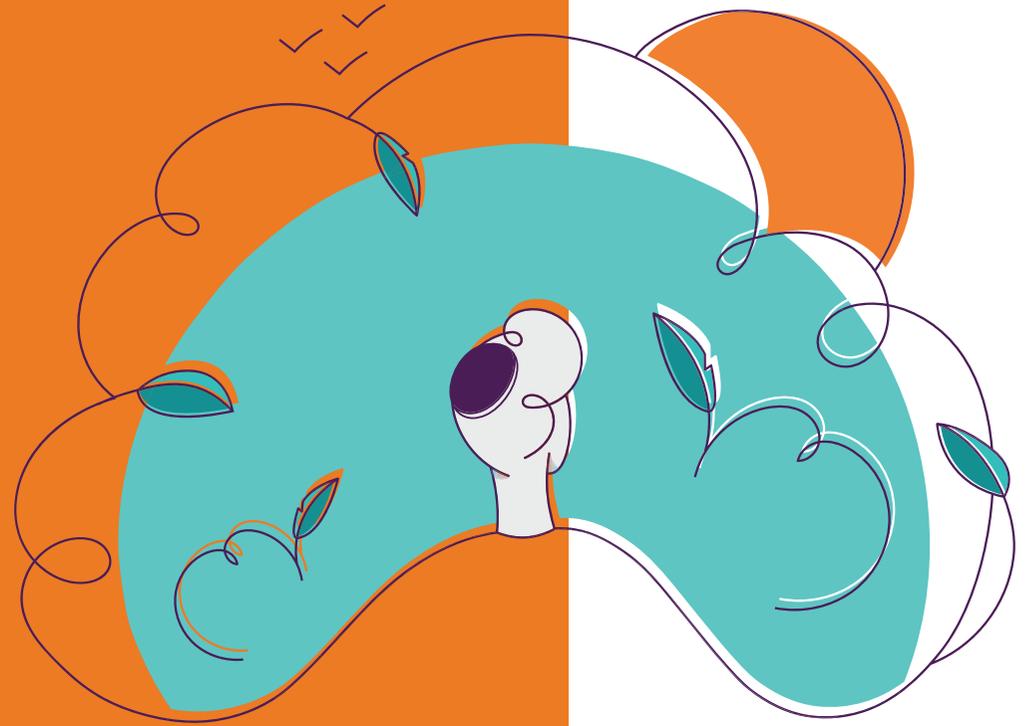




JARGON BUSTING



JARGON BUSTING KEY CLIMATE ACTION TERMS

Your first step is understanding some of the key terms that you'll come across in this toolkit and on your journey to net zero, so here's our glossary of key words, terms and organisations to help you get started.



*Every business can be a force for good
Updated in June 2021*

BASELINE

Baseline measurement and reporting is the process you need to establish your starting point from which your reduction targets can be set, and carbon reduction measured. For example, a 50% reduction in emissions, based on a 2018 baseline, by 2030.

BIODIVERSITY

Biodiversity is the term used to describe the enormous variety of life on Earth - and it's intrinsically connected with climate change. Biodiversity is affected by climate change, which has negative consequences for human wellbeing, but biodiversity can also make an important contribution to both climate change mitigation and adaptation.

CARBON

In the context of climate change, 'carbon' is commonly used as shorthand for carbon dioxide (CO₂). Carbon dioxide enters the atmosphere through burning fossil fuels (coal, natural gas and oil), solid waste, trees and other biological materials and as a result of certain chemical reactions in manufacturing.

CARBON CREDITS

A carbon credit is permission (normally in the form of a purchased



*Every business can be a force for good
Updated in June 2021*

permit to emit carbon dioxide or other greenhouse gases in exchange for the supplier offsetting the effects of those emissions - and/or by supporting greenhouse gas reduction initiatives such as renewable energy solutions. One carbon credit equals one tonne of carbon dioxide or the equivalent amount of a different greenhouse gas.

CARBON EMISSIONS

Carbon emission is the release of carbon into the atmosphere. Greenhouse gas emissions are often calculated as carbon dioxide equivalents, so are referred to as 'carbon emissions' when discussing climate change.

CARBON FOOTPRINT

Your carbon footprint is the total amount of greenhouse gases (such as carbon dioxide and methane) that your business generates in a particular year. It's usually expressed in equivalent tonnes of carbon dioxide per year.

CARBON NEGATIVE/POSITIVE

Confusingly, carbon negative and carbon positive mean the same thing. This is when a business is removing more carbon from the atmosphere than it's producing.



*Every business can be a force for good
Updated in June 2021*

CARBON NEUTRAL

Being carbon neutral means balancing your carbon emissions by offsetting an equivalent amount of carbon as the amount you produce. This is typically done through planting trees, buying carbon credits or investing in renewable energy solutions. You can be a carbon neutral business without necessarily reducing your emissions, as offsetting and reducing are different things.

CARBON OFFSETTING

Carbon offsetting is used to counter the greenhouse gas emissions you produce by reducing emissions somewhere else. This could include planting trees or investing in renewable energy solutions. Carbon offsetting must be undertaken by a verified scheme.

CARBON SEQUESTRATION

Carbon sequestration is the capturing and storing atmospheric carbon. It's one method of reducing the amount of carbon dioxide in the atmosphere with the goal of reducing climate change. This can be done naturally through methods such as reforestation, and artificially using technology to capture air and store the carbon deep underground.

CARBON SINKS

Carbon sinks are systems that remove and store carbon from the



Every business can be a force for good
Updated in June 2021

earth's atmosphere. A carbon sink is anything that absorbs more carbon from the atmosphere than it releases - for example, plants, the ocean and soil.

CDP

CDP (formerly the Carbon Disclosure Project) runs a global environmental disclosure system. It supports businesses to measure and manage their risks and opportunities on climate change, water security and deforestation at the request of their investors, customers and cities.

CIRCULAR ECONOMY

A circular economy is an economic system aimed at eliminating waste and the continual use of resources. The system is designed to maximise the value of products and materials while in use, then to recover and repurpose them at the end of their lives (for example, by recycling plastics into pellets for making new plastic products). This approach reduces demand for finite natural resources, lowering carbon and regenerating natural systems.

CLIMATE ADAPTATION

Climate adaptation involves making changes to your processes and practices to limit the potential damage from hazardous events associated with climate change. It equips businesses with the tools



Every business can be a force for good
Updated in June 2021

they need to ensure business continuity.

CLIMATE CHANGE

Climate change is a long-term change in average weather patterns due to natural forces, human activity or both. Climate change includes both global warming driven by the emissions of greenhouse gases and the resulting large-scale shifts in weather patterns. You can read more in the [BBC's simple guide to climate change](#).

CLIMATE CHANGE ACT

The Climate Change Act was passed in the UK in 2008. It sets out emission reduction targets that the UK must legally comply with. The Act committed the UK to reducing its greenhouse gas emissions by 80% by 2050, compared to 1990 levels. It was made more ambitious in 2019 when the UK became the first major economy to commit to a net zero target. The new target requires the UK to bring all greenhouse gas emissions to net zero by 2050.

CLIMATE CHANGE MITIGATION

Climate change mitigation means avoiding and reducing the emissions responsible for climate change.



Every business can be a force for good
Updated in June 2021

CLIMATE CRISIS

Climate crisis describes global warming and climate change, and their consequences. The term has been used to describe the threat of global warming to the planet, and to push for urgent action.

CLIMATE RESILIENCE

Climate resilience is the ability to anticipate, prepare for and respond to hazardous events or trends related to climate change and ensuring that businesses can better cope with these risks.

COP26

COP (Conference of Parties) is the decision-making body of the United Nations Framework Convention on Climate Change (UNFCCC). The 2021 Conference is known as COP26 and is the 26th UN Climate Change Conference. It'll be held in Glasgow from 1-12 November 2021 under the presidency of the UK. World leaders and scientists will discuss action taken towards the goals of the Paris Agreement and share knowledge.

DECARBONISATION

Decarbonisation literally means the reduction of carbon, but the term is used for the process of removing or reducing the carbon output of a country's economy by decreasing the amount of carbon



Every business can be a force for good
Updated in June 2021

emitted across its active industries. Decarbonisation has had the most progress in electricity generation because of the growth of renewable energy, meaning that homes and businesses no longer need to rely on fossil fuels.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE (ESG)

ESG refers to the three key factors in measuring the sustainability and social impact of a business. Investors are increasingly applying these non-financial factors as part of their analysis process to identify material risks and growth opportunities when investing. ESG investing is a term that's often used synonymously with sustainable investing and socially responsible investing. How a business is working to tackle climate change is a big focus for ESG investors.

GREEN RECOVERY

Green recovery refers to the economic, regulatory and environmental reforms that take into account social and environmental factors as key drivers to enable a sustainable recovery after Covid-19.

GREENHOUSE GASES

Greenhouse gases (GHG) are gases that trap heat in the earth's



*Every business can be a force for good
Updated in June 2021*

atmosphere and contribute to global warming, also known as the greenhouse effect. As part of action to tackle climate change, the UK has committed to halving GHG emissions by 2030. The primary greenhouse gases in the earth's atmosphere are water vapor (H₂O), carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and ozone (O₃).

GREENHOUSE GAS PROTOCOL (GHG PROTOCOL)

GHG Protocol is an established methodology to help measure and manage emissions in terms of scope. It provides standards, guidance, tools and training for businesses and government to measure and manage climate-warming emissions.

ISO 14001

ISO 14001 is the international standard that specifies requirements for an effective environmental management system (EMS). It provides a framework that businesses can follow, rather than establishing environmental performance requirements. It helps businesses improve their environmental performance through more efficient use of resources and reduction of waste, gaining a competitive advantage and the trust of stakeholders.

LIFECYCLE ASSESSMENT

Lifecycle assessment is a method used to assess and evaluate the



*Every business can be a force for good
Updated in June 2021*

environmental impacts associated with every stage of a product's life across its value chain. It looks at raw material extraction, materials processing, manufacturing, distribution, use, repair and maintenance, disposal and recycling.

MATERIALITY

Materiality is a concept that defines why and how certain issues are important for a business or sector - it's the quality of being relevant or significant. In the context of climate change, businesses often undertake a materiality assessment of their emissions to focus efforts on their largest emissions or those that the business has the greatest influence over.

NATIONALLY DETERMINED CONTRIBUTIONS (NDCs)

The Paris Agreement requires countries to submit NDCs - these are the actions that countries will take to reduce greenhouse gas emissions and build resilience to adapt to the impacts of climate change.

NET ZERO

'Carbon neutral' and 'net zero carbon' are often used interchangeably, but there's a big difference. Working towards net



Every business can be a force for good
Updated in June 2021

zero emissions goes beyond balancing out your carbon emissions.

A commitment to net zero carbon also requires action to reduce your emissions - the goal is to balance the emissions you produce and remove from the earth's atmosphere, but reducing emissions must be the highest priority and you should only offset for unavoidable emissions.

A business must have a carbon reduction target in place (for example, a 50% reduction in emissions, based on a 2018 baseline, by 2030) and for unavoidable emissions, a different type of offset is required. As a rule of thumb, such unavoidable emissions shouldn't exceed 10% of the base year emissions.

To be net zero carbon the offset needs to remove the carbon (see carbon sequestration) from the atmosphere through the investment in natural carbon sinks (for example reforestation or mangrove restoration) or carbon capture and storage.

THE PARIS AGREEMENT

The Paris Agreement is a legally binding agreement that was adopted at COP21 in Paris. The agreement was signed by 196 countries across the world in 2016 and is a commitment to action on climate change, climate change mitigation, adaptation and finance.



Every business can be a force for good
Updated in June 2021

Its central goal is to limit global warming 1.5°C compared to pre-industrial temperatures.

RACE TO ZERO

Race to Zero is a global campaign to rally leadership and support from businesses around the world to work towards net zero targets.

RENEWABLE ENERGY

Renewable energy comes from renewable resources including wind energy, solar energy or biomass (plant or animal material, like food waste that can be used as a source of fuel). These resources regenerate naturally and can be used repeatedly without reducing their supply.

SCIENCE BASED TARGETS

Science based targets show companies how much and how quickly they need to reduce their greenhouse gas (GHG) emissions to prevent the worst effects of climate change based on scientific research.

SCIENCE BASED TARGETS INITIATIVE (SBTi)

The SBTi is a partnership between CDP, the UN Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature



Every business can be a force for good
Updated in June 2021

(WWF) that champions and defines best practice in emissions reductions and net zero targets in line with climate science. SBTi provides technical assistance to companies who set science based targets and independent assessment and validation of targets.

SCOPES 1, 2 & 3 EMISSIONS

The GHG Protocol has defined three scopes of emissions to measure. The scopes relate to who 'owns' those emissions and the level of control a business has to change those emission levels. Scopes 1 and 2 emissions are a mandatory part of reporting for 'large' businesses (see SECR below) and relate to systems that are within reasonable control of a business.

Scope 1 emissions are direct resource use such as gas for heating and fuel used in business-owned vehicles.

Scope 2 emissions are resources that businesses buy in to use in its direct operations (mainly electricity).

Scope 3 emissions remain mostly voluntary to report, but in most cases the reduction of Scope 3 could have the largest impact on carbon reduction.



Every business can be a force for good
Updated in June 2021

STREAMLINED ENERGY & CARBON REPORTING (SECR)

Large UK companies are now required to report publicly on their UK energy use (UK energy use and related Scopes 1 and 2 GHG emissions) and carbon emissions within their Director's Report. SECR impacts many companies, LLPs and groups that exceed at least two of the following three thresholds in the preceding financial year: £36m annual turnover, £18m balance sheet total, 250 employees.

THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The Sustainable Development Goals (SDGs) are a collection of 17 interlinked global goals designed to be a 'blueprint to achieve a better and more sustainable future for all'. The SDGs were established in 2015 by the UN General Assembly and are intended to be achieved by 2030. Goal 13 is about climate action, urging all countries to take action to combat climate change and its impacts. Many businesses use the SDGs as a framework for their responsible business programmes.

SUSTAINABILITY

To be sustainable means that current society can meet its needs without compromising the ability of all future generations to meet their needs.



*Every business can be a force for good
Updated in June 2021*

THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

The Task Force on Climate-Related Financial Disclosures (TCFD) was created in 2015 by the Financial Stability Board to develop consistent climate-related financial risk disclosures. The TCFD has developed a framework to help public companies and other organisations more effectively disclose climate-related risks and opportunities through their existing reporting processes. A proposal has been made to mandate climate-related financial disclosures by publicly quoted companies, large private companies and Limited Liability Partnerships (LLPs) by 2022.

THE UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE (UNFCCC)

The UNFCCC is an international environmental treaty which forms the basis for global policy addressing the climate crisis. It was implemented by 197 countries around the world in 1994 to address the issue of climate change.



Every business can be a force for good
Updated in June 2021