



D&I in Action

Harnessing diversity for performance and progress

At CDPQ, conversations about inclusion and diversity are now a part of our day-to-day work. We are taking concrete steps both in our own organization and while working with our partners.

Diversity is one of the three main priorities of our stewardship investing strategy.

As an investor, we believe that diversity fosters innovation, better organizational decision-making and greater equality. We also firmly believe that it provides substantial benefits that enhance our business performance and our impact as well as the success of the companies in which we invest. It's also why we encourage them to make this issue a key priority and to take concrete steps in this area.

In the same spirit, we believe that having many different perspectives within our teams—through gender diversity and by having team members with different experiences, from different generations and different ethnic backgrounds—cultivates innovation and good decision-making.

Our commitment is based on the following three pillars.

1. Promoting diversity within our portfolio companies

As a long-term investor and shareholder, CDPQ expects companies to adopt policies that advance inclusion and diversity within their organizations and to make the appropriate disclosures. We recognize the progress made by our portfolio companies to advance these issues.

When diversity and inclusion matters are identified, we hold direct discussions with the companies involved. We also take the opportunity of portfolio company annual meetings to state our expectations in this area. We therefore leverage our shareholder voting rights to make our opinions on the matter known.

We recently adopted new diversity and inclusion provisions in our [Policy Governing the Exercise of Voting Rights of Public Companies](#). As early as 2022, in the case of our portfolio companies who continue to have less than a 30% threshold of female representation on their board, CDPQ could vote against the directors responsible for appointments or abstain from voting.

Finally, because we are increasingly aware that our collective influence can help move the needle on diversity and inclusion, alongside several Canadian institutional investors

who collectively manage over CAD\$4 trillion in assets, we have signed the Canadian Investor Statement on Diversity & Inclusion, which represents a clear commitment to promoting diversity and inclusion actions in our own organization and in our portfolio companies.

2. Diversity and inclusion at CDPQ

As a global institutional investor, CDPQ operates in a traditionally male-dominated industry. As diversity is one of our key priorities, over the years, we have initiated a series of projects aimed to promote the advancement of women in business and finance.

For example, we provide internal and external mentorship programs to support the career development of high-potential women. Moreover, each year we identify promising women among our talent pool and invite them to take part in *L'effet A's 100-day challenge*. This initiative seeks to accelerate the ambition of women in the business sector and to help them excel. To date, this has been a development opportunity for more than 2,500 women at CDPQ and the program is now also offered to our employees in Europe.

CDPQ India case study

At the CDPQ India office, half of the of our employees are women. The tone is set at the top by the management team that diversity is a priority.

Special attention is given to making the recruitment process more inclusive. We promote diversity during the interview process by talking about our culture, flexible policies, merit-based development, equal pay, and foster an environment to grow and sustain our talent.

We are also mindful of work-life balance in how we organize our work. We believe that for parents, and especially for mothers, flexible working hours can prove vital to maintain the momentum in building one's career and progressing up the corporate ladder. By providing access to flexible working arrangements, we are able to retain more experienced women who might be eligible for senior positions in future.

2. Mobilizing the industry through leadership initiatives

Through international partnerships and global initiatives, we work with other large, global institutional investors to address the issue of diversity and inclusion. This allows us to broaden our scope of action. It also prompts more investors to make diversity and inclusion a priority and to play an influential role in this area.

Our organization co-founded the Investor Leadership Network (ILN) in 2018, which brings together 14 leading global investors around sustainability-related issues. The goal of this initiative is to create new opportunities for sustainable growth by facilitating collaboration among peers and taking a long-term approach on key issues for investors and communities. CDPQ is instrumental in pursuing the ILN's objectives, including promoting diversity and inclusion in the investment industry.

Work was undertaken to encourage more diversity in financial markets, starting with an emphasis on gender diversity. In June 2020, the ILN CEO Council announced that member firms' will set individual, measurable goals to support greater gender representation in senior leadership positions and investment-related roles within their respective organizations.

In October 2020, we launched Equity 25³, the largest Canadian fund ever created to target companies that leverage diversity as a vector of development and expansion. This CAD\$250 million-investment fund will be deployed over four years with the goal of increasing diversity and inclusion in profitable SMEs and tech companies in Québec and Canada.

In return, selected companies are committed to achieving, within five years following the funding, representation of at least 25% people from diverse backgrounds—women, members of visible minorities or Aboriginal people—within the board of directors, management team and shareholders. To achieve these ambitious targets, we offer them the support they need throughout the implementation and implementation of their tailor-made plan.

The numbers increasingly demonstrate the benefits derived from diversity. At CDPQ, we are positive that we have to take action and move forward together.

More information about [Stewardship Investing](#) at CDPQ is available on our website.