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
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1.5-DEGREE PATHWAY

A 1.5-degree pathway shows the amount and speed at which organisations need to reduce emissions to be in line with the latest climate science to limit the earth's global warming to 1.5 degrees above pre-industrial levels

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 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 DIOXIDE EQUIVALENT (CO2e)

Carbon dioxide equivalent CO2e is the unit used for measuring organisations' greenhouse gas emissions. As well as carbon, it takes into account the other gases emitted into the atmosphere, such as methane and nitrous oxide, and converts them into one relative standardised metric.

CARBON EMISSIONS

Carbon emission is the release of carbon into the atmosphere. Greenhouse gas emissions are often calculated as carbon dioxide equivalents CO_2e, 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 tonnes of carbon dioxide equivalent, tonnes CO_2e, 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.

CARBON NEUTRAL

Being carbon neutral means balancing your carbon emissions by offsetting an equivalent amount of carbon as the amount you produce. This can be done through avoidance or removal offsets. You can be a carbon neutral business without reducing your emissions, as offsetting and reducing are different things. Carbon neutral is a steppingstone to net zero, but not an end point.

CARBON OFFSETTING

Carbon offsetting is used to counter the greenhouse gas emissions you produce. There are two different types of offsetting: avoidance and removal.

Avoidance offsets are where carbon is prevented from entering the atmosphere elsewhere. For example, investing in solar power projects prevents carbon from entering the atmosphere elsewhere as it allows renewable energy to be used instead of fossil fuels.

Removal offsets are where carbon is directly removed from the atmosphere. An example is reforestation projects as trees remove carbon dioxide through photosynthesis. Permanent carbon capture and storage are the best type of offsets as they ensure long term removal of emissions, but they're very expensive and not widely available.

Make sure that any offsets you buy are through a verified scheme. Verifications you should look out for are Gold Standard, Quality Assurance Standard or Verra Standard.

CARBON SEQUESTRATION

Carbon sequestration is the process of 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 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 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 our Climate Change 101 resource.

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.

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.

COP

COP (Conference of Parties) is the decision-making body of the United Nations Framework Convention on Climate Change (UNFCCC). COP convenes every year for world leaders and scientists to discuss actions towards the goals of the Paris Agreement, ways to limit climate change and to share knowledge.

COP26 was held in Glasgow in November 2021 under the presidency of the UK. They made decisions and agreed targets, including to end deforestation by 2030, reduce the use of fossil fuels, rules for a global carbon market and alignment in reporting dates. You can read more here.

COP27, the 27th UN Climate Change Conference, was the most recent COP. It was held in Sharm El-Sheikh, Egypt in November 2022. Outcomes included agreeing to create a loss and damage fund, a focus on financing adaption and a move to boost 'low income emissions'. You can read more here.

COP28 will be held in the United Arab Emirates between 30 November and 12 December 2023.

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 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.

DEPARTMENT FOR ENVIRONMENT, FOOD & RURAL AFFAIRS (DEFRA)

DEFRA is the government department responsible for environmental protection, food production and standards, agriculture, fisheries and rural communities in the UK. They publish annual emission factors which are used to measure carbon footprints.

EMBODIED CARBON

Embodied carbon is the total greenhouse gas emissions, usually referred to in carbon dioxide equivalents, CO_2e, produced from the creation of an asset, and is usually used in the built environment sector. It includes every single part of the process: deconstruction, extraction of raw materials, manufacturing, transportation, installation of every product and element, maintenance and disposal of end-of-life processes of materials. It excludes operational emissions of the asset.

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.

FAIR SHARE

Fair share aims to make the transition to net zero equitable. Various factors should be considered when determining the ambition and speed of an organisation's net zero targets, such as historical emissions and economic position. For example, organisations in countries or industries with greater historical emissions and more current resources should make a proportionately bigger contribution towards achieving net zero. Or, they should take additional action to achieve their targets early, then help others reach their targets.

GLOBAL WARMING

Global warming is the increase in Earth's average atmospheric temperature. It's caused by increased levels of greenhouse gases in the atmosphere, creating a greenhouse gas effect. Currently the Earth's atmospheric temperature has increased by approximately 1°C above pre-industrial levels.

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 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 (H_2O), carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O) and ozone (O_3).

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.

INSETTING

Insetting is where you finance carbon removal projects within your own supply chain.

INTERNAL CARBON PRICING

Internal carbon pricing is a strategy businesses use to put a monetary value on their carbon emissions as a means to drive positive change. It's often used as a tool to incentivise change that requires an upfront cost and longer return on investment period, or as a way to differentiate between different procurement options.

INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE (IPCC)

The IPCC is a body of the UN responsible for advancing knowledge on human caused climate change. Their objective is to provide all governments with scientific information that can be used to develop climate policies. They have three working groups. Working Group I, deals with the physical science basis of climate change. Working Group II deals with impacts, adaptation and vulnerability. Working Group III deals with the mitigation of climate change. They also have the Taskforce on Natural Greenhouse Gas Inventories to develop and refine a methodology for calculating and reporting national greenhouse gas emissions and removals.

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.

JUST TRANSITION

Just transition ensures the move to a more sustainable economy that's fair and inclusive as it considers everyone, including those that work in polluting industries. It aims to support good quality jobs and decent livelihoods when polluting industries shrink and others expand, creating a more fair and equal society.

LIFECYCLE ASSESSMENT/ANALYSIS

Lifecycle assessment is a method used to assess and evaluate the 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.

LOCATION BASED ENERGY EMISSIONS

Location based is a method used for measuring emissions associated with energy consumption. Carbon emissions are calculated using the average emissions of the grid, and it takes into account the mix of energy sources within the grid such as gas, renewable and nuclear. This method is more reflective of actual emissions, as grid electricity is the energy supplied and physically used within the buildings.

LONG-TERM NET ZERO TARGET

A long-term target outlines carbon reduction targets and actionable initiatives to reach net zero before 2050, in line with a 1.5-degree pathway. On average it's around a 90% reduction from your baseline year.

Net zero is only reached when you achieve a long-term science-based target.

MARKET BASED ENERGY EMISSIONS

Market based is the other method used for measuring emissions associated with energy consumption. Carbon emissions are calculated using emissions based on the electricity you've decided to purchase, for example, renewable energy. It's recommended you report using both market and location based methods. This is because the energy you purchase is filtered into the grid, which is mixed with other energy sources, so location based is a better representation of actual energy usage emissions.

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.

NEAR-TERM NET ZERO TARGET

A near-term target covers the preceding 5-10 years from the target creation date. It outlines carbon reduction targets and actionable initiatives to reduce emissions in line with a 1.5-degree pathway.

NET ZERO

A commitment to net zero means you need to reduce your scope 1, 2 and material scope 3 emissions to the absolute minimum. Once you've done that, you can offset any unavoidable emissions, but only by removal offsets. As a general rule, your remaining unavoidable emissions shouldn't exceed 10% of your base year emissions. The end goal is to have no impact on the environment as a result of business activities.

A business must have near-term and long-term carbon reduction targets in place as well as detailing initiatives and actions to achieve the targets. For example, a near-term target of 50% reduction in emissions by 2030, from a 2018 baseline.

'Carbon neutral' and 'net zero' are often used interchangeably, but there's a big difference. Working towards net zero emissions goes beyond paying to balance out your carbon emissions - reducing emissions is the highest priority for net zero. Carbon neutral is a steppingstone on the way to net zero, but it's not an end point.

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. 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 aren't finite, they 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 emissions to prevent the worst effects of climate change based on scientific research. Climate science has identified the need to reduce emissions in line with a 1.5-degree pathway. This means cutting emissions to limit global warming to 1.5 degrees above pre-industrial levels.

SCIENCE BASED TARGETS INITIATIVE (SBTi)

The SBTi is a partnership between CDP, the UN Global Compact, World Resources Institute and the World Wide Fund for Nature 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. They have a streamlined SME route to make it more accessible to small businesses.

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.

Scope 1 emissions are direct emissions from company owned resources. They're resources that your business has control over and where the emissions are produced on site. Examples are gas for heating and fuel used in business-owned vehicles.

Scope 2 emissions are indirect emissions that you own. They're resources that you own but don't control, such as electricity.

Scope 3 emissions are indirect emissions that you don't own. They're emissions that contribute to your business that you have no direct control over that are more external to your business, such as those across your supply chain. Scope 3 is often coined as ‘everything else’ as they account for the largest portion of a company’s emissions, often up to 80%. The GHG Protocol identifies 15 categories in Scope 3 - they range from employee commuting to waste to investments.

They can either be upstream (as products and services are being created or manufactured, including purchased goods and services and business travel) or downstream (as products and services are used and disposed of by customers or franchises and investments).

Scope 1 and 2 emissions are a mandatory part of reporting for ‘large’ businesses (see SECR) and relate to systems that are within reasonable control of a business. Scope 3 emissions remain mostly voluntary to report, but in most cases the reduction of Scope 3 emissions could have the largest impact on carbon reduction.

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 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.

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

The 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. From April 2022 it became mandatory for 1,300 publicly quoted companies, large private companies and Limited Liability Partnerships (LLPs) to disclose climate-related financial information. The mandate is expected to expand by 2025.

TIPPING POINT

Tipping points occur when climate change pushes a natural system on Earth into a completely new state. The changes are irreversible and are likely to cause cascading effects. There are nine main tipping points which fit into three main categories: ice melting, biome (vegetation) shift and circulation (water current) change. Tipping points are predicted to rapidly accelerate when the Earth warms to 1.5 degrees above pre-industrial levels.

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.

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