

TITLE	APPROVING BODY
Policy – Sustainable Investing	Board of Directors
ISSUING BUSINESS UNIT	DATE
Infrastructure and Sustainability EVP group	2026-04-09

RELATED LEGISLATION, POLICIES AND DIRECTIVES

- Transition Financing Framework – 2025–2030 Climate Strategy
- Policy – Exercise of Voting Rights of Public Companies
- Human Rights Policy
- Policy – Tax management

OBJECTIVES

- Set out La Caisse’s objectives, principles and priorities regarding sustainable investing.
- Describe the guiding principles for the implementation of the main levers of influence that La Caisse uses to achieve its sustainable investing ambitions.
- Share La Caisse’s expectations toward its personnel, portfolio companies and external managers on taking sustainability factors into consideration in their operations.
- Guide La Caisse’s investment decisions and efforts to improve the sustainability practices of its portfolio companies and its external managers in order to ensure the positioning of its portfolios in the transition to a sustainable economy.

1. Definitions

“**Personnel**” means regular and casual employees (including officers), consultants, students and interns of La Caisse, its offices around the world, and its management subsidiaries.

“**Portfolio companies**” means the companies in which La Caisse is invested.

“**External managers**” means the firms to which La Caisse delegates the management of its investments in whole or in part.

2. Background

Caisse de dépôt et placement du Québec (“La Caisse”) is a global investment group that seeks to drive the performance and progress of companies. Aligning its constructive capital with its sustainability goals, La Caisse seeks sustainable growth for its depositors’ assets while contributing to the economic development of Québec and the communities where it does business.

As a long-term investor, La Caisse aims to position its portfolio companies favourably in order to support their growth. Over the years, it has developed leading-edge expertise in sustainable investing. It creates and seizes opportunities by participating in the transition to a sustainable economy, in addition to managing risks related to environmental, social and governance factors.

3. Scope and application

This Policy applies to La Caisse personnel and covers all of La Caisse’s asset classes, and can be adapted to the specific business context in which its portfolio companies operate. In this way, practices and methods for integrating sustainability criteria may vary from one asset class to another and

depending on the nature and geography of investments, the type of instrument and the portfolio investment strategy.

4. Guiding principles

This Policy sets out the guiding principles for the implementation of the levers of influence that La Caisse uses to achieve its sustainable investing objectives:

- **Leadership in sustainable investing:** La Caisse would like to be recognized as a world leader in sustainable investing and thereby establish itself as an investment partner of choice.
- **Fiduciary responsibility and long-term prosperity:** La Caisse believes that its commitment to sustainable development and society's long-term prosperity is an integral part of its responsibility toward its depositors.
- **Long-term value creation:** La Caisse executes its sustainable investing strategy to make it a vector for long-term value creation, which sets it apart in the markets and in the view of the best talents.
- **Positioning in the transition to a sustainable economy:** La Caisse believes that transitioning to a sustainable economy will transform industries and markets, creating profitable opportunities that it can leverage to benefit its depositors.
- **Collaborative approach:** La Caisse believes in an approach based on dialogue and collaboration with its portfolio companies to support the development of strong companies that are well positioned to deliver sustainable returns. La Caisse believes that, to address sustainability issues, it is vital to mobilize various players, particularly global institutional investors, to participate in partnerships and collaborative initiatives.

5. Sustainable investing approach

La Caisse invests actively, with a long-term perspective. For this reason, it assesses operational, financial and extra-financial aspects in order to target the best investment opportunities and anticipate risk. It builds strong relationships with its portfolio companies and supports them in adopting sustainable practices that will enable them to stand out in their markets and generate long-term returns.

La Caisse prioritizes a cross-functional sustainable investing approach encompassing all its asset classes. Throughout the investment cycle, La Caisse's teams work together to seize opportunities and identify risks related to sustainability factors. Taking into account the specifics of each situation, they implement La Caisse's sustainable investing principles, relying mainly on the following six levers of influence: (1) Strategy, (2) Leadership, (3) Integration into the investment process, (4) Dialogue and engagement, (5) Support and (6) Shareholder voting.

5.1 Strategy

To affirm its sustainable investing ambition, La Caisse deploys strategies, policies and initiatives to define its commitments on a number of issues, such as climate change, diversity and inclusion, human rights, and responsible taxation.

5.1.1 Fighting climate change

La Caisse developed a [Transition Financing Framework](#), which aims to generate optimal long-term returns while promoting the transition of the real economy toward a resilient, low-carbon future. This approach is aligned with La Caisse's long-term objective of seizing attractive investment opportunities in the context of the energy transition while having a

greater impact on decarbonizing the real economy. It sets out that decarbonizing the portfolio is the result of portfolio companies decarbonizing rather than the selection of assets that produce increasingly fewer emissions.

Within its portfolios, La Caisse favours companies that integrate the climate into their business model and have an ambitious and rigorous greenhouse gas (GHG) emission reduction plan that takes into account their sector and geographic context. La Caisse assists and supports companies in the transition, by investing rigorously to meet their major needs for capital to help them decarbonize. La Caisse strives to favour the climate resilience of its entire portfolio through its investment choices and its commitment to its portfolio companies. La Caisse's climate ambition also relies on investments in future-oriented climate solutions. These companies are positioning themselves favourably to take advantage of the opportunities presented by the transition.

Climate risk management, proactive engagement with the companies and ongoing dialogue with governments, regulating bodies and civil society are central to the success of La Caisse's climate ambition.

5.1.2 Human rights

La Caisse has a [Human Rights Policy](#) that reaffirms its commitment to respect human rights in its investment activities and operations. Using the *United Nations Guiding Principles on Business and Human Rights* as a reference framework, La Caisse implements due diligence efforts to identify and manage the human rights impacts it may cause, to which it may contribute, or that are directly linked to its investment activities and operations. It also uses its levers of influence, including shareholder voting and engagement, to foster constructive dialogue with its portfolio companies on these issues.

5.1.3 Responsible taxation

La Caisse opposes all forms of tax evasion or abusive tax planning and supports international efforts to put an end to unfair practices in certain jurisdictions that facilitate the circumvention of tax laws. La Caisse applies rigorous criteria in its due diligence of investments in order to favour the adoption of tax best practices in its portfolio companies.

5.1.4 Sound governance practices and Board diversity

La Caisse believes that a strong, independent and competent board of directors is essential to a company's long-term success. La Caisse also believes that the Board's diversity allows for a variety of perspectives and skills to be integrated, fuels innovation, strengthens the quality of decisions and boosts organizational performance and success. Sound governance principles are essential for the optimal management of environmental and social factors. Boards have a duty of oversight that requires, among other things, a good understanding of these issues and their impact on a company's risk profile, competitiveness and resilience.

Pursuant to the [Policy Governing the Exercise of Voting Rights of Public Companies](#) (the "Voting Policy"), La Caisse exercises its shareholder voting to encourage greater diversity on the Boards of its portfolio companies.

5.2 Leadership

La Caisse exercises its leadership in Québec and around the world by initiating and actively involving itself in various partnerships and collaborative initiatives that contribute to the advancement of its sustainable investing priorities.

Through its involvement, it aims to bring actors together in striving for common goals, leveraging the resources of each for maximum impact on issues at the local and international levels. This is why it works with leading partners that share its investment philosophy and whose expertise networks complement its own. In this way, La Caisse plays a part in sharing best practices and standards

development throughout the industry. Its involvement also enables it to stay abreast of trends and take a proactive position on emerging issues.

La Caisse takes a proactive approach to changes in the regulatory context in which it operates. It participates in exchanges with regulatory authorities and makes its position known on a variety of subjects that these authorities submit for public consultation. It does this alone, in collaboration with other investors or through groups of which it is a member. In this way it seeks to contribute to the development of an investment context favourable to the creation of long-term value.

5.3 Integration into the investment process

La Caisse takes the risks and opportunities related to sustainability factors into consideration throughout the investment process. This enables it to establish an assessment of companies that takes both relevant financial and non-financial factors into account.

La Caisse evaluates the sustainability profile of the companies in question by focusing on material issues and on its sustainable investing priorities in order to integrate this information into investment decisions. It identifies opportunities to create operational value through improved sustainability practices as well as sustainability risks that will need to be monitored over time, should the transaction materialize. This integration of sustainability factors may be supported by specialized research and by La Caisse teams' knowledge of companies, sectors and markets.

La Caisse evaluates progress made by portfolio companies toward objectives that have been set and encourages standardized and transparent disclosure of these aspects. It aims to monitor their management of sustainability issues and uses an automated watch system for public companies. This allows it to respond to any significant deterioration of performance in this area. By taking into account the governance rights and specific features of every case, La Caisse is able to avail itself of other levers of influence to ensure compliance with its principles and to achieve its sustainable investing objectives.

5.3.1 Positioning of portfolios

La Caisse's mission is to seize the best investment opportunities in order to generate optimal long-term returns. It believes that the transition to a sustainable economy will transform industries and markets. It ensures that its portfolios are well positioned in this transition in order to benefit its depositors.

5.3.2 Sustainability factors

La Caisse prioritizes an integrated approach that considers sustainability factors throughout the investment process. It takes the interrelationships between these factors into account, along with their materiality based on each company's specific sectoral and geographic context.

It integrates sustainability factors, including but not limited to the following, into its analyses and investment decisions in accordance with their relevance in each situation:

<u>Environment</u>	<u>Social</u>	<u>Governance</u>
<ul style="list-style-type: none"> • Air quality management • Biodiversity and nature • Climate change • Energy and emissions management • Resource and product life cycle management 	<ul style="list-style-type: none"> • Community relations and social acceptability • Equity, diversity and inclusion • Health and safety • Human capital management • Human rights • International taxation • Labour standards 	<ul style="list-style-type: none"> • Business ethics • Composition and effectiveness of the Board of Directors • Cybersecurity risk management • Executive compensation • Supply chain management

- Toxic and hazardous materials management
- Water management
- Privacy protection
- Relations with Indigenous Peoples

5.3.3 Exclusions

La Caisse's investment approach is anchored in its long-term orientation and prioritizes investments that will contribute to building more solid and sustainable companies. It supports these enterprises in the transition to sustainable business models and tends not to invest in economic activities that are short-sighted or untenable for society and the environment in the long term.

Neither does La Caisse invest in companies whose products are prohibited under Canadian law or international conventions, including anti-personnel landmines (the Ottawa Convention) and cluster bombs (the Oslo Convention). It also proscribes investment in entities subject to financial prohibitions imposed by Canada.

5.4 Dialogue and engagement

La Caisse wishes to make use of its privileged relationship with its portfolio companies and external managers to support them in inclusive, sustainable growth. Its approach is geared toward collaboration and open, constructive dialogue. La Caisse supports companies in adopting better sustainability management practices by sharing its expertise and the strength of its network. In doing so, it seeks to support the growth of companies that are strong and well positioned on the market.

Engagement is an influence lever that is key to achieving La Caisse's sustainable investing ambitions. To maximize results, La Caisse is continuing to enhance its processes that enable prioritizing its efforts, ensuring collaboration between its teams, supporting companies and measuring the progress achieved throughout the entire process. To increase its capacity to engage with companies where its influence is more limited, La Caisse also relies on a shareholder engagement service provider or participates in collaborative engagement initiatives with other investors. In this way it can pool resources and converge interests to increase the impact of its actions.

La Caisse intervenes following a sequence of progressive intervention tiers according to its capacity to influence, the stage of engagement or the receptivity of portfolio companies. Depending on the circumstances, this may include, but is not limited to, discussions with Board directors or senior representatives of the company, votes against directors or in support of shareholder proposals, joint public statements with other investors, a decrease in our stake, or divestment as a last resort.

5.5 Support

In addition to its engagement approach, La Caisse deploys a sustainability support offering for its portfolio companies. Through this approach, its teams share their expertise with portfolio companies to help them seize opportunities to protect and create sustainability value.

The post-investment support linked to sustainability, carried out in collaboration with the investment teams and operating partners, enables support for the companies in the portfolio, regardless of their maturity level, on various subjects, including: strategic sustainability priorities; climate strategy, including physical and transition risks; external sustainability positioning, including disclosure, resilient supply chains, human capital performance and employee health and safety, board composition, performance monitoring, and executive compensation. To reinforce this approach, sustainability factor guides inform the support of portfolio companies.

5.6 Shareholder voting

As an active investor, La Caisse exercises its voting rights at shareholder meetings. It views shareholder voting as a key lever of influence in many respects, particularly in governance. The Voting Policy governs the exercise of La Caisse's proxy voting rights and should be read in conjunction with this Policy. The Voting Policy sets out, in particular, the governance practices favoured by La Caisse as well as the voting positions it adopts with regard to its sustainable investing priorities.

6. Expectations of partners

La Caisse seeks to maintain the highest standards in the exercise of its activities and to associate with partners, including its investment partners, whose corporate conduct is in line with the convictions set out in this Policy. It expects these partners to comply with laws and international conventions, in addition to respecting workers, the environment and communities in the conduct of their activities.

6.1 Portfolio companies

La Caisse expects its portfolio companies to engage in a process of ongoing improvement of their governance practices and their social and environmental record. It encourages them to set strategic objectives regarding sustainability issues and to adopt policies and concrete implementation measures to achieve them. It also urges them to regularly measure and disclose the progress they have made toward achieving these objectives.

La Caisse considers that its portfolio companies must measure and disclose their performance on sustainability factors in a standardized and transparent manner. To do so, they must rely on the standards of the International Sustainability Standards Board (ISSB), as adopted or recommended by national bodies, or equivalent national standards.

6.2 External managers

La Caisse evaluates its external managers on the integration of sustainability factors in their investment process. It encourages them to engage with companies in their portfolio and to adhere to its approach regarding exclusions to ensure sound management of sustainability issues.

7. Dialogue with depositors and partners

La Caisse invites depositors, through their representatives, to express their concerns, set out their points of view and submit their suggestions regarding this Policy. It is also open to an exchange of views with portfolio companies and external managers regarding the conditions of implementing the principles set out in the Policy.

8. Reporting and communication

La Caisse recognizes the importance of reporting and transparent communication of its sustainable investing activities. It creates mechanisms to enable it to communicate the true impact of its actions and evaluate progress made toward attaining its objectives.

La Caisse presents its sustainable investing initiatives and their outcomes through the following activities and documents:

- A twice-yearly presentation to La Caisse's Governance and Ethics Committee on the various sustainable investing activities carried out.
- An overview on sustainable investing activities presented in La Caisse's annual sustainable investing report or annual report.
- Posting of certain proxy voting positions on La Caisse's website.

9. Governance

The Executive Committee recommends this policy to the Board's Governance and Ethics Committee.

On the recommendation of the Governance and Ethics Committee, the Board of Directors approves this policy.

The Infrastructure and Sustainability Executive Vice-President group establishes and maintains the management framework for the policy and reports twice a year on its application to the Board's Governance and Ethics Committee.

10. Review

The Policy is reviewed every three years, or earlier if circumstances require, in order to take into account developments in best practices and La Caisse's strategy.