

# SUSTAINABILITY JARGON BUSTER

**Air Source Heat Pump** - An air-source heat pump is a system that extracts natural heat from the outside air using refrigeration pipes. It concentrates heat by using a vapour compression cycle, and transfers heat into buildings to provide heating and hot water without burning fossil fuels.

**Biodiversity** - The existence of a wide range of living organisms, such as animal and plants, in an environment. Biodiversity is important to the health of ecosystems as it provides food, materials and contributes to the economy.

**Carbon Negative** – The reduction of an entity's carbon footprint to less than neutral, so that the entity has a net effect of removing carbon dioxide from the atmosphere rather than adding it.

**Carbon-neutral** – Achieving carbon neutrality, or having a net-zero carbon footprint, requires a nation or business to balance its carbon emissions with an equivalent amount sequestered or offset. Alternatively, it can purchase enough carbon credits to make up the difference between its emissions and a zero-carbon baseline.

**Circular Economy** – An industrial economy that promotes resource efficiency by replacing a linear 'take, make, dispose' model of production with one where materials function at their highest utility at all time. The circular economy model aims to extract maximum value from resources while in use, and then recover and reuse these materials at the end of each service life.

**Corporate Social Responsibility (CSR)** – A concept which encourages a company to take responsibility for its impact on environmental and social wellbeing. CSR is a broad movement which encompasses a variety of issues such as human rights, corporate governance, responsible sourcing and environmental footprints.

**District Heating** – A system that distributes heat or hot water from a centralised location to a group of residential or commercial buildings. Heat networks can be supplied by a diverse range of sources including energy-from-waste (EfW) facilities, combined heat and power (CHP) plants and heat pumps. The advantages include cost savings, higher efficiencies and carbon emission reductions.

**Environmental, social and governance (ESG)** - Environmental, social and governance (ESG) criteria are a set of standards for a company's operations that socially conscious investors use to screen potential investments. Environmental criteria consider how a company performs as a steward of nature. Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates. Governance deals with a company's leadership, executive pay, audits, internal controls, and shareholder rights.

**Environmental Product Declarations** - Products and materials for which life-cycle information is publicly available and which have positive, sustainable, life-cycle impacts. An Environmental Product Declaration should conform to ISO 14025, 14040, 14044, EN 15804 or ISO 21931, or have publicly available, critically reviewed life-cycle assessment, confirming to ISO 14044.

**Feed-in-Tariffs (FiTs)** – A Government programme introduced to help renewable electricity generators overcome the cost disadvantages of installing and operating renewable energy technology. If a householder, community or business has an eligible installation (less than 5MW), FiTs pay them a subsidy for the electricity they generate, as well as a bonus for any electricity exported back to the grid.

**Greenhouse Gas (GHG)** – An atmospheric gas, such as water vapour, carbon dioxide, methane and nitrous oxide that absorbs and emits radiation produced by solar warming of the Earth's surface. Human activities, primarily the burning of fossil fuels and clearing of forests, have led to a rise in greenhouse gas emissions, causing global warming.

**Greenwashing** – The practice of making an unsubstantiated or misleading claim about the environmental benefits of a product, service, technology or company practice. Greenwashing can make a company appear to be more environmentally friendly than it really is.

**Heating, ventilation, and air conditioning (HVAC)** – HVAC is the technology of indoor and vehicle environmental comfort. Its goal is to provide thermal comfort and acceptable indoor air quality.

**Intergovernmental Panel on Climate Change (IPCC)** – The IPCC is an intergovernmental body of the United Nations that is dedicated to providing the world with objective, scientific information relevant to understanding the scientific basis of the risk of human-induced climate change, its natural, political, and economic impacts and risks, and possible response options

**Internet of Things (IoT)** – The interconnection of physical objects through electronics, software and wireless networks, enabling them to send and receive data. An example of a sustainable use of the IoT is a smart home hub which allows users to efficiently manage temperature, lighting and any other connected devices in the home.

**Leadership in Energy and Environmental Design (LEED)** – The most widely used green building rating system in the world. Available for virtually all building project types, from new construction to interior fit-outs and operation & maintenance, LEED provides a framework that project teams can apply to create healthy, highly efficient, and cost-saving green building.

**Life cycle assessment** – A technique used to examine the environmental impact of a product through all stages of the product's life, including design, raw material extraction, material production, part production, and assembly, through its use, and final disposal.

**Materiality** – Materiality relates to the identification of the attributes or factors that are relevant and substantial to the overall performance, results and viability of a business. Materiality has evolved to account for economic, environmental and social impacts, all of which could influence business performance and the assessments and financial decisions of that company's stakeholders and investors.

**Net-zero carbon** – Net-zero refers to balancing the amount of emitted greenhouse gases with the equivalent emissions that are either offset or sequestered. This should primarily be achieved through a rapid reduction in carbon emissions, but where zero carbon cannot be achieved, offsetting through carbon credits or sequestration through rewilding or carbon capture and storage needs to be utilised.

**Offsetting** – The mechanism for claiming a reduction in greenhouse gas (GHG) emissions associated with a process or product through the removal of, or preventing the release of, GHG emissions in a process unrelated to the life cycle of the product being assessed.

**Paris Agreement** – A global climate change deal signed at Paris at COP 21 in December 2015 and ratified by 97 countries in November 2016. The deal "emphasises with serious concern" the need to hold the increase in the global average temperature to "well below 2C" above pre-industrial levels, and "pursuing efforts to limit the temperature increase to 1.5C".

**Renewable energy** – An energy source derived from natural resources which will not deplete when used. Examples of renewable energy include offshore and onshore wind, solar, geothermal power and tidal power.

**Reporting frameworks** – A reporting framework is an independent tool designed to assist companies in preparing sustainability reports and ESG disclosures. Reporting frameworks require businesses to provide quantitative and qualitative nonfinancial information to supplement financial information to assess the prospects of the company. They enable all organisations worldwide to assess their sustainability performance and disclose the results in a similar way to financial reporting.

**Science-based targets** – Science-based targets are a set of goals developed by a business to provide it with a clear route to reduce greenhouse gas emissions. An emissions reduction target is defined as 'science-based' if it is developed in line with the scale of reductions required to keep global warming below 2C from pre-industrial levels.

**Sustainable Development Goals (SDGs)** – A UN document which features 17 sustainability goals and 169 smaller targets, including pledges to protect the world's oceans, improve water management and the energy system, and take urgent action on climate change. The overarching aim of the document is to 'end poverty'. Delegates from 194 member states adopted the agreement in September 2015.

**Task Force on Climate-related Financial Disclosures (TCFD)** – The Financial Stability Board Task Force on Climate-related Financial Disclosures (TCFD) is a market-driven initiative, set up by Mark Carney, Bank of England and Michael Bloomberg, former Mayor of New York, to help investors understand their financial exposure to climate risk and help companies disclose this information in a clear and consistent way.

TCFD provides a set of recommendations for voluntary and consistent climate-related financial risk disclosures in mainstream filings. Companies are therefore better guided in providing information to investors, lenders, insurers, and other stakeholders.

**Value chain** – A concept builds on the notion of a supply chain but also considers the manner in which value is added along the chain, both to the product / service and the actors involved. From a sustainability perspective, 'value chain' has more appeal, since it explicitly references internal and external stakeholders in the value-creation process.

**World GBC's Net Zero Carbon Buildings Commitment** - The Net Zero Carbon Buildings Commitment (the Commitment) challenges companies, cities, states and regions to reach Net Zero operating emissions in their portfolios by 2030, and to advocate for all buildings to be Net Zero in operation by 2050.

**Whole life costing** – Whole life costing takes into account the total cost of a product or service over its lifetime, from design until disposal. The cost can be measured in terms of money, or in environmental impact, making it an important concept to circular business models.

**Zero-carbon** – Causing or resulting in no net release of carbon dioxide into the atmosphere.

