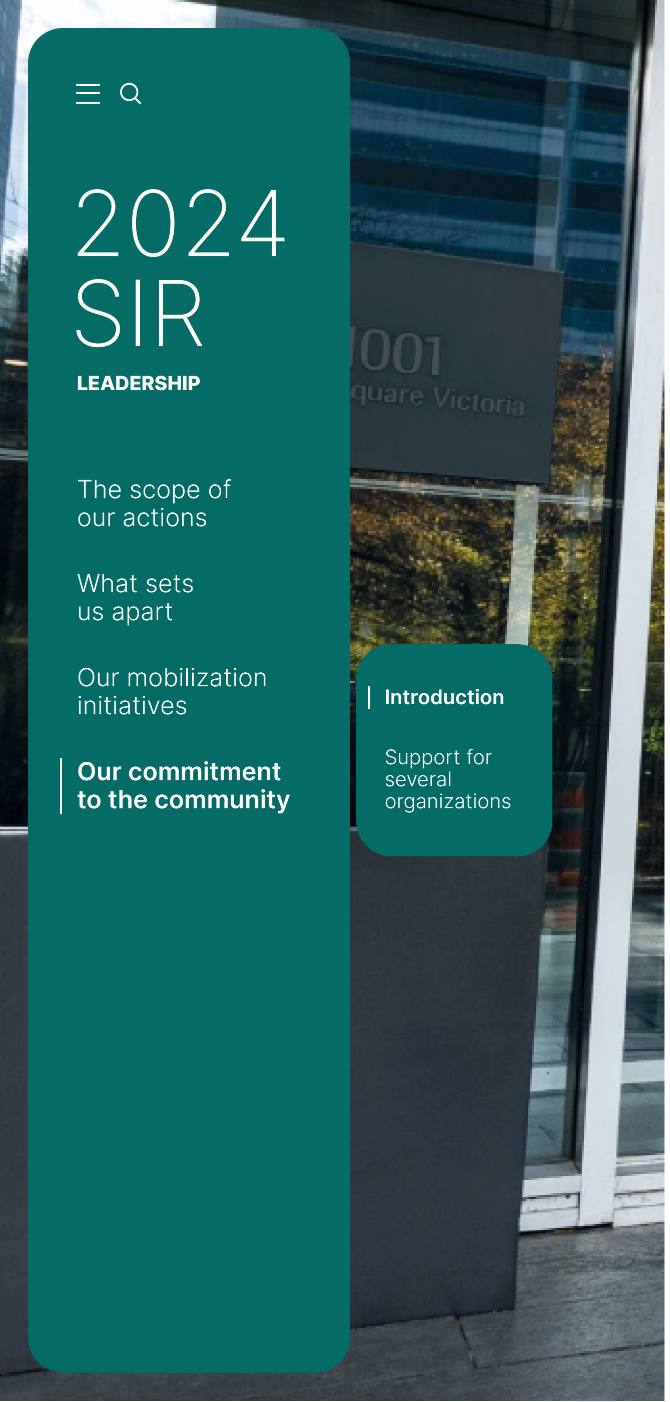
Climate Week NYC 2024

United Nations Conference of the Parties on Climate Change (COP29)

United Nations Biodiversity Conference (COP16)

ILN Global Investor Forum 2024

Marc-André Blanchard, CDPQ's Global Head of Sustainability, co-chaired the ILN Global Investor Forum 2024 in Cape Town, South Africa. This gathering brought together leaders of the private sector, philanthropy and the 2025 G7 (Canada) and G20 (South Africa) presidencies to discuss how to tackle economic and social challenges in an increasingly complex world. In addition, the forum addressed how, in partnership with Brazil's 2025 COP30 presidency, to align policies to accelerate the development of innovative partnerships to scale private capital for the transition.



Our commitment to the community

Our role extends beyond our investment activities. We also take direct actions to support the communities where we do business. Our philanthropic activity is focused on four priority sectors:

- Communities
- Health
- Sustainable development
- Academics

Support for several organizations

In 2024, we supported over 200 organizations, including the following:

GRIS-Montréal

GRIS-Montréal's activities aim to foster a better understanding of sexual and gender diversity and facilitate the integration of LGBT+ individuals into society. The Le GRIS part en tournée project, supported by CDPQ, will travel across Québec, visiting primary and secondary schools that, due to their geographical location, are poorly served by LGBT+ organizations. The first phase of the project involved 131 activities in 29 schools in the priority regions of Bas-Saint-Laurent, Saguenay–Lac-Saint-Jean and Gaspésie, as well as in Montérégie, Outaouais and Lanaudière.

The project's second phase will focus on the Côte-Nord, Nord-du-Québec and Abitibi-Témiscamingue regions.

CHU Sainte-Justine Foundation →

Grantham Foundation for the Arts and the Environment →

YMCAs of Québec Foundation →

Université Laval's Académie entrepreneuriale →

SEE NEXT SECTION – **ENVIRONMENT** →

The scope of our actions

What sets us apart

Our mobilization initiatives

Our commitment to the community

Introduction

Support for several organizations

Photo:
Charles Mercier
OBOX.STUDIO

Support for several organizations

In 2024, we supported over 200 organizations, including the following:

GRIS-Montréal

CHU Sainte-Justine Foundation

We are supporting Grow Beyond, a major fundraising campaign that seeks to raise $500 million by 2028 to fundamentally transform the life trajectory of every child receiving treatment. Charles Emond, President and CEO of CDPQ, is Co-Chair of this major campaign.

Grantham Foundation for the Arts and the Environment

YMCAs of Québec Foundation

Université Laval's Académie entrepreneuriale

SEE NEXT SECTION – **ENVIRONMENT**

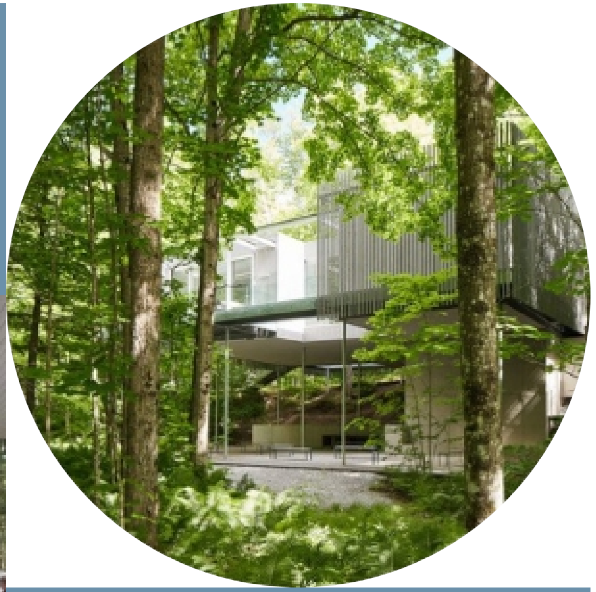


Photo: Maxime Brouillet

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GRIS-Montréal

CHU Sainte-Justine Foundation

Grantham Foundation for the Arts and the Environment

We support and promote the Foundation, whose mission is to support creation in the visual arts and research into art and architecture in light of environmental challenges. We also support its cultural mediation activities for seniors.

YMCAs of Québec Foundation

Université Laval's Académie entrepreneuriale

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CHU Sainte-Justine Foundation

Grantham Foundation for the Arts and the Environment

YMCAs of Québec Foundation

Renewed in 2024, our support for the Foundation provides support for existing sites and to develop new points of service in the regions in order to expand the YMCA Alternative Suspension program, which works with students temporarily dismissed from their school setting.

Université Laval's Académie entrepreneuriale

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CHU Sainte-Justine Foundation

Grantham Foundation for the Arts and the Environment

YMCAs of Québec Foundation

Université Laval's Académie entrepreneuriale

Our support for the Académie enables us to contribute to an environment more conducive to the success of young entrepreneurs who have growing business projects. It also develops high-level skills among Université Laval students and graduates by providing unique, personalized, practical and applied coaching.

SEE NEXT SECTION – **ENVIRONMENT**

We actively contribute to decarbonizing the real economy.

Highlights

At the end of 2024, we exceeded the targets we set for ourselves when we launched our new climate strategy in 2021. Our low-carbon assets stood at **$58 billion**, up $40 billion since 2017 and above our target of $54 billion by 2025. The carbon intensity of our portfolio was down **69%** since 2017, surpassing our target of a 60% reduction by 2030. We completed our exit from oil production and thermal coal mining by the end of 2023.

Our portfolio's decarbonization has therefore proceeded at a faster pace than that of the real economy. This was due both to the decarbonization of our portfolio companies and to our strategy of investing in low-carbon, low-intensity and transition-promoting assets.

$58 B
in low-carbon assets
TARGET EXCEEDED

69%
decrease in our portfolio's carbon intensity since 2017
TARGET EXCEEDED

$6.2 B
in transition assets

$358 B
in assets with a low-carbon footprint

Our low-carbon assets

Our investments in low-carbon assets target net-zero companies or companies with very low carbon emissions. These investments have increased by $40 billion since 2017 to **$58 billion** as at December 31, 2024, exceeding our target of $54 billion by 2025. Our investment strategy is focused on the renewable energy, sustainable mobility and real estate sectors. We are also investing selectively in developing sectors, such as energy storage and efficiency, as well as green hydrogen.

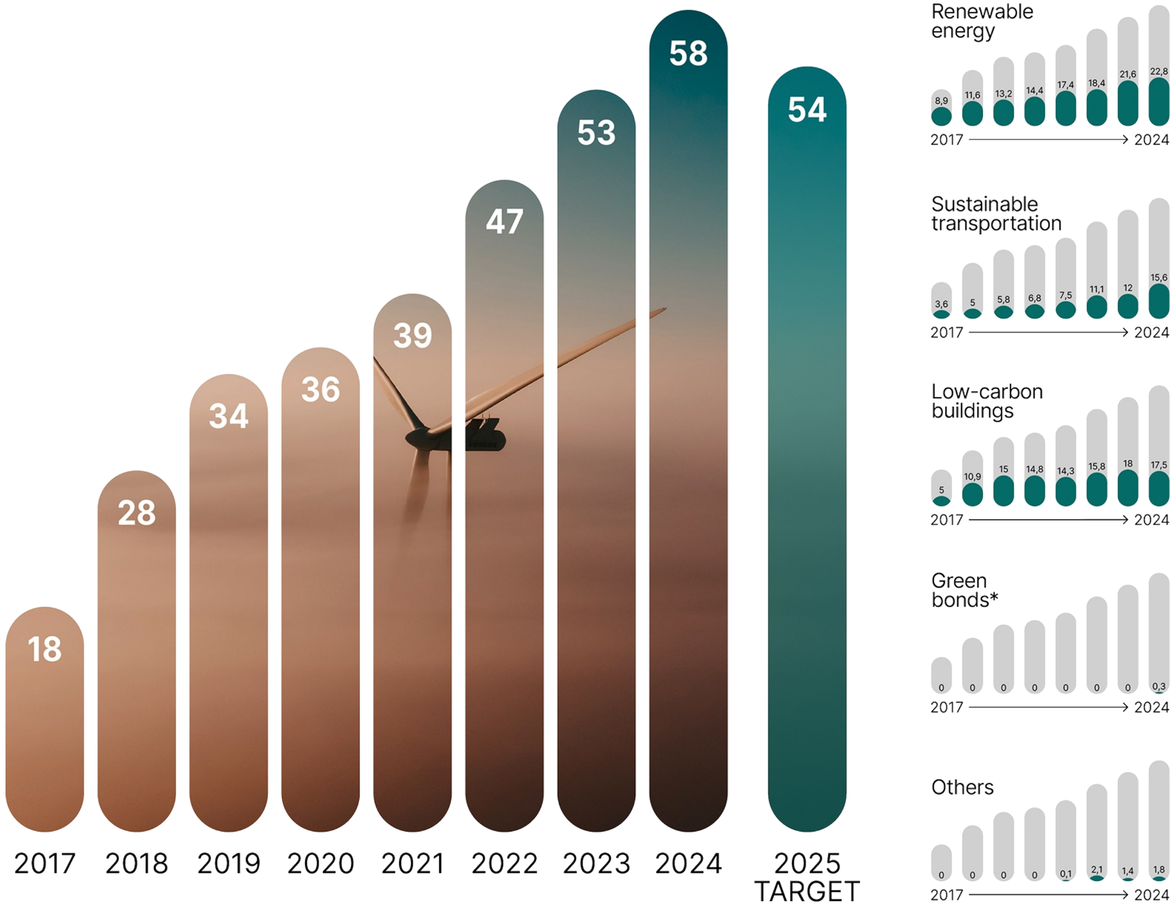
Our low-carbon assets meet rigorous global standards set by the Climate Bonds Initiative (CBI) taxonomy, which we have been using since 2017.

As at December 31, 2024, the value of these assets reached **$58 billion**. We therefore exceeded our target of **$54 billion** by 2025.

Of these, a total of **$15.5 billion** is invested in Québec.

Chart 2

By the end of 2024, CDPQ had exceeded its target for low-carbon assets (in $B)



* New in 2024

Our assets aligned with SBTi standards

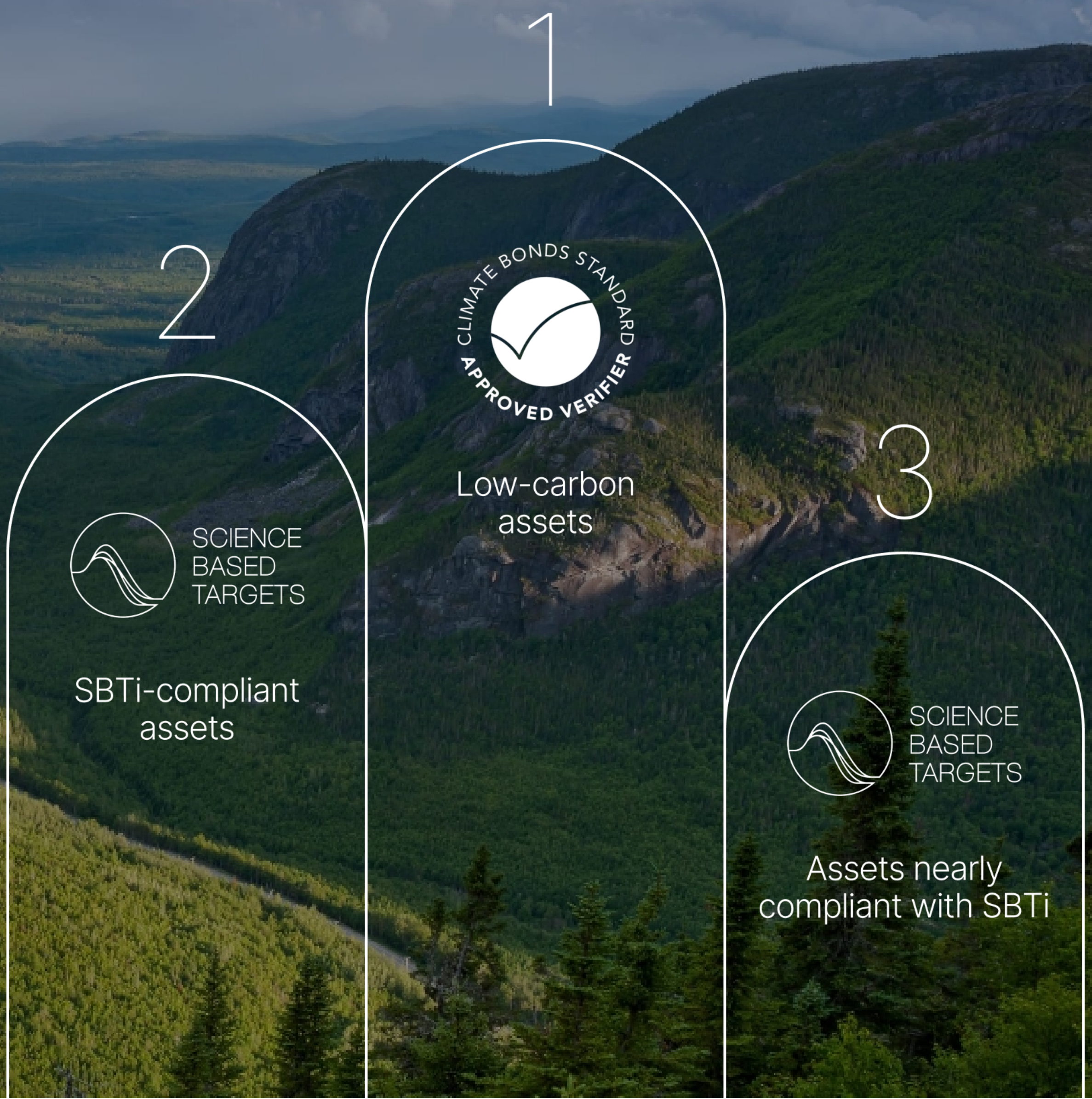
Many of our portfolio companies are committed to the climate transition. Some have set ambitious decarbonization targets and have been certified by the Science Based Targets initiative (SBTi), validating that they are aligned with the objectives of the Paris Agreement.

Our portfolio has **$79 billion** in SBTi-compliant assets and another **$15 billion** in the process of becoming compliant. When they are added to our low-carbon assets (**$58 billion**), we have **$152 billion** aligned with the Paris Agreement or in the process of becoming aligned.

As a result, we have three levels of assets involved in the fight against climate change: low-carbon assets, SBTi-compliant assets and assets in the process of becoming compliant (see Figure 3).

Figure 3

Our portfolio has three levels of assets adressing climate change



In 2024, we added low-carbon assets from around the world to our portfolio.

INUYAMA

- Acquisition of an 80% stake in a solar power park in Japan
- Co-investment with our partner, Shizen Energy
- 31 MW solar power plant, capable of supplying the equivalent of 7,850 homes

SUNZIA

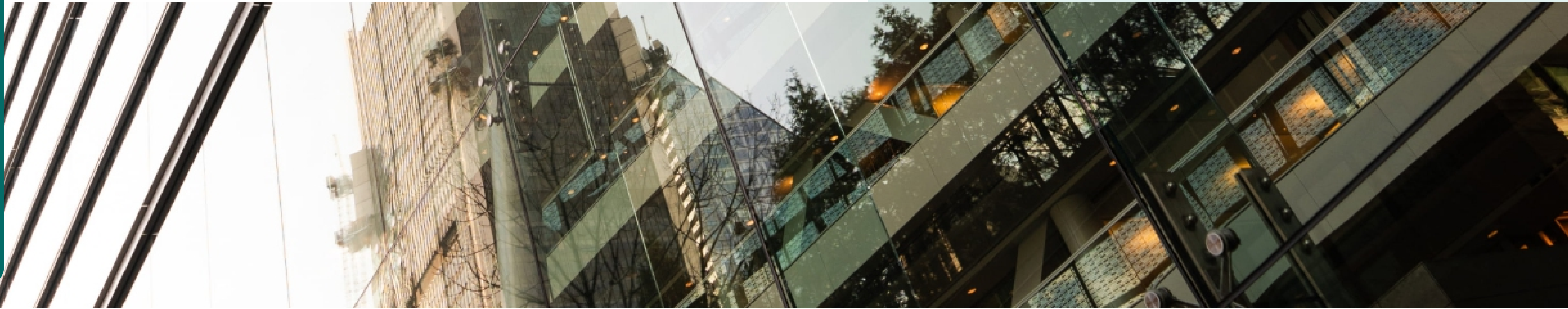
- 3.5 GW wind farm project in New Mexico, U.S.
- Largest project of its kind in North America
- 900-km transmission line to deliver electricity to markets in Arizona and California

Carbon intensity of our portfolio

The carbon intensity of our portfolio is calculated each year using the methodology required by the NZAOA, of which we are a founding member. Our scope 3, category 15 financed emissions, as defined by the Greenhouse Gas Protocol, account for 100% of the emissions from our investments in companies, representing the vast majority of emissions from our assets.

69% decrease in the portfolio's carbon intensity by the end of 2024 from 2017

Target: 60% by 2030



Carbon intensity

We calculate the carbon intensity of our portfolio companies taking into account only scope 1 and scope 2 emissions. Data on their scope 3 emissions is generally not available or not reliable enough to be included.

Our investment teams must adhere to a specific carbon budget for each asset class. With this approach, our carbon intensity has steadily decreased since 2017. As at December 31, 2024, it was **24.4 tCO_2e/M$**, compared to 79.4 tCO_2e/M$ at the end of 2017.

In 2024, the carbon intensity of our portfolio was down **69%** from 2017, exceeding our reduction target of 60% by 2030.

This reduction was due to the growth of our investments in low-carbon and transition assets, by the choice of assets that are lower in carbon than their comparables and by the progress made by our portfolio companies on decarbonizing.

The changes in the carbon intensity of our portfolio are not linear, and its downward trajectory could be affected by various factors over the coming years, such as asset valuations or investment opportunities in the energy transition.

Chart 4

CDPQ records a sustained decrease in its portfolio's carbon intensity (in tCO_2e/M$) since 2017

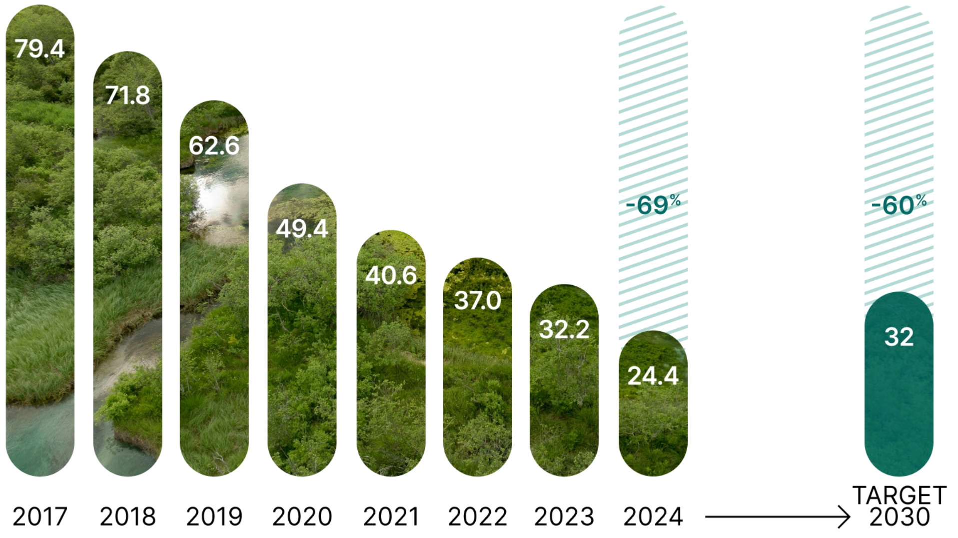
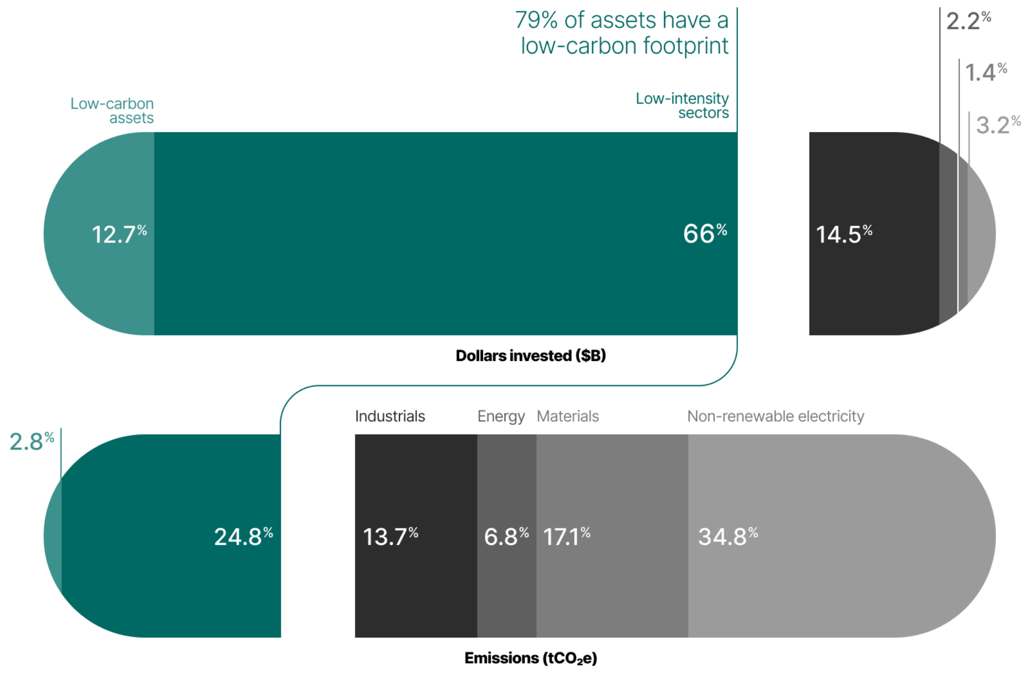


Chart 5

The perimeter for calculating the carbon footprint in dollars invested and in CO_2 emissions as at December 31, 2024



Low-carbon assets and low-intensity sectors represent 79% of the portfolio's value and 28% of its carbon footprint.

The perimeter for calculating the carbon footprint of our portfolio (**$456 billion**) includes assets and investments in sectors with widely varying levels of greenhouse gas (GHG) emissions.

Since 2017, our portfolio has decarbonized faster than the rest of the real economy, with our carbon footprint decreasing **48%** while the portfolio grew 58% in the same period.

By the end of 2024, **79%** of our portfolio consisted of low-carbon assets or investments in low-intensity sectors, representing over **$358 billion**.

The remainder of our portfolio includes assets from sectors necessary for the transition, such as energy production, industrials (transportation, construction) and materials (Chart 5), and represents **72%** of our total footprint. As major emitters of greenhouse gases, these sectors must adopt transition plans to reduce their direct emissions and those of their value chain, thereby accelerating this reduction. To reduce this footprint, we encourage these major emitters to improve their practices.

Our assets for accelerating the transition

As part of our climate strategy, we are committed to supporting companies in heavy emitting sectors in their efforts to decarbonize. Our main focus is on the agriculture, electricity generation, transportation and materials sectors. These sectors are vital to the global economy, but we believe that they must improve their practices in order to significantly reduce their GHG emissions.

Our commitment

A **$10-billion** envelope to decarbonize the highest-emitting sectors

Stepping up our efforts in favour of the transition

Since 2015, we have been investing even more in the energy transition. We believe that we have an important role to play in supporting reduced GHG emissions by companies with the highest emissions. We engage with these companies, pushing them to develop ambitious plans to decarbonize their business models, and we finance the required investments. The companies in which we invest as part of this strategy must have a decarbonization plan nominally aligned with the STBi or CBI criteria.

Through our external management strategies, we partner with fund managers to invest in climate and energy transition investment funds. This approach enables us to deploy capital in clean energy and transition assets to support the decarbonization efforts of the countries involved. The decarbonization of each of these investments is regularly monitored and compared with the initial plans.

As at December 31, 2024, we held **$6.2 billion** in transition assets.

The carbon footprint of the transition envelope was **1.8 $MtCO_2e$** (Chart 6), or a carbon intensity of **917 $tCO_2e/M\$$** – see Appendix 2 for the calculation methodology.

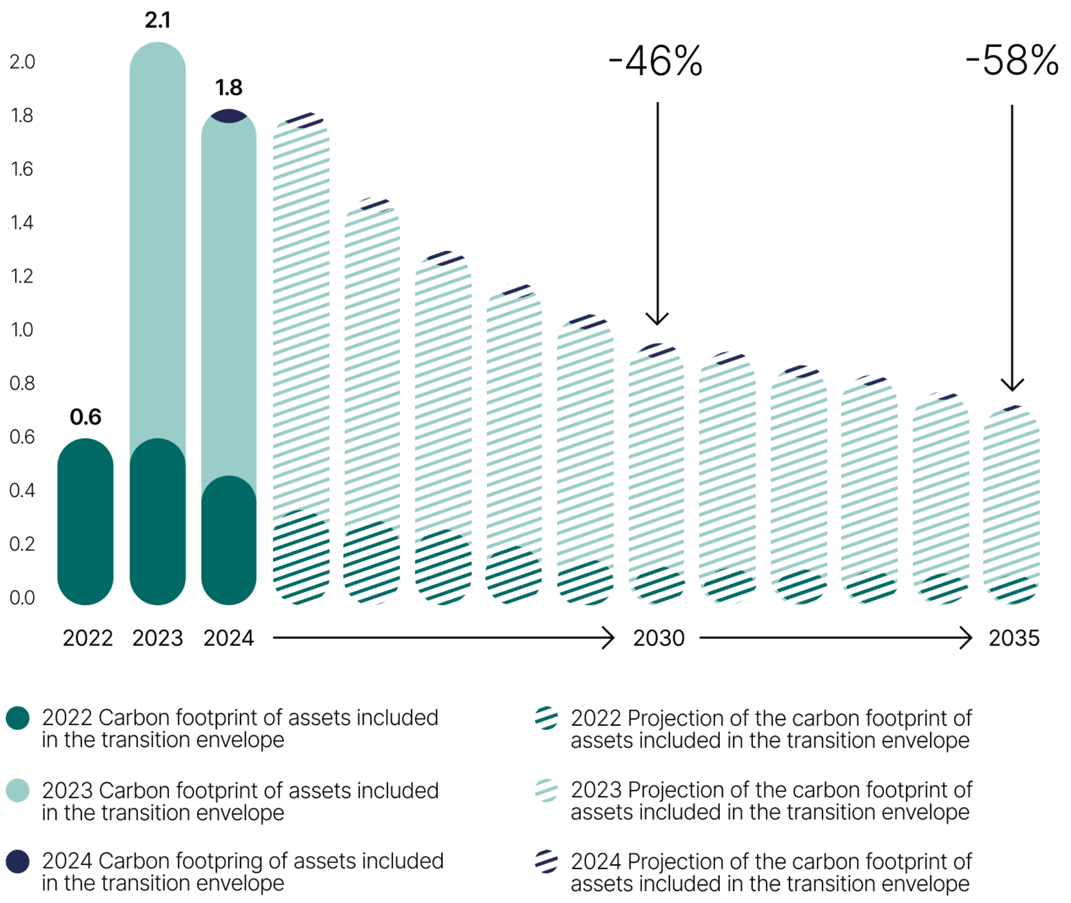
Decarbonization plan

The decarbonization plans of the companies included in our transition envelope could reduce* its carbon footprint by 46% by 2030 and 58% by 2035, compared to 2024.

*Aggregate reduction for completed investments, calculated based on the maximum, as shown in Chart 6.

Chart 6

Projected evolution in the transition envelope's carbon footprint (in $MtCO_2e$)



Our plan for the energy sector in a world in transition

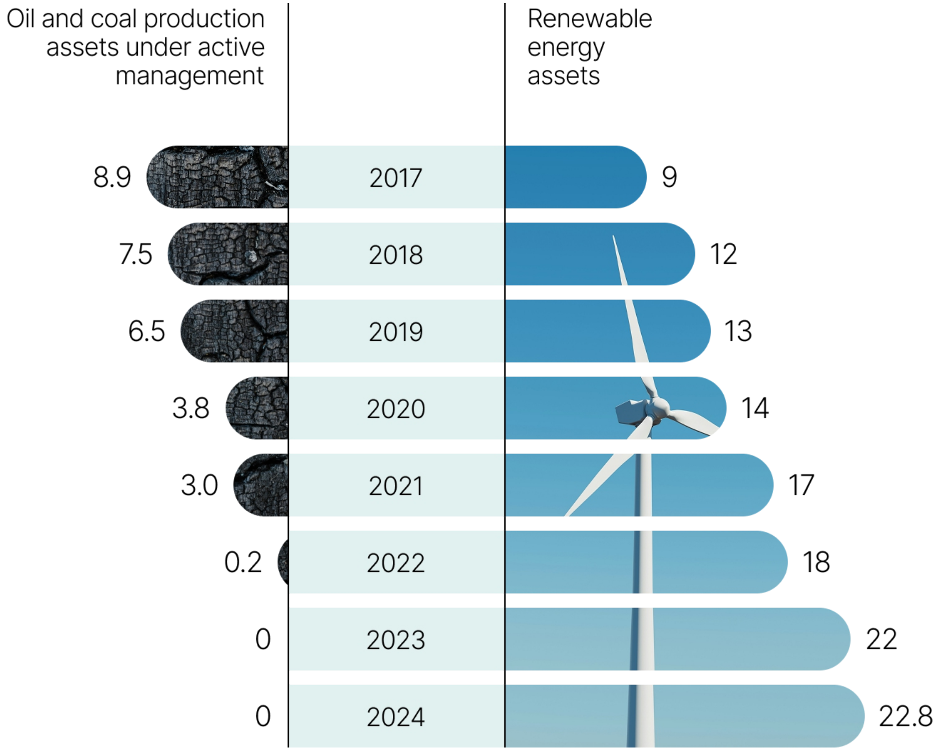
In line with our climate strategy, we had definitively withdrawn from oil production and thermal coal mining at the end of 2023, as these two sectors no longer correspond to our long-term investment objectives.

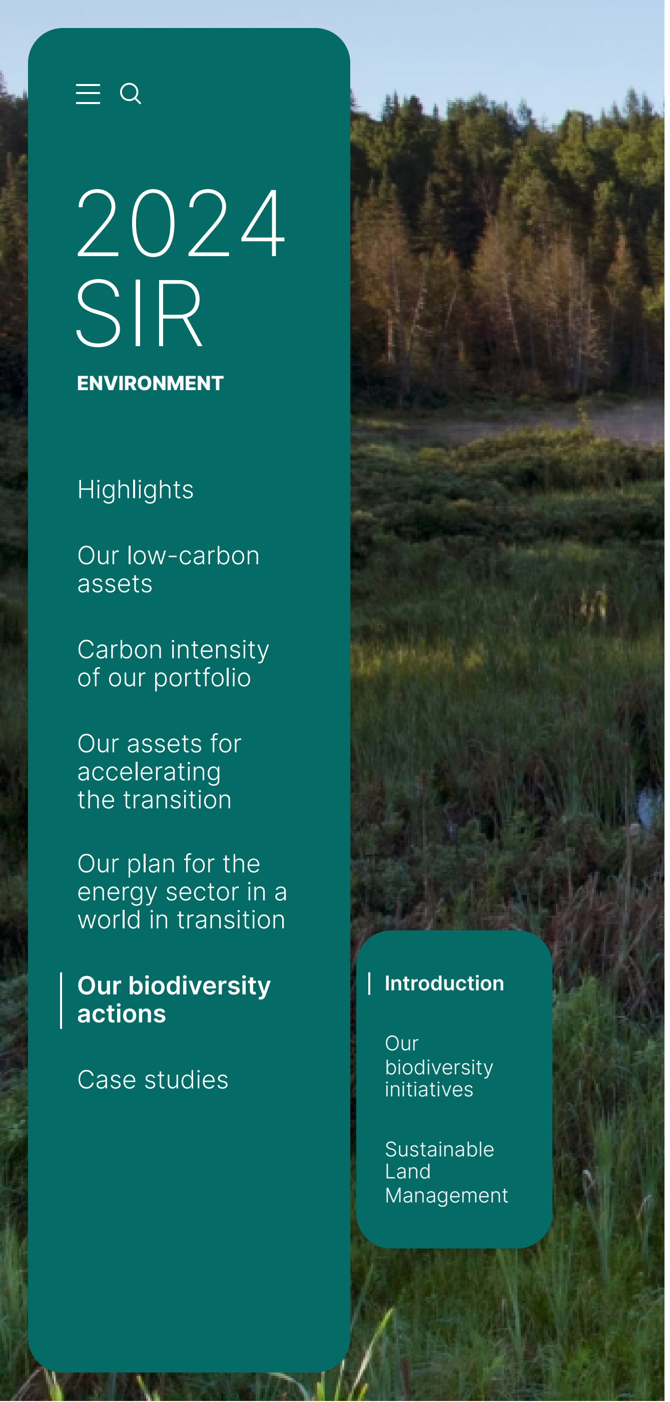
However, we see natural gas as a necessary component of the transition, complementing renewable energies. Our investments are focused on the gas transmission and distribution infrastructure, with these assets accounting for **1.6%** of our portfolio.

We also favour investments in renewable energy assets, whose share of our overall portfolio is growing. By the end of 2024, renewable energy assets represented **5%** of our portfolio.

Chart 7

Renewable energy assets represent a growing share of our portfolio, while oil and coal production is now excluded (in $B)





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Our biodiversity initiatives

Biodiversity is a growing concern for investors. In 2022, COP15 revealed a growing awareness in the world of finance and business of the need to preserve nature and the resulting opportunities. For several years, we have been considering biodiversity in our sustainability analyses, taking account of the serious damage inflicted on nature. In infrastructure and real estate, biodiversity is taken into account in the design of new projects and as part of their operation.

Over the years, we have joined a number of collaborative corporate engagement organizations. This approach enables us to amplify our voice effectively, send strong messages to businesses and support them in their efforts to conserve biodiversity. These initiatives also give us the opportunity to enrich our approach and develop new tools and indicators for our investment analyses.

Launch of biodiversity indicators for Québec investors

At COP16 in 2024, in collaboration with Fondaction and the Canadian Parks and Wilderness Society (CPAWS Québec), we unveiled nine biodiversity indicators specific to Québec. These indicators are the result of a collaborative effort by the financial, research and civil society communities, and they are designed to help integrate biodiversity into investor decision-making in Québec. They provide basic information on local biodiversity and enable investors to measure the impact of a project's implementation.

Nature Action 100 →

Spring →

Farm Animal Investment Risk and Return (FAIRR) →

Launch of biodiversity indicators for Québec investors →

Nature Action 100

As part of this coalition, which supports investors in their commitment to combating the loss of nature, we engage with certain portfolio companies to raise awareness of the importance of biodiversity and to help them make positive changes to their business models to limit their impact on the destruction of nature.

Spring →

Farm Animal Investment Risk and Return (FAIRR) →

Launch of biodiversity indicators for Québec investors

Nature Action 100

Spring

In April 2024, we joined this United Nations Principles for Responsible Investment (UNPRI) initiative, which brings together institutional investors to leverage their influence over reversing global biodiversity loss by 2030. This collaborative engagement targets the areas of land-use change, deforestation and land degradation. Being a signatory to Spring enables us to strengthen our positioning on biodiversity through a better understanding of companies in the land, mining, chemicals and agribusiness sectors, and a concerted approach alongside other global investors.

Farm Animal Investment Risk and Return (FAIRR)

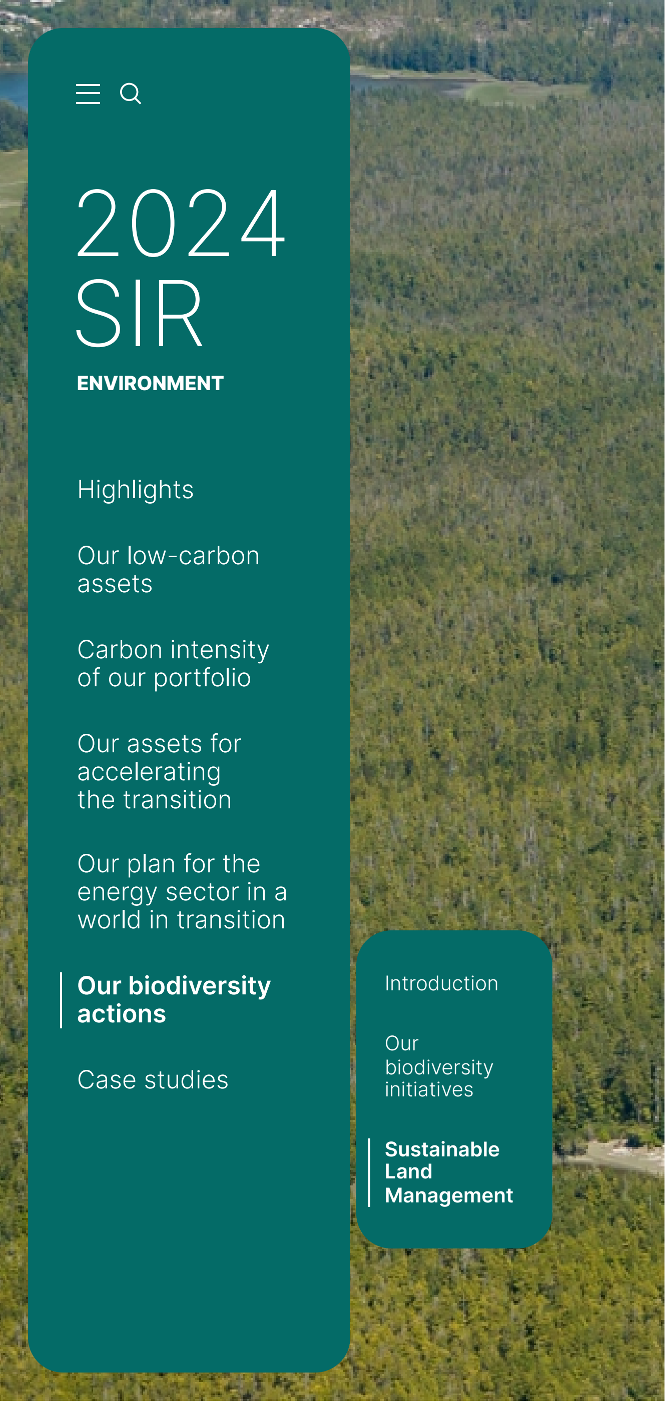
Launch of biodiversity indicators for Québec investors →

Nature Action 100 →

Spring →

Farm Animal Investment Risk and Return (FAIRR)

We are a member of this international organization aimed at improving farming practices, controlling the sector's methane production and combating the proliferation of the use of certain antibiotics that compromise the fight against microbial risks, including common diseases. In 2024, we took part in a collaborative engagement campaign with seven companies in the field of sustainable fishing. We also supported a joint statement, alongside other investors, on antimicrobial resistance linked to the overuse of antibiotics.



Sustainable Land Management

We have been investing in natural capital for several years. Our presence in this sector was strengthened in 2020 with the creation of a Sustainable Land Management team within the Infrastructure portfolio. Its mandate is to deploy up to $2 billion in agricultural and forest lands by 2026. Investments in this sector comply with rigorous sustainability criteria. They are in line with our climate strategy, targeting low-carbon assets with positive long-term benefits for the environment.

In 2024, in partnership with **Chinook Forest Partners**, a leader in natural capital investment management, we launched a new investment platform to deploy capital to create a diversified portfolio of forest lands in the U.S. Pacific Northwest, the world's second-largest forest area. Chinook Forest Partners has an extensive network of landowners, forest product manufacturers, external partners and natural capital investors in the United States.

Nuveen Green Capital

In partnership with Nuveen Green Capital, an industry leader specialized in sustainable Commercial Property Assessed Clean Energy (C-PACE) financing in the United States, we launched a $830-million (Canadian dollars) integrated financing program for the U.S. commercial market.

This program is a one-stop shop for meeting the growing demand for sustainable commercial real estate financing by combining C-PACE financing with senior bridge loans or construction loans.

This innovative approach aims to foster a cleaner and safer built environment through energy efficiency, water conservation, renewable energy and resilience measures. The objective is to reduce the environmental impact and improve the sustainability of buildings under construction, renovations and post-construction recapitalization projects.

Aligned with the United Nations' Sustainable Development Goals, the C-PACE financing initiative is now available in 40 U.S. states.

Boralex

This year, Canadian leader in renewable energy production, Boralex, received validation from the SBTi of its GHG emission reduction targets covering all emissions (scopes 1, 2 and 3) in its value chain. This recognition confirms the company's commitment to achieving a net-zero carbon footprint by 2050, in line with the objectives of the Paris Agreement.

Boralex is committed to a 42% reduction in its absolute scopes 1 and 2 emissions by 2030, compared to the 2022 benchmark year. In addition, by 2028, the company is committed to achieving science-based reduction targets for 90% of the emissions originating from its major component suppliers.

By 2050, Boralex is committed to a 90% reduction in its absolute scopes 1 and 2 emissions, and a 97% reduction in its scope 3 emissions per kWh produced and sold compared to the 2022 benchmark year.

To achieve its objectives, Boralex focuses on progressively electrifying its vehicle fleet, consuming renewable electricity at its sites and buildings, and partnering with strategic low-carbon suppliers.

As a major shareholder since 2017, CDPQ is in continuous dialogue with the company on sustainability issues, including the climate transition, physical climate risks and disclosure. The SBTi's validation of the company's GHG emission reduction targets corresponds to the highest level of CDPQ's framework on the climate transition and represents the most ambitious target recognized by the SBTi.

Photos: Boralex

SEE NEXT SECTION – **SOCIAL** →

We value opennness and a variety of perspectives to enrich our decisions and enhance our performance.

47%
of our employees are women

73%
of our actively managed public companies count at least 30% women on their Boards of Directors

27%
of our employees in Canada identify as a member of one of the following three groups:
- Visible minorities
- Ethnic minorities
- Indigenous peoples

310
pre-investment opinions on tax practices

Highlights

We make inclusion part of everything we do, starting with our work environment, where we promote a culture that is enriched by our differences. We also develop this culture by engaging with our portfolio companies and external managers, relying on diverse perspectives, openness and collaboration to make the best decisions.

In addition, because sound community development is based on exemplary tax practices, we strive to comply with fair tax principles throughout our activities and analyze each investment opportunity using stringent criteria.

An open and inclusive work culture

We use our influence to advance inclusion practices, and we work to take concrete action that will have a positive impact on communities.

Our commitment is exemplified by the creation of an environment where our talent can flourish and feel valued through a culture of openness, collaboration, accountability and ambition.

Encouraging the growth of our talent

At CDPQ, we aspire to provide an environment in which everyone can see themselves, be themselves and develop themselves. This is at the heart of an engaging employee experience where everyone can contribute to the organization's performance.

To enable everyone to reach their full potential, professional development programs are at the heart of the measures we take:

- Leadership programs to equip our team leaders to coach our talent and help them embody the behaviours that are valued in our CDPQ culture. For new managers, they serve as accelerators to refine their leadership style.
- A mentoring program to help our employees achieve their professional goals and fast-track their skill development. In 2024, 182 employees were mentored internally by 146 mentors.
- The A Effect, a program for women designed to propel their career development, brought together 24 CDPQ employees.
- To adapt our practices and respond to ongoing needs, we regularly take the pulse of our employees through anonymized surveys that measure engagement and job satisfaction. In this way, we gather feedback and can implement targeted measures in line with CDPQ's cultural pillars to foster a climate that is conducive to inclusion and collaboration.

Valuing employees in their differences

During the year, we created a new employee resource group dedicated to neurodiversity, bringing the total to five employee groups that support our culture of openness by offering space for discussion around shared realities:

- Les Investies – for women in investment
- Carrefour Diversité – for colleagues from ethnocultural minorities
- Fierté CDPQ – for the organization's LGBTQIA2S+ colleagues
- Femmes en tech – for women in technology
- Neurodiversité – to leverage the differences and uniqueness of neurodivergent people

Over 15 events were organized in our offices, including:

- An event celebrating Black History Month, organized by Carrefour Diversité, brought together CDPQ employees to hear from a Québec public personality of the Black community who spoke about his career and youth involvement. We also took the opportunity to present artwork from our collection. The piece was created by a Black artist and uses sport to provoke thought.
- In March, special programming was organized in collaboration with the Les Investies and Femmes en tech employee resource groups to mark International Women's Day. Participants were invited to a highly informative conversation among Québec women entrepreneurs, followed by smaller breakout discussion workshops.
- Pride was celebrated in our offices around the world, with our employees holding a variety of activities to highlight the importance of an inclusive environment.
- In October, a conference organized by our committees in the Equity Markets and Risk Management business units brought together nearly 200 colleagues on the theme of "Creating an inclusive and diverse environment".
- Initiated by Fierté CDPQ employee resource group, the colours of the rainbow flag adorned the stairs of Édifice Jacques-Parizeau in Montréal. In August, for the second consecutive year, some 50 CDPQ employees took part in the Montréal Pride Parade.

Commitment at every level

Every day, the range of perspectives within our teams and the measures we put in place to promote openness and inclusion help enrich our decisions and enhance our performance. This collective wealth is apparent in particular in the variety of ages among our employees (Figure 8).

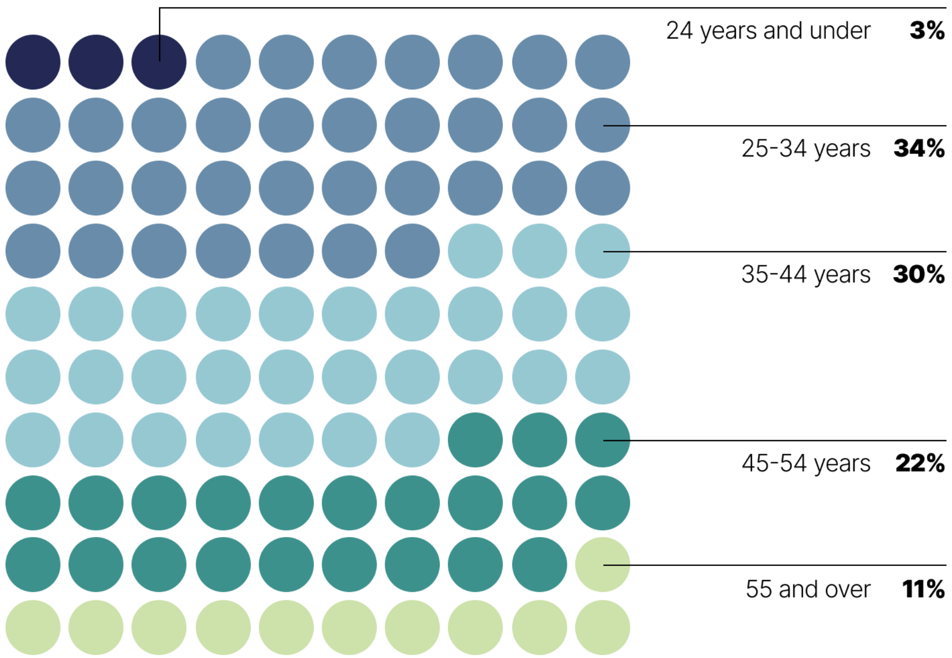
This year, our Executive Committee reaffirmed its ambition on inclusion through two promising actions:

- Five projects involving employees from various business units are being led by members of the Executive Committee to advance inclusive practices across the organization.
- The Executive Committee held meetings with our employee resource groups to better understand their realities and to help support their objectives. Members of the Executive Committee also took part in the workshop "Being and acting as an inclusive leader" to anchor our convictions and reinforce management's commitment in this area.

We also continued to roll out and implement our Action Plan for Persons with Disabilities for the 4% of our employees with disabilities in Canada.

Figure 8

A wide variety of ages among our employees



Contributing to an inclusive working environment

Our ambitions on openness and inclusion are based on our commitment to build on our differences, so that the organization benefits from the expertise and experience of all our employees.

Women represented 47% of our employees, while 42% of our Board and 36% of the Executive Committee were women. Furthermore, 27% of our employees in Canada identified as members of one of the following groups: visible minorities, ethnic minorities or Indigenous peoples.

Results as at December 31, 2024

42% of the members of the Board are women

36% of the members of the Executive Committee are women

47% of our employees are women

27% of our Canadian employees identify as members of one of the following groups: visible minorities, ethnic minorities or Indigenous peoples

Providing a healthy and safe workplace

Occupational health and safety is a priority for CDPQ. To support our employees, the organization provides ongoing access to professional and confidential support.

In 2024, to enhance our approach, training on psychological health was made available throughout the year.

Our talents were able to take part in activities to strengthen team bonds as well as themed workshops.

To provide safe and effective support, over 350 people were trained on spotting the warning signs of declining mental health.

In addition, in order to maintain the highest standards of professional conduct and foster a healthy workplace, we updated our Policy Against Harassment, Violence and Other Types of Misconduct in September 2024.

Taking social factors into account in our investment strategy

We recognize how important inclusion, human rights and health and safety issues are to the quality and performance of our portfolio. To create value and minimize risk, we continually strengthen our internal practices to integrate assessments of social factors throughout the investment cycle. We also maintain a proactive and open dialogue on these issues with our portfolio companies and external managers.

A rigorous approach to social issues

When analyzing investment opportunities or carrying out post-investment monitoring, we take social factors into account according to their materiality. We do this by drawing on the internationally recognized framework of the Sustainability Accounting Standards Board (SASB). We also pay close attention to the track record of each company and partner we analyze. For more information on our assessment process, see the Governance section.

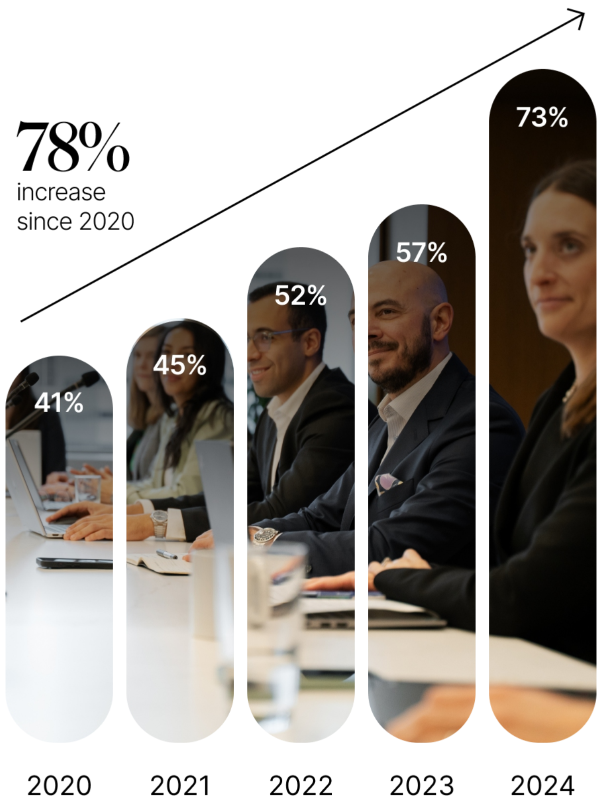
In our post-investment monitoring, and when required by the situation, we engage in discussions with our portfolio companies on social challenges as a way to help improve their performance.

We leverage collaboration

To strengthen collaboration with our stakeholders around a shared inclusion objective, we have continued to roll out a guide to offer solutions for advancing these practices in organizations. When a situation requires it, we talk to certain companies to go deeper into the subject and share our expertise.

Chart 9

Actively managed public companies where women make up at least 30% of the Board



Toward diversified representation on Boards of Directors

We believe that the composition of the Boards of our portfolio companies and external managers should reflect a wide range of viewpoints, experience and talent in decision-making, thereby stimulating innovation and growth while reducing risk.

In April 2024, in line with the evolving recommendations of the Canadian chapter of the 30% Club, we amended our Policy Governing the Exercise of Voting Rights of Public Companies to encourage greater diversity on the Boards of our portfolio companies beyond gender. Beginning in 2025, we reserve the option, depending on the disclosure available, to use our shareholder vote in certain targeted jurisdictions to express our position when the Board of Directors does not include at least 30% women and one person from an under-represented group. During the year, we shared our expectations and established a proactive engagement plan with the companies concerned to encourage them to take action.

As at December 31, 2024, 73% of our actively managed public companies had at least 30% women on their Boards of Directors, representing an increase of almost 78% over four years (Chart 9).

We used our levers of influence to encourage action. Accordingly, in the absence of extenuating circumstances, we voted against the appointment of Board members in 203 companies that had less than 30% women on their Boards.

Nominee directors

We engage in ongoing efforts to foster the diversity of the Boards we sit on and strengthen their governance. In 2024, we appointed 78 new nominee directors, of which, 29 were women.

Formalizing our human rights commitments

In order to align our practices with the United Nations Guiding Principles on Business and Human Rights, efforts are being made in ongoing due diligence processes, and we are taking human rights issues into account in our investment activities according to their materiality:

- In pre-investment, during background checks and reviews of controversies, sustainability analyses and exclusion sectors
- In post-investment, when monitoring controversies, shareholder votes and engagement activities

The human rights factors considered in sustainability analyses include, amongst others, labour rights, working conditions, employee health and safety, supply chain management and community relations.

We continued to take part in the PRI Advance initiative, an effort supported by the United Nations to advance good engagement practices, including dialogue with companies, and foster institutional investor collaboration on human rights challenges.

In April 2024, we adopted our Human Rights Policy, which formalizes our commitment and defines CDPQ's principles and priorities in this area.

Promoting the adoption of exemplary tax practices

Sustainable tax practices are essential to community development. This is why we ensure that fair tax principles are adhered to across all our activities. We are also committed to ensuring that our portfolio companies adopt tax best practices. In addition, we oppose any form of tax evasion or abusive tax planning. We manage our portfolio rigorously and take part in international efforts to put an end to unfair tax practices in certain jurisdictions that make it easy to circumvent tax laws.

We maintain an ongoing dialogue with our external managers and peers about our tax policy. In this way, we clearly communicate our expectations regarding the need for clear tax guidelines. In addition, we support an extended application of these measures to the funds in which we invest and where our direct influence is less present.

Our International Taxation Commitment

Each investment opportunity is carefully reviewed according to the stringent requirements of our International Taxation Commitment. Aligned with the Organisation for Economic Co-operation and Development (OECD) recommendations, it aims to promote transparent and fair tax practices. We were one of the first international institutional investors in the world to make such a public commitment.

In 2024, our teams analyzed 310 potential investments and issued opinions on each one, which were favourable for most.

Of those opinions:

4 were unfavourable and led us to withdraw from the potential investment due to inadequate tax practices

2 went ahead following implementation of changes requested by our tax team to bring the deal in line with the criteria of our commitment

Follow-up on the 2023 review of our actively managed investments being monitored

Following an in-depth analysis of the portfolio in 2023, our watch list included 15 organizations that presented a risk of employing tax practices that did not meet our expectations, including one from our 2022 list.

In 2024, we conducted a more in-depth review of these securities. We also held discussions with managers at some of these companies to better understand their tax strategies and their viable long-term effective tax rate. In addition, we emphasized the importance that CDPQ places on tax matters. Based on these discussions, we concluded that:

7 of them could be removed from our watch list, as they now meet our criteria or had been reorganized at our request.

5 of them that we continue to talk to and monitor.

3 of them did not meet our criteria, were disposed of and added to our exclusion list.

Comprehensive annual review of our assets

In 2024, based on the most recently available financial information, our teams carried out a tax review of our assets to identify securities requiring special attention.

During the year, we reviewed more than 3,000 securities in the portfolio and conducted over 400 in-depth analyses based on the criteria set out in our International Taxation Commitment.

As a result of these analyses, four new companies were placed on the monitoring list and will be closely monitored in 2025.

Health and safety

Occupational Health and Safety (OSH) is one of the pillars of our Infrastructure portfolio. It is at the heart of operational excellence and crucial to preserving the social acceptability of projects within the community.

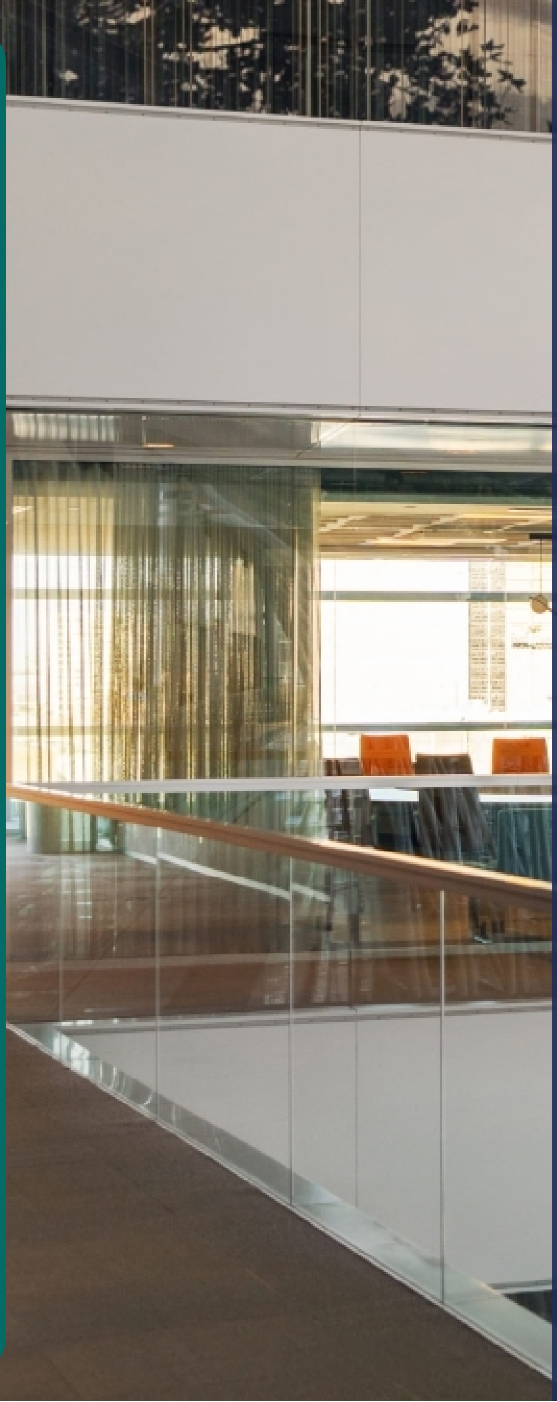
We make this essential element a priority throughout the asset life cycle, both in pre-investment and in asset management. This year, the portfolio has developed a roadmap to support its assets in incident prevention and reduction and promote a health and safety culture.

The portfolio also prioritizes continuing education for its investment teams and provides them with tools and best practice guides. Our investment managers and operating partners play a key role promoting and reinforcing our OHS priorities on Boards of Directors. When a situation requires it, they call for adopting concrete measures and actions that will lead to compelling improvements in our assets.

Lastly, the team has adopted a governance structure with indicators and a dashboard for monitoring OHS performance in order to ensure effective, proactive portfolio management.

SEE NEXT SECTION – **GOVERNANCE** →

We position governance at the heart of our practices and investments.



Highlights

Solid governance principles are the foundation of optimal risk management. We regularly work on optimizing our own governance practices, and we actively help refine those of our portfolio companies and external managers.

12
Québec companies supported in their implementation of sustainable business practices

34,857
resolutions voted on at
3,326
shareholder meetings held by our portfolio companies

Dialogue with
537
portfolio companies in which we are shareholders

47%
support for shareholder proposals on environmental issues

Our governance rules

CDPQ's activities are governed by a number of laws, regulations and policies. We adhere to strict rules of governance in order to achieve our investment objectives rigorously, efficiently and transparently.

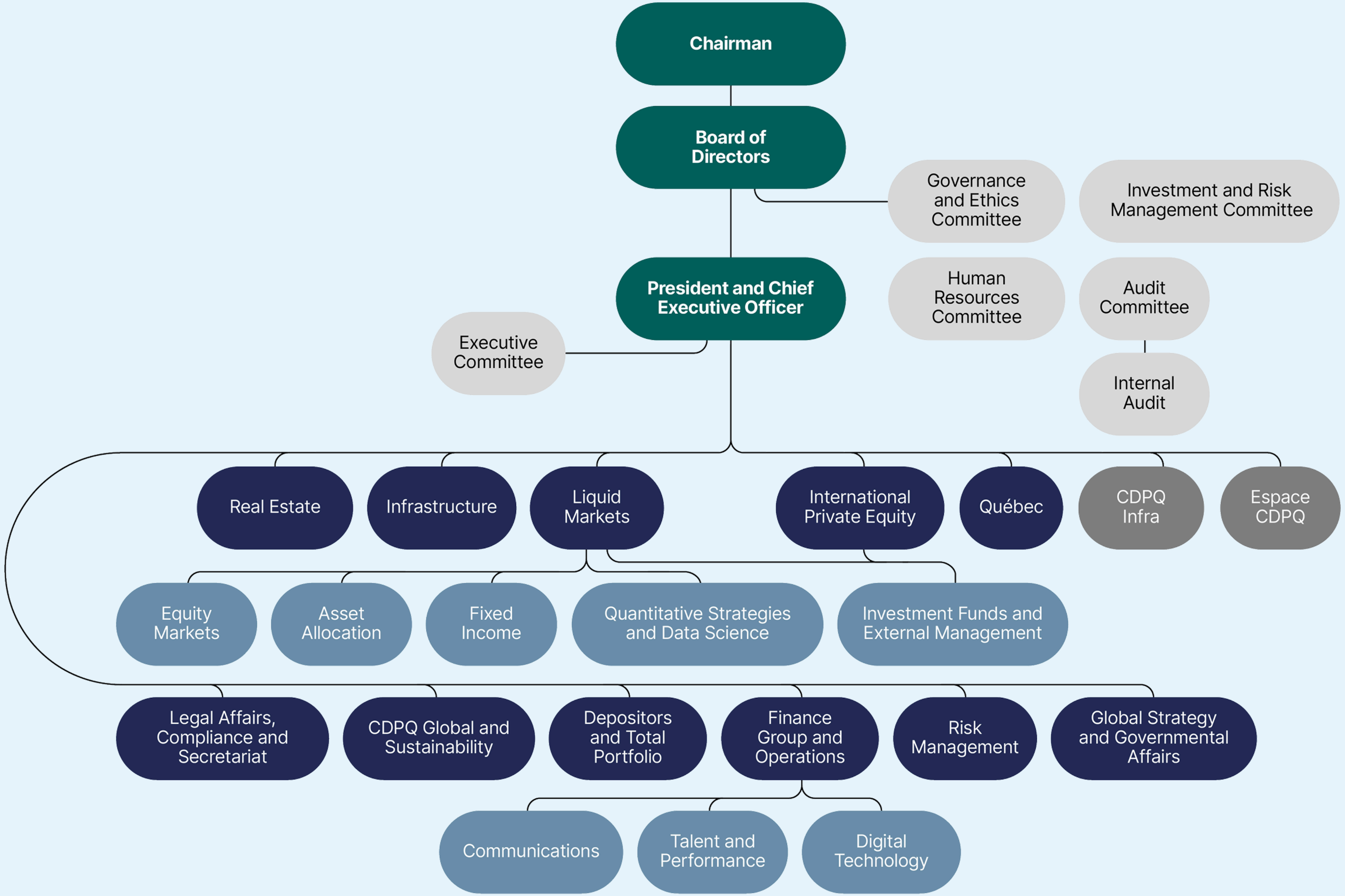
CDPQ's main governance bodies are (figure 10):

- The Board of Directors
- The Executive Committee, composed of the President and Chief Executive Officer and senior executives from various business units

Our governance rules are regularly updated to align with best practices and organizational changes. Since we integrated the activities of our subsidiaries Ivanhoé Cambridge and Otéra Capital in April 2024, we have revised and unified some policies, including our Codes of Ethics. Employees are made aware of the importance of ethical issues on an annual basis and trained in best practices through practical examples and decision-making tools.

Figure 10

Organizational structure
(December 31, 2024)



Sustainability integrated into every stage of the investment process

To encourage the deployment of constructive capital, CDPQ relies on its Sustainable Investing Policy to ensure that sustainability factors are taken into account in the management of its portfolios, both pre- and post-investment.

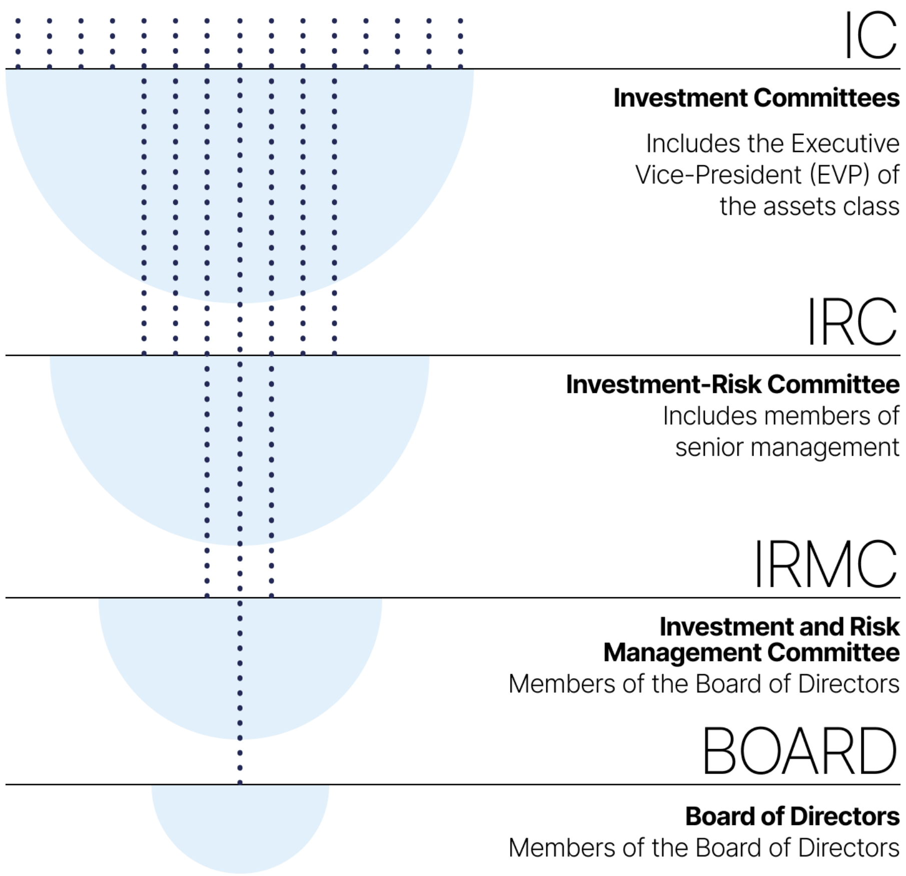
Pre-investment

We invest exclusively in companies and sectors that comply with Canadian laws and international conventions, as well as in entities that respect Canada's financial prohibitions.

Once an investment opportunity meets our requirements, it is submitted to committees, based on certain thresholds, on the sector concerned and on the results of our sustainability analyses (Figure 11).

Figure 11

A rigorous process for reviewing and approving investments



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Our governance rules
Our advisory role with portfolio companies
Technology risk assessment and organizational resilience
Case studies

Our governance rules
Organization
Pre-investment
Post-investment

Post-investment

We monitor our total portfolio using specialized tools, resources and rigorous analytical processes. This enables us to assess, anticipate and manage sustainability issues that our portfolio companies may face in the future. We then hold discussions internally and with stakeholders to optimize our decision-making.

When an issue arises, an escalation procedure is initiated. Depending on the nature of the asset and the circumstances, a discussion group with specialists from the Risk Management and Sustainability teams, as well as the team for the asset class concerned, is set up to develop an overall sense of the situation. We can then make an informed decision about our investment and, if applicable, enter into discussions with the company to implement the mitigation measures needed.

We apply the same analytical process for publicly traded companies.

Our advisory role with portfolio companies

We offer our portfolio companies ongoing support in the area of sustainability. To help them adopt best practices, we use these three levers of influence:

- Strategic support
- Dialogue and engagement
- Shareholder voting

Highlights

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Our advisory role with portfolio companies

Technology risk assessment and organizational resilience

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Strategic support

Dialogue and engagement

Shareholder voting

Our rate of support

Strategic support

Our teams have extensive expertise in providing post-investment support to our portfolio companies. We support them as they incorporate sustainability considerations into all areas of their business: sustainability strategy, integration of climate change risks, disclosure, Board composition, business risk management and executive compensation.

In 2024, we strengthened the operating model for integrating sustainability factors into portfolio management, starting in Québec with a closer working relationship between sustainable investing experts and the investment teams.

As part of our 2023–2028 Sustainable Development Action Plan, we have committed to supporting the growth of companies owned by women. In 2024, CDPQ deployed a new personalized offering for women entrepreneurs participating in Les Cheffes de Files by creating three training cohorts on the following themes: financial strategy, strategic planning and expansion into new markets. The latter activity concluded with a trade mission to New York.

In Québec, we provided support to 12 companies seeking to optimize the integration of sustainability issues into their business strategies.

Dialogue and engagement

CDPQ maintains an open dialogue with its portfolio companies and external managers to sustain its understanding of their business challenges and opportunities. We use these exchanges to share our expectations concerning their governance practices, risk management and integration of sustainability factors into their business plans.

This honest dialogue, based on trust, fosters the development of privileged relationships with our partners as well as a comprehensive view of developments in our portfolio.

In this process, we also rely on EOS at Federated Hermes, a globally recognized provider of shareholder engagement services, to engage with **537 portfolio companies** in which we are shareholders. This collaboration has enabled us to increase our engagement capacity on subjects such as artificial intelligence and the circular economy.

Figure 12

The various topics targeted by the shareholder proposals on which we were called upon to vote

Governance : 72%

Strategy and disclosure: **1%**
Shareholders' rights: **8%**
Senior management and compensation: **4%**
Business practices: **6%**
General meeting governance: **20%**
Board of Directors: **33%**

Environment: 12%

Environmental risks: **3%**
Climate change: **9%**

Social: 16%

Human resources: **2%**
Taxation: **1%**
Social risks: **6%**
DEI: **7%**

Shareholder voting

Shareholder voting is an effective lever for initiating constructive dialogue with portfolio companies on the potential for value creation.

We use this lever, in accordance with our Policy Governing the Exercise of Voting Rights of Public Companies, to express our convictions related to our sustainable investing priorities. We endeavour to remain aligned with current legal and/or regulatory requirements, as well as with market trends and the practices of our peers.

Our Sustainability team leads this activity throughout the year. We encourage engagement with and support for our portfolio companies as a complement to shareholder voting, in order to engage them in dialogue prior to and during annual general meetings.

In 2024, we voted on:

34,857 resolutions, including shareholder proposals and management proposals, on several topics at

3,326 shareholder meetings held by our portfolio companies

Our rate of support

Through the vigilant exercise of our shareholder voting rights, we seek to strike a fair balance between respect for our environmental and social convictions and the creation of long-term value for our depositors. In the absence of extenuating circumstances, we vote against the appointment of a director of a public company when the company has less than 30% women on its Board or does not have a sufficiently ambitious climate plan.

We have adopted guidelines to assist us in our positioning, while remaining flexible and pragmatic. For example, we do not necessarily support all shareholder proposals, particularly if they are deemed too restrictive and not rooted in the company's reality to allow true progress.

Such decisions are reflected in our rate of support for shareholder proposals:

47% support for proposals on environmental issues

32% support for proposals on social issues

To ensure optimum support, we participate in the review process, and occasionally in the development of proposals. In this way, we contribute to aligning the interests of shareholders and the companies concerned. We transparently publish our voting positions after each shareholder meeting.

Technology risk assessment and organizational resilience

Rapid technological advances, combined with the growing integration of artificial intelligence and automation in various sectors, are greatly intensifying the importance of technology risk analysis. This analysis is an integral part of our investment process. We also regularly monitor risks in our total portfolio. In addition, we analyze our portfolio companies' exposure to major technology risks. We thereby raise their awareness, share our expertise and support them as they improve and strengthen their practices.

In 2024, we expanded our analyses to include companies' organizational resilience and their ability to manage residual risk, i.e. to continue their business in the event of an incident, whether directly or indirectly in the case of a major failure by a critical supplier. We also assess their exposure to technological disruption in order to anticipate threats to business models and identify opportunities for value creation.

To that end, we have documented and published, both internally and with our depositors, a mapping of the threats and risks of technological disruption, to ensure a shared understanding. We closely monitor the latest technological developments and actively contribute to expert forums, such as those organized by Professional Risk Managers' International Association (PRMIA), which is dedicated to the development of the risk management profession. We are also members of Financial Services Information Sharing and Analysis Center (FS-ISAC), which works to advance cybersecurity and the resilience of the global financial system.

Our technology risk management contributes to the organizational resilience of our portfolio companies.

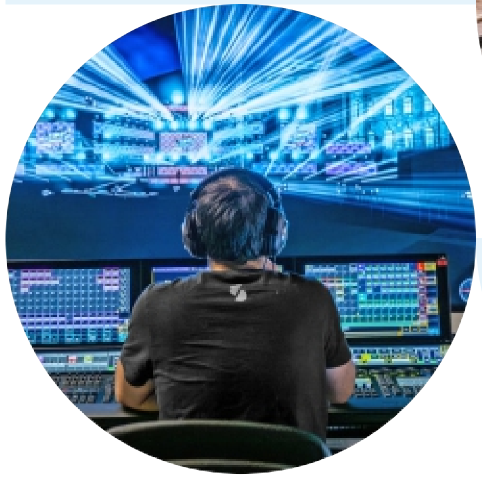
Solotech

Founded in Montréal in 1977, Solotech is a world leader in audiovisual technology that has over 2,000 employees in North America and Europe. In recent years, the company has strengthened its international presence through an organic growth strategy and key acquisitions that have served as a springboard to establishing itself in new territories.

As the company grows, CDPQ has provided Solotech with support to initiate a process to formalize and strengthen its sustainable development approach.

In 2024, our team of experts maintained regular communication with the company. This relationship of trust has enabled supporting Solotech with its materiality assessment to help define key sustainability orientations to strengthen its practices.

The strategic support provided to the company included concrete tools, such as our guides on sustainable factors, which aimed to accelerate the achievement of Solotech's objectives. Our teams also supported Solotech with developing its first-ever GHG emissions inventory.



Norda Stelo

Founded in Québec in 1963, Norda Stelo is one of Canada's top engineering consulting firms. With projects in over 50 countries, it is specialized in executing integrated projects of all sizes in different industries.

Over the years, Norda Stelo has gradually transformed its operations by adopting innovative practices. The company is now a certified B Corp, demonstrating its commitment to sustainability and value creation.

Since Norda Stelo joined our portfolio, we have maintained a close relationship with its executives, focusing on important topics such as disclosure and impact measurement. This close relationship allows us to offer a personalized follow-up and support the company with its continuous improvement approach to its sustainability practices while propelling its expansion into new markets.

Recently, the company has incorporated several of our recommendations, including further detailing the governance in place on sustainability issues in its 2024 Impact Report and strengthening the integration of sustainability factors throughout its strategic planning process.

SEE NEXT SECTION – **APPENDICES**

APPENDIX 1

Our sustainability indicators and commitments

We disclose the results of our actions related to sustainability factors through various documents: the Sustainable Investing Report (SIR), the Sustainable Development Report (SDR) and the Annual Report (AR). We are also governed by a number of sustainability laws, regulations and policies that establish a framework that enables us to carry out our investment activities with rigour, efficiency and transparency. The following tables contain the available indicators and reference documents.

Our indicators

INDICATOR		TARGET, AMBITION OR ACTION	2024 DISCLOSURE	2024 SOURCE	2023 DISCLOSURE
1	Value in $B of low-carbon assets	$54 B in low-carbon assets by 2025	$58 B	SIR Section E	$53 B
			(including $15.5 B in Québec)	SDR Action 4	(including $15 B in Québec)
2	Value in $B of Paris Agreement aligned assets	Support for assets with a strategy aligned with the Paris Agreement	$152 B	SIR Section E	$135 B
			($58 B CBI, $79 B SBTi and $15 B in the process of being aligned)		($53 B CBI, $50 B SBTi and $32 B in the process of being aligned)
3	Portfolio's carbon intensity in tCO_2e/M$ invested and as a percentage	60% reduction by 2030 from 79.4 tCO_2e/M$ invested in 2017	24.4 tCO_2e/$M	SIR Section E	32.2 tCO_2e/$M
			69% reduction compared to 2017	SDR Action 4	59% reduction compared to 2017
4	Value in $B of transition assets	Support companies in heavy emitting sectors in their decarbonization strategy	$6.2 B	SIR Section E	$5 B
5	Fossil fuel targets in line with the science	Exit from oil production by the end of 2022	Exit from oil production under active management completed	SIR Section E	Exit from oil production under active management completed
		Exit from thermal coal production	Exit from thermal coal mining		Exit from thermal coal mining

INDICATOR		TARGET, AMBITION OR ACTION	2024 DISCLOSURE	2024 SOURCE	2023 DISCLOSURE
6	Increase our share of sustainability-themed donations and sponsorships	14% of donations and sponsorships granted to be sustainability-themed by 2025	13%	SDR Action 5	13%
7	Reduce the carbon footprint of our three business offices in Québec	35% reduction in emissions from our three business offices in Québec by 2025 compared to 2017 (2.75 kg CO_2e/ft^2)	76% reduction compared to 2017 (0.66 kg CO_2e/ft^2)	SDR Action 7	41% reduction compared to 2017 (1.63 kg CO_2e/ft^2)
8	Increase the eco-friendly management of renovation projects in our three business offices in Québec	90% of materials reclaimed in renovation projects in our three business offices in Québec by 2025	95%	SDR Action 8	97%
9	Zero waste target in our three business offices in Québec	Average waste reclamation rate of 65% in our three business offices in Québec by 2025	66%	SDR Action 9	55%
10	Share of women on the Board of Directors	40% share of women on the Board of Directors	42%	SIR Section S	46%
11	Share of women on the Executive Committee	40% share of women on the Executive Committee	36%	SIR Section S	44%
12	Share of women at CDPQ	47% share of women in the organization by 2025	47%	SIR Section S	46%
13	Share of women in investment positions	34% share of women in investment positions at CDPQ by 2025	30%	Talent and Performance team	30%
14	CDPQ employees in Canada who identify as a member of one of the following three groups: visible minorities, ethnic minorities or Indigenous peoples	By 2025, 26% of our employees in Canada will identify as a member of one of the following three groups: visible minorities, ethnic minorities or Indigenous peoples	27%	SIR Section S	26%
15	CDPQ employees in Québec in an investment position who identify as a member of one of the following three groups: visible minorities, ethnic minorities or Indigenous peoples	Strategy in place to attract, retain and develop employees	20%	Talent and Performance team	21%

INDICATOR		TARGET, AMBITION OR ACTION	2024 DISCLOSURE	2024 SOURCE	2023 DISCLOSURE
16	Existence of information on coaching employees and current mentoring programs	Mentoring program	182 people were mentored internally (of which 58% were women and 25% were colleagues representing ethnocultural diversity) by 146 mentors	SIR Section S	185 people were mentored internally (of which 54% were women and 30% were colleagues representing ethnocultural diversity) by 133 mentors
17	Employees with disabilities	Annual Action Plan for Persons with Disabilities	4% of our employees in Québec	SIR Section S	4% of our employees in Québec
18	Number of workplace accidents	Support for overall occupational health and safety	0	Global Health and Safety team	2 minor incidents
19	Percentage of public companies in active management in our portfolio with at least 30% women on their Boards of Directors	Ambition to achieve 100%	73%	SIR Section S	57%
20	Share of women in CDPQ's nominee director positions	30% share of women in CDPQ's nominee director positions by 2023	26%	SIR Section S	30%
21	Number of pre-investment notices on tax practices	Pre-investment tax practices analysis of transactions	310 pre-investment notices on tax practices, of which 4 were unfavourable	SIR Section S	199 pre-investment notices on tax practices, of which 5 were unfavourable
22	Number of investment files analyzed to ensure compliance with a minimum tax rate	Analysis of our assets under active management to ensure compliance with a minimum consolidated tax rate of 15%	Over 3,000 securities and 400 in-depth analyses	SIR Section S	Over 2,900 securities and 400 in-depth analyses
23	Presence of verifications and internal audits of diversity indicators	EDGE Certification, a globally recognized corporate certification standard for gender equality in the workplace	Implementation of our action plan	SIR Section L	Implementation of our action plan
24	Support for Québec companies owned by women	Growing the number of Québec women entrepreneurs involved in Cheffes de file	136 Québec women entrepreneurs	SDR Action 2	120 Québec women entrepreneurs

INDICATOR		TARGET, AMBITION OR ACTION	2024 DISCLOSURE	2024 SOURCE	2023 DISCLOSURE
25	Number of Québec companies supported in their implementation of sustainable business practices	Support for our portfolio companies in Québec on various sustainability issues	12 Québec companies	SIR Section G SDR Action 1	10 Québec companies
26	Number of votes on proposals	Participation in votes on proposals	34,857 votes	SIR Section G	37,536 votes
27	Number of shareholder meetings at which we voted	Votes at the shareholder meetings of our portfolio companies	3,326 meetings	SIR Section G	3,635 meetings
28	Rate of support for proposals on climate or social issues	Policy governing the exercise of our voting rights in force	47% support for proposals related to environmental issues 32% support for proposals related to social issues	SIR Section G	62% support for proposals related to environmental issues 49% support for proposals related to social issues
29	Assessments of the sustainability of our interactions	Proportion of our new transactions that have undergone a sustainability assessment in Québec for CDPQ and its subsidiaries	100%	SDR Action 3	72%
30	Increase the share of our responsible acquisitions	65% of contracts signed as a result of a call for tenders (public or by invitation) with a supplier engaged in a valid sustainable development approach by 2025	90%	SDR Action 6	79%

Our commitments

COMMITMENT		TARGET OR ACTION	REFERENCE DOCUMENT
1	GHG reduction target aligned with the objectives of the Paris Agreement limiting warming to 1.5° C	$54 B in low-carbon assets by 2025 Achieve a 60% reduction in the carbon intensity of the portfolio by 2030 compared with 2017 $10 B transition envelope to decarbonize the heaviest-emitting sectors Complete our exit from oil production Net-zero portfolio by 2050	Climate strategy
2	Commitment to diversity, inclusion and the absence of discrimination	Policy on workplace equity, diversity and inclusion in place Annual Action Plan for Persons with Disabilities Statement on equal access to employment	Workplace Equity, Diversity and Inclusion Policy 2024 Action Plan for Persons with Disabilities CDPQ statement on equal access to employment
3	Presence of channels through which employees can raise issues	Fraud and corruption prevention and detection policy in force Hotline to report a breach of ethics or a law being broken Policy Against Harassment and Other Types of Misconduct	Code of Ethics Policy – Fraud and Corruption Prevention and Detection Policy Against Harassment and Other Types of Misconduct
4	Public commitment to respect personal data and a general policy on personal data	Information Management and Security Policy in force	Information and Technology Asset Security Policy Privacy Notice Respecting the Protection of Personal Information

	COMMITMENT	TARGET OR ACTION	REFERENCE DOCUMENT
5	Presence of a commitment on international taxation	Commitment to exercise leadership in international taxation	International Taxation Commitment
6	Existence of a policy against corruption and bribery and analysis of the related risks	Fraud and corruption prevention and detection policy in force	Policy – Fraud and Corruption Prevention and Detection
			Policy – Financial Security
7	Commitment related to corporate professional ethics directives	Code of ethics for officers and employees in place	Code of Ethics
		Code of ethics for directors in place	Code of Ethics for the Board of Directors
8	Measures implemented to promote ethical behaviour in the organization	Mandatory training upon hiring and annually on subjects covered by the Code of Ethics	AR Compliance section
		Commitment made annually and upon hiring to comply with the organization’s ethical standards and to make a declaration of interests	Code of Ethics
9	Executive compensation program linked to executing the sustainable investing strategy	Program that includes achieving climate action targets	Asset Allocation
			SIR Appendix 4
10	Presence of a lobbying policy for our portfolio companies	Policy Governing the Exercise of Voting Rights of Public Companies, which includes lobbying	Policy Governing the Exercise of Voting Rights of Public Companies
11	Presence of clear policies on the engagement made with our portfolio companies on ESG issues	Policy on Sustainable Investing that includes a framework for engagement with our portfolio companies	Policy – Sustainable Investing

APPENDIX 2

Calculation of the intensity of CDPQ's portfolio

Calculation for our investments in companies

$$\text{Total CDPQ portfolio intensity} = \frac{\sum \text{emissions attributed to CDPQ } (tCO_2e)}{\text{CDPQ portfolio within the calculation perimeter (millions of CAD)}}$$

$$\text{Emissions attributed to CDPQ} = \text{Emissions of the asset } (tCO_2e) \times \frac{\text{LT capital supplied by CDPQ (millions of CAD)}}{\text{Total LT capital of the asset (millions of CAD)}}$$

LT capital

Long-term capital used by a company to finance its production assets (fair market value of equity + long-term debt).

Emissions

Emissions of direct (Scope 1) and indirect (Scope 2) GHG converted into equivalent tons of CO_2 (tCO_2e), as defined by the GHG Protocol.

Calculation perimeter

Includes a net value[1] of $456 billion in investments as at December 31, 2024, or 100% of the portfolio's securities, including those of non-consolidated subsidiaries, in the form of shares, corporate and Crown corporation debt, securities held through market indexes or exchange traded funds (ETFs), externally managed investments, and securities lending and borrowing (Chart 13).

Excludes a net value[1] of $90 billion investments as at December 31, 2024, in government bonds, cash, warrants, certificates of deposit, derivative financial instruments, and securities purchased under reverse repurchase agreements.

The investments considered in the footprint calculation are held in the following specialized portfolios: Equity Markets, Fixed Income, Private Equity, Infrastructure, Real Estate, and certain investments in shares held in Asset Allocation (Figure 14).

Transition envelope

Investments in the transition envelope are excluded from the calculation of the intensity of the total portfolio. The carbon intensity of these assets is calculated using the same methodology as that used for the portfolio, but it is independently monitored and disclosed, as well as externally verified. These assets are aligned with our objective to be net zero by 2050, and their decarbonization plans are certified by independent experts.

Government bonds

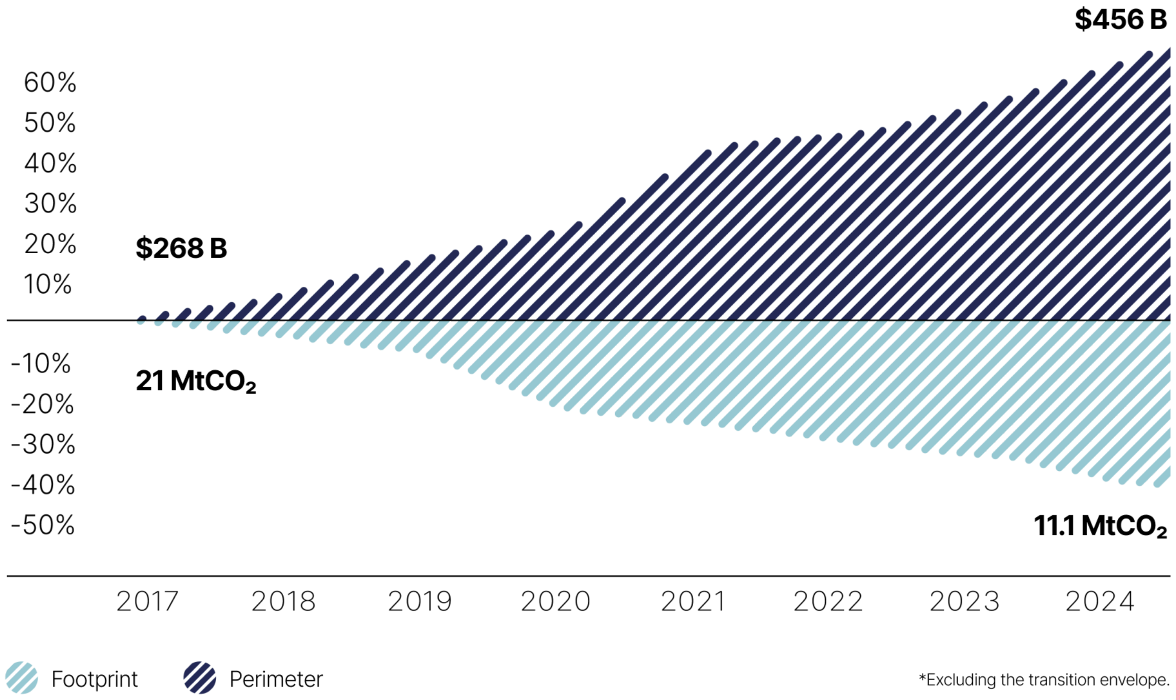
To meet the requirements of the NZAOA, we calculated the carbon intensity of our sovereign bond portfolio according to the Partnership for Carbon Accounting Financials (PCAF)[2] standard. The data used to calculate it is not comparable with those used for the portfolio intensity, so it is handled separately (more details in Appendix 4).

1. CDPQ gross asset value, net of short positions (net negative positions are excluded).

2. Except for provincial bonds for which we use a federal proxy due to lack of information available.

Chart 13

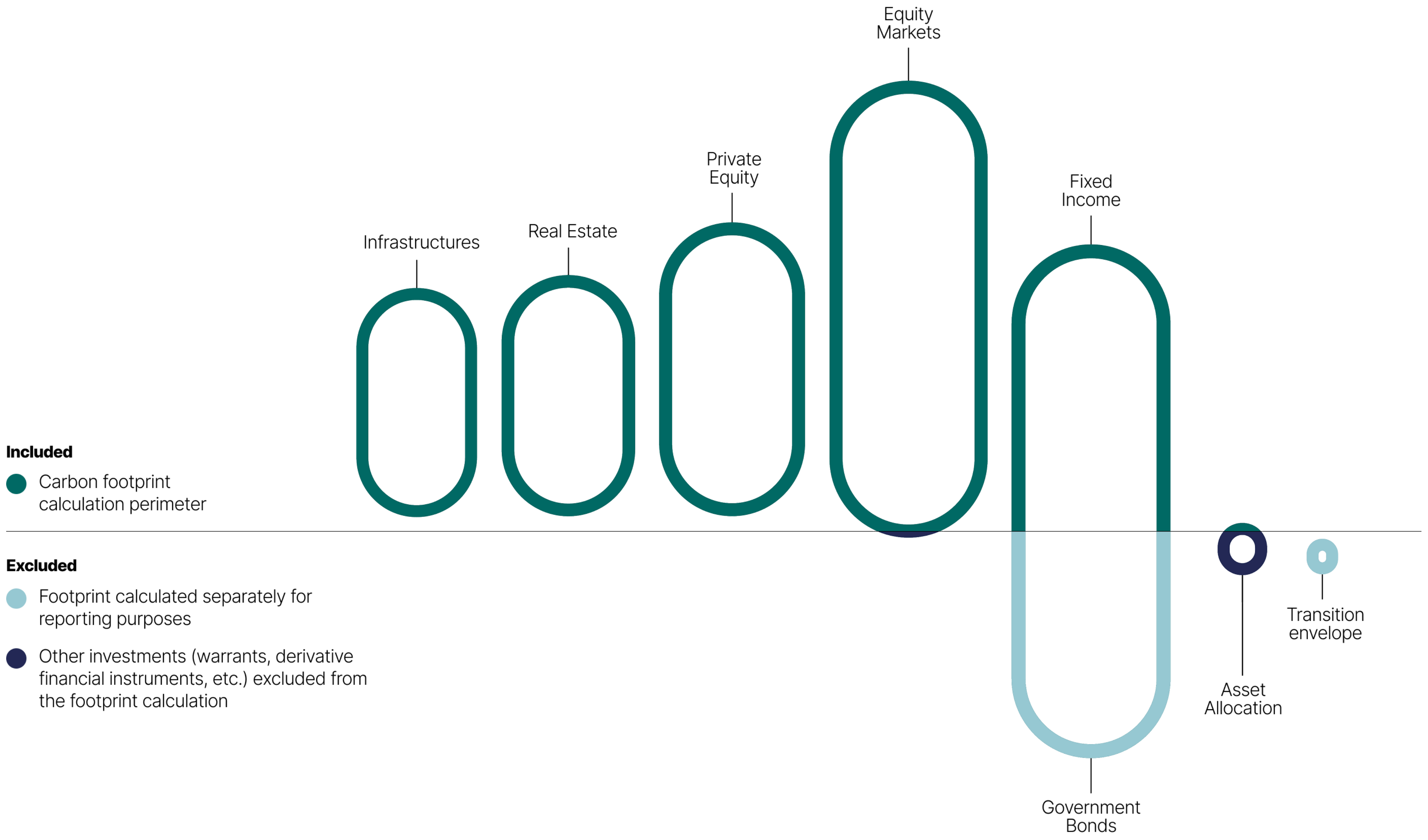
Absolute portfolio footprint (in $MtCO_2$) within the calculation perimeter (in $B)*



*Excluding the transition envelope.

Figure 14

CDPQ calculates its carbon footprint on the vast majority of its portfolio



Sources of data

A) Direct interests

CDPQ primarily uses the Trucost database to collect the emissions data on individual emitters. Combined with LT capital data from the Compustat and Bloomberg databases, this forms the foundation of our calculations of individual issuer intensity and average sector intensity[3].

Our approach is as follows:

CDPQ methodology

In order of priority:

1. Direct intensity calculated for the issuer
2. Direct intensity calculated for the parent of the issuer
3. Average sector intensity

Real Estate portfolio methodology

In order of priority:

1. Direct intensity calculated for the property by CDPQ[4]
2. Average intensity of the Real Estate's portfolio

Please note that in certain instances, CDPQ uses judgment to override the intensity assigned through the typical methodology if more accurate or relevant data are available. For example, this may be the intensity disclosed by the issuer, the intensity of comparable issuers with a similar GHG profile, the average intensity of a sector that more accurately represents the issuer or the intensity estimated using another reliable source.

3. CDPQ uses the most recently available emissions data from Trucost. For data quality purposes, CDPQ sets an internal threshold to determine when the most recent emissions data in the Trucost database are considered too outdated to use in our calculations of individual issuer intensity and average sector intensity. Where available, CDPQ uses LT capital data as at December 31, 2024. Where LT capital data is not available as at December 31, 2024, CDPQ uses the most recently available data. When GHG emissions were not available using a market-based approach, this number reflects the GHG emissions calculated using a location-based approach.

4. The Real Estate portfolio (previously Ivanhoé Cambridge, a subsidiary integrated into CDPQ in April 2024) includes in its intensity calculation Scope 3, Category 13 emissions from the GHG Protocol related to the Scope 1 and 2 activities of its tenants.

B) Indirect interests

Where data is available, the intensity of funds is calculated according to the typical methodology applicable to direct holdings. Where data is not available, CDPQ uses the intensity of the fund disclosed by the manager or the average intensity of the sector or asset class appropriate to the nature of the fund.

Table 15

Evaluation of the quality of the data used to calculate CDPQ's global footprint and transition envelope

Methodology developed by CDPQ and inspired by the Partnership for Carbon Accounting Financials (PCAF)

DATA QUALITY	DEFINITION	DATA TYPE	SHARE OF ABSOLUTE FOOTPRINT (%) (SCOPES 1 AND 2 EMISSIONS)[5]	SHARE OF EXPOSURE (%) (SCOPE 3 EMISSIONS)
1	• Highest quality data • Disclosed by the company itself (audited or not) • Data type: - Trucost (S&P Global) - Obtained directly by CDPQ from companies (through engagement, their sustainability report, etc.)	Disclosed	56%	15%
2	• Very good data quality • Calculated and disclosed by the company itself, but incomplete • Does not cover all the company's operations and/or not aggregated in one place • Data type: - Partial, compiled and adjusted by Trucost based on the real economy - If considered too incomplete based on specific criteria, Trucost uses an estimate (Quality 4)	Disclosed	22%	13 %
3	• Good quality data • Deduced from reliable estimates, but without direct disclosure of the company's footprint • Data type: - CDPQ estimate based on production data provided by the company (through engagement) - CDPQ or Trucost estimate based on comparable companies in terms of revenues, geography and activities	Disclosed/estimated	3%	0%

81%

DATA QUALITY	DEFINITION	DATA TYPE	SHARE OF ABSOLUTE FOOTPRINT (%) (SCOPES 1 AND 2 EMISSIONS)[5]		SHARE OF EXPOSURE (%) (SCOPE 3 EMISSIONS)
4	• Acceptable data quality • Data type: - Trucost estimate using specific models - Trucost calculates a sector proxy based on the company's revenues	Estimated	15%	**19%**	6%
5	• Lower quality data • Obtained from more global and/or relative estimates • Data type: - Estimate based on a sector proxy calculated by CDPQ based on the company's enterprise value (EV) - Average of funds	Estimated	4%		0%
N/A	• Unavailable data				66%

5. Scope 1 and 2 emissions for our portfolio companies, except for those in the Real Estate portfolio that integrate Scope 3, Category 13 emissions related to the Scope 1 and 2 activities of their tenants.

APPENDIX 3

Independent practitioner's assurance report

To the Management of the Caisse de dépôt et placement du Québec

Scope

We have been engaged by Caisse de dépôt et placement du Québec ("CDPQ") to perform a limited assurance engagement, as defined by Canadian Standards on Assurance Engagements, hereafter referred to as the engagement, to report on the select performance indicators detailed in the accompanying Schedule (collectively, the "Subject Matter") for the year ended December 31, 2024, contained in CDPQ's 2024 Sustainable Investing Report (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by CDPQ

In preparing the Subject Matter, CDPQ applied internally developed criteria identified in the accompanying Schedule (the "Criteria") and detailed in the Report. Such Criteria were specifically designed for the Report. As a result, the Subject Matter may not be suitable for another purpose.

CDPQ's responsibilities

CDPQ's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *Canadian Standard for Assurance Engagements other Than Audits or Reviews of Historical Financial Information ("CSAE 3000")* and *Canadian Standard for Assurance Engagements on Greenhouse Gas Statements ("CSAE 3410")*. These standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our independence and quality management

We have complied with the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Canadian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires us to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Conducting interviews with personnel to understand of the processes for collecting, collating and reporting the Subject Matter;
- Undertaking analytical procedures, making inquiries with relevant personnel to obtain explanations for outliers identified, comparing data to underlying source information on a sample basis, and reperformance of select calculations; and
- Checking presentation and disclosure of the Subject Matter in the Report.

We also performed such other procedures as we considered necessary in the circumstances.

Inherent limitations

The Greenhouse Gas ("GHG") quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Non-financial information, such as the Subject Matter, is subject to more inherent limitations than financial information, given the more qualitative characteristics of the Subject Matter and the methods used for determining such information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable evaluation techniques which can result in materially different evaluations and can impact comparability between entities over time.

Conclusion

Based on our procedures and the evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter for the year ended December 31, 2024, is not prepared, in all material respects, in accordance with the Criteria.

Ernst & Young LLP [1]

March 26, 2025
Montreal, Canada

[1] FCPA auditor, public accountancy permit n°. A114960

Schedule

Our limited assurance engagement was performed on the following Subject Matter for the year ended December 31, 2024:

PERFORMANCE INDICATOR	CRITERIA	REPORTED VALUE
Carbon Intensity of CDPQ's portfolio excluding the transition envelope	Internally developed[1]	24.4 tCO_2e/\$M
Carbon Intensity of CDPQ's transition envelope	Internally developed[1]	917 tCO_2e/\$M
Carbon intensity associated with CDPQ's sovereign bonds with LULUCF[2] for the return-seeking portfolio	Internally developed, with reference to PCAF[3]	218 tCO_2e/\$M
Carbon intensity associated with CDPQ's sovereign bonds without LULUCF[2] for the return-seeking portfolio		226 tCO_2e/\$M
Carbon intensity associated with CDPQ's sovereign bonds with LULUCF[2] for the liquidity sub-portfolio		184 tCO_2e/\$M
Carbon intensity associated with CDPQ's sovereign bonds without LULUCF[2] for the liquidity sub-portfolio		205 tCO_2e/\$M
Data quality score related to the data used to calculate the carbon intensity of CDPQ's global portfolio, including the transition envelope	Internally developed[4]	
Data Quality 1		56%
Data Quality 2		22%
Data Quality 3		3%
Data Quality 4		15%
Data Quality 5		4%

1. The internally developed criteria are described in Appendix 2 and Appendix 4, Section 11 of the Report.

2. Represent land use, land-use change, and forestry.

3. The internally developed criteria are described in Appendix 4, Section 12 of the Report.

4. The internally developed criteria are described in Appendix 2, Table 15 of the Report.

APPENDIX 4

Disclosure according to the Task Force on Climate-related Financial Disclosures (TCFD)

We follow the TCFD's recommendations on financial disclosures related to climate issues and present our progress annually.

APPLICATION OF RECOMMENDATIONS BY CDPQ

① Board oversight of climate-related risks and opportunities

- Since 2017, our Policy – Sustainable Investing requires that we include climate change considerations in our investment analysis and approval process, as well as in integrating risks related to ESG factors. The Sustainability team develops this policy, which is then approved by the Executive Committee, followed by the Board of Directors.
- In addition, to ensure oversight of our sustainable investing governance, the Executive Committee reports semi-annually to the Board of Directors, based on sectoral strategic plans, risk mapping and the Climate Strategy.
- In 2018, the Board of Directors took a strong step by linking the incentive compensation of all employees, including the members of the Executive Committee, to the achievement of climate targets. We are one of the first global institutional investors to adopt such a measure.

② Describe management's role in assessing and managing climate-related risks and opportunities

- The climate attributes (risks and opportunities) of investments are subject to the same governance as our other investment criteria. They are incorporated into the due diligence review of investments and into our portfolio monitoring. These issues are addressed in specific sections of the investment approval and reporting documents. Particular attention is paid to the physical risk incurred through real assets (infrastructure and buildings) as well as to transition risk.
- Working in collaboration with the entire organization, the Sustainability team closely monitors the annual climate targets of our specialized portfolios. These analyses are submitted to the various committees on which CDPQ executives sit, including the Investment-Risk Committee (IRC).
- In 2021, a transition risk analysis of the portfolio was carried out by the Sustainability team in collaboration with Risk Management for presentation to the IRC. This analytical framework is now used in the due diligence review of certain new investments. Overall exposure to this risk is also monitored, and was updated in 2023.
- Close attention is paid to data quality. Since 2021, a carbon certificate has been added to these extra-financial data, which now benefit from controls similar to those applicable to financial data, including external verification.

③ Describe the climate-related risks and opportunities identified over the short, medium and long term

Physical risks

- In 2020, we began an innovative partnership with two Canadian peers and The Climate Service to co-develop Climanomics, a tool used to better understand, measure and report on physical climate risks in financial terms. We continued to use this tool after this supplier was acquired by S&P Global in 2022.
- Today, our teams analyze the different types of physical climate risks over the short, medium and long term. The risks are taken into consideration for each new investment in real assets (infrastructure and real estate) as well as for some of our portfolio assets (for more details, see section 5. Management of physical risks).

Transition risks

- Since 2021, for certain new investment opportunities, we analyze the company's business model and its exposure to transition risks, based on the materiality of the risk and the liquidity of the security, as well as the following factors:
  - Regulatory or political action (carbon pricing, subsidies)
  - Technological innovations
  - Market risks (changes in demand for certain products)
  - Lawsuits
  - Reputational risks
- These analyses are extended to the entire portfolio and cover different time periods (for more details, see section 6. Management of transition risks).

Climate-related opportunities

- There are many climate opportunities (for more details, see section 9. Seize opportunities). Internal discussion groups involving various portfolio managers are organized on the transition and related technologies, and our teams continuously look for investment opportunities, both direct and through external partnerships.

④ Describe and assess the impact of climate-related risks and opportunities on operations, strategy and financial planning and how they factor into investment portfolios and strategies

- In 2017, CDPQ was one of the first major global institutional investors to adopt a climate strategy covering its entire portfolio. At that time, we set ambitious targets for acquiring low-carbon assets and reducing the carbon intensity of our portfolio.
- In 2018, the Board of Directors took a strong step by linking the incentive compensation of all employees, including the members of the Executive Committee, to the achievement of climate targets. We are one of the first global institutional investors to adopt such a measure.
- To that end, many teams were mobilized, including:
  - Digital Technology (accessibility and analysis of climate data)
  - Finance and Operations (data quality and reporting, green bond issuance)
  - Talent and Performance (training, calculation of variable compensation)
  - Risk Management (risk management, portfolio construction)
  - Communications (internal communications)
  - All investment teams
- In 2019, we also decided to adopt a major objective: to achieve a net-zero portfolio by 2050 by focusing on decarbonizing the real economy.
- In 2021, having far exceeded our intermediate targets set in 2017, we unveiled a new strategy based on four essential and complementary pillars to meet the major challenges inherent in the transition:
  - Hold $54 billion in low-carbon assets by 2025
  - Decrease the portfolio's carbon intensity by 60% by 2030 compared to 2017
  - Create a $10-billion transition envelope to decarbonize the highest emitting sectors
  - Complete our exit from oil production by the end of 2022
- In addition, we refined our climate risk identification and management tools (for more details, see sections 5. Management of physical risks and 6. Management of transition risks).
- The climate issue is now an integral part of CDPQ's business model (Figure 16):
  - The investment teams review their strategy each year to capture more low-carbon and transition opportunities as a way to optimize risk management, decarbonization and portfolio construction
  - The Sustainability team supports the investment teams in their climate ambitions, continuously reviewing their practices and refining their risk management tools

- Climate risks are integrated into the due diligence performed on each new investment and in portfolio monitoring, like all other risks
- Specific guidelines have been introduced to manage investments in fossil fuels and their value chains
- The support groups (Digital Technology, Finance, Legal Affairs, Compliance and Secretariat, Talent and Performance, Risk Management, Communications, etc.) meet regularly to ensure that the operational risks related to the Climate Strategy are controlled and managed like all other risks

Figure 16

Factoring climate change into our investment process

- Analyzing climate opportunities and risks
- Calculating carbon intensity and validating against carbon budgets
- Validating the eligibility of an investment in low-carbon assets or in the transition envelope

- Engaging and supporting portfolio companies
- Monitoring disclosure practices
- Shareholder voting

- Tracking carbon intensity, low-carbon assets and the transition envelope
- Monitoring climate risk
- Preparing annual public reporting
- Influencing variable compensation

- Lastly, CDPQ actively participates in various investor groups involved in the fight against climate change (for more details, see the Leadership section) to keep abreast of new developments:
  - We serve on the Board of the NZAOA, which we co-founded in 2019 to support the decarbonization of the real economy, and we take part in several of its working groups
  - We also co-founded in 2018 and have since co-chaired the ILN, a group of 13 global institutional investors that namely aims to address climate change
  - We also participate in the work of Climate Action 100+, a group of investors whose main goal is to raise companies' awareness on climate-related issues

⑤ Management of physical risks

Pre-investment

- We analyze the physical risks for each new investment in real assets (infrastructure and real estate) as well as for some of our portfolio assets.
- These analyses use Climanomics (for more details, see section 3. Identification of risks and opportunities) to identify and assess such risks under various climate scenarios and over different time periods.
- The issues that are identified are then analyzed using tools tailored to the specific context of the investment under consideration, which may include discussions with the target company.
- The potential costs generated by physical risks are integrated into the financial analyses of the investment, when relevant. In some cases, these analyses may lead to a decision not to invest.

Post-investment

- An approach similar to pre-investment is taken with respect to our portfolio assets. Once the issues have been identified, we enter into dialogue with the management of the targeted company so that it accounts for these risks and takes appropriate measures. In many cases, this means enhancing the climate resilience of assets, but also interacting with external stakeholders. This is because the physical risks may not only affect the asset but also certain critical inputs to our investment that are managed by third parties (e.g. access roads, key suppliers, public infrastructure).
- More detailed analyses of physical climate risks were performed in 2023, specifically for our Infrastructure portfolio. In all, 1,550 geolocation points were selected, covering 32 files and representing around 90% of the portfolio's asset value. The analysis considers seven sectors: electricity, telecommunications, transportation, renewable energy, ports, airports and highways. The next step is to open a dialogue with the Boards of Directors of the companies identified as priorities so that they can take action on the issues identified.
- The ILN published a guide in 2021 to encourage portfolio managers to incorporate physical risks into investment decisions and adopt best practices.

⑥ Management of transition risks

Analysis of transition risks

- We have developed qualitative tools to improve the way transition risks are factored into our analyses. These scalable tools are aimed at guiding decision-making according to regulatory, technological and socio-economic developments around the world. They will also enable our teams to ask the right questions when analyzing investment opportunities.
- In 2021, CDPQ conducted a complete review of its investment portfolio across all sectors and asset classes. The transition risks were analyzed based on a framework tailored to corporate business models, by developing scenarios based on realistic assumptions concerning the impacts of the energy transition. Going forward, reviews of our portfolio will be carried out from time to time depending on our new investments and their exposure to transition risks.
- We assess these risks according to four focus areas:
  1. Sectors in which the transition will have a negative impact on product demand
  2. Sectors in which products will need to be adapted during the transition
  3. Emitting industrial sectors with established demand for their products but for which decarbonization is complex
  4. New needs arising from the emergence of industries of strategic value for the future
- Three time horizons are considered:
  1. Short term (<5 years): relatively low and specific risks in certain jurisdictions and companies, analyzed on a case-by-case basis
  2. Medium term (5–12 years): risks of a technological, regulatory or market-related nature or pertaining to carbon pricing, potentially affecting the competitiveness of highly carbon-intensive companies
  3. Long term (>12 years): risks associated with high carbon intensity sectors for which lower carbon substitutes or disruptive technologies exist
- The level of exposure was rated on a 6-step scale, ranging from *very favourable* to *critical*.
  1. Very favourable
  2. Favourable
  3. Neutral/low sensitivity
  4. To be monitored
  5. Problematic
  6. Critical
- The last analysis performed as at December 31, 2023 concluded that in the short term, our exposure to transition risk was low, with 4% of the portfolio considered as to be monitored, while 96% of the overall portfolio was low sensitivity or favourable to the transition. In the medium and long term, the percentage of assets with negative exposure to transition risk increases. However, over such horizons, we expect that our portfolio companies will have initiated risk mitigation measures, and that we will have been able to reposition the portfolio to limit our exposure.

- We also completed our exit from oil production, including extraction and refining, as well as from thermal coal mining, which contributes to progress in decarbonizing the portfolio and reducing transition risk.
- In 2023, we voluntarily took part in a transition risk assessment exercise conducted by the Bank of Canada and the Office of the Superintendent of Financial Institutions. The results confirmed that our portfolio is well positioned with regard to this type of risk.
- It should be noted, however, that the methodologies underlying this work remain very approximate. We continue to monitor the market for any improvements to these tools.

Management of transition risks

- We manage transition risk on three fronts:
    1. Our investments in low-carbon assets that reduce the economy's dependence on fossil fuels
    2. Our investments in assets that actively reduce emissions
    3. Our exit from the oil and thermal coal production sectors
- We have set ambitious low-carbon investment targets, aiming to reach $54 billion by 2025, which is more than three times the amount of such assets we held in 2017. We exceeded this target as at December 31, 2024, with $58 billion in low-carbon assets in our portfolio.
- As at December 31, 2024, $79 billion of our assets under management corresponded to companies with a decarbonization objective aligned with the Paris Agreement and certified by SBTi, and $15 billion were working toward this. Obtaining this certification can take up to two years. When this is added to our low-carbon assets ($58 billion), we have $152 billion in assets aligned with the Paris Agreement.
- Our engagement and shareholder voting activities with public companies are aimed at demanding the implementation of concrete plans and the adoption of decarbonization targets aligned with the Paris Agreement.
- We made our first investments in the energy transition in 2015 and 2017. Our deployment of capital has been conditional to these companies transitioning from a highly carbon-intensive energy source to more sustainable solutions, such as renewable energy. With our support, they have made their mark as some of the first companies in their regions to develop ambitious SBTi-certified decarbonization plans. These are concrete examples of our deployment of constructive capital in transition assets. We have since invested in several companies that have transition plans aligned with the Paris Agreement and are taking action. External consultants are given mandates to certify the decarbonization trajectories of these companies. We now hold $6.2 billion in transition assets.
- We have also completed our exit from oil production, including extraction and refining, as well as from thermal coal extraction and power production, thereby contributing to progress in the portfolio's decarbonization and reducing its transition risk.
- These combined actions have enabled us to continue our efforts to decarbonize the portfolio. In 2024, we reduced our carbon intensity by 69% from 2017, surpassing our target of a 60% reduction by 2030, which is in line with our goal of a net-zero portfolio by 2050.

⑦ Long-term ambitions

- As a member of the NZAOA, we are determined to work together on defining best practices, influencing our portfolio companies and further driving the financing of existing climate solutions in order to meet our target of decarbonizing the real economy. We also set the goal of a net-zero portfolio by 2050 (for more details, see the Leadership section).
- In 2021, we reviewed our climate targets and published a new strategy, including a target to reduce the carbon intensity of our portfolio by 60% by 2030 compared to 2017.
- In 2023, we began work to better assess companies' expected emissions and transition risk management trajectories. This tool is currently being deployed internally.
- We are updating our climate policy now that our targets have been reached.

⑧ Engage with portfolio companies to improve their climate-related practices and disclosures

- Through our shareholder vote, we support shareholder proposals aimed at promoting better disclosure of climate-related risks and opportunities, in accordance with TCFD recommendations.
- Moreover, we speak with our portfolio companies' executives to better understand their climate change strategies and encourage them to adopt best practices. In some cases, CDPQ pools its efforts with peers to maximize its influence on companies.
- As part of various initiatives, we work with other investors to influence the practices of the heaviest emitters and raise awareness among investors and companies on best practices for addressing climate issues.
- In 2022, we voted against the re-election of certain Board members of 10 companies to underscore their lack of ambition on decarbonization. These individuals are responsible for sustainability and climate-related issues on their Boards. We continued our collaboration in 2023 and voted against the re-election of Board members at nine companies (for more details, see the Climate engagement) case study). In 2024, we raised our expectations and voted against the re-election of 21 Board members.
- In 2023, we became signatories to a collaborative engagement campaign that seeks to reduce methane emissions. We sent letters to five of our portfolio companies to encourage them to join this initiative and develop best practices in emission reduction (for more details, see the Commitment to reduce methane emissions case study).

⑨ Seize opportunities

- CDPQ has developed various tools to seize the many climate-related investment opportunities:
  - An ambitious low-carbon investment target ($54 billion by 2025) that is aligned with CBI's taxonomy (for more details, see the section Our low-carbon assets section).
  - A $10-billion transition envelope to decarbonize high emitters. The envelope targets critical transition sectors such as power generation, materials, transportation and agriculture, and will reduce GHGs in the real economy (for more details, see the Our transition assets section).

⑩ Develop new investment guidelines

- As part of our investment process, we analyze the role that each component of the energy value chain plays in the transition.
- In order to achieve our carbon intensity reduction target, we have had carbon budgets in place for each portfolio since 2017. All our portfolio managers are required to incorporate them into their investment decisions, on equal footing with their performance objectives. Their variable compensation depends on it.
- Since 2020, as a member of the NZAOA, we are committed to complying with the conditions set out in the Alliance Thermal Coal Position:
  - No investments in or financing of new power generation projects that use thermal coal
  - Withdrawal from projects or companies that are not aligned with a decarbonizing trajectory of 1.5 °C:
    - By 2030 in industrialized countries
    - By 2040 in emerging countries
- In 2021, we also joined the Powering Past Coal Alliance (PPCA), an organization consisting of national and subnational governments, businesses and organizations working to advance the transition from coal to renewable energies.
- Oil production, including extraction and refining, as well as thermal coal mining and power generation, now figure among our investment exclusions. This applies to both new operational or expansion projects and companies in this sector. Investments in or financing of new oil pipelines are also excluded. This covers both public and private companies, as well as projects involving these activities.

⑪ Identify and adapt the metrics used to identify and track climate-related risks and opportunities, by portfolio and by strategy

- Our main indicators are the carbon intensity (in $tCO_2e/M\$$) of a company or portfolio, under the methodology recognized by the NZAOA, as well as the volume of low-carbon investments (in $B) under the CBI criteria.
- In 2018, CDPQ implemented an IT system that connects its internal databases to those of external climate data suppliers in order to estimate, in real time, the carbon intensity of our various portfolios and measure changes. Particular attention has been paid to the quality of the data and their governance, in order to mitigate the operational risks associated with this disclosure.
- In 2023, we developed a tool that better assesses companies' climate trajectories, based on existing external work. This tool is currently in the process of being deployed internally.
- Since 2017, CDPQ has been using the carbon intensity metric for a company or portfolio, in accordance with the methodology recognized by the NZAOA. We consider this indicator to be credible, rigorous, easy to understand, derived from a transparent methodology, and useful for decision-making, as it allows us to compare companies and measure our progress, regardless of portfolio size. This includes the vast majority of our emissions, i.e. Scope 3, Category 15, as defined by the Greenhouse Gas Protocol. To calculate our intensity, we only use the Scopes 1 and 2 emissions of our portfolio companies. For now, data on their Scope 3 emissions are either unavailable or not sufficiently reliable to be included in our calculations (for more details, see Table 15 in Appendix 2).
- In 2022, CDPQ conducted a detailed analysis of the Scope 3 GHG emissions data of our portfolio companies. The data represent supply chain emissions and are tied to use of the company's products. Our analysis showed inconsistent data quality and a low rate of disclosure by our companies and data suppliers (for more details, see Table 15 in Appendix 2). This limits our ability to calculate this data at the portfolio level. Despite the fact that Scope 3 emissions are more difficult for our portfolio companies to control and more complex to calculate, we continue to encourage companies to disclose them and define emission management plans, especially when there are economically viable solutions for reducing them. When the data are of good quality, they can be used in a risk assessment, more specifically in files associated with fossil fuels.
- The businesses selected for the transition envelope are evaluated by our teams and reviewed by independent external experts in order to validate the rigour of their respective decarbonization plans and ensure alignment with the Paris Agreement. The selected companies must meet specific criteria defined by CBI or SBTi, have a proven robust decarbonization strategy, possess an implementation plan, and disclose their progress. The financial exposure and carbon emissions of the companies held in the transition envelope are rigorously monitored to ensure that they meet the required criteria and follow their transition paths.
- In 2022, we benchmarked the methodology we use to calculate the intensity of our portfolio and the transition envelope against the calculation standard of the Partnership for Carbon Accounting Financials (PCAF)[1]. CDPQ began disclosing its carbon intensity in 2017, two years before the PCAF standard was published. The benchmarking validated the robustness of CDPQ's methodology and found that it differed only slightly from the PCAF standard. As a result, we have decided to continue making our disclosures based on the CDPQ methodology.
- In 2023, we published the carbon intensity of our sovereign bond portfolio for the first time. The methodology used to make this calculation complies with the PCAF standard and reflects the latest NZAOA recommendations. Since this intensity is calculated in relation to macroeconomic metrics (gross domestic product), it is not comparable to the corporate intensity metric, which uses the long-term capital employed by a company. It is therefore excluded from our carbon intensity calculation, and is not subject to decarbonization targets. A large portion of the government bond portfolio is a source of cash or duration management, and consists of Canadian or U.S. federal government bonds. We therefore have neither the usual levers nor the necessary decision-making power to manage their intensity.

1. Except for provincial bonds for which we use a federal proxy due to lack of information available.

⑫ Disclose the carbon intensity of the portfolio (Scopes 1 and 2) and the associated risks

- The intensity of CDPQ's portfolio is calculated on a perimeter of $456 billion, or 100% of our exposure (for more details, see Appendix 2).
- In 2024, the carbon intensity of CDPQ's portfolio was 24.4 tCO_2e/M$, down 55 tCO_2e/M$ from 2017 (for more details, see the Carbon intensity section).
- In order to be aligned with PCAF[1] disclosure standards and the NZAOA recommendations, we have calculated the carbon intensity of GDP associated with our sovereign bonds with and without a country's emissions corresponding to land use, land-use change and forestry (LULUCF). Sovereign intensity is obtained using the most recent data available at the time of calculation sourced from recognized international organizations such as the United Nations Framework Convention on Climate Change (UNFCCC), the European Commission (EDGAR) and the World Bank. As at December 31, 2024, the intensity of CDPQ's sovereign bond portfolio, as defined by NZAOA, was:
    - 226 tCO_2e/M$ without LULUCF and 218 tCO_2e/M$ with LULUCF for our return-seeking portfolio
    - 205 tCO_2e/M$ without LULUCF and 184 tCO_2e/M$ with LULUCF for our liquidity sub-portfolio.

1. We voluntarily include by proxy provincial bonds in our calculation to fully cover our sovereign perimeter, even if the PCAF standard is based solely on federal government bonds.

⑬ Disclose carbon intensity based on portfolios and strategies, along with relevant data and the methodology used

- We disclose the carbon intensity of our total portfolio annually. We also provide information on the contributions made by various sectors to our overall carbon footprint, in addition to their weights in CDPQ's total portfolio, in billions of dollars.
- The methodology used to measure the intensity and absolute footprint of our assets can be found in Appendix 2 and EY has performed a limited assurance engagement of it (for more details, see Appendix 3). This methodology applies to our portfolio subject to targets, as well as to the transition envelope for which decarbonization targets are set based on each investment.
- The methodology used to measure the absolute intensity and footprint of our sovereign bond portfolio is presented in section 12, which EY also assured to a limited level.

⑭ Describe the targets used to manage climate-related risks and opportunities and performance against targets

- Our carbon intensity reduction targets are broken down by portfolio based on asset class, time horizon and investment universe.
- In 2024, we reduced the carbon intensity of our corporate portfolio (excluding the transition envelope) by 69% compared to 2017 and increased our low-carbon investments by $40 billion compared to 2017, for a total of $58 billion.
- We now hold $6.2 billion in transition assets and $152 billion in assets that are compliant or near-compliant with the Paris Agreement.

APPENDIX 5

Initiatives and partnerships

CDPQ collaborates on several actions and is a member of many groups that are advancing sustainable investing practices.

NAME	MISSION	TARGETED REGION	SECTOR
30% Club	Organization that targets having 30% or more women and a greater presence of other underrepresented groups on the Boards of Directors and management teams of companies listed on the S&P/TSX Composite Index	Canada	S
Afrodescendant Leadership Alliance (ALA)	Initiative that helps emerging Black leaders develop their networking and business leadership skills	Québec	S
Association of Quebec Women in Finance (AFFQ)	Networking initiative dedicated to the professional advancement of women in finance	Québec	S
Responsible Investment Association (RIA)	Association that contributes to the growth and development of responsible investment	Canada	ESG
Canadian Investor Statement on Diversity & Inclusion	Statement by Canadian investors on diversity and inclusion	Canada	S
Association pour le Développement du Bâtiment Bas Carbone (BBCA)	Alliance of real estate players aimed at controlling carbon emissions	Europe	E
Canadian Coalition for Good Governance (CCGG)	Coalition of Canadian investors that seeks to encourage corporate governance best practices	Canada	G
Carbon Disclosure Project (CDP)	Initiative on environmental disclosure	Global	E
CDP Science-Based Targets Campaign	Coalition that seeks to encourage companies to set targets for reducing greenhouse gas (GHG) emissions	Global	E
Carbon Risk Real Estate Monitor (CRREM)	International methodology project to systematize the analysis of risks associated with the decarbonization of commercial real estate	Global	E

NAME	MISSION	TARGETED REGION	SECTOR
Catalyst	Organization that helps create inclusive workplaces for women	Global	S
Ceres	Organization promoting sustainable finance	Global	E
EDGE+ Certification	Certification that measures diversity and inclusion in the workplace	Global	S
CFO Leadership Network – Accounting for Sustainability (A4S) Initiative	Group of chief financial officers from international organizations involved in sustainable finance	Global	ESG
Chambre de commerce LGBT du Québec	Organization that represents and supports the LGBTQIA2S+ business community in order to foster success among its members and encourage their recognition in different socio-economic groups and by governments	Québec	S
Climate Action 100+	Campaign to raise awareness among large corporate GHG emitters	Global	E
Climate Bonds Initiative (CBI)	Organization that develops standards and raises awareness on the importance of green bonds	Global	E
Collège des administrateurs de sociétés (CAS)	Francophone institution dedicated to training Board members	Québec	G
Comité consultatif sur les changements climatiques	Committee whose mission is to advise the Québec minister responsible for the fight against climate change on climate change adaptation and reducing GHG emissions	Québec	E
CREO	Not-for-profit organization with a mission to mobilize and catalyze high-impact capital to drive the necessary transition to a low-carbon, sustainable, and prosperous future for all	Global	E
Commercial Real Estate Women (CREW) Network	International network dedicated to promoting and supporting women in commercial real estate	Global	S
Sustainable Finance Action Council (SFAC)	Federal government advisory committee on sustainable finance issues	Canada	ESG

NAME	MISSION	TARGETED REGION	SECTOR
Datamars	Foundation for Sustainable Agriculture	Global	ESG
Écotech Québec	Organization that maximizes opportunities to develop and deploy clean technologies	Québec	E
European Association for Investors in Non-Listed Real Estate Vehicles (INREV)	Professional association for the non-listed real estate industry, dedicated to sharing ESG knowledge, practices and resources	Europe	ESG
Farm Animal Investment Risk and Return (FAIRR)	Investor network working on ESG issues in the food sector	Global	ESG
Pride At Work Canada	Organization that empowers employers to build workplaces that celebrate all employees	Canada	S
Finance Montréal	Organization dedicated to developing the financial sector	Québec	ESG
Statement by the Québec Financial Center for Sustainable Finance	Charter of commitments by stakeholders in the Québec financial sector, initiated by Finance Montréal, in favour of finance based on responsible principles	Québec	ESG
Financial Services Information Sharing and Analysis Center (FS-ISAC)	Organization dedicated to advancing cybersecurity and resilience in the global financial system	Global	G
Focusing Capital on the Long Term (FCLTGlobal)	Organization that conducts research and develops tools to encourage long-term investments	Canada	ESG
Green Municipal Fund	GMF exists to enhance the quality of life for people in Canada by accelerating a transformation to resilient, net-zero communities	Canada	ESG
Glasgow Financial Alliance for Net Zero (GFANZ)	Coalition of leading financial institutions that aims to accelerate the transition to a net-zero global economy by 2050	Global	E
Global Investor Commission on Mining 2030	Collaborative investor-led initiative that seeks to define a vision for a socially and environmentally responsible mining sector by 2030	Global	ESG
Global Investors for Sustainable Development (GISD) Alliance	Organization committed to increasing long-term financing and investment in sustainable development in line with the UN’s Sustainable Development Goals (SDG)	Global	ESG

NAME	MISSION	TARGETED REGION	SECTOR
Global Real Estate Sustainability Benchmark (GRESB)	Organization that assesses the ESG performance of real estate and infrastructure assets	Global	ESG
Hamburg Sustainability Platform	Platform aimed at scaling blended finance for the transition	Global	E
Impact Disclosure Taskforce	Initiative to draft voluntary guidelines for impact disclosure	Global	ESG
BlackNorth Initiative	Initiative to end systemic racism against the Black community and visible minorities	Canada	S
United Nations Environment Programme – Finance Initiative (UNEP FI)	UN program to catalyze action in the financial community on environmental issues	Global	E
Institute of Corporate Directors (ICD)	Organization that encourages excellence on Boards of Directors to strengthen corporate governance	Canada	G
Michael D. Penner Institute on ESG	Multidisciplinary program to support in-depth research on ESG issues	Québec	ESG
Institute for Governance of Private and Public Organizations (IGOPP)	Research and training institute that aims to improve public and private organization governance	Québec	G
Institutional Investors Roundtable (IIR)	Collaborative network of pension funds and sovereign wealth funds	Global	ESG
Institutional Limited Partners Association (ILPA)	Group of international asset managers committed to working together to improve industry practices, particularly on sustainability, diversity and inclusion issues	Global	ESG
Diversity in Action Initiative	Initiative aimed at advancing diversity in private equity	Global	S
ESG Data Convergence Initiative	Initiative to foster convergence on sustainability measures in private markets	Global	ESG
International Corporate Governance Network (ICGN)	Group of investors that promotes sound governance principles	Global	G

NAME	MISSION	TARGETED REGION	SECTOR
International Sustainability Standards Board (ISSB) – IFRS Foundation	Organization that is developing a global framework and disclosure standards for ESG factors	Global	ESG
The A Effect	Initiative that seeks to drive female ambition	Québec	S
Women in Governance	Organization that supports women's leadership and career advancement	Canada	S
The Prosperity Project	Organization created to stop COVID-19 from setting back women	Canada	S
Les Cheffes de file	CDPQ initiative to propel the growth of women-owned businesses	Québec	S
LOTUF (Leaders Of the Urban Future)	Collaboration between major global institutional real estate investors to raise market standards for decarbonizing the real estate sector	Global	E
National Association of Industrial and Office Properties (NAIOP) Toronto Chapter	Association representing professionals in the North American commercial real estate development industry dedicated to guiding the industry toward a sustainable future	Canada	S
Nature Action 100	Collaborative initiative that supports investors in engaging companies in the fight against biodiversity loss	Global	E
Net-Zero Data Public Utility (NZDPU)	Initiative to provide a trusted, central source of company-level climate data that is transparent and openly accessible to all	Global	E
Numérique au Féminin	Initiative to promote gender diversity in digital professions	Québec	S
Observatoire de l'immobilier durable	Association that aims to accelerate the ecological transition of the real estate sector in Europe and internationally	Europe	ESG
Out Investors	Organization that seeks to make the direct investment sector more welcoming to LGBTQIA2S+ people	Global	S

NAME	MISSION	TARGETED REGION	SECTOR
Montréal Climate Partnership	Coalition of Montréal organizations committed to fighting climate change	Québec	E
Powering Past Coal Alliance (PPCA)	Coalition of governments and businesses working to end the use of coal	Global	E
Principles for Responsible Investment (PRI)	Organization responsible for the UN's sustainable finance principles	Global	ESG
PRI Advance	Collaborative initiative for institutional investors seeking to advance human rights through sustainable finance	Global	S
Propulsion Québec	A group committed to supporting Québec's traditional transportation sector in its transition to decarbonization	Québec	E
Real Property Association of Canada (REALPAC)	National association of the commercial real estate industry in Canada dedicated, among other things, to influencing its stakeholders on the importance of ESG factors	Canada	ESG
Rep Matters	Organization dedicated to inspiring black entrepreneurs and serves as a bridge to the communities they serve	Québec	S
Réseau Capital	Association that brings together all stakeholders involved in the Quebec investment chain. CDPQ is a member of the Sustainable Finance Committee	Québec	G
Investor Leadership Network (ILN)	International coalition of investors involved in sustainable finance	Global	ESG
Joint Engagement Letter on Diversity	Engagement by the members of the ILN toward diversity	Global	S
Resilient Cities Network (RCN)	Network of 100+ cities working on creating a resilient future for their communities	Global	ESG
Réseau des femmes d'affaires du Québec (RFAQ)	Organization that promotes the growth of women-owned businesses through coaching and mentoring to help them access new markets	Québec	S

NAME	MISSION	TARGETED REGION	SECTOR
Sustainability Accounting Standards Board (SASB)	International standards for companies to disclose their sustainability information	Global	ESG
WELL Equity Seal	Seal that demonstrates the commitment to creating places where everyone feels welcome, seen and heard—our Montréal office, Édifice Jacques-Parizeau—received this seal in 2024	Global	S
Science Based Targets initiative (SBTi)	Initiative for private-sector climate action through the development of science-based GHG emission reduction targets	Global	E
SPRING	Initiative that addresses the systemic risks of biodiversity loss	Global	E
Standards Board for Alternative Investments (SBAI)	Organization to improve responsible practices, partnerships and knowledge on alternative investments	Global	ESG
Sustainable Infrastructure Foundation	Foundation aimed at supporting governments and public institutions in the development of sustainable infrastructure	Global	ESG
Sustainable Markets Initiative (SMI)	Coalition of financial and real economy players involved in the fight against climate change and the protection of biodiversity	Global	E
Terra Carta	Initiative to provide companies with a roadmap to 2030 to build an ambitious and sustainable future	Global	E
Task Force on Climate-related Financial Disclosures (TCFD)	Task force that supports companies in their climate change disclosure strategies	Global	E
Taskforce on Nature-related Financial Disclosures Forum (TNFD Forum)	Consultative group collaborating on disclosure and management of nature-related risks	Global	E
Tobacco-Free Finance Pledge	Coalition to encourage the financial community to withdraw from the tobacco industry	Global	ESG

NAME	MISSION	TARGETED REGION	SECTOR
Tobacco-Free Portfolios Investor and Banking Statement on Vaping	Signing of a statement in support of global action on vaping and a call for better regulation of vaping	Global	S
UN-convened Net-Zero Asset Owner Alliance (NZAOA)	Coalition of investors committed to a net-zero economy	Global	E
Urban Land Institute (ULI)	Network of real estate and land use experts that study the built environment and its impact on communities	Global	G

APPENDIX 6

Ivanhoé Cambridge

Following the integration of its subsidiary Ivanhoé Cambridge, CDPQ is disclosing the results of the climate commitments made by the real estate portfolio.

In 2021, Ivanhoé Cambridge committed to:

- Reducing the operational carbon intensity of its international portfolio by 35% by 2025 compared to 2017.
- Increasing its low-carbon assets by more than $6 billion by 2025 compared with 2020.

At the end of 2024, Ivanhoé Cambridge met its targets. Its low-carbon assets increased by **$6 billion**, one year ahead of its initial roadmap. Today they total $17.5 billion.

In addition, the operational carbon intensity (kgCO_2/sq ft) reduction target of **35%** versus 2017 was achieved by the end of 2023.

APPENDIX 7
Glossary

Biodiversity

All of earth's species and ecosystems, as well as the ecological processes they form a part of.

Carbon footprint

The sum of all greenhouse gas emissions, measured in CO_2 equivalent, emitted by an activity or an organization.

Carbon intensity

For a company, GHG emissions expressed as tons of CO_2 equivalent divided by a production indicator (e.g. per kWh of electricity, per ton of steel for a steel mill or per square foot for real estate). CDPQ measures the carbon intensity of its portfolio using an NZAOA-approved methodology expressed in tCO_2e/M$. This includes the vast majority of its Scope 3, Category 15 emissions, as defined by the Greenhouse Gas Protocol. To calculate its carbon intensity in this category, CDPQ uses the Scopes 1 and 2 emissions of its portfolio companies.

Carbon neutrality

Balance between carbon emissions and the absorption of carbon from the atmosphere by carbon sinks. For a financial portfolio, carbon neutrality is the balance between the emissions of the companies in the portfolio and the emissions captured by investments whose purpose is carbon capture and sequestration.

CDPQ's framework on the climate transition

Allows CDPQ to ensure that measurements of its portfolio companies' alignment with the transition reflect recognized reference frameworks, i.e. those of the Climate Bonds Initiative (CBI) and the Science Based Targets Initiative (SBTi).

Climate transition

Transformation of a society and its economy so that it ceases to contribute to climate change and becomes resilient to it.

Decarbonization

All the measures and techniques that enable a company or a local entity to reduce GHG emissions.

Decarbonization and/or transition plan

An action plan that explains how an institution intends to implement a commitment to carbon neutrality. It sets out specific objectives and actions to reduce GHG emissions and provides credibility and transparency on this commitment. A transition plan can also cover how the organization adapts to the impacts of climate change.

Energy transition

Process of transforming energy production and consumption systems toward more sustainable models intended to reduce GHG emissions, limiting dependence on fossil fuels and promoting decarbonized energy.

ESG

The environmental, social and governance (ESG) criteria that describe the non-financial factors, issues and indicators that are taken into account in the investment process and that are likely to have a significant impact on the financial performance of a company, portfolio or activity.

Greenhouse gas (GHG)

All the gases present in the Earth's atmosphere that accelerate the greenhouse effect, causing global warming by trapping heat in the atmosphere.

Impact measurement

Qualitative or quantitative assessment of impact based on measured observations (using data from surveys or other instruments).

Low-carbon assets

Assets or investments that are low in carbon and that, by their nature, help mitigate or adapt to climate change as defined by the Climate Bonds Initiative (CBI).

Low-intensity assets

Investments in companies operating in all economic sectors except industrials, energy, materials and non-renewable electricity. This category also excludes low-carbon assets.

Materiality

Materiality refers to what can have a significant impact on a company, its activities and its ability to create financial and non-financial value for itself and its stakeholders.

Net zero

Achieving a state in which the activities in an organization's value chain result in no net accumulation of carbon dioxide (CO_2) and other GHG emissions in the atmosphere. For a financial institution, alignment of its portfolio so that its financing does not contribute to the accumulation of GHG emissions in the atmosphere.

Physical climate risks

Possibility of negative consequences of an indeterminate magnitude that endanger a valuable asset. The risks depend on vulnerability (predisposition to be negatively affected), exposure (condition in which the system is exposed to a climate phenomenon or trend) and hazard (natural or human-induced event that may have adverse effects on systems).

Sustainability

The quality of an object, action or activity intended to satisfy the principles of long-term respect for the physical, social and economic environment.

Scope 1

Direct GHG emissions produced by the company or from sources owned or controlled by the company.

Scope 2

Indirect emissions associated with the purchase or production of energy (e.g. electricity generation), but which are not directly generated on the company's site.

Scope 3

All indirect emissions that are not under the company's control, upstream and downstream of operations (buildings, waste, air travel, etc.)

Transition assets

High-emitting assets that have committed to making a contribution to the transition to a low-carbon economy by setting ambitious GHG reduction targets aligned with the Paris Agreement.

Value creation

The capacity of a company or organization to generate wealth or utility through its economic activity or investment strategy.

APPENDIX 8

Cautionary statement regarding the environmental disclosure in this report

CDPQ recognizes the importance of reporting and transparently disclosing its sustainable investment commitments and activities, and this document has been voluntarily prepared on that basis.

This document is part of CDPQ's approach to transparency on various environmental, social and governance issues, including with respect to climate risks and opportunities.

Unless otherwise indicated, this document covers CDPQ's activities and investments, and the information it contains is dated April 8, 2025. The information and perspectives provided in this document, or upon which it was prepared, reflect the situation on the date of its preparation. They are likely to change and will not be updated or otherwise revised to reflect subsequently available data, current circumstances or changes that occurred after this document's publication date. In addition, the procedures, policies or methodologies used by CDPQ to prepare this document may change and could change materially.

Unless otherwise specified, the information contained in this document has not been independently audited or verified. EY conducted a limited review of some of CDPQ's sustainability indicators, including the carbon intensity of CDPQ's portfolio, within the framework described in Appendix 2.

Furthermore, some of the information provided in this document is based on third-party information and projections that CDPQ considers reliable. However, unless otherwise specified, CDPQ does not independently verify or audit the information or assess the underlying assumptions used by these third-party sources. As such, CDPQ cannot guarantee the accuracy of such third-party data or assumptions. Some of this information may also change as recommendations, practices, methodologies, standards, taxonomies or criteria evolve over time. These factors and uncertainties may affect CDPQ's sustainability objectives and its ability to achieve them.

This document contains certain forward-looking statements that CDPQ considers realistic and reasonable as of the date of this document. Forward-looking statements include, but are not limited to, statements about CDPQ's targets, actions, objectives and commitments, whether provisional or definitive, including greenhouse gas reduction targets, achieving a net-zero portfolio, achieving the value of low-carbon assets, assets aligned with the Paris Agreement or assets in transition, reducing the carbon intensity of its portfolio or its position on fossil fuels.

These forward-looking statements are not guarantees of future performance, and involve risks and uncertainties that are difficult to predict. There are also factors that may cause differences, such as legislative and regulatory changes, changes in the recommendations, practices, methodologies, standards, taxonomies or criteria on which this document is based. Actual future results may therefore differ materially from what is expressed or indicated in this document or from current expectations. CDPQ may not be in a position to predict whether or not it will be able to meet its plans, targets or objectives, whether provisional or definitive. CDPQ may need to modify, recalculate, and update them, as needed, based on changes in recommendations, practices, methodologies, standards, taxonomies or criteria that standardization bodies, the financial sector, regulatory agencies, civil society, CDPQ, its portfolio companies and its partners use to classify, measure and verify sustainability activities and objectives.