

# A glossary of sustainable investing terms



## An A to Z for ESG

A common issue related to sustainable investing is a lack of clarity about the language used in this field. Our glossary is designed to help build a common understanding of some of the more frequently used terms related to sustainable investing and climate issues.

### 1

**1.5 degrees** – refers to the Celsius increase in global warming relative to average pre-industrial levels.

## A

**Active ownership** – a form of stewardship in which shareholder power is used to influence corporate behaviour through direct corporate engagement, filing or co-filing shareholder proposals, and proxy voting guided by comprehensive environmental, social and governance (ESG) guidelines.

**Asset Owners Disclosure Project (AODP)** – a ranking of climate-related financial disclosures of the world's largest pension funds, insurers, sovereign wealth funds and endowments.

## B

**Best in class** – an investment approach in which investments are included based on certain sustainability criteria so as to focus exposure on sector- or industry-leading companies, for example. This can vary from selecting among the best-performing companies (e.g., the lowest carbon/most energy efficient energy producers) to excluding the worst-performing companies, relative to peers.

**Biodiversity** – All the different kinds of living organisms within a given area.<sup>1</sup>

## C

**Canadian Sustainability Standards Board (CSSB)** – A Canadian standard setter that works with the International Sustainability Standards Board (ISSB) to support the uptake of ISSB standards in Canada, highlight key issues for the Canadian context, and facilitate interoperability between ISSB standards and any forthcoming CSSB standards.<sup>2</sup>


**Carbon capture, utilization and storage (CCUS)** – CCUS technologies involve the capture of carbon dioxide (CO<sub>2</sub>) from fuel combustion or industrial processes, the transport of this CO<sub>2</sub> via ship or pipeline, and either its use as a resource to create valuable products or services or its permanent storage deep underground in geological formations. CCUS technologies also provide the foundation for carbon removal or “negative emissions” when the CO<sub>2</sub> comes from bio-based processes or directly from the atmosphere.<sup>3</sup>

<sup>1</sup> <https://education.nationalgeographic.org/resource/biodiversity/>

<sup>2</sup> <https://www.cpaontario.ca/sustainability/sustainability-simplified/sustainability-acronym-key>

<sup>3</sup> <https://www.iea.org/fuels-and-technologies/carbon-capture-utilisation-and-storage>

## C cont'd



**Carbon credit** – a permit that allows the holder to emit one tonne of carbon dioxide or the equivalent amount of another greenhouse gas. If holders exceeds the cap, they have to buy extra credits, or are fined. If the permit is not used in full, the balance can be traded at a profit, so the holder has an incentive to reduce emissions. The plan is to reduce the number of carbon credits over time.

**Carbon cycle** – the transfer of carbon between different reservoirs located on the earth. This cycle is important for maintaining a stable climate and carbon balance on earth.<sup>4</sup>

**Carbon footprint (general)** – a measure of the total amount of greenhouse gases – primarily carbon dioxide – released into the atmosphere as a result of the activities of an individual, company or other entity.


**Carbon footprint (portfolio)** – the total carbon emissions for a portfolio normalized by the market value of the portfolio, and expressed in tons CO<sub>2</sub>e/\$M invested.<sup>5</sup>

**Carbon intensity** – the volume of carbon emissions per million dollars of revenue (the carbon efficiency of a portfolio), expressed in tons CO<sub>2</sub>e/\$M revenue.

**Carbon negative** – to become carbon negative, a company, sector or country must remove more CO<sub>2</sub> from the atmosphere than it emits.<sup>6</sup>

**Carbon neutrality** – having a net zero carbon footprint (no net release of carbon dioxide or other greenhouse gases into the atmosphere) through carbon offsetting or by eliminating carbon emissions altogether.

**Carbon offsetting** – removing or offsetting an amount of carbon emitted by a certain activity, through the purchase of carbon credits or through other actions such as planting trees.



**Carbon pricing** – the cost applied to carbon pollution in order to encourage polluters to lower the amount of greenhouse gases they emit into the atmosphere. This cost may be levied in the form of a carbon tax or through the requirement to purchase a permit through a “cap and trade” system (see “carbon credit” above).

**Carbon removal** – removing carbon dioxide from the atmosphere and storing it through various means, such as in soils, trees, underground reservoirs, rocks, the ocean and even products such as concrete and carbon fibre. The different natural and technological approaches to carbon removal come with very different risks and benefits.<sup>7</sup>

**CDP (formerly Carbon Disclosure Project)** – an international non-profit organization that helps companies and cities disclose environmental impact. It aims to make environmental reporting and risk management a business norm, driving disclosure, insight and action toward a sustainable economy.

**Clean energy** – energy that is from a non-polluting source, such as solar, wind and wave power.

<sup>4</sup> <https://www.nationalgeographic.org/encyclopedia/carbon-cycle/>

<sup>5</sup> <https://www.tcfhub.org/Downloads/pdfs/E09%20-%20Carbon%20footprinting%20-%20metrics.pdf>

<sup>6</sup> <https://www.iea.org/commentaries/going-carbon-negative-what-are-the-technology-options>

<sup>7</sup> <https://www.wri.org/our-work/project/carbon-removal>



## C cont'd

**Climate Action 100+** – an initiative created by the investment industry to ensure the world's largest corporate greenhouse gas emitters take the necessary action on climate change. Signatories engage with companies to curb emissions, improve governance and strengthen climate-related financial disclosures.

**Climate change** – a term commonly used to describe significant changes in the measures of climate, such as temperature, rainfall or wind, that last for an extended period of time.

**Climate transition** – a concept principally based on the credibility of an issuer's climate change-related commitments and practices. "Climate transition finance," for example, is the extent to which an issuer's financing program supports the implementation of its climate change strategy.<sup>8</sup>

**Climate refugees** – people who have been forcibly displaced as a result of environmental factors caused by climate change and natural disasters.<sup>9</sup>

**Climate Risk Carbon Initiative** – evaluates the degree to which California investors are affected by effects of climate change on the economy.

**Climate risks** – risks linked to climate change that have the potential to affect companies, industries and wider economies. As well as physical risks, they include potential regulatory action, litigation and competitive and reputational risks that can be associated with climate change.

**COP** – Conference of the Parties, the decision-making body of the United Nations Framework Convention on Climate Change.<sup>10</sup>

**Corporate engagement** – using shareholder power to influence corporate behaviour through direct engagement with a company.

**Corporate governance** – the rules, practices and processes used to direct and manage a company. The main force influencing corporate governance is a company's board of directors, although the board itself can be influenced, for example, by shareholders, creditors, customers and suppliers.



<sup>8</sup> <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Climate-Transition-Finance-Handbook-December-2020-091220.pdf>

<sup>9</sup> <https://helprefugees.org/news/the-plight-and-rise-of-climate-refugees/>

<sup>10</sup> <https://ukcop26.org/uk-presidency/what-is-a-cop/>



## D

**Deforestation** – the human-driven and natural loss of trees, which affects wildlife, ecosystems, weather patterns and even the climate.<sup>11</sup>

**Divestment** – the selling of shares in companies based on ESG concerns. This is often considered the ultimate shareholder sanction if a company's management fails to respond to other pressures to improve its ESG credentials (such as engagement).

**Double materiality** – Materiality based on both impact and financial materiality considerations.<sup>12</sup>

## E



**Environmental factors** – the environmental issues considered by investors that employ a sustainable investing approach when analyzing investments. Examples include climate change, resource depletion, waste, pollution and deforestation.

**Environmental, social and governance (ESG)** – the three central factors or criteria used by investors that employ a sustainable investing approach to screen and select companies and other investments for their portfolios.

**ESG integration** – the systematic and explicit inclusion of material ESG factors into investment analysis and investment decisions. ESG integration alone does not prohibit any investments. Such strategies could invest in any business, sector or geography as long as the ESG risks of such investments are identified and taken into account.



**Ethical investing** – an investment approach that excludes investments on the basis of ethical, values-based or religious criteria, for example, gambling, alcohol or pork.

**EU Emissions Trading System (EU ETS)** – the world's first and largest carbon market. The EU ETS works on the "cap and trade" principle. A cap is set on the total amount of certain greenhouse gases that can be emitted by installations covered by the system. The cap is reduced over time so that total emissions fall. Within the cap, companies receive or buy emission allowances, which they can trade with one another as needed. They can also buy limited amounts of international credits from emission-saving projects around the world. The limit on the total number of allowances available ensures that they have a value.

After each year a company must surrender enough allowances to cover all its emissions; otherwise, heavy fines are imposed. If a company reduces its emissions, it can keep the spare allowances to cover its future needs, or else sell them to another company that is short of allowances.

Trading brings flexibility that ensures emissions are cut where it costs least to do so. A robust carbon price also promotes investment in clean, low-carbon technologies.

<sup>11</sup> <https://www.nationalgeographic.com/environment/global-warming/deforestation/>

<sup>12</sup> <https://www.cpaontario.ca/sustainability/sustainability-simplified/performing-a-materiality-assessment>



## E cont'd

**European Green Deal** – an action plan to boost the efficient use of resources by moving to a clean, circular economy, restore biodiversity and cut pollution. The plan outlines investments needed and financing tools available. It explains how to ensure a just and inclusive transition. The EU aims to be climate neutral by 2050.<sup>13</sup>

**EU Taxonomy on Sustainable Activities (Taxonomy)** – a classification tool aimed at investors, companies and financial institutions to define environmental performance of economic activities across a wide range of industries, and that sets requirements corporate activities must meet to be considered sustainable.

**Exclusion** – prohibiting certain investments from a firm, fund or portfolio. Exclusions may be applied on a variety of issues, including alignment with client expectations, and at different levels (sector, business activity, products or revenue stream, company, jurisdictions and countries).

## F

**Financial materiality** – Materiality based on how sustainability-related risks and opportunities affect the financial position, financial performance and cashflows of the organization.<sup>14</sup>

**Fossil fuels** – Fossil fuels are made from decomposing plants and animals. These fuels are found in the earth's crust and contain carbon and hydrogen, which can be burned for energy. Coal, oil and natural gas are examples of fossil fuels.<sup>15</sup>

## G

**GHG Protocol** – establishes comprehensive global standardized frameworks to measure and manage greenhouse gas emissions from private and public sector operations, value chains and mitigation actions.

**Global warming** – the long-term warming of the planet's overall temperature.<sup>16</sup>

**Governance factors** – the corporate governance issues considered by investors that employ a sustainable investing approach when analyzing investments. For example, a company may be assessed on its policies on or approach to bribery and corruption, executive pay, board diversity and structure, political lobbying and donations, and tax strategy.

**Green bond** – a fixed income instrument that is earmarked to raise funds for climate and environmental projects.

**Greenhouse gases (GHG)** – gases that trap heat in the atmosphere, e.g., carbon dioxide and methane.

**Green investing** – an approach that considers investments based on their environmental credentials.

**Greenwashing** – falsely giving the impression that a company's products and services provide greater environmental or "green" benefits than is actually the case.

<sup>13</sup> [https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal\\_en](https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en)

<sup>14</sup> <https://www.cpaontario.ca/sustainability/sustainability-simplified/performing-a-materiality-assessment>

<sup>15</sup> <https://www.nationalgeographic.org/encyclopedia/fossil-fuels/>

<sup>16</sup> <https://www.nationalgeographic.org/encyclopedia/global-warming/>





### I

**Impact investing** – investments made with the intention to generate positive, measurable social and environmental impact as well as a financial return. Examples include social bond funds, private impact investing and SDG impact funds.

**Impact materiality** – Materiality based on how an organization's activities and operations impact society and the environment.<sup>17</sup>

**Institutional Investors Group on Climate Change (IIGCC)** – a global investor membership body; focusing specifically on climate change.

**Intergovernmental Panel on Climate Change (IPCC)** – the United Nations body that assesses the science related to climate change.

**International Panel for Climate Finance (IPCF)** – an independent collaborative framework to act as a climate finance bridge, bringing together the demand for finance with the supply from private and public finance.

**International Sustainability Standards Board (ISSB)** – An international standard-setting board created in November 2021 under the IFRS Foundation and tasked with creating a global baseline for sustainability disclosure standards.<sup>18</sup>

### K



**Kyoto Protocol** – operationalizes the United Nations Framework Convention on Climate Change by committing industrialized countries and economies in transition to limit and reduce greenhouse gas emissions in accordance with agreed individual targets. The Convention itself only asks those countries to adopt policies and measures on mitigation and to report periodically. The Kyoto Protocol is based on the principles and provisions of the Convention and follows its annex-based structure. It only binds developed countries, and places a heavier burden on them under the principle of "common but differentiated responsibility and respective capabilities," because it recognizes that they are largely responsible for the current high levels of GHG emissions in the atmosphere.<sup>19</sup>

### M



**Mitigation (climate)** – efforts to reduce or prevent emission of greenhouse gases.

**Modern slavery** – the recruitment, movement, harbouring or receiving of people through the use of force, coercion, abuse of vulnerability, deception or other means for the purpose of exploitation.

**Montréal Carbon Pledge** – allows investors (asset owners and investment managers) to formalize their commitment to the goals of the Portfolio Decarbonization Coalition, which mobilizes investors to measure, disclose and reduce their portfolio carbon footprints.

<sup>17</sup> <https://www.cpaontario.ca/sustainability/sustainability-simplified/performing-a-materiality-assessment>

<sup>18</sup> <https://www.cpaontario.ca/sustainability/sustainability-simplified/sustainability-acronym-key>

<sup>19</sup> [https://unfccc.int/kyoto\\_protocol](https://unfccc.int/kyoto_protocol)



### N

**Nature Action 100** – Global investor engagement initiative focused on driving greater corporate ambition and action to reverse nature and biodiversity loss.<sup>20</sup>

**Negative screening** – an approach that excludes specific companies, industries or sectors based on their involvement in undesirable activities.

**Net zero** – a balance between the GHG put into the atmosphere and those taken out without carbon offsetting.

**Net-Zero Asset Managers Alliance** – a group of international asset managers committed to supporting the goal of net-zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degrees Celsius, and to supporting investing aligned with net-zero emissions by 2050 or sooner.

**Net-Zero Asset Owner Alliance** – a group of institutional investors delivering on a bold commitment to transition their investment portfolios to net-zero GHG emissions by 2050.

**Norms-based exclusions** – an approach that excludes investments that do not comply with international standards of conduct, for example, the UN Human Rights Declaration.

### P



**Paris Agreement** – the international treaty that came into force in November 2016. The agreement is to limit the global rise in temperature from pre-industrial levels to below 2°C this century, and ideally below 1.5°C.

**Paris alignment** – alignment of public and private financial flows with the objectives of the Paris Agreement on climate change. Article 2.1c of the Paris Agreement defines this alignment as making finance flows consistent with a pathway toward low greenhouse gas emissions and climate-resilient development.

This alignment will help to scale up the financial flows needed to strengthen the global response to the threat of climate change.

**Physical risks** – risks that arise directly from changing climate conditions. These can be acute, episodic risks such as tornadoes, typhoons and wildfires, as well as chronic, ongoing risks such as rising sea levels, freshwater scarcity and supply chain disruption.

**Platform Carbon Accounting Financials (PCAF)** – a global partnership of financial institutions that work together to develop and implement a harmonized approach to assess and disclose the greenhouse gas emissions associated with their loans and investments.<sup>21</sup>

**Portfolio Decarbonization Coalition (PDC)** – a multi-stakeholder initiative that will drive GHG emissions reductions on the ground by mobilizing a critical mass of institutional investors committed to gradually decarbonizing their portfolios.

<sup>20</sup> <https://www.natureaction100.org/>

<sup>21</sup> <https://carbonaccountingfinancials.com/about>





### P cont'd

**Positive tilt** – an investment approach in which larger-than-benchmark positions are taken in stocks if they fulfill certain sustainability criteria and/or deliver on a specific and measurable sustainability outcomes, relative to a benchmark (for example, half the carbon intensity of the benchmark).

**Positive screening** – an approach which specifically filters companies based on their involvement in beneficial activities.

**Principles for Responsible Investment (PRI)** – a UN-supported body regarded as the world's leading proponent of responsible investment. It encourages investors to use responsible investment to enhance returns and better manage risks. It has issued a set of voluntary and aspirational investment principles to which all signatories must commit.

**Private impact investing** – investing directly in unlisted projects, companies or initiatives that are intended to generate positive, measurable social and environmental impacts as well as a financial return, for example, one or more of the UN Sustainable Developments Goals (an "SDG fund").



### R

**Renewable energy** – energy from a source that is not depleted, such as solar, wind and wave power.

**Responsible investing** – commonly used to describe a range of ESG investing strategies, such as ethical, exclusionary, impact and socially responsible investing and ESG integration.

### S

**Say on climate** – a strategy aimed at providing positive investor support for the advancement of the transition planning of leading companies by securing a routine advisory vote on the quality of the companies' transition planning. The primary goal is to seek management-filed resolutions; however, it is expected in that in some circumstances it may be more suitable for shareholders to file.

**Scenario analysis** – an assessment of an investment portfolio's alignment with a chosen future scenario. The climate scenario environment alignment compares current (measured) and future (approximated) portfolio GHG emissions with carbon budgets for multiple scenarios, often including 1.5°C, 2°C and 4°C warming to 2050.



## S cont'd

**Science Based Targets Initiative (SBTi)** – a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). The SBTi call to action is one of the We Mean Business Coalition commitments.

Science-based targets show companies how much and how quickly they need to reduce their greenhouse gas emissions to prevent the worst effects of climate change. The Science Based Targets initiative

- defines and promotes best practice in emissions reductions and net-zero targets in line with climate science
- provides technical assistance and expert resources to companies who set science-based targets in line with the latest climate science
- brings together a team of experts to provide companies with independent assessment and validation of targets

The SBTi is the lead partner of the Business Ambition for 1.5°C campaign, an urgent call to action from a global coalition of UN agencies, business and industry leaders, mobilizing companies to set net-zero science-based targets in line with a 1.5°C future.<sup>22</sup>

**Scope 1 emissions** – emissions that are direct emissions from owned or controlled sources (e.g., fuel combustion, company vehicles, fugitive emissions).

**Scope 2 emissions** – emissions that are indirect emissions from the generation of purchased energy (e.g., purchased electricity, heat, and steam).

**Scope 3 emissions** – emissions are all the indirect emissions not included in Scope 2 that occur in the value chain of the reporting company, including both upstream and downstream emissions (e.g., purchased goods and services, business travel, employee commuting, waste disposal, etc.).



**Screening** – an approach that specifically filters companies based on their involvement in either beneficial (positive) or undesirable (negative) activities.

**SDG impact funds** – funds that measure impact in terms of the UN Sustainable Development Goals (SDGs). This can be achieved, for example, through listed equities, a social bond fund or private impact investing.

**Sea level rise** – change in ocean levels due to climate change, which can result in severe flooding. The three primary reasons identified for sea level rise are thermal expansion, melting glaciers and the loss of Greenland and Antarctica's ice sheets.<sup>23</sup>

**Shareholder advocacy** – a form of stewardship in which shareholder power is used to influence corporate behaviour through direct corporate engagement, filing or co-filing shareholder proposals, and proxy voting.

**Sin stocks or sectors** – companies or whole sectors considered to be involved in unethical or immoral activities. Common examples include companies involved in armaments, tobacco, alcohol, gambling and adult entertainment.

<sup>22</sup> <https://sciencebasedtargets.org/about-us#what-we-do>

<sup>23</sup> <https://www.nationalgeographic.com/environment/global-warming/sea-level-rise/>



## S cont'd

**Social bond** – a fixed income instrument that is earmarked to raise funds for projects dedicated to good social causes.

**Social factors** – the social issues considered by investors that employ a sustainable investing approach when analyzing investments. For example, a company may be assessed on its policies on or approach to human rights, modern slavery, child labour, working conditions and employee relations.

**Socially responsible investment (SRI)** – one of the oldest terms related to sustainable investing, and often understood to focus largely on excluding companies from a portfolio based on values or ethical grounds.

**Sustainability Accounting Standards Board (SASB)** – An independent non-profit organization that developed sustainability accounting standards (SASB Standards) for public corporations to disclose material, decision-useful information to investors. SASB Standards were developed for 77 industries. In August 2022, the International Sustainability Standards Board of the IFRS Foundation assumed responsibility for the SASB Standards.<sup>24</sup>

**Sustainability-themed (thematic) investing** – an approach in which investments are selected on the basis of sustainability themes such as climate change mitigation, gender diversity and sustainability solutions, and approaches that relate to one or more of the UN Sustainable Development Goals (SDGs).

**Sustainable Finance Disclosure Regulation (SFDR)** – The SFDR was introduced by the European Commission alongside the Taxonomy Regulation and the Low Carbon Benchmarks Regulation. It aims to bring a level playing field for financial market participants and financial advisers on transparency in relation to sustainability risks, the consideration of adverse sustainability impacts in their investment processes and the provision of sustainability-related information with respect to financial products.<sup>25</sup>



## T

**Task Force on Climate-related Financial Disclosures (TCFD)** – A taskforce created by the Financial Stability Board (FSB) to develop recommendations on the types of information that companies should disclose to support investors, lenders and insurance underwriters in assessing climate-related risks, opportunities and financial impacts. In 2017, the TCFD released climate-related financial disclosure recommendations, also known as the TCFD framework. With the publication of the IFRS S1 and IFRS S2 by the ISSB, the FSB has asked the IFRS Foundation to take over the TCFD's work from 2024.

**Taskforce on Nature Related Financial Disclosures (TNFD)** – A set of disclosure recommendations and guidance for organizations to report and act on evolving nature-related dependencies, impacts, risks and opportunities.<sup>26</sup>

**Transition risks** – risks that occur as a result of the necessary transition to a lower-carbon economy. They may result from regulatory actions, technology developments, reputational impacts and stranded or depleted assets, affecting both individual companies and investment portfolios.

<sup>24</sup> <https://www.cpaontario.ca/sustainability/sustainability-simplified/sustainability-acronym-key>

<sup>25</sup> <https://kpmg.com/ie/en/home/insights/2021/03/what-is-the-sfdr-sustainable-futures.html>

<sup>26</sup> <https://www.cpaontario.ca/sustainability/sustainability-simplified/sustainability-acronym-key>

## U

**UN Social Development Goal 13 (SDG)** – the UN Sustainable Development Goal related to taking urgent action to combat climate change and its impacts.<sup>27</sup>

**United Nations Framework Convention on Climate Change (UNFCCC)** – the United Nations Framework Convention on Climate Change has near universal membership (197 parties) and is the parent treaty of the 2015 Paris Agreement. The main aim of the Paris Agreement is to keep the global average temperature rise this century as close as possible to 1.5 degrees Celsius above pre-industrial levels. The UNFCCC is also the parent treaty of the 1997 Kyoto Protocol. The ultimate objective of all three agreements under the UNFCCC is to stabilize greenhouse gas concentrations in the atmosphere at a level that will prevent dangerous human interference with the climate system, in a time frame that allows ecosystems to adapt naturally and enables sustainable development.<sup>28</sup>

**UN Sustainable Development Goals (SDGs)** – Seventeen high-level goals forming the blueprint to achieve a better and more sustainable future for all. The aim is to achieve them all by 2030:

- 1 No poverty:** End poverty in all its forms everywhere.
- 2 Zero hunger:** To end hunger, achieve food security and improved nutrition and promote sustainable agriculture.
- 3 Good health and well-being:** Ensure healthy lives and promote well-being for everyone at all ages.
- 4 Quality education:** Ensure inclusive and quality education for all and promote lifelong learning.
- 5 Gender equality:** Achieve gender equality and empower all women and girls.
- 6 Clean water and sanitation:** Ensure access to water and sanitation for all.
- 7 Affordable and clean energy:** Ensure access to affordable, reliable, sustainable and modern energy.
- 8 Decent work and economic growth:** Promote inclusive and sustainable economic growth, employment and decent work for all.
- 9 Industry, innovation and infrastructure:** Build resilient infrastructure, promote sustainable industrialization and foster innovation.
- 10 Reduced inequalities:** Reduce inequality within and among countries.
- 11 Sustainable cities and communities:** Make cities inclusive, safe, resilient and sustainable.



<sup>27</sup> <https://sdgs.un.org/goals/goal13>

<sup>28</sup> <https://unfccc.int/about-us/about-the-secretariat>

### U UN Sustainable Development Goals (SDGs) cont'd

- 12** **Responsible consumption and production:** Ensure sustainable consumption and production patterns.
- 13** **Climate action:** Take urgent action to combat climate change and its impacts.
- 14** **Life below water:** Conserve and sustainably use the oceans, seas and marine resources.
- 15** **Life on land:** Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss.
- 16** **Peace, justice and strong institutions:** Promote just, peaceful and inclusive societies.
- 17** **Partnerships for the goals:** Revitalize the global partnership for sustainable development.



### W

**Weighted average carbon intensity** – a portfolio's exposure to carbon-intensive companies, expressed in tons CO<sub>2</sub>e/\$M revenue.<sup>29</sup>

### V

**Values-based investing** – an investment approach that excludes investments on the basis of ethical, values-based or religious criteria, for example, gambling, alcohol, or pork.

<sup>29</sup> <https://www.tcfhub.org/Downloads/pdfs/E09%20-%20Carbon%20footprinting%20-%20metrics.pdf>

For more information, visit [fidelity.ca/SustainableInvesting](https://fidelity.ca/SustainableInvesting)



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