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David F. Denison
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December 20, 2007

The Honourable Percy E. Downe, P.C.
Senate of Canada
Ottawa, Ontario
K1A 0A4

Dear Senator Downe:

Thank you for your letter regarding the situation in Burma. The CPP Investment Board is also concerned about the current conditions in Burma and will continue to closely monitor the situation with regard to human rights and any potential risk to companies in our portfolio.

We are also aware of the recent announcement by the Canadian government regarding its intention to impose sanctions on Burma through the *Special Economic Measures Act* (SEMA) and are undertaking a portfolio review to ensure CPP Investment Board is in compliance.

We are continuing to monitor developments in Burma and engage with companies while actively exploring joint collaboration opportunities with other Canadian and international institutional investors on this issue.

This approach is consistent with our Policy on Responsible Investing, which we developed in 2005. We believe responsible corporate behaviour with respect to environmental, social and governance (ESG) factors can generally have a positive influence on long-term corporate performance. We also helped formulate and were one of the original signatories of the United Nations Principles for Responsible Investment in 2006. Today, the signatories to the UN PRI represent US $10 trillion in institutional investor assets.

Consistent with our belief that investment constraints decrease returns and/or increase risk over time, we do not screen stocks. We believe that engagement is a more effective approach through which shareholders can best effect positive change and enhance long-term financial performance.

Our preference for active shareholder engagement over screening stocks reflects the current thinking among leaders in the field of responsible investing including many of the large national pension funds around the world. The Social Investment Organization in its March 2007 report, Canadian Socially Responsible Investment Review 2006: A comprehensive survey of socially responsible investment in Canada, acknowledged our Policy on Responsible Investing and related engagement approach as positive examples of socially responsible investing strategies.

struggle to restore democracy in her country. Now we are showing leadership again by imposing strict economic sanctions against the Burmese regime. Canada urges others to undertake the strongest possible measures against Burma until the Burmese authorities implement genuine reform."

More information about the Special Economic Measures (Burma) Regulations can be found on the Canadian Economic Sanctions website:
www.dfait-maeci.gc.ca/trade/sanctions-en.asp.

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For further information, media representatives may contact:

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