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## ENGAGING IN A JUST ENERGY TRANSITION

THE FONDS DE SOLIDARITÉ FTQ'S PLAN TO REDUCE GREENHOUSE GAS EMISSIONS AND CURB CLIMATE CHANGE

## TOWARDS A CLEANER PLANET

To fight climate change, many countries are engaged in an energy transition that aims to replace fossil fuels, including coal and oil, with cleaner sources of energy, like hydropower, wind power, solar power, geothermal energy and biomass.

This energy transition will entail major changes which, if not managed adequately and approached collaboratively, could lead to job losses and the dislocation of local communities.

The Fonds intends to play a leading role in a just energy transition in Québec. Already, in September 2017, the Fonds announced it had disposed of its investments in companies with coal reserves used for energy production.

## THE FONDS: A VISION AND A PLAN

The Fonds takes a unique approach to investing and economic development. For example, it considers criteria other than profitability, such as job creation and job protection, as well as support for local and regional economies.

To facilitate a just energy transition, the Fonds has developed a **four-part plan**, detailed further in this document. The Fonds is also adopting new guidelines that will help in the effort to lower greenhouse gas emissions.

**The Fonds will not finance hydrocarbon exploration and extraction projects in Québec.**



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## REDUCING THE CARBON FOOTPRINT OF OUR PORTFOLIO

To reduce a footprint, you first need to measure it. To that end, the Fonds will measure every year the carbon footprint of its investments. Currently, its securities in publicly traded companies yield 71 tons of equivalent CO<sub>2</sub> per million dollars invested. We are committed to lowering that carbon intensity by 25% by the year 2025.

\$1M IN INVESTMENTS  
= 71 TONS OF CO<sub>2</sub>



\*Equivalent to the annual emissions of 19 cars!

BY 2025



25% reduction in the carbon footprint of The Fonds' investments in publicly traded securities

BY SEPTEMBER 2019, THE FONDS WILL SET A CARBON FOOTPRINT REDUCTION TARGET FOR ITS PRIVATE EQUITY INVESTMENTS.

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## SUPPORTING COMPANIES FOR THE TRANSITION

In keeping with its partnership approach, the Fonds will support companies that must deal with energy-transition risks and opportunities.

For the energy transition to be just, we need to consider its impact on jobs. To that end, the Fonds will seek to raise awareness of suitable government programs and encourage SMEs to take advantage of them.

Corporate leaders and boards must also understand and take up the challenges of the transition. The Fonds will make sure that its professionals have the knowledge and tools support businesses in this regard.

### ASSISTANCE FROM SOLIFOR

Thanks to the creation of Société de gestion d'actifs forestiers Solifor LLP in 2005, the Fonds is Québec's largest private forest landowner. Those woodlands play an important role in carbon sequestration. Solifor plans on offering a carbon-credit program to companies wanting to reduce the environmental impact of their operations.

Woodlands owned by Solifor

Over  
200,000 hectares

**4 x THE SIZE OF THE ISLAND OF MONTRÉAL**

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## INVESTING IN A LOW-CARBON ECONOMY

The increased use of clean energy will create many investment opportunities. The Fonds intends to pursue such opportunities while contributing to a just energy transition.

In addition to supporting companies during the transition, the Fonds will look into investing in a range of promising sectors such as :

- Energy efficiency
- Development of new technologies and industrial processes
- Manufacturing of more energy-efficient materials and equipment
- More efficient transportation of goods and people
- Etc.

## WHAT IS A JUST ENERGY TRANSITION?

It involves collaborative decision-making to ensure the fair and coherent transition from a fossil-fuel-dependent society towards a clean-energy infrastructure, in order to address human, social and economic issues.

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## ASSUMING A LEADERSHIP ROLE IN THE JUST ENERGY TRANSITION

In Québec, the Fonds is well positioned to promote a just energy transition and act as a catalyst for dialogue among the key socio-economic stakeholders, including businesses, unions, government bodies and local communities.

As part of its effort, the Fonds is also implementing new guidelines in accordance with the principles of the just energy transition.

- Refuse to finance the hydrocarbon sector in Québec (exploration and extraction).
- Become carbon neutral by 2019 through the maximum reduction of our direct carbon footprint (except for our investments) in activities such as transportation, energy and resource consumption. The unreduced portion will be offset by the purchase of carbon credits.
- Sign the Montreal Carbon Pledge, thereby committing to measure the carbon footprint of our investments.
- Publish our greenhouse-gas reduction targets and results every year.
- Increase our holdings in green bonds.
- Engage, as a shareholder, in dialogue with companies on issues related to climate change and a just energy transition.
- Participate in climate change activities in Québec and abroad, in connection with the Principles for Responsible Investment (PRI) initiative and the Conference of the Parties (COP).
- Support research in sustainability and responsible investing.