



Glossary

Accessibility

Accessibility refers to the design of products, devices, services or environments for people who experience disabilities. It is an organization's efforts to make employment and services available to persons with disabilities, including but not limited to those with visual, hearing, physical and/or cognitive impairments.

Active Ownership

See Stewardship.

Biodiversity

Biodiversity is a short form for biological diversity and refers to the variety of living species on earth, including plants, animals, bacteria and fungi. When examining biodiversity in a particular location or environment, the variety of species are considered as well as their interactions and interdependence, and the specifics of the ecosystem in which they live.

Business Ethics

Business ethics are the moral principles, policies and values governing how companies and individuals engage in business activity.

Canada's Special Economic Measures Act

Canada sometimes imposes sanctions on another country, which can include restricting or prohibiting trade, financial transactions or other economic activity. The *Special Economic Measures Act* (SEMA) allows Canada, in the absence of United Nation Security Council resolution, to impose sanctions in four situations: 1) when a grave breach of international peace and security has occurred and has resulted in, or is likely to result in, a serious international crisis; 2) when an international organization calls on members to impose sanctions; 3) circumstances of gross and systematic human rights violations; or 4) when acts of significant corruption have been committed. Currently, there are 25 nations on the list of [sanctioned countries](#).

Canadian Coalition for Good Governance (CCGG)

The CCGG is a membership organization of institutional shareholders that invest in Canadian public equities. It promotes good governance practices, including the governance of environmental and social matters, at Canadian public companies.

Carbon Capture, Utilization and Storage

Carbon capture, utilization and storage is a process in which a relatively pure stream of carbon dioxide (CO₂) from industrial sources is separated, treated and transported to a long-term storage location.

Carbon Dioxide Equivalent (CO₂e)

Different greenhouse gases, such as carbon dioxide and methane, have different levels of climate change impact ("global warming potential"). CO₂e expresses emissions of any GHG in terms of the amount of carbon dioxide emissions that would have the same impact, allowing all GHGs emitted to be expressed in a single metric.

Carbon Footprint

Carbon footprint measures a country's, organization's, industry's or group's carbon dioxide (CO₂) production. It is expressed as a weight of CO₂ emissions produced in tons, typically over a year.

Carbon Sequestration

Carbon sequestration is the process of withdrawing and storing carbon dioxide (CO₂) from the atmosphere. It is one method of reducing the amount of CO₂ in the atmosphere to reduce global climate change. Types of sequestration include biological (e.g., forests), geological (injection of carbon into rock formations) and technological (innovative technologies to remove and store carbon from the atmosphere).

Clean Technologies

Clean technologies are a range of technology and solutions to support decarbonization or energy efficiency (e.g., batteries, smart grid, electrification).

Climate Action 100+

Climate Action 100+ is an investor-led engagement initiative to ensure the world's largest publicly traded corporate greenhouse gas emitters take action on climate change.

Climate Change

The United Nations defines climate change as long-term shifts in temperatures and weather patterns. Such shifts can be natural due to changes in the sun's activity or large volcanic eruptions. But since the 1800s, human activities have been the main driver of climate change, primarily due to burning fossil fuels like coal, oil and gas.

Cybersecurity

Cybersecurity refers to any technology, measure or practice for preventing cyberattacks or mitigating their impact.

Diversity, Equity and Inclusion (DEI)

Diversity, equity and inclusion are goals that an organization actively supports to promote "the fair treatment and full participation of all people", particularly groups "who have historically been underrepresented or subject to discrimination" based on race, ethnicity, gender identity, sexual orientation or disability.

Emissions Intensity

GHG emissions intensity is a way to measure GHG emissions per unit of activity or process (e.g., per employee, per dollar invested, per dollar of revenue, per unit of production, etc.) that allows comparisons of climate impact and resource efficiency.



Emissions Targets

Emissions targets are time-bound goals; that is, they have a base year and a target year for the reduction of greenhouse gas emissions.

Energy Transition

Energy transition refers to the global energy sector's shift from fossil-based systems of energy production and consumption – including oil, natural gas and coal – to renewable energy sources such as wind, solar, tidal and geothermal.

Environmental, Social and Governance (ESG)

Environmental, social and governance (ESG) are a range of issues (see [page 2](#)) that, together with our investment partner, we consider in our strategies and decisions. As a pension plan administrator, we are focused on how we are progressing on ESG both within our organization and within our investment portfolio. We believe that companies and investment managers that effectively address ESG issues, including climate change, are more likely to improve shareholder value and improve the Plan's investment performance over the long term – which helps pension plan members.

Financial Literacy

Financial literacy is the ability to understand and effectively use various financial tools and skills. It equips an individual with the knowledge to make informed decisions and empowers one to take control of their finances.

Forest Stewardship Council

An [international non-profit organization](#) founded in 1993 to promote responsible management of the world's forests through a market-based approach to environmental policy and a globally recognized timber certification program.

Global Warming

Global warming is a gradual, long-term increase in the average temperature of the earth's atmosphere due to the greenhouse effect, which has intensified due to human activities such as burning fossil fuels and cutting down forests.

Greenhouse Gas Emissions

Greenhouse gases are gases that trap heat in the earth's atmosphere, creating a "greenhouse effect" in which the earth's climate is warmer than it would be without the presence of these atmospheric gases. The most common GHGs include carbon dioxide, methane and nitrous oxide. GHG emissions from human activities such as burning fossil fuels and deforestation contribute to climate change.

GRESB

GRESB is an international mission-driven and industry-led organization that provides actionable and transparent ESG data related to commercial real estate and infrastructure investments to financial markets. GRESB provides a rigorous methodology and consistent framework to measure the ESG performance of individual assets and portfolios based on self-reported data.

Human Rights

Human rights are rights inherent to all human beings, regardless of race, sex, nationality, ethnicity, language, religion or any other status. The United Nations defines human rights as the right to life and liberty, freedom from slavery and torture, freedom of opinion and expression, and the right to work and education. Everyone is entitled to these rights, without discrimination. The full United Nations' Universal Declaration of Human Rights includes 30 articles.

Integration

Just like traditional financial factors, ESG integration recognizes that environmental, social and governance factors can pose material financial risks and, therefore, seeks to factor into the investment due diligence process the ESG criteria that might impact the financial performance of investments.

Just Transition

A just transition to a net-zero emissions economy that avoids the worst impacts of climate change does not leave workers and communities behind, and respects Indigenous reconciliation

Labour Standards

Labour standards set out the employment conditions for hours of work, payment of wages, leaves, vacation, holidays and more.

Leadership in Energy and Environmental Design (LEED) Certification

LEED, developed by the non-profit U.S. Green Building Council, is the world's most widely used green building rating system. LEED certification provides a framework for healthy, highly efficient and cost-saving green buildings offering ESG benefits.

Low-Carbon Economy

An economy in which the level of GHGs emitted is minimized.

Microaggressions

Microaggressions are verbal, behavioural or environmental slights, whether intentional or unintentional, that communicate hostile, derogatory or negative attitudes toward stigmatized or culturally marginalized groups.

Net Zero by 2050

Through the Paris Agreement, the global community has agreed that avoiding the worst impacts of climate change means limiting the increase in average temperature by the end of the century to **1.5°C**. Achieving this goal requires significant and rapid reductions in GHG emissions. Canada has joined over 120 countries in committing to **Net Zero by 2050**. At Net Zero, all GHG emissions are either avoided or offset by actions that remove GHGs from the atmosphere.



Paris Agreement (Paris-aligned)

The Paris Agreement is a legally binding international treaty on climate change. It was adopted by 196 parties at the UN Climate Change Conference (COP21) in Paris in 2015 and entered into force in 2016. Its goal is to hold “the increase in the global average temperature to well below 2°C above pre-industrial levels” and pursue efforts “to limit the temperature increase to 1.5°C above pre-industrial levels”.

Principles for Responsible Investment (PRI)

The PRI is an independent, not-for-profit international organization working to achieve a sustainable global financial system by encouraging the adoption of its six Principles for Responsible Investment and collaboration on their implementation; fostering good governance, integrity and accountability; and addressing obstacles to a sustainable financial system that lie within market practices, structures and regulation.

Renewable Energy

Renewable energy is energy that is derived from natural sources that are replenished at a higher rate than they are consumed. Sunlight and wind, for example, are sources that are constantly being replenished.

Responsible Investing

Responsible Investing is an approach that incorporates ESG considerations into the investment process, to better manage risk and generate sustainable, long-term returns. There are a broad set of ESG issues that are increasingly material and important.

Risk Mitigation

Risk mitigation is the systematic effort to avoid risks, minimize risks or reduce the impact of risks on organizations. Risks can be financial, environmental or reputational. A risk mitigation plan or strategy guides organizations on how to bear and control risks while achieving their objectives.

Science-based Scenarios

With respect to environmental goals, science-based scenarios are derived from science-based targets to help investors assess the potential of a given investment within the parameters of their financial goals and risk tolerance.

Science-based Targets

Science-based targets refer to science-based emissions reduction targets that are independently verified against a set of criteria developed by the Science Based Targets initiative (SBTi). These typically refer to energy and greenhouse gas reduction goals aligned with the 1.5°C or well-below 2°C criteria as outlined in [the Paris Agreement](#).

Scope 1 Emissions

Direct GHG emissions from sources owned or controlled by an organization (e.g., fuel combustion in boilers, furnaces and vehicles).

Scope 2 Emissions

Indirect GHG emissions from the generation of energy such as electricity, heat, steam or cooling purchased by an organization.

Scope 3 Emissions

Indirect GHG emissions associated with an organization’s activities from sources not owned or controlled by the organization (e.g., employee business travel, supply chain, use of products and financed emissions). This includes all indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

Screen Reader

A screen reader is a software application for the blind or visually impaired that is installed onto a device (or, in some cases, as a browser extension) and used with other applications on that device in order to render text audibly.

Screening

Screening refers to a practice where investors make a conscious decision to exclude potential investments that conflict with ESG objectives from the portfolio, based on defined criteria. This is also referred to as exclusions. It can involve completely excluding a business activity or sector or it can limit investments based on a revenue threshold derived from the excluded activity.

Stewardship

Stewardship refers to using investor influence to support long-term value creation and sustainable outcomes. This can happen in two ways:

- Engagement: Undertaking dialogue directly with investee companies or collectively with other investors.
- Proxy voting: For Public Equity holdings, incorporating ESG considerations when voting on management proposals put forward by the company and shareholder proposals put forward by investors.



Sustainable Investing

Sustainable Investing includes investing in long-term opportunities and sustainable solutions that contribute to investment returns and have a positive impact on the environment and society. Sustainable solutions are companies or projects that derive at least 50% of their business from products or services that provide climate or social solutions and address one or more of the United Nations Sustainable Development Goals.

Systemic Racism

Systemic racism is defined as policies and practices that exist throughout a whole society or organization that result in and support a continued unfair advantage to some people and unfair or harmful treatment of others based on race or ethnicity.

Task Force on Climate-related Financial Disclosures (TCFD)

The Financial Stability Board (FSB) established the TCFD in 2015 to improve and increase the reporting of climate-related financial information. The TCFD recommendations were a climate disclosure framework for companies and investors intended to enhance market transparency and enable efficient capital allocation in the transition to a low-carbon economy as outlined in the Paris Agreement. The TCFD recommendations have now been incorporated to the new International Financial Reporting Standards (IFRS) International Sustainability Disclosure Standards, as well as being incorporated into mandatory climate disclosure requirements in several jurisdictions. As a result, the TCFD has fulfilled its remit and disbanded, and the IFRS Foundation will take over the monitoring of the progress of companies' climate-related disclosures.

Thermal Coal

Thermal coal, also known as steam coal, is used primarily in boilers, to generate steam for the production of electricity, for process heating purposes or as a direct source of heat. Thermal coal refers to all coal not classified as coking (or metallurgical) coal.

Transparency

Transparency in a business or governance context refers to being open and honest. As part of corporate governance best practices, this requires disclosing all relevant information so that others can make informed decisions.

United Nations Act

The *United Nations Act* is legislation that enables the Canadian government to implement decisions passed by the United Nations Security Council, including sanctions resolutions.

United Nations Sustainable Development Goals (SDGs)

The United Nations created 17 world development goals called the Sustainable Development Goals in 2016 with the aim of "peace and prosperity for people and the planet, now and into the future". They include eliminating poverty, promoting health, education, gender equality, clean water and sanitation, affordable clean energy, climate action and more. The SDGs are goals for the elimination of poverty and protection of the environment by 2030.