



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.

Accounting and Audit Quality

Accounting and audit quality refer to verifying the accuracy and reliability of ESG data and reports, which helps ensure trust, transparency and accountability in a company's ESG performance.

Active Ownership

See Stewardship.

Artificial Intelligence (AI)

AI involves creating machines or software that perform tasks requiring human intelligence, such as learning, reasoning, problem-solving, perception and decision making. AI enables machines to mimic human cognitive functions and transforms industries by enhancing efficiency, automating processes and solving complex problems.

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.

Board Structure

Board structure defines the structure and function of an organization's Board of Directors, which is responsible for overseeing governance, strategy and performance. A well-structured board ensures the company meets its objectives, operates ethically, and follows regulations and best practices.

Business Continuity

Business continuity is an organization's ability to maintain essential services during and after disruptions like natural disasters, cyberattacks or power outages. Its goal is to keep critical functions operational with minimal downtime and enable quick recovery from emergencies.

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 24 nations on the list of [sanctioned countries](#).

Canadian Centre for Diversity and Inclusion (CCDI)

The CCDI is a national charity established in 2013 with the mandate of building a more inclusive Canada. By promoting understanding and inclusivity, CCDI strives to create a more equitable and just society.

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.

Canadian Sustainability Disclosure Standards (CSDS)

The CSDS, developed by the Canadian Sustainability Standards Board (CSSB), are a set of standards for companies to disclose sustainability-related financial information. These standards took effect on a voluntary basis on January 1, 2025, and are based on the [IFRS Sustainability Standards](#), with amendments considered appropriate for the Canadian context. CSDS 1 addresses general sustainability-related financial disclosures, while CSDS 2 covers climate-specific disclosures.

Canadian Sustainability Standards Board (CSSB)

The CSSB is a standard-setting organization established to develop and maintain high-quality sustainability disclosure standards for Canadian entities. These standards align with the International Sustainability Standards Board's (ISSB) global baseline standards while addressing unique Canadian priorities.

Carbon Dioxide Equivalent (CO₂e)

Different GHGs, 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.

Chief Executive Officer (CEO)

The CEO is the highest-ranking executive responsible for an organization's overall operations, strategy and performance. They make key decisions and ensure the company achieves its long-term goals, collaborating with senior executives and the Board of Directors.

Climate Action 100+

Climate Action 100+ is an investor-led engagement initiative to ensure the world's largest publicly traded corporate GHG 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.

Climate Solutions

Climate solutions are companies or projects that derive most of their business from products and/or services that reduce emissions or otherwise mitigate climate change effects.

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 GHG emissions.

Employee and Family Assistance Program (EFAP)

Our EFAP service provides OPB staff and their families with immediate and confidential help for work, health or life concerns.

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 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.

ESG Data Convergence Initiative (EDCI)

The EDCI is a global partnership of private markets stakeholders committed to streamlining the collection and reporting of ESG data, aiming to create a more comparable and transparent landscape for ESG investments.

ESG Policy

An ESG Policy is a formal set of guidelines organizations use to monitor and manage their ESG impacts and performance. It outlines the commitment to integrating ESG factors into business practices and decision making, promoting sustainability, social responsibility and governance.

Executive Compensation

Executive compensation is the pay and benefits given to senior executives, such as a CEO and CFO, based on the company’s performance with respect to a variety of metrics, including ESG factors. Linking compensation to ESG performance encourages executives to prioritize sustainability, social responsibility and good governance.

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.

General Partners (GPs)

GPs are the individuals or entities that manage and make investment decisions for a company’s private equity, venture capital, infrastructure or other private market investment funds.

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.

Health and Safety

Health and safety refers to a company’s commitment to ensuring the well-being of its employees, contractors and other stakeholders through policies, practices and systems that mitigate risks to health and safety.

Human Capital Management

Human capital management refers to practices and strategies organizations implement to manage and develop their workforce in alignment with sustainable business goals, ethical standards and social responsibility. It encompasses how a company recruits, develops, retains and supports its employees while ensuring their well-being, growth and fair treatment.

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.

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.



Multi-Year Accessibility Plan (MYAP)

A MYAP is a strategic document or framework that outlines an organization's long-term commitment to improving accessibility for people with disabilities.

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”.

Partnership for Carbon Accounting Financials (PCAF)

A global partnership of financial institutions that work together to develop and implement a harmonized approach for assessing and disclosing GHG emissions associated with their loans and investments.

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.

Proxy Voting

See Stewardship.

Public and Private Transparency Reports

Public and Private Transparency Reports, which can describe public and/or private assets, are a key element of the PRI's Reporting and Assessment Framework. They publicly disclose the signatory's progress in implementing the PRI's six principles, as well as how they are incorporating ESG factors into their investment strategies, governance and operations.

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 Management

Risk management involves identifying, assessing and managing various risks that arise in an organization's operations and investments. A part of this function requires understanding how ESG issues can impact a company's financial performance, reputation and long-term sustainability, and developing strategies to mitigate these risks.

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 give companies a clearly defined path to reduce GHG emissions in line with limiting global warming to 1.5°C. They define how much and how quickly a business must reduce its emissions to be in line with the Paris Agreement goals.

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.

Statement of Investment Policies and Procedures (SIP&P)

A SIP&P is a formal document outlining the investment strategy, objectives, guidelines and procedures that govern how an organization manages its investment portfolio. It guides the decision-making process regarding investments and ensures consistency, accountability and alignment with the organization's goals, risk tolerance and regulatory requirements. The PSP's assets are managed by IMCO, in accordance with OPB's SIP&P and IMCO policies.



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.

Supply Chain Management

Supply chain management refers to managing the flow of goods and services by considering traditional supply chain concerns (e.g., cost, quality and efficiency) as well as environmental impact, social responsibility and governance practices throughout the entire supply chain.

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.

Sustainable Investing Policy

A Sustainable Investing (or Responsible Investing or ESG) Policy is a framework that guides an organization's investment decisions by incorporating ESG factors, which can impact investment risk and return.

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.

Waste and Pollution

Waste and pollution are aspects of a company's environmental responsibility. Waste refers to generating, disposing of and managing materials that are no longer useful or needed in business operations. Managing waste involves reducing, reusing and recycling materials to minimize environmental harm. Pollution refers to the introduction of harmful substances or contaminants into the environment that negatively impact the health of ecosystems, communities and individuals.

30% Club

A global campaign led by Chairs and CEOs taking action to increase gender diversity at the board and executive committee levels.