



May 12, 2014

Jennifer Moore
Latin America Program Coordinator
MiningWatch Canada
508-250 City Centre Avenue
Ottawa, Ontario K1R 6K7

Dear Ms. Moore:

Thank you for your letter to the Canada Pension Plan Investment Board (CPPIB), regarding the operations of Tahoe Resources in Guatemala. Tahoe Resources represents one of almost 3,000 companies in which the CPPIB is invested.

Our singular mandate is to invest without undue risk of loss, securing the retirement of 18 million workers in Canada and ensuring the sustainability of their pension funds. CPPIB's decisions are not influenced by government direction, regional, social or economic development considerations, or any non-investment objectives. CPPIB does not screen out companies based on environmental, social or governance (ESG) or other non-investment factors as we believe that such constraints can increase risk and/or decrease returns over time. We believe that engagement, research, and integration of ESG factors into the investment process are the best ways to deal with ESG factors in conducting our due diligence and in managing our portfolio.

As Our Approach on Responsible Investing highlights, encouraging responsible corporate behavior fits into our mandate as an important means for enhancing the long-term financial performance of the companies in which we invest. We have adopted an approach to ESG issues, focused on engagement, based in part on leading practices in Canada and globally.

As active investors, we are committed to engaging with companies to seek critically important disclosures and foster positive corporate conduct. CPPIB is engaging directly with several Canadian and international extractive companies to improve standards and disclosure related to operations in high-risk countries, including human rights practices, local community relations and transparency of taxes and royalty payments. As part of our collaborative engagement efforts and alongside other institutional investors, we are participating in the recently formed Steering Committee of the United Nations-Supported Principles for Responsible Investment's (UN PRI's) collaborative engagement on Human Rights in the Extractive Sectors. Through this collaborative engagement, we are contributing to the overall approach and the focus of the engagements, as well as providing input on which companies will be selected for engagement. Launched last month, this collaborative engagement is in its early stages, and over the next two years we expect that significant engagement work will be



undertaken in the extractive sectors globally with a number of companies. Not all capital is the same, and we believe that engaged capital, such as provided by CPPIB and other global investors, has the potential to improve standards.

CPPIB's approach is consistent with the UN PRI, which encourages investors to integrate consideration of ESG factors into the investment decision-making process. CPPIB helped draft the UN PRI and is a founding signatory.

In keeping with our commitment to transparency, CPPIB publishes an annual Report on Responsible Investing, which is available on the Responsible Investing section of our website at www.cppib.com. The 2013 Report on Responsible Investing outlines our direct and collaborative engagement activities and includes a section regarding extractive industries engagements and results achieved.

Sincerely,

Farzana Bhatty
Public Affairs Specialist