



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

# SBTi GLOSSARY

Version 1.5

June 2026

## ABOUT SBTi

The Science Based Targets initiative (SBTi) is a corporate climate action organization that enables companies and financial institutions worldwide to play their part in combating the climate crisis.

We develop standards, tools and guidance which allow companies to set greenhouse gas (GHG) emissions reductions targets in line with what is needed to keep global heating below catastrophic levels and reach net-zero by 2050 at latest.

The SBTi is incorporated as a UK charity, with a subsidiary SBTi Services Limited, which hosts our target validation services. Partner organizations who facilitated SBTi's growth and development are CDP, the United Nations Global Compact, the We Mean Business Coalition, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF).

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## VERSION HISTORY

Version	Key changes from earlier version	Release date	Effective dates
1.0	First version of the SBTi Glossary	28 February 2024	28 February 2024 - 13 May 2024
1.1	Minor change to the definition of Environmental Attribute Certificates	14 May 2024	14 May 2024 - 29 July 2024
1.2	Several additions and minor changes mostly related to the publication of the “Evidence Synthesis Report - Part 1. Carbon credits”	30 July 2024	30 July 2024 - 1 Dec 2025
1.3	Several additions and changes mostly related to the publication of the “Financial Institution Net-Zero Standard”, “SBTi Criteria for the Implementation of Chemicals Sector Pathways” and “Engaging Supply Chains on the Decarbonization Journey: A Guide to Developing and Achieving Scope 3 Supplier Engagement Targets V1.1”.	2 Dec 2025	2 Dec 2025
1.4	Several additions and changes mostly related to the publication of “Forest, Land and Agriculture Science-Based Target-Setting Guidance V1.2”.	19 March 2026	19 March 2026
1.5	Several additions and updates to terms mostly related to the publication of the ‘SBTi Corporate Net-Zero Standard V2.0’, and to align with the publication of the ‘GHG Protocol Land Sector and Removals Standard 2026’.	16 June 2026	16 June 2026

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ACA

AFi

AFOLU

ARA

AUM

BECCS

BVCM

BY

CABU

CCS  
CCU  
CCUS  
CDP  
CDR  
CNG  
CO2  
CO2e  
CRE  
CTG  
DAC  
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DACS  
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EEIO  
ENSO  
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EVIC  
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FI  
FID  
FLA  
FLAG  
GHG  
GHGP  
GLEC  
GP

GRESB

GWP

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HFCs

HVAC

HVCs

IEA

ILO

iLUC

IMO

IOC

IPCC

ISO

IUCN

JV

KPI

LAR

LBO

LCA

LCE

LLGHGs

LMU

LNG

LP

LPG

LUC

LULUCF

MAC

MRV  
MRY  
MTBE  
N2O  
NbS  
NCS  
NDC  
NF3  
NOC  
NZE  
O&G  
OBO  
OER  
PC  
PCAF  
PE  
PES  
PFCs  
Pkm  
REDD  
REIT  
RCP  
RPK  
RTK  
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SBT  
SBTi  
SCC  
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SF6  
sLUC  
SME  
SR15  
SSP  
S1  
S2  
S3  
T&D  
TAG  
TCFD  
tCO2e  
TEU  
tkm  
TopCo  
TR  
TTW  
UNEP  
UNFCCC  
VCI  
VCM  
VCMi

vPPA

WRI

WTI

WTW

WWF

ZEV

ZEGC

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## INTRODUCTION

The SBTi Glossary collects a non-comprehensive list of terms and definitions, and a list of acronyms used within the technical resources of the Science Based Targets initiative (SBTi). The SBTi aims to align its terms and definitions with the most reputable standards and resources. Whenever the definitions differ from other external standards and resources, this is the result of a deliberate decision taken by the SBTi. The terms and definitions contained in this Glossary refer to how the SBTi interprets and uses the terms within its resources and users should refer to them to understand the SBTi framework.

In case of contrasting definitions across different resources, the terms and definitions contained in this document supersede those found in other resources (e.g., SBTi Corporate Net-Zero Standard, Financial Institutions Near-Term Guidance, sector-specific guidance, Procedure for Validation of SBTi Targets, etc.).

This is an informative document. Definitions may contain some normative content that is already public in SBTi's normative resources (i.e. standards).

The "Further comments" column includes additional information and references to terms that are related, but not necessarily synonyms. The information in the "Further comments" column is not intended to indicate what counts and does not count towards target ambition, coverage, progress, performance, etc. Please refer to the SBTi's normative resources (i.e., standards) for this information.

## TERMS AND DEFINITIONS

Term	Definition	Further comments
#		
<b>1.5°C aligned scenario</b>	Scenario in which global average temperature is limited to 1.5°C above pre-industrial levels with no or limited overshoot.	Related terms: <ul style="list-style-type: none"> <li>Scenario</li> </ul>
A		
<b>Abatement</b>	Measures that companies take to prevent, reduce, or eliminate sources of GHG emissions within their value chain. Within the SBTi Financial Institutions Net Zero Standard, abatement is defined as at least 90%-95% reduction, relative to pre-abatement levels of direct emissions (scopes 1 and 2) of coal-fired power generation assets.	<p>The term “abatement” includes non-CO<sub>2</sub> mitigation, while “decarbonization” refers only to CO<sub>2</sub> mitigation.</p> <p>Abatement includes:</p> <ul style="list-style-type: none"> <li>Phasing out activities that produce emissions</li> <li>Taking measures to reduce the intensity and/or extent of impacts that cannot be completely avoided (e.g., increase fuel or resource efficiency)</li> <li>Land management CO<sub>2</sub> value chain removals in FLAG (forest, land and agriculture) SBTs.</li> </ul> <p>Related terms:</p> <ul style="list-style-type: none"> <li>Avoidance (of corporate value chain emissions)</li> <li>Decarbonization</li> <li>Mitigation</li> <li>Emissions reductions</li> </ul>
<b>Absolute contraction approach (ACA)</b>	Method used to calculate absolute emissions reduction targets that requires organizations to reduce annual absolute emissions by an amount consistent with underlying mitigation pathways. Also known as “Absolute reduction approach” (ARA), and	Related terms: <ul style="list-style-type: none"> <li>Absolute emissions</li> <li>Cross-sector pathway</li> <li>Method</li> </ul>

Term	Definition	Further comments
	“Cross-sector absolute reduction”.	<ul style="list-style-type: none"> <li>• Sector-specific absolute reduction method or approach / Sector-specific absolute contraction method or approach</li> <li>• Sector-specific intensity convergence method / intensity convergence / Sectoral decarbonization approach (SDA)</li> </ul>
<b>Absolute emissions</b>	Expression of a quantity of greenhouse gas (GHG) emissions in terms of mass of GHG or tonnes of carbon dioxide equivalent (CO <sub>2</sub> e). In contrast with emissions intensity.	<p>Related terms:</p> <ul style="list-style-type: none"> <li>• Absolute contraction approach (ACA)</li> <li>• Emissions intensity</li> </ul>
<b>Absolute emissions target</b>	A target that aims to reduce absolute GHG emissions (tCO <sub>2</sub> e) from a specific GHG emissions source by a specific target year, relative to levels in a selected base year.	<p>Related terms:</p> <ul style="list-style-type: none"> <li>• Absolute emissions</li> <li>• Absolute contraction approach (ACA)</li> <li>• Base year (or base period)</li> <li>• Target period</li> <li>• Target year</li> </ul>
<b>Achievement (of science-based targets)</b>	The state of having met the required emission reductions and other actions stated in a company's science-based target in the target year or earlier.	<p>Related terms:</p> <ul style="list-style-type: none"> <li>• Performance</li> <li>• Progress (related to science-based targets)</li> <li>• Science-based targets (SBTs)</li> </ul>
<b>Acquisition</b>	An acquisition is a transaction wherein one company purchases most or all of another company's shares to gain control of that company.	<p>Related terms:</p> <ul style="list-style-type: none"> <li>• Divestment</li> <li>• Merger</li> </ul>
<b>Action (related to science-based targets)</b>	A measure taken by a company to reduce emissions or support the scale-up of net-zero-aligned practices or technologies within its operations, value chains,	<p>Actions can also be referred to as interventions (<a href="#">AIM Platform, 2026</a>).</p> <p>Related terms:</p>

Term	Definition	Further comments
	activity pools, or sectors. Actions may include, but are not limited to, operational changes, investments, purchasing decisions, or the use of market instruments where permitted (adapted from <a href="#">GHG Protocol, 2026a</a> ).	<ul style="list-style-type: none"> <li>• Intervention (or project) accounting</li> </ul>
<b>Activity</b>	An individual source of emissions. The term is used to refer to commodities, products, services, and activities, such as cement or steel for category 1 emissions, or the mode of transport (e.g., maritime or aviation) for category 4 emissions (adapted from <a href="#">GHG Protocol, 2021</a> ).	<p>Activities can also be referred to as emissions sources (see <a href="#">IPCC, 2026</a> and <a href="#">AIM Platform, 2026</a>).</p> <p>Related terms:</p> <ul style="list-style-type: none"> <li>• Emissions source</li> </ul>
<b>Activity pool</b>	A shared system of activities that serves the reporting entity, defined at the smallest system boundary within which the specific activity or activities serving the company cannot feasibly be identified. Examples include gas grids (scope 1), electricity grids (scope 2), supply sheds (scope 3), and logistics networks (scope 3) (adapted from <a href="#">Brander &amp; Bjørn, 2023</a> and the <a href="#">VCI, 2025</a> ).	<p>Related terms:</p> <ul style="list-style-type: none"> <li>• Emissions source</li> <li>• Supply shed</li> </ul>
<b>Actor</b>	An organization, institution, or other formal body, operating in the public or private sphere (e.g., a company, multilateral institution, or non-governmental organization).	<p>Related terms:</p> <ul style="list-style-type: none"> <li>• Company</li> </ul>
<b>Adaptation</b>	Adjustments in ecological, social or economic systems in response to actual or expected climatic stimuli and their effects or impacts. Adaptation refers to changes in processes, practices and structures to moderate potential damages or to benefit from opportunities associated with climate change ( <a href="#">International Organization for Standardization, 2022</a> ).	<p>Related terms:</p> <ul style="list-style-type: none"> <li>• Loss and damage</li> <li>• Mitigation</li> <li>• Adaptation and resilience funding</li> </ul>

Term	Definition	Further comments
<b>Adaptation and resilience funding</b>	Funding of actions that reduce vulnerability or increase resilience to climate impacts, particularly in climate-vulnerable regions and communities.	Related terms: <ul style="list-style-type: none"> <li>● Adaptation</li> </ul>
<b>Additionality</b>	Additionality is the extent to which something happens as a result of an intervention that would not have occurred in the absence of that intervention.	Carbon credits produced by a project are additional if the activity would not have taken place in the absence of the purchase of the carbon credits. Conversely, if the project and associated emissions reductions or removals would have occurred regardless of the payment for carbon credits, the resulting credits are not additional.  Related terms: <ul style="list-style-type: none"> <li>● Carbon credit</li> <li>● Intervention (or project) accounting</li> </ul>
<b>Agriculture, forestry and other land use (AFOLU)</b>	Common terminology in the scientific community for what is also called the land sector and Forest, land and agriculture (FLAG) in the case of the SBTi. The AFOLU category combines the LULUCF (land use, land use change and forestry) and agriculture sectors.	Related terms: <ul style="list-style-type: none"> <li>● Forest, land and agriculture (FLAG)</li> <li>● Land use change (LUC)</li> </ul>
<b>Alignment</b>	The extent to which targets, activities, or outcomes are consistent with relevant science-based reference pathways.	
<b>Alignment metrics</b>	Indicators that measure the extent to which an organization's strategies, operations, and business model are in line with global climate goals. Examples may include metrics relating to renewable energy usage, and the ambition of suppliers and other value	Related terms: <ul style="list-style-type: none"> <li>● Measurement (related to science-based targets)</li> <li>● Progress (related to science-based targets)</li> </ul>

Term	Definition	Further comments
	chain counterparties.	
<b>Alignment targets</b>	Targets that are designed to deliver a specific outcome aligned with the long-term global goal of reaching net-zero emissions by a defined point in time (2050 or earlier). These targets drive the net-zero transition by progressively increasing the share of a company's activities, purchasing, and/or revenue that meet defined science-based performance benchmarks.	Related terms: <ul style="list-style-type: none"> <li>• Alignment</li> </ul>
<b>Ammonia as an energy carrier</b>	Ammonia that is produced for the purpose of being used as a low-emissions fuel, fuel additive, or for energy storage as a hydrogen carrier. For example, ammonia that is used as maritime fuel or as a long-distance energy carrier for hydrogen.	Related terms: <ul style="list-style-type: none"> <li>• Primary chemicals</li> </ul>
<b>Annual unabated emissions</b>  <i>(Note, this will become a legacy term for the SBTi through CNZS V2 publication)</i>	The emissions that remain in a given year as a company progresses towards the delivery of its near- and long-term science-based target.	Note: In the SBTi Corporate Net-Zero Standard V2, "annual unabated emissions" is replaced with the term "ongoing emissions".  Related terms: <ul style="list-style-type: none"> <li>• Progress (related to science-based targets)</li> <li>• Residual emissions</li> </ul>
<b>Applicable financial activities</b>	For the Financial Institutions Net-Zero Standard, the term refers to the following in-scope financial activities: asset owner investing, asset manager investing, lending, insurance underwriting, and capital markets.	Related terms: <ul style="list-style-type: none"> <li>• Financial activities</li> <li>• In-scope financial activity</li> </ul>

Term	Definition	Further comments
<b>Assessment</b>	Review of compliance or performance of a product, process, system, person or entity against specified requirements ( <a href="#">ISEAL, 2025a</a> ).	Related terms: <ul style="list-style-type: none"> <li>● Assessment stage</li> <li>● Validation</li> </ul>
<b>Assessment stage</b>	Refers to the specific conformity assessment within the target cycle and when each criterion is assessed according to the validation cycle.	Related terms: <ul style="list-style-type: none"> <li>● Assessment</li> <li>● Validation</li> </ul>
<b>Asset</b>	A tangible physical unit, a piece of equipment, or infrastructure under the company's ownership or operational control that performs a defined function within operations and can be associated with energy or material flows that generate scope 1 GHG emissions. The term asset also includes financial assets such as ownership of businesses, real estate or infrastructure assets, or financial products, such as loans and bonds.	Related term: <ul style="list-style-type: none"> <li>● Asset class</li> </ul>
<b>Asset class</b>	A group of financial instruments that have similar financial characteristics ( <a href="#">PCAF, 2022</a> ).	Related term: <ul style="list-style-type: none"> <li>● Asset</li> </ul>
<b>Assurance</b>	Demonstration that specified requirements relating to a product, process, system, person or entity are fulfilled ( <a href="#">ISEAL, 2025a</a> ).	Related terms: <ul style="list-style-type: none"> <li>● SBTi Assurance</li> <li>● Assurance Framework</li> <li>● SBTi Assurance Model</li> <li>● End-of-cycle assessment</li> <li>● Validation</li> <li>● Third Party Assurance</li> </ul>

Term	Definition	Further comments
<b>Attributional accounting</b>	A type of GHG accounting that quantifies and tracks total GHG emissions (and also removals and other accounting categories if applicable) within a defined inventory boundary over time, typically relative to a historical base year. Corporate inventory accounting is a type of attributional accounting that is the primary method used by corporations and other organizations to report emissions from their operations and value chains. The attributional accounting approach requires reporting organizations to define clear organizational and operational boundaries, within which emissions are quantified and organized across scopes 1, 2, and 3 ( <a href="#">GHG Protocol, 2026a</a> ).	
<b>Attribution factor / attribution share</b>	The share of total GHG emissions of the borrower or investee that are allocated to the loan or investment ( <a href="#">PCAF, 2022</a> ).	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Absolute emissions</li> <li>● Enterprise Value Including Cash (EVIC)</li> <li>● Facilitated emissions</li> <li>● Financed emissions</li> <li>● GHG accounting of financial portfolios</li> <li>● Insured emissions</li> </ul>
<b>Avoidance (of corporate value chain emissions)</b>	Measures taken by companies to avoid creating value chain emissions from the outset ( <a href="#">WWF, 2020</a> ) (e.g., manufacture of electric vehicles instead of internal combustion engines).	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Abatement</li> <li>● Avoided emissions (product-level accounting)</li> <li>● Mitigation</li> <li>● Mitigation hierarchy</li> <li>● Mitigation strategy</li> <li>● Value chain emissions</li> </ul>

Term	Definition	Further comments
<b>Avoided emissions (product level accounting)</b>	Product-related avoided emissions are emission reductions that occur outside of the life cycle or value chain of a product or service, but as a result of the use of that product ( <a href="#">GHG Protocol, 2017</a> ). Avoided emissions account for the favorable differences in the GHG emissions impact of a product (good or service) relative to the situation where that product does not exist ( <a href="#">WRI, 2019</a> ).	Product-related avoided emissions fall under a separate accounting system from corporate inventories.  Related terms: <ul style="list-style-type: none"> <li>● Avoidance (of corporate value chain emissions)</li> <li>● Mitigation</li> <li>● Mitigation hierarchy</li> <li>● Mitigation strategy</li> </ul>
<b>B</b>		
<b>Barrier (related to science-based targets)</b>	A factor or condition that inhibits or delays a company's progress toward its targets. Barriers may arise from internal or external circumstances and are expected to be actively managed or mitigated by the company. Barriers may include structural constraints.	Related terms: <ul style="list-style-type: none"> <li>● Structural constraint</li> </ul>
<b>Base year (or base period) (BY)</b>	A historic datum (a specific year or an average over multiple years) against which a company's emissions are tracked over time ( <a href="#">GHG Protocol, 2004</a> ).	Related terms: <ul style="list-style-type: none"> <li>● GHG inventory / Emissions inventory</li> <li>● Target period</li> <li>● Base year (inventory)</li> </ul>
<b>Base year (inventory)</b>	A historic datum (a specific year or an average over multiple years) against which a company's emissions are tracked over time ( <a href="#">GHG Protocol, 2004</a> ).	Related terms: <ul style="list-style-type: none"> <li>● GHG inventory / Emissions inventory</li> </ul>
<b>Base year emissions recalculation</b>	Retroactive recalculation of a target base year GHG inventory to reflect changes that have occurred since it was originally calculated, for example, a change in company structure or accounting methodology used, to ensure the consistency and relevance of the	Related terms: <ul style="list-style-type: none"> <li>● Base year (or base period)</li> <li>● Consolidation approach</li> <li>● GHG inventory / Emissions inventory</li> </ul>

Term	Definition	Further comments
	reported GHG emissions information (adapted from <a href="#">WRI &amp; WBCSD, 2004</a> ).	
<b>Base year (target)</b>	The target base year is used for defining a GHG target, e.g., to reduce carbon dioxide emissions by 25% from 2000 levels (target base year) by 2010 ( <a href="#">GHG Protocol, 2004</a> ).	Related terms: <ul style="list-style-type: none"> <li>• Base year (or base period)</li> </ul>
<b>Behind the meter</b>	Behind the meter refers to electricity-generating units(s) and/or energy storage system(s) located on the customer's side of the utility service meter, providing power for use on-site and/or to be discharged into the grid (adapted from <a href="#">US Department of Energy Integrated Energy Systems Office, 2021</a> ).	
<b>Benchmark</b>	A reference point against which a company's performance can be compared.	Related terms: <ul style="list-style-type: none"> <li>• Method</li> <li>• Pathway</li> <li>• Performance</li> </ul>
<b>Benchmark divergence assessment</b>	In the context of the SBTi Financial Institutions Net-Zero Standard, the term refers to an assessment of a counterparty or asset's performance relative to a benchmark at discrete points in time (e.g., above for technology share or below for emissions intensity), yielding a binary assessment of alignment or non-alignment.	Related terms: <ul style="list-style-type: none"> <li>• Alignment metrics</li> <li>• Benchmark</li> <li>• Method</li> <li>• Pathway</li> </ul>
<b>Benefit sharing</b>	Benefit sharing is the allocation of the proceeds from carbon credits to local stakeholders involved in a carbon credit project or program ( <a href="#">VCM Primer, 2023</a> ).	Related terms: <ul style="list-style-type: none"> <li>• Carbon credit</li> </ul>
<b>Benefit sharing arrangements</b>	Benefit sharing arrangements identify how monetary and non-monetary benefits will be allocated to local stakeholders who are involved in a mitigation activity	Related terms: <ul style="list-style-type: none"> <li>• Benefit sharing</li> </ul>

Term	Definition	Further comments
	and how the distribution will take place. These arrangements outline who will bear costs and receive benefits, what institutional arrangements and implementation conditions are in place, and how decisions will be made and implemented (adapted from <a href="#">Climate Focus, 2023</a> ).	
<b>Best efforts</b>	A best-efforts basis reflects a level of effort demonstrated through the implementation of all actions within a company's control or influence that are necessary and appropriate to implement its targets, including the identification, reporting, and active management of material dependencies and associated risks.	
<b>Beyond value chain mitigation (BVCM)</b>	Mitigation action or investments that fall outside a company's value chain, including activities that avoid or reduce GHG emissions, or remove and store GHGs from the atmosphere.	<p>Please refer to the <a href="#">Beyond value chain mitigation report</a> (SBTi, 2024) for details.</p> <p>Related terms:</p> <ul style="list-style-type: none"> <li>● Carbon dioxide removals (CDR) / Carbon removals</li> <li>● Direct air capture (DAC)</li> <li>● Direct air carbon dioxide capture and storage (DACCS) / Direct air capture and storage (DACS)</li> <li>● Investment</li> <li>● Emissions reductions</li> <li>● GHG removals / Removals/ Emissions removals</li> <li>● Mitigation</li> <li>● Mitigation hierarchy</li> <li>● Mitigation strategy</li> <li>● Money-for-money method</li> <li>● Money-for-ton method</li> <li>● Ton-for-ton method</li> <li>● Value chain emissions</li> </ul>

Term	Definition	Further comments
<b>Bio-based feedstock</b>	Biogenic commodities, such as biogas, biomass, crop residues, wastes, or other agricultural products that are used to produce bioenergy, bio-based fuels or bio-based products (adapted from <a href="#">GHG Protocol, 2026b</a> ).	Related terms: <ul style="list-style-type: none"> <li>● Biogenic CO<sub>2</sub> emissions</li> <li>● Biomass</li> </ul>
<b>Biochar</b>	Carbon-rich material produced from the thermochemical conversion of biomass in an oxygen-limited environment. Biochar may be added to soils to improve soil functions and to reduce GHG emissions from biomass and soils, and for carbon sequestration. This definition builds from the International Biochar Initiative ( <a href="#">IBI, 2022</a> ) (adapted from ( <a href="#">IPCC, 2018</a> )).	Related terms: <ul style="list-style-type: none"> <li>● Biomass</li> <li>● Carbon sequestration / Sequestered emissions</li> </ul>
<b>Bioenergy</b>	Energy derived from any form of biomass or its metabolic by-products ( <a href="#">IPCC, 2018</a> ). This may include but is not limited to energy generated from the combustion of biomass and energy derived from recently living organisms.	Related terms: <ul style="list-style-type: none"> <li>● Biochar</li> <li>● Biogenic CO<sub>2</sub> emissions</li> <li>● Biomass</li> <li>● Bioenergy with carbon capture and storage (BECCS)</li> </ul>
<b>Bioenergy with carbon capture and storage (BECCS)</b>	Bioenergy with carbon capture and storage (BECCS) involves any energy pathway where CO <sub>2</sub> is captured from a biogenic source and permanently stored ( <a href="#">International Energy Agency, 2023</a> ).	Related terms: <ul style="list-style-type: none"> <li>● Bioenergy</li> <li>● Carbon dioxide capture and storage (CCS)</li> <li>● Permanence / Durability</li> </ul>

Term	Definition	Further comments
<b>Biogenic CO<sub>2</sub> emissions</b>	CO <sub>2</sub> emissions from the combustion or biodegradation of biomass, or other losses from biogenic carbon pools to the atmosphere ( <u>GHG Protocol, 2026b</u> ).	Related terms: <ul style="list-style-type: none"> <li>● Biochar</li> <li>● Bioenergy</li> <li>● Bioenergy with carbon capture and storage (BECCS)</li> <li>● Biomass</li> <li>● Carbon stock</li> <li>● FLAG (Forestry, land, and agriculture)</li> <li>● Land management CO<sub>2</sub> removals</li> </ul>
<b>Biomass</b>	Living or recently dead organic material ( <u>IPCC, 2018</u> ). Biomass includes organic material both aboveground and belowground, both living and dead, e.g., trees, crops, grasses, tree litter, roots etc.	Related terms: <ul style="list-style-type: none"> <li>● Biochar</li> <li>● Bioenergy</li> <li>● Biogenic CO<sub>2</sub> emissions</li> <li>● Land management CO<sub>2</sub> removals</li> </ul>
<b>Blue carbon</b>	Blue carbon is the carbon captured by living organisms in coastal (e.g., mangroves, salt marshes, seagrasses) and marine ecosystems, and stored in biomass and sediments ( <u>IPCC, 2018</u> ).	Related terms: <ul style="list-style-type: none"> <li>● Biomass</li> <li>● Carbon stock</li> </ul>
<b>Borrower</b>	The company or individual to whom capital is loaned.	Related terms: <ul style="list-style-type: none"> <li>● Business / corporate loan</li> </ul>

Term	Definition	Further comments
		<ul style="list-style-type: none"> <li>● Consumer loan</li> <li>● Debt</li> <li>● Lender</li> </ul>
<b>Bulk carrier</b>	<p>A bulk carrier is a type of maritime vessel. It includes:</p> <ul style="list-style-type: none"> <li>● Aggregates carrier</li> <li>● Bulk carrier</li> <li>● Bulk carrier (with vehicle decks)</li> <li>● Bulk carrier, laker only</li> <li>● Bulk carrier, self-discharging</li> <li>● Bulk carrier, self-discharging, laker</li> <li>● Bulk/Caustic soda carrier (CABU)</li> <li>● Bulk/Oil carrier (OBO)</li> <li>● Cement carrier</li> <li>● Limestone carrier</li> <li>● Ore carrier</li> <li>● Ore/Oil carrier</li> <li>● Powder carrier</li> <li>● Refined sugar carrier</li> <li>● Stone carrier</li> <li>● Urea carrier</li> <li>● Wood chips carrier</li> </ul>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Chemical tanker</li> <li>● Container</li> <li>● Cruise</li> <li>● Ferry (passenger only)</li> <li>● Ferry (RoPax)</li> <li>● General cargo</li> <li>● Liquefied gas tanker</li> <li>● Oil tanker</li> <li>● Other liquid tankers</li> <li>● Refrigerated bulk</li> <li>● Roll on/off (RoRo)</li> <li>● Vehicle carrier</li> </ul>
<b>Business / corporate loan</b>	<p>Loans and lines of credit with unknown use of proceeds to businesses and any other structures of an organization. Revolving credit facilities and overdraft facilities are also included in the business loan asset class.</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Asset</li> <li>● Asset class</li> <li>● Borrower</li> <li>● Consumer loan</li> <li>● Debt</li> </ul>
<b>Buyout</b>	<p>In a buyout investment, the investor often has complete or majority ownership and control of the company. Unlike leveraged buyouts (LBO), buyouts</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Equity (in financial services)</li> <li>● Investment</li> </ul>

Term	Definition	Further comments
	can also have a minority stake of the company being purchased (adapted from <a href="#">Preqin, 2021</a> ).	<ul style="list-style-type: none"> <li>• Leveraged buyout (LBO)</li> </ul>
<b>C</b>		
<b>Capital markets</b>	Capital markets describe any exchange marketplace where financial securities and assets are bought and sold.	Related terms: <ul style="list-style-type: none"> <li>• Asset</li> <li>• Debt</li> <li>• Equity (in financial services)</li> </ul>
<b>Carbon bank</b>	A system, internal or external to companies, in which emissions reductions or removals are accounted for and redistributed as attributes associated with products or market instruments sold by the company, without a physical and proportional link to the underlying production outcomes.	Related terms: <ul style="list-style-type: none"> <li>• Emissions reductions</li> <li>• GHG removals / Removals / Emissions removals</li> </ul>
<b>Carbon budget / Global carbon budget</b>	This term refers to three concepts in the literature: <ol style="list-style-type: none"> <li>1. An assessment of carbon cycle sources and sinks on a global level, through the synthesis of evidence for fossil fuel and cement emissions, land-use change emissions, ocean and land CO<sub>2</sub> sinks, and the resulting atmospheric CO<sub>2</sub> growth rate. This is referred to as the global carbon budget.</li> <li>2. The estimated cumulative amount of global CO<sub>2</sub> emissions that is estimated to limit global surface temperature to a given level above a reference period, taking into account global surface temperature contributions of other GHGs and climate forcers.</li> <li>3. The distribution of the carbon budget defined under (2) to the regional, national, or sub-national level based on considerations of equity, costs or efficiency (<a href="#">IPCC, 2018</a>).</li> </ol>	Related terms: <ul style="list-style-type: none"> <li>• Greenhouse gasses (GHGs)</li> <li>• Paris Agreement</li> </ul>

Term	Definition	Further comments
<p><b>Carbon credit</b></p>	<p>A certificate or tradable unit that represents one metric ton of carbon dioxide equivalent (tCO<sub>2</sub>e) emissions avoided, reduced, or removed relative to a baseline. Carbon credits in the voluntary carbon market are generated by the activities of projects and programs that are certified by carbon standards. Certified GHG reductions, removals or avoidances are quantified using project or intervention accounting methods that compare observed emissions with a counterfactual baseline scenario or performance benchmark representing the conditions most likely to occur in the absence of the mitigation activity that generates the credit (Adapted from <a href="#">ICVCM, 2024</a>; <a href="#">GHG Protocol, 2026a</a>).</p> <p>Carbon credits may be issued from activities that:</p> <ul style="list-style-type: none"> <li>● Prevent the potential release of emissions relative to a counterfactual scenario (emissions avoidance credits)</li> <li>● Reduce GHG emissions relative to a baseline (emissions reduction credits)</li> <li>● Remove and store carbon from the atmosphere (removal credits)</li> </ul> <p>Ex-post carbon credits are issued only after a completed monitoring period and independent verification confirming that the claimed mitigation has occurred.</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Abatement</li> <li>● Additionality</li> <li>● Carbon dioxide removals (CDR) / carbon removals</li> <li>● Emissions reductions</li> <li>● Ex-post</li> <li>● Fungibility</li> <li>● GHG credit</li> <li>● Intervention (or project) accounting</li> <li>● Offsetting</li> <li>● Verification</li> </ul>

Term	Definition	Further comments
<b>Carbon dioxide capture and storage (CCS)</b>	<p>A process in which a relatively pure stream of CO<sub>2</sub> from industrial and energy-related sources is separated (captured), conditioned, compressed and transported to a storage location for long-term isolation from the atmosphere. Sometimes referred to as carbon capture and storage (<a href="#">IPCC, 2018</a>). Usually the CO<sub>2</sub> is captured from large point sources, such as power generation or industrial facilities, and then stored permanently in an underground geological formation.</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>• Carbon dioxide capture and utilization (CCU) / Carbon capture and utilization / Carbon capture and use</li> <li>• Carbon dioxide capture, utilization and storage (CCUS) / Carbon capture, utilization and storage / Carbon capture, use and storage</li> <li>• Permanence / Durability</li> </ul>
<b>Carbon dioxide capture and utilization (CCU) / Carbon capture and utilization / Carbon capture and use</b>	<p>A process in which CO<sub>2</sub> is captured and then used to produce a new product. CCU is sometimes referred to as carbon dioxide capture and use (adapted from <a href="#">IPCC, 2018</a>). CCU differs from carbon dioxide capture and storage (CCS) in that CCU does not aim nor result in permanent geological storage of carbon dioxide. Instead, CCU aims to convert the captured CO<sub>2</sub> into more valuable substances or products, where CO<sub>2</sub> could be sequestered short-term (such as in fuels) or long-term (for example in building materials).</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>• Carbon dioxide capture and storage (CCS)</li> <li>• Carbon dioxide capture, utilization and storage (CCUS) / Carbon capture, utilization and storage / Carbon capture, use and storage</li> </ul>
<b>Carbon dioxide capture, utilization and storage (CCUS) / Carbon capture, utilization and storage / Carbon capture, use and storage</b>	<p>CCUS involves the capture of CO<sub>2</sub>, generally from large point sources such as power generation or industrial facilities that use either fossil fuels or biomass as fuel. If not being used on-site, the captured CO<sub>2</sub> is compressed and transported by pipeline, ship, rail or truck to be used in a range of applications, or injected into deep geological formations such as depleted oil and gas reservoirs or saline aquifers (<a href="#">International Energy Agency, 2023</a>). In other words CCUS is a broad term that covers both</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>• Carbon dioxide capture and storage (CCS)</li> <li>• Carbon dioxide capture and utilization (CCU) / Carbon capture and utilization / Carbon capture and use</li> </ul>

Term	Definition	Further comments
	CCU and CCS, where CO <sub>2</sub> can be either used or stored.	
<b>Carbon dioxide equivalent (CO<sub>2</sub>e)</b>	<p>The amount of CO<sub>2</sub> emissions that would cause the same integrated radiative forcing or temperature change, over a given time horizon, as an emitted amount of a GHG or a mixture of GHGs. There are a number of ways to compute such equivalent emissions and choose appropriate time horizons. Most typically, the CO<sub>2</sub>e emission is obtained by multiplying the emission of a GHG by its global warming potential (GWP) for a 100-year time horizon. For a mix of GHGs, it is obtained by summing the CO<sub>2</sub>e emissions of each gas. CO<sub>2</sub>e emission is a common scale for comparing emissions of different GHGs but does not imply equivalence of the corresponding climate change responses. There is generally no connection between CO<sub>2</sub>e emissions and resulting CO<sub>2</sub>e concentrations (IPCC, 2018). In other words, CO<sub>2</sub>e is a metric used to place emissions of various radiative forcing agents on a common footing by accounting for their effect on climate. It describes, for a given mixture and amount of GHGs, the amount of CO<sub>2</sub> that would have the same global warming ability when measured over a 100 year time horizon. Conversion factors vary based on the underlying assumptions and as the science advances.</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>Greenhouse gasses (GHGs)</li> </ul>

Term	Definition	Further comments
<b>Carbon dioxide removals (CDR) / Carbon removals</b>	<p>Anthropogenic activities removing CO<sub>2</sub> from the atmosphere and durably storing it in geological, terrestrial, or ocean reservoirs, or in products (<a href="#">IPCC, 2018</a>).</p>	<p>CDRs include existing and potential anthropogenic enhancement of biological or geochemical CO<sub>2</sub> sinks and direct air carbon dioxide capture and storage (DACCS) but exclude natural CO<sub>2</sub> uptake not directly caused by human activities (<a href="#">IPCC, 2018</a>).</p> <p>CDRs differ from carbon sequestration as in CDR the CO<sub>2</sub> must be captured (either directly or indirectly) from the atmosphere, while carbon sequestration also includes processes that capture CO<sub>2</sub> from fossil fuels (i.e. CCS).</p> <p>Related terms:</p> <ul style="list-style-type: none"> <li>● Beyond value chain mitigation (BVCM)</li> <li>● Carbon sequestration / Sequestered emissions</li> <li>● Direct air carbon dioxide capture and storage (DACCS) / Direct air capture and storage (DACS)</li> <li>● Land management CO<sub>2</sub> removals</li> <li>● Long-lived removal</li> <li>● Neutralization</li> <li>● Permanence / Durability</li> <li>● Short-lived removal</li> <li>● Sink (GHG)</li> </ul>
<b>Carbon pricing</b>	<p>Carbon pricing is an instrument that captures the external costs of GHG emissions—the costs of emissions that the public pays for, such as damage to crops, health care costs from heat waves and droughts, and loss of property from flooding and sea level rise—and ties them to their sources through a price, usually in the form of a price on the CO<sub>2</sub> emitted (<a href="#">The World Bank, 2017</a>).</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Internal carbon pricing</li> <li>● Science-based carbon price</li> <li>● Social cost of carbon</li> </ul>

Term	Definition	Further comments
<b>Carbon sequestration / Sequestered emissions</b>	<p>The process of storing carbon in a carbon pool (<a href="#">IPCC, 2018</a>).</p> <p>Carbon sequestration differs from carbon dioxide removals (CDR) in that in the latter the CO<sub>2</sub> must be captured (either directly or indirectly) from the atmosphere, while carbon sequestration also includes processes that capture CO<sub>2</sub> from fossil fuels (i.e. CCS).</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Carbon dioxide removals (CDR) / Carbon removals</li> <li>● Carbon stock</li> <li>● GHG removals / Removals/ Emissions removals</li> </ul>
<b>Carbon stock</b>	<p>The mass of carbon contained in a carbon pool at a given time (<a href="#">GHG Protocol, 2026b</a>).</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Forest, land and agriculture (FLAG)</li> <li>● Biogenic CO<sub>2</sub> emissions</li> <li>● Land management CO<sub>2</sub> removals</li> <li>● Carbon storage pool/reservoir</li> </ul>
<b>Carbon storage pool/reservoir</b>	<p>A non-atmospheric physical medium (e.g., rock, soil, biomass) in which carbon is stored outside the atmosphere for a duration (fixed period or indefinite) determined by the physical and biogeochemical properties of that medium (adapted from GHG Protocol, Land Sector and Removals Standard, 2026)</p>	
<b>Category A company</b>	<p>A company that meets at least one of the size or emissions thresholds and conditions for company categorization defined by the SBTi, including: (i) large companies in any geography based on global size thresholds; or (ii) companies in high-income countries that meet specified emissions or financial thresholds.</p>	
<b>Category B company</b>	<p>A company that does not meet the criteria for Category A classification under the SBTi thresholds and conditions for company categorization.</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Category A company</li> </ul>

Term	Definition	Further comments
<b>Commodity certificate</b>	Third party assured market instrument that represents the environmental attributes of an underlying good, product, or service (adapted from <a href="#">GHG Protocol, 2026a</a> ).	The defined term “commodity” does not limit the scope of the term “commodity certificate”, which may apply to certificates for any commodity type.
<b>Certification</b>	An independent, third-party evaluation of performance against established criteria or requirements, usually a standard, in which the result indicates compliance. Certification confirms adherence to the criteria and is a mechanism of assurance.	Related terms: <ul style="list-style-type: none"> <li>● Independent</li> </ul>
<b>Chain-of-custody model</b>	The approach taken to control inputs and outputs, and transfer specified characteristics within the chain-of-custody system ( <a href="#">ISEAL, 2025b</a> ).	
<b>Chemical recycling technologies</b>	Technologies that utilize heat, chemical agents, or both, to alter the basic chemical structure of a material. Chemical recycling of polymer based materials (e.g. plastics) involves breaking down the polymer into smaller molecules.	Related terms: <ul style="list-style-type: none"> <li>● Alternative feedstock</li> </ul>
<b>Chemical tanker</b>	A chemical tanker is a type of maritime vessel. It includes: <ul style="list-style-type: none"> <li>● Bulk/sulphuric acid carrier</li> <li>● Chemical tanker</li> <li>● Chemical tanker, inland waterways</li> <li>● Chemical/Products tanker</li> <li>● Chemical/Products tanker, inland waterways</li> <li>● Compressed natural gas (CNG) tanker</li> <li>● Edible oil tanker</li> <li>● Glue tanker</li> <li>● Latex tanker</li> </ul>	Related terms: <ul style="list-style-type: none"> <li>● Bulk carrier</li> <li>● Container</li> <li>● Cruise</li> <li>● Ferry (passenger only)</li> <li>● Ferry (RoPax)</li> <li>● General cargo</li> <li>● Liquefied gas tanker</li> <li>● Oil tanker</li> <li>● Other liquid tankers</li> </ul>

Term	Definition	Further comments
	<ul style="list-style-type: none"> <li>● Molten sulphur tanker</li> <li>● Vegetable oil tanker</li> <li>● Wine tanker</li> <li>● Beer tanker</li> </ul>	<ul style="list-style-type: none"> <li>● Refrigerated bulk</li> <li>● Roll on/off (RoRo)</li> <li>● Vehicle carrier</li> </ul>
<b>Circular end-of-life model</b>	<p>An approach to product design and lifecycle management whereby products are intentionally designed so that their underlying commodities and materials can be reused, recycled, or otherwise recovered at the end of their useful life. Under circular end-of-life models, products are conceived to minimize waste (prevention) and maximize material value retention. This may include, for example, designing for disassembly, material separation, durability, repairability, and compatibility with existing recovery and recycling systems. The objective is to ensure that the embedded commodities remain in productive use for as long as possible, reducing the need for virgin resource extraction and lowering associated environmental impacts. Circular end-of-life contrasts with linear end-of-life pathways, where products are disposed of through landfill or incineration without material recovery. (Adapted from <a href="#">EU Waste Framework Directive</a>)</p>	
<b>Claim</b>	<p>Promotional communications about the sustainability attributes of a product, process, service, or organization. This includes communications about the status of a client and/or the client's association with the scheme (adapted from <a href="#">ISEAL 2025a</a>). See SBTi claim.</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● SBTi claim</li> <li>● Climate compensation claim</li> <li>● Climate contribution claim</li> <li>● Climate neutral claim</li> <li>● Co-claim</li> </ul>

Term	Definition	Further comments
		<ul style="list-style-type: none"> <li>● Headline climate claim</li> <li>● Narrative claim</li> </ul>
<b>Climate change mitigation</b>	A human intervention to reduce emissions or enhance the sinks of GHGs (IPCC, 2018).	Related terms: <ul style="list-style-type: none"> <li>● Abatement</li> <li>● Emissions reductions</li> <li>● Mitigation strategy</li> <li>● Sink (GHG)</li> </ul>
<b>Climate compensation claim</b>	<p>Claims which convey to audiences that the organization has delivered BVCM proportional to a stated percentage of unabated value chain emissions and that the BVCM outcomes counterbalance or “net out” that stated percentage of unabated value chain emissions.</p> <p>The GHG Protocol Land Sector and Removals Standard V1.0 describes “compensation targets” related to the use of carbon credits as “a target for achieving mitigation external to the target boundary through purchasing and retiring GHG credits (also called offsets or carbon credits) to compensate for annual or cumulative unabated emissions in the target boundary, if allowed under the relevant target setting program or target-setting policy.” (GHG Protocol, 2026b)</p> <p>An example of a compensation claim is the carbon neutrality claim.</p>	Related terms: <ul style="list-style-type: none"> <li>● Annual unabated emissions</li> <li>● Beyond value chain mitigation (BVCM)</li> <li>● Carbon credit</li> <li>● Climate contribution claim</li> <li>● Climate neutral claim</li> <li>● Mitigation</li> <li>● Offsetting</li> <li>● Ongoing emissions</li> <li>● Target boundary</li> <li>● Value chain emissions</li> </ul>
<b>Climate contributions</b>	Climate contributions in the SBTi Standards System refer to funding delivered by companies to support verified mitigation outcomes and other actions that scale climate solutions and enable climate mitigation	Related terms: <ul style="list-style-type: none"> <li>● Ongoing emissions responsibility (OER)</li> <li>● Climate change mitigation</li> </ul>

Term	Definition	Further comments
	<p>and adaptation. These are delivered under the Ongoing Emissions Responsibility framework, and reflect complementary actions undertaken by a company in addition to, and separate from, actions taken to implement its validated targets as required under the SBTi Standards System. Climate contributions are not used to offset or neutralize any actual emissions (adapted from <a href="#">New Climate Institute, 2023</a>).</p> <p>In the SBTi Standards System, climate contributions may be expressed:</p> <ul style="list-style-type: none"> <li>• In financial terms (e.g., monetary contributions delivered to support eligible climate action categories); and/or</li> <li>• In mitigation terms (e.g., verified mitigation outcomes in tCO<sub>2</sub>e supported).</li> </ul>	<ul style="list-style-type: none"> <li>• Climate compensation claim</li> <li>• Offsetting</li> </ul>
<p><b>Climate contribution claim</b></p>	<p>Claims which convey to audiences that the organization has provided support or finance to actions beyond the company's value chain (including through collective action) with an expected climate mitigation outcome (where the actions are relevant to the expected performance outcome).</p> <p>Unlike compensation claims, the contribution claim does not imply that the BVCM outcomes are netting out or counterbalancing the claimants' remaining value chain- emissions, but instead are communicated as a contribution to global climate mitigation efforts or even the efforts of a country.</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>• Beyond value chain mitigation (BVCM)</li> <li>• Climate compensation claim</li> <li>• Climate contributions</li> <li>• Mitigation</li> <li>• Ongoing Emissions Responsibility</li> <li>• Value chain emissions</li> </ul>

Term	Definition	Further comments
<b>Climate impact</b>	In the context of the Financial Sector Guidance framework, climate impact refers to the GHG emissions that occur as a result of mitigation actions by the financial institution, including financing of loans and investments.	Related terms: <ul style="list-style-type: none"> <li>● Business / corporate loan</li> <li>● Consumer loan</li> <li>● Financial institutions (FIs)</li> <li>● Investment</li> <li>● Mitigation</li> </ul>
<b>Climate justice</b>	Justice that links development and human rights to achieve a human-centered approach to addressing climate change, safeguarding the rights of the most vulnerable people and sharing the burdens and benefits of climate change and its impacts equitably and fairly (IPCC, 2022).	Related terms: <ul style="list-style-type: none"> <li>● Co-benefit</li> <li>● Equity (in climate change)</li> <li>● Just transition</li> </ul>
<b>Climate neutral claim</b>	<p>The IPCC defines climate neutrality as the concept of a state in which human activities result in no net effect on the climate system. Achieving such a state would require balancing of residual emissions with emission (carbon dioxide) removal as well as accounting for regional or local biogeophysical effects of human activities that, for example, affect surface albedo or local climate (IPCC, 2018).</p> <p>Typically companies use the term climate neutral to describe the practice of purchasing and retiring carbon credits equivalent to the volume of unabated emissions – either at the organizational or product level - in a given period.</p>	Related terms: <ul style="list-style-type: none"> <li>● Annual unabated emissions</li> <li>● Carbon credit</li> <li>● Carbon dioxide removals (CDR) / Carbon removals</li> <li>● Climate compensation claim</li> <li>● Fungibility</li> <li>● Residual emissions</li> </ul>
<b>Climate-related financial risks</b>	Risks for financial institutions related to the physical impacts of climate change as well as the transition to a low-carbon economy (e.g., legal, technology, reputation) (adapted from (TCFD, 2017)	

Term	Definition	Further comments
<b>Climate solution</b>	In the SBTi Financial Institutions Net Zero Standard, climate solutions are an alignment category that includes “activities that are necessary for the economy-wide transition to net-zero”. Climate solutions are identified in the Standard and via climate or green taxonomies listed in the FINZ Implementation List.	Related terms: <ul style="list-style-type: none"> <li>● Portfolio climate alignment</li> </ul>
<b>Climate tipping point</b>	Climate tipping points represent a certain temperature threshold where there is unstoppable and self-perpetuating change in a climate system – change which would take effect on timescales varying from a few years to centuries (McKay et al., 2022).	
<b>Co-benefit</b>	A positive effect that a policy or measure aimed at one objective has on another objective, thereby increasing the total benefit to society or the environment. Co-benefits are also referred to as ancillary benefits (IPCC, 2022).	Related terms: <ul style="list-style-type: none"> <li>● Climate justice</li> <li>● Equity (in climate change)</li> <li>● Just transition</li> </ul>
<b>Co-claim</b>	Process by which multiple co-investors and value chain partners collaboratively report and share the rights to claim the verified environmental benefits, such as absolute GHG emissions reductions or carbon removals, resulting from joint climate change mitigation interventions (adapted from VCI, 2022).	
<b>Commercial real estate loans</b>	Loans for the purchase, refinance, maintenance, or operation of commercial real estate (CRE). For the purposes of target validation, this includes all real estate loans (i.e., residential and service buildings) that are not provided to consumers.	Related terms: <ul style="list-style-type: none"> <li>● Business / corporate loan</li> <li>● Consumer loan</li> <li>● Debt</li> <li>● Real estate</li> </ul>

Term	Definition	Further comments
		<ul style="list-style-type: none"> <li>Real estate debt</li> </ul>
<b>Commitment (of science-based targets)</b>	Announcement to show intention to submit a near-term or net-zero science-based emissions reduction target in accordance with SBTi standards within a specific period.	Related terms: <ul style="list-style-type: none"> <li>Near-term science-based target</li> <li>Net-zero science-based target</li> <li>Standard</li> </ul>
<b>Commodities</b>	Standardised industrial or land-based materials that are tangible and uniform, where quality is consistent regardless of the producer and, for the purposes of the SBTi Corporate Net-Zero Standard V2.0, that have dedicated, commodity-specific decarbonization pathways (such as emissions-intensity or alignment pathways)	
<b>Company</b>	A legal entity that is commercially operated and capable of generating profit or other financial gain, including organizations with a hybrid purpose such as social enterprises. The definition excludes cities, local governments, and purely charitable organizations.	Related terms: <ul style="list-style-type: none"> <li>Entity</li> </ul>
<b>Company category</b>	The category (Category A or B) to which a company is assigned, based on its size and geography. The application of criteria within the SBTi Standards System (from the Corporate Net Zero Standard V2 on) differs by company category.	Related terms: <ul style="list-style-type: none"> <li>Category A company</li> <li>Category B company</li> </ul>
<b>Conformity</b>	Demonstration that requirements of a standard are fulfilled (ISEAL, 2025a).	Related terms: <ul style="list-style-type: none"> <li>Standard</li> </ul>
<b>Conformity assessment</b>	The process of determining whether a company meets the requirements of a specified standard (adapted from ISEAL, 2025a and ISO 9000:2015).	Related terms: <ul style="list-style-type: none"> <li>Conformity</li> </ul>

Term	Definition	Further comments
<b>Consensus</b>	General agreement, characterised by the absence of sustained opposition to substantial issues by any important stakeholder group. Note: Consensus should be the result of a process seeking to take into account the views of interested stakeholders, particularly those directly affected, and to reconcile any conflicting arguments. It need not imply unanimity (ISEAL, 2025a).	
<b>Consequential accounting</b>	A type of GHG accounting that estimates the impacts or changes in GHG emissions (and removals) resulting from specific projects, actions, or interventions relative to a baseline scenario in which the project, action or intervention did not occur. Consequential accounting quantifies the global change in GHGs in the atmosphere caused by an action, project, or intervention (GHG Protocol, 2026a).	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Counterfactual baseline</li> </ul>
<b>Consolidation approach</b>	Refers to how an organization sets boundaries for GHG accounting. Types of consolidation approaches are equity share, financial control and operational control as per the GHG Protocol Corporate Standard (WRI & WBCSD, 2004).	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Control approach</li> <li>● Equity share approach</li> <li>● Financial control approach</li> <li>● Operational control approach</li> </ul>
<b>Consumer chemicals</b>	Chemicals for use in personal care and household purposes such as cleaning products, cosmetics and hygiene products.	<p>Related term:</p> <ul style="list-style-type: none"> <li>● Non-primary chemicals</li> </ul>
<b>Consumer loan</b>	A loan given to consumers to finance specific types of expenditures. A consumer loan is any type of loan made to a consumer by a creditor. For example, a mortgage or a motor vehicle loan.	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Asset class</li> <li>● Borrower</li> </ul>

Term	Definition	Further comments
		<ul style="list-style-type: none"> <li>● Business / corporate loan</li> <li>● Debt</li> </ul>
<b>Container</b>	<p>Container is a type of maritime vessel. It includes:</p> <ul style="list-style-type: none"> <li>● Container ship (fully cellular)</li> <li>● Container ship (fully cellular), inland waterways</li> <li>● Container ship (fully cellular/RoRo facility)</li> </ul>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Bulk carrier</li> <li>● Chemical tanker</li> <li>● Cruise</li> <li>● Ferry (passenger only)</li> <li>● Ferry (RoPax)</li> <li>● General cargo</li> <li>● Liquefied gas tanker</li> <li>● Oil tanker</li> <li>● Other liquid tankers</li> <li>● Refrigerated bulk</li> <li>● Roll on/off (RoRo)</li> <li>● Vehicle carrier</li> </ul>
<b>Contribution budget</b>	<p>A financial commitment calculated by applying a specified price per tCO<sub>2</sub>e to the volume of emissions covered under a selected Ongoing Emissions Responsibility recognition level, to be used to provide climate contributions in support of verified mitigation outcomes and other eligible climate actions.</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Climate contributions</li> <li>● Ongoing Emissions Responsibility</li> <li>● Internal carbon pricing</li> </ul>
<b>Control approach</b>	<p>A consolidation approach used for GHG inventories defined in the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. Under the control approach, a company accounts for 100 percent of the GHG emissions from operations over which it has control. It does not account for GHG emissions from</p>	<p>Control can be defined in either financial or operational terms. When using the control approach to consolidate GHG emissions, companies choose between either the operational control or financial control criteria.</p> <p>Related terms:</p>

Term	Definition	Further comments
	operations in which it owns an interest but has no control ( <a href="#">WRI &amp; WBCSD, 2004</a> ).	<ul style="list-style-type: none"> <li>● Consolidation approach</li> <li>● Equity share approach</li> <li>● Financial control approach</li> <li>● Operational control approach</li> </ul>
<b>Conversion (of land)</b>	Change of a natural ecosystem to another land use or profound change in a natural ecosystem's species composition, structure or function. Deforestation is one form of conversion (conversion of natural forests). Conversion includes severe degradation or the introduction of management practices that result in a substantial and sustained change in the ecosystem's former species composition, structure or function. Change to natural ecosystems that meets this definition is considered to be conversion regardless of whether or not it is legal.	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Deforestation</li> <li>● Degradation</li> <li>● Direct land use change (dLUC)</li> <li>● Indirect land use change (iLUC)</li> <li>● Land use change (LUC)</li> <li>● Minimal level of deforestation or conversion</li> </ul>
<b>Convertible preferred equity investments</b>	Corporate hybrid securities an investor can choose to turn into a certain number of shares of the company's common stock after a predetermined time span or on a specific date ( <a href="#">Investopedia, 2023</a> ).	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Equity (in financial services)</li> <li>● Investment</li> </ul>
<b>Corporate bonds</b>	This asset class includes all investments in debt securities without known use of proceeds (regardless of how they are traded) that are issued by listed companies (i.e., those that have equity listed and traded on a stock exchange, including financial institutions).	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Asset</li> <li>● Asset class</li> <li>● Corporate debt</li> <li>● Debt</li> <li>● Investment</li> <li>● Private credit / Private debt</li> </ul>

Term	Definition	Further comments
<b>Corporate climate targets</b>	Goals set by a corporation to reduce its impact on the climate. Targets may include a variety of GHG emissions across different corporate activities (i.e., operations, value chain, or products) and may focus on emissions abatement, neutralization, beyond value chain mitigation (for CNZS V1.3) or ongoing emissions responsibility (for CNZS V2.0).	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Abatement</li> <li>● Beyond value chain mitigation (BVCM)</li> <li>● Greenhouse gasses (GHGs)</li> <li>● Long-term science-based target</li> <li>● Mitigation</li> <li>● Near-term science-based targets</li> <li>● Net-zero science-based targets</li> <li>● Neutralization</li> <li>● Ongoing Emissions Responsibility</li> <li>● Value chain emissions</li> </ul>
<b>Corporate debt</b>	Money that is owed by companies rather than by governments or individual people.	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Borrower</li> <li>● Business / corporate loan</li> <li>● Corporate bonds</li> <li>● Debt</li> <li>● Private credit / private debt</li> </ul>
<b>Corrective action</b>	An action to eliminate the cause of a non-conformity or another undesirable situation and to prevent recurrence (ISEAL, 2025a).	
<b>Counterfactual baseline</b>	Carbon credits can be quantified through a baseline and credit system that compares actual GHG emissions to a counterfactual baseline emissions scenario. The differences between actual and counterfactual emissions are accounted for as mitigation outcomes that would not have occurred in a business-as-usual scenario. This business-as-usual scenario is a counterfactual scenario that will not actually occur, but would have occurred in an alternative reality without the carbon	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Additionality</li> <li>● Carbon credit</li> <li>● Intervention (or project or consequential) accounting</li> </ul>

Term	Definition	Further comments
	credit-generating project or program. This makes the definition of conservative reference scenarios essential for the credibility of baselines (Climate Focus, 2023a).	
<b>Counterparty</b>	The entity (other than the financial institution itself) that is a part of a financial contract or transaction (e.g., client of a bank or insurance company, portfolio company of an investor). The term can also be used to refer to a group or collection of counterparties as a single unit.	Related terms: <ul style="list-style-type: none"> <li>● Borrower</li> <li>● Entity</li> <li>● Portfolio company</li> <li>● Net-zero achieved counterparty</li> <li>● Net-zero aligned counterparty</li> </ul>
<b>Cradle-to-gate (CTG)</b>	All emissions that occur in the life cycle of purchased products or services, up to the point of receipt by the reporting company (excluding emissions from sources that are owned or controlled by the reporting company) (WRI & WBCSD, 2011).	Related terms: <ul style="list-style-type: none"> <li>● Indirect emissions</li> <li>● Scope 3 (S3) emissions</li> <li>● Supply chain</li> </ul>
<b>Criterion</b>	A mandatory requirement that a company needs to meet to be in conformity with a specified standard.	Related terms: <ul style="list-style-type: none"> <li>● Requirement</li> <li>● Conformity</li> </ul>
<b>Cross-sector pathway</b>	One-size-fits-all pathway for companies to calculate near-term and long-term absolute reduction science-based targets (SBTs) eligible for all companies except where a sector-specific pathway is mandatory.	Related terms: <ul style="list-style-type: none"> <li>● Long-term science-based target</li> <li>● Near-term science-based target</li> <li>● Pathway</li> <li>● Sector-specific pathway</li> </ul>

Term	Definition	Further comments
<b>Cruise</b>	Cruise is a type of maritime vessel. It includes: <ul style="list-style-type: none"> <li>• Cruise ship, inland waterways</li> <li>• Passenger/Cruise</li> </ul>	Related terms: <ul style="list-style-type: none"> <li>• Bulk carrier</li> <li>• Chemical tanker</li> <li>• Container</li> <li>• Ferry (passenger only)</li> <li>• Ferry (RoPax)</li> <li>• General cargo</li> <li>• Liquefied gas tanker</li> <li>• Oil tanker</li> <li>• Other liquid tankers</li> <li>• Refrigerated bulk</li> <li>• Roll on/off (RoRo)</li> <li>• Vehicle carrier</li> </ul>
<b>Cutoff date of the no-deforestation commitment</b>	The date after which deforestation or conversion renders a given area or production unit non-compliant with no-deforestation or no-conversion commitments, policies, goals, targets, or other obligations (Accountability Framework initiative, 2024).	Related terms: <ul style="list-style-type: none"> <li>• No-deforestation</li> <li>• Deforestation</li> <li>• Conversion (of land)</li> </ul>
<b>D</b>		
<b>Data</b>	Reinterpretable representation of information in a formalised manner suitable for communication, interpretation or processing. Note: Data can be qualitative or quantitative (ISEAL, 2025a).	Related terms: <ul style="list-style-type: none"> <li>• Data quality</li> <li>• Spend-based data</li> </ul>
<b>Data quality</b>	The degree to which data is valid (i.e., the data is an accurate representation of what it is intended to represent) and is fit for its intended use (ISEAL, 2025a).	Related terms: <ul style="list-style-type: none"> <li>• Data</li> </ul>

Term	Definition	Further comments
<b>Debt</b>	A financing instrument that normally requires repayment of a specified amount by the borrower at a certain date in the future, often with interest payments being made by the borrower in the interim.	Related terms: <ul style="list-style-type: none"> <li>● Borrower</li> <li>● Debt finance</li> <li>● Equity (in financial services)</li> <li>● Lender</li> </ul>
<b>Debt finance</b>	In contrast to equity finance, debt finance is a method of raising capital by selling debt instruments, such as bonds or notes. Typically, the funds are paid off with interest at an agreed upon later date.	Related terms: <ul style="list-style-type: none"> <li>● Corporate bonds</li> <li>● Debt</li> <li>● Equity finance</li> <li>● Private credit / Private debt</li> </ul>
<b>Decarbonization</b>	The process by which countries, individuals or other entities aim to achieve zero fossil carbon existence. Typically refers to a reduction of the carbon emissions associated with electricity, industry and transport ( <a href="#">IPCC, 2018</a> ).	Please note that the term “decarbonization” refers only to CO <sub>2</sub> mitigation, while “abatement” also includes non-CO <sub>2</sub> mitigation.  Related terms: <ul style="list-style-type: none"> <li>● Abatement</li> <li>● Mitigation</li> <li>● Mitigation strategy</li> </ul>
<b>Default delivered low-carbon electricity (LCE)</b>	Low-carbon electricity (LCE) attributes present in an electricity supply without any voluntary purchase of LCE attributes. This may be an electricity supply contract that expresses no preference for LCE over another source of electricity (adapted from <a href="#">RE100, 2025</a> ).	

Term	Definition	Further comments
<b>Default delivered LCE, in activity pools where LCE accounts for at least 95% of the generation mix, and where there is no certificate registry for LCE</b>	<p>Low-carbon electricity (LCE) that may be considered matched to electricity consumption from the grid without any specific market instrument for LCE (such as an energy attribute certificate). Matching of this kind is only possible on highly decarbonized grids (at least 95% LCE in the generation mix) and with no mechanism for contractually allocating LCE attributes (such as an energy attribute certificate registry) (adapted from <a href="#">RE100, 2025</a>).</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Default delivered low-carbon electricity (LCE)</li> </ul>
<b>Default delivered (LCE) supported by energy attribute certificates</b>	<p>Instances where regulation requires electricity suppliers to cancel energy attribute certificates on behalf of their customers. These might include Renewable Portfolio Standard (RPS) laws in the United States or the Renewable Energy Target (RET) in Australia. Customers therefore have claims to these attributes without needing to make specific choices to purchase low-carbon energy (LCE) products (adapted from <a href="#">RE100, 2025</a>).</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Default delivered low-carbon electricity (LCE)</li> </ul>
<b>Deforestation</b>	<p>Loss of natural forest as a result of (1) conversion to agriculture or other non-forest land use, (2) conversion to a tree plantation, or (3) severe and sustained degradation.</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Degradation</li> <li>● Forest</li> <li>● Forest restoration</li> <li>● Land use change (LUC)</li> <li>● Reforestation</li> <li>● No-deforestation</li> </ul>
<b>Deforestation-linked commodities</b>	<p>Agricultural and forestry commodities whose production may cause or contribute to deforestation. Drivers of deforestation are context-specific, commodities may pose deforestation risks globally, regionally or locally.</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Deforestation</li> <li>● Degradation</li> <li>● Forest</li> <li>● Forest restoration</li> <li>● Land use change (LUC)</li> </ul>

Term	Definition	Further comments
		<ul style="list-style-type: none"> <li>• Reforestation</li> </ul>
<b>Degradation</b>	<p>Changes within a natural ecosystem that significantly and negatively affect its species composition, structure and/or function and reduce the ecosystem’s capacity to supply products, support biodiversity and/or deliver ecosystem services. Degradation may be considered conversion if it:</p> <p>a) is large-scale and progressive or enduring;</p> <p>b) alters ecosystem composition, structure, and function to the extent that regeneration to a previous state is unlikely; or</p> <p>c) leads to a change in land use (e.g., to agriculture or other use that is not a natural forest or other natural ecosystem) (<u>Accountability Framework initiative, 2019</u>).</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>• Conversion</li> <li>• Deforestation</li> <li>• Land use change (LUC)</li> <li>• Indirect land use change (iLUC)</li> <li>• Direct land use change (dLUC)</li> </ul>
<b>Deliverability (electricity)</b>	<p>The ability of a source of electricity generation to serve a source of electricity consumption (adapted from <u>GHG Protocol, 2025</u>).</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>• Geographic matching</li> </ul>
<b>Deliverability region (electricity)</b>	<p>A geographical area throughout which all sources of electricity generation connected to a synchronous grid can reasonably be expected to serve sources of electricity consumption connected to that grid. A deliverability region balances the following aspects of an area in the electricity system: (i) synchronous grid boundaries; (ii) transmission congestion; and (iii) regional connectivity (adapted from <u>GHG Protocol, 2025</u>).</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>• Deliverability (electricity)</li> </ul>

Term	Definition	Further comments
<b>Deliverable (electricity)</b>	A source of electricity generation that can serve a specific source of electricity consumption (adapted from <a href="#">GHG Protocol, 2025</a> ).	Related terms: <ul style="list-style-type: none"> <li>● Deliverability (electricity)</li> </ul>
<b>Dependency (related to science-based targets)</b>	An external condition or development that may influence a company's ability to implement its targets but is not fully within the company's direct control. Dependencies may include factors such as the commercial availability and readiness of mitigation technologies, supply chain capacity to deliver low-carbon inputs or services, and the presence of enabling policy and regulatory frameworks or market incentives.	
<b>Direct air capture (DAC)</b>	Chemical process by which CO <sub>2</sub> is captured directly from the ambient air, with or without subsequent storage.	Related terms: <ul style="list-style-type: none"> <li>● Carbon dioxide capture and storage (CCS)</li> <li>● Direct air carbon dioxide capture and storage (DACCS) / Direct air capture and storage (DACS)</li> </ul>
<b>Direct air carbon dioxide capture and storage (DACCS) / Direct air capture and storage (DACS)</b>	Chemical process by which CO <sub>2</sub> is captured directly from the ambient air, with subsequent storage. Also known as direct air capture and storage (DACS) ( <a href="#">IPCC, 2018</a> ). The captured CO <sub>2</sub> can be injected into geological reservoirs or used to make long-lasting products.	Related terms: <ul style="list-style-type: none"> <li>● Carbon dioxide capture and storage (CCS)</li> <li>● Direct air capture (DAC)</li> </ul>

Term	Definition	Further comments
<b>Direct GHG emissions / Direct emissions</b>	Emissions from sources that are owned or controlled by the reporting entity ( <a href="#">WRI &amp; WBCSD, 2004</a> ).	Related terms: <ul style="list-style-type: none"> <li>● Indirect emissions</li> <li>● Operational boundary</li> <li>● Scope 1 emissions</li> </ul>
<b>Direct land use change (dLUC)</b>	Direct land use change (dLUC) occurs when a new land use completely displaces a different former land use. From the perspective of a company, dLUC emissions are defined primarily as carbon stock losses due to land conversion during the LUC assessment period (20 years or more) directly on the area of land under consideration.	Related terms: <ul style="list-style-type: none"> <li>● Carbon stock</li> <li>● Conversion</li> <li>● Land use change (LUC)</li> <li>● Indirect land use change (iLUC)</li> </ul>
<b>Disclosure</b>	Making specified information publicly available or accessible to intended users.	Related terms: <ul style="list-style-type: none"> <li>● Publicly available</li> </ul>
<b>Distressed debt</b>	Debt normally involving securities purchases in the secondary market – rather than new origination of debt or structured equity ( <a href="#">PitchBook, 2024</a> ).	Related terms: <ul style="list-style-type: none"> <li>● Debt</li> <li>● Investment</li> </ul>
<b>Divestment</b>	Process of selling subsidiary assets, investments, or divisions of a company in order to maximize the value of the parent company. Also known as divestiture, divestment is effectively the opposite of an investment (adapted from ( <a href="#">Investopedia, 2021</a> )). In the context of SBTi, divestment is often associated with highly emitting assets, e.g., fossil fuel assets and it can be a strategy to decarbonize the operations, value chain, and/or portfolio of a company.	Related terms: <ul style="list-style-type: none"> <li>● Asset</li> <li>● Decarbonization</li> <li>● Investment</li> </ul>

Term	Definition	Further comments
<b>Double claiming (between reporting companies)</b>	Two or more reporting companies claim the same emissions or reductions (adapted from <a href="#">GHG Protocol, 2004</a> ).	
<b>Double claiming (related to voluntary carbon markets including NDC double claiming)</b>	<p>A type of double counting in which the same emission reduction or removal is claimed by two different parties towards achieving mitigation targets or goals.</p> <p>In the context of voluntary carbon markets, double claiming can occur between a country, jurisdiction or other party that reports lower emissions or higher removals for the purpose of demonstrating achievement of a mitigation target or goal, and the party retiring the carbon credit for the purpose of making a claim (adapted from <a href="#">ICVCM, 2022</a>).</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>• Carbon credit</li> <li>• Double counting</li> <li>• Offsetting</li> <li>• Neutralization</li> <li>• Ongoing Emissions Responsibility (OER)</li> </ul>
<b>Double counting</b>	<p>A situation in which a single emission reduction and/or removal is counted more than once towards achieving mitigation targets or goals (adapted from <a href="#">ICVCM, 2022</a>). Double counting may refer to a situation in which a quantity of GHG emissions is included in more than one organization's GHG inventory. This can occur across scopes (scope 1, 2 and 3) and within a single scope due to differing consolidation approaches, differing emissions calculation methodologies, and the intentional design of emissions accounting standards.</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>• Consolidation approach</li> <li>• Double claiming (related to voluntary carbon markets including NDC double claiming)</li> <li>• GHG inventory / Emissions inventory</li> </ul>
<b>E</b>		
<b>Effective date</b>	The date from which a document, decision, or requirement takes effect, for example, when it may be applied in practice or used for relevant processes such as submissions or assessments.	

Term	Definition	Further comments
<b>El Niño</b>	El Niño refers to the above-average sea-surface temperatures that periodically develop across the east-central equatorial Pacific Ocean. It represents the warm phase of the El Niño-Southern Oscillation (ENSO) cycle. El Niño episodes typically occur every 3 to 5 years, and last 9 to 12 months, affecting patterns of rainfall, atmospheric pressure, and global atmospheric circulation ( <a href="#">National Weather Service &amp; NOAA, 2017</a> ).	Related term: <ul style="list-style-type: none"> <li>• La Niña</li> </ul>
<b>Embodied emissions</b>	<p>The GHG emissions, measured in carbon dioxide equivalent (CO<sub>2</sub>e), associated with extraction, production and transport of materials or products over a defined period (e.g. cradle-to-gate or cradle-to-grave).</p> <p>In the buildings sector, the term usually refers to the emissions from materials and construction processes throughout the whole life cycle of a building to distinguish them from in-use (operational) emissions from energy used in operating the building.</p> <p>Upfront embodied emissions mean emissions that are generated before the building is used. In the context of the SBTi buildings project, upfront embodied emissions refer to the emissions in the life-cycle stage A1-A5, which include emissions from construction materials and a construction site of a new building.</p>	Related term: <ul style="list-style-type: none"> <li>• Cradle-to-gate</li> </ul>
<b>Emission factor</b>	A value that estimates the quantity of emissions per unit of activity (e.g., per tonne of fuel consumed, per tonne of product produced), allowing absolute GHG emissions to be estimated from activity data ( <a href="#">GHG</a>	Related terms: <ul style="list-style-type: none"> <li>• Emissions intensity</li> <li>• Emissions Intensity Target</li> </ul>

Term	Definition	Further comments
	<u>Protocol, 2026b).</u>	
<b>Emissions intensity</b>	Emissions per a specific unit, for example: tCO <sub>2</sub> e/\$million invested, tCO <sub>2</sub> e/MWh, tCO <sub>2</sub> e/ton produced, tCO <sub>2</sub> e/\$million company revenue.	Related terms: <ul style="list-style-type: none"> <li>● Absolute emissions</li> </ul>
<b>Emissions Intensity Target</b>	A target that aims to reduce GHG emissions relative to a specific business metric, such as production output or a company's financial performance (e.g. tonne CO <sub>2</sub> e per tonne product produced or value added) by a specific target year, relative to levels in a selected base year.	Related terms: <ul style="list-style-type: none"> <li>● Base year (or base period)</li> <li>● Emissions intensity</li> <li>● Metric</li> <li>● Target period</li> <li>● Target year</li> </ul>
<b>Emissions-intensive activity</b>	Refers to activities, products, services, or processes that significantly contribute to global GHG emissions or otherwise exacerbate climate change, as set out in Annex A of the Corporate Net-Zero Standard V2.0. Emissions-intensive activities include activities in energy-intensive and land-use-intensive sectors.	Related terms: <ul style="list-style-type: none"> <li>● Significant emissions-intensive activities</li> </ul>
<b>Emissions reduction</b>	An anthropogenic activity taken to reduce or eliminate sources of GHG emissions compared to a historic baseline. Examples include reducing energy consumption, switching to renewable energy sources, and reducing the use of chemical fertilizers.	Related terms: <ul style="list-style-type: none"> <li>● Abatement</li> <li>● Decarbonization</li> <li>● Mitigation</li> <li>● Mitigation strategy</li> </ul>
<b>Emission reduction levers</b>	The underlying mechanisms through which a company reduces its greenhouse gas	Related terms: <ul style="list-style-type: none"> <li>● Carbon dioxide equivalent (CO<sub>2</sub>e)</li> </ul>

Term	Definition	Further comments
	emissions. These may involve lowering the emission intensity of activities (e.g., through efficiency improvements, technology shifts, or fuel substitution), reducing the scale of emission-generating activities, or replacing high-emission products and services with low- or zero-emission alternatives.	<ul style="list-style-type: none"> <li>● Emissions reductions</li> <li>● GHG emission reduction targets</li> <li>● Greenhouse gasses (GHGs)</li> </ul>
<b>Emissions source</b>	A commodity, product, service, or activity that releases GHG emissions. Also referred to as activities.	Related terms: <ul style="list-style-type: none"> <li>● Activity</li> </ul>
<b>Employees</b>	Refers to workers contracted by, or employees of entities and facilities owned, operated or leased by the reporting company. Companies may include employees of other relevant entities (e.g., franchises or outsourced operations) in this category, as well as consultants, contractors, and flexible or temporary workers (amended from GHGP, 2013).	Related terms: <ul style="list-style-type: none"> <li>● GHG inventory boundary</li> </ul>
<b>Enabling action (related to science-based targets)</b>	An action taken by a company to address structural constraints that limit emissions reductions within the target timeframe. Enabling actions are intended to support future decarbonization by contributing to the development of technologies, infrastructure, supply systems, policy frameworks, or market conditions necessary for emissions reductions.	Related terms: <ul style="list-style-type: none"> <li>● Decarbonization</li> </ul>
<b>End-of-cycle assessment</b>	The process through which an SBTi-recognized validation body assesses a company's conformance with applicable End-of-Cycle criteria in the SBTi Standards System. This evaluation is based on a company-submitted target progress assessment,	Related terms: <ul style="list-style-type: none"> <li>● Assessment</li> <li>● Category A company</li> <li>● Conformity</li> <li>● SBTi-recognized validation body</li> </ul>

Term	Definition	Further comments
	which for Category A companies has been assured by an independent third party.	
<b>Energy attribute certificate</b>	A market instrument that conveys information (attributes) about a unit of energy, including the resource used to create the energy and the emissions associated with its production and use. An energy attribute certificate may also include information about the location of the facility that generated the unit of energy, when that facility began operations, and when the unit of energy was produced. It is an instrument to certify the production of renewable and/or low-carbon energy (adapted from <a href="#">US EPA, 2024</a> ).	Related terms: <ul style="list-style-type: none"> <li>• Commodity certificate</li> </ul>
<b>Enhanced oil recovery (EOR)</b>	Enhanced oil recovery, also called tertiary recovery, is the extraction of crude oil from an oil field that cannot be extracted otherwise. There are three major techniques of EOR: gas methods, thermal methods, and chemical methods.	
<b>Enhanced weathering</b>	Enhancing the removal of CO <sub>2</sub> from the atmosphere through dissolution of silicate and carbonate rocks by grinding these minerals to small particles and actively applying them to soils, coasts or oceans ( <a href="#">IPCC, 2018</a> ).	
<b>Environmental attribute certificates</b>  <i>(Note, this is a legacy term that is being phased out)</i>	Instruments used to quantify, verify and track the environmental benefits associated with commodities, activities or projects.	<i>Note, this is a legacy term that is being phased out across the organization.</i>  Related term: <ul style="list-style-type: none"> <li>• Energy attribute certificate</li> <li>• Commodity certificate</li> </ul>

Term	Definition	Further comments
<i>across the organization)</i>		
<b>Environmentally extended input output (EEIO) data</b>	Refers to EEIO emissions factors that can be used to estimate cradle-to-gate (all upstream) GHG emissions for a given industry or product category.	EEIO data is particularly useful in screening emissions sources when prioritizing data collection efforts.  Related terms: <ul style="list-style-type: none"> <li>● Cradle-to-gate</li> <li>● GHG screening / Screening</li> </ul>
<b>Enterprise Value Including Cash (EVIC)</b>	The sum of the market capitalization of ordinary shares at fiscal year-end, the market capitalization of preferred shares at fiscal year-end, and the book values of total debt and minorities' interests. No deductions of cash or cash equivalents are made to avoid the possibility of negative enterprise values (PCAF, 2022a).	Related terms: <ul style="list-style-type: none"> <li>● Attribution factor / attribution share</li> <li>● Financed emissions</li> <li>● GHG accounting of financial portfolios</li> </ul>
<b>Entity</b>	A commercially operated organization that is legally and financially independent.	Related terms: <ul style="list-style-type: none"> <li>● Borrower</li> <li>● Counterparty</li> <li>● Portfolio company</li> <li>● Supplier</li> <li>● Customer</li> </ul>
<b>Equity finance</b>	Equity financing is the process of raising capital through the sale of shares.	Related terms: <ul style="list-style-type: none"> <li>● Debt finance</li> <li>● Equity (in financial services)</li> <li>● Listed equity</li> <li>● Private equity</li> </ul>

Term	Definition	Further comments
<b>Equity (in climate change)</b>	Equity is the principle of fairness in burden sharing and is a basis for understanding how the impacts and responses to climate change, including costs and benefits, are distributed in and by society in more or less equal ways. It is often aligned with ideas of equality, fairness and justice and applied with respect to equity in the responsibility for, and distribution of, climate impacts and policies across society, generations, and gender, and in the sense of who participates and controls the processes of decision-making (IPCC, 2018).	Related terms: <ul style="list-style-type: none"> <li>● Climate justice</li> <li>● Just transition</li> </ul>
<b>Equity (in financial services)</b>	Ownership in a company or project. There are various types of equity, but equity typically refers to shareholder equity, which represents the amount of money that would be returned to a company's shareholders if all of the assets were liquidated and all of the company's debt was paid off (PCAF, 2022a).	Related terms: <ul style="list-style-type: none"> <li>● Debt</li> <li>● Equity finance</li> </ul>
<b>Equity share approach</b>	A consolidation approach used for GHG inventories under which a company accounts for the GHG emissions from operations according to its share of equity in the operation. The equity share reflects economic interest, which is the extent of rights a company has to the risks and rewards flowing from an operation (WRI & WBCSD, 2004).	Related terms: <ul style="list-style-type: none"> <li>● Consolidation approach</li> <li>● Financial control approach</li> <li>● Operational control approach</li> </ul>
<b>Ex-ante mitigation funding</b>	Financial or contractual commitments made before verified mitigation outcomes have been generated, to enable or accelerate the development of projects or activities expected to deliver verified mitigation outcomes in the future.	Related terms: <ul style="list-style-type: none"> <li>● Mitigation</li> <li>● Mitigation outcomes</li> <li>● Verified mitigation outcomes</li> </ul>
<b>Exception</b>	Exceptions are specific provisions or clauses, for a temporary and specified period, that deviate from the	Related terms:

Term	Definition	Further comments
	general requirements or guidelines outlined in a particular standard.	<ul style="list-style-type: none"> <li>• Requirement</li> <li>• Standard</li> </ul>
<b>Exclusions (GHG inventory)</b>	GHG emissions that are not disclosed within the annual GHG inventory in absolute emissions terms, but are relevant to a company's operations (if scope 1 and 2) and/or value chain (if scope 3) as per the accounting principles outlined in GHG Protocol.	Related terms: <ul style="list-style-type: none"> <li>• Exclusions (target boundary)</li> <li>• GHG inventory / Emissions inventory</li> </ul>
<b>Exclusions (target boundary)</b>	GHG emissions that are disclosed within the annual GHG inventory, but are not covered by the target(s) set.	Related term: <ul style="list-style-type: none"> <li>• Exclusions (GHG inventory)</li> </ul>
<b>Expert Working Groups (EWG) within the SBTi</b>	An advisory body of subject-matter experts that provides technical input to inform the development and revision of SBTi standards, methods, guidance, and other technical outputs. Beginning with the revision of Version 2 of the SBTi Corporate Net-Zero Standard, EWGs replaced the former Technical Advisory Group (TAG) and Scientific Advisory Group (SAG). EWGs support the analysis of the extensive stakeholder feedback for the Corporate Net Zero version 2 development, and do not have decision-making authority.	
<b>Ex-post</b>	Backward looking and based on results that have already occurred. In the SBTi Standards System, ex-post refers to the process of quantifying the GHG effects of a mitigation action after it has taken place.	

Term	Definition	Further comments
<b>F</b>		
<b>Facilitated Emissions</b>	<p>Facilitated emissions refer to GHG emissions associated with activities performed by financial institutions when arranging finance, such as securitization and advisory services (<a href="#">IERS, 2022</a>). Facilitated emissions and financed emissions differ from each other in that facilitated emissions are off-balance sheet (e.g., insurance underwriting, capital markets underwriting, brokerage, mandated asset management), whereas financed emissions are derived from on-balance sheet exposure (representing direct financing) (<a href="#">PCAF, 2022a</a>). Generally, facilitated emissions activities are fee-generating and do not provide direct financing.</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Absolute emissions</li> <li>● Attribution factor / attribution share</li> <li>● Financed emissions</li> <li>● Insured emissions</li> </ul>
<b>Ferry (passenger only)</b>	<p>Ferry (passenger only) is a type of maritime vessel. It includes:</p> <ul style="list-style-type: none"> <li>● Passenger ship</li> <li>● Passenger ship, inland waterways</li> </ul>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Bulk carrier</li> <li>● Chemical tanker</li> <li>● Container</li> <li>● Cruise</li> <li>● Ferry (RoPax)</li> <li>● General cargo</li> <li>● Liquefied gas tanker</li> <li>● Oil tanker</li> <li>● Other liquid tanker</li> <li>● Refrigerated bulk</li> <li>● Roll on/off (RoRo)</li> <li>● Vehicle carrier</li> </ul>

Term	Definition	Further comments
<b>Ferry (RoPax)</b>	<p>Ferry (RoPax) is a type of maritime vessel. It includes:</p> <ul style="list-style-type: none"> <li>● Air cushion vehicle passenger</li> <li>● Air cushion vehicle passenger/RoRo (vehicles)</li> <li>● Passenger/Container ship</li> <li>● Passenger/Landing craft</li> <li>● Passenger/RoRo ship (vehicles)</li> <li>● Passenger/RoRo ship (vehicles), inland waterways</li> <li>● Passenger/RoRo ship (vehicles/rail)</li> </ul>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Bulk carrier</li> <li>● Chemical tanker</li> <li>● Container</li> <li>● Cruise</li> <li>● Ferry (passenger only)</li> <li>● General cargo</li> <li>● Liquefied gas tanker</li> <li>● Oil tanker</li> <li>● Other liquid tankers</li> <li>● Refrigerated bulk</li> <li>● Roll on/off (RoRo)</li> <li>● Vehicle carrier</li> </ul>
<b>Final Investment Decision (FID)</b>	<p>Within the SBTi Financial Institutions Net Zero Standard, the Final Investment Decision (FID) is the formal approval by a project sponsor's or joint venture's governing board, senior management, or investors to commit the necessary, typically substantial, capital resources to proceed with the development and construction of a project. It is the moment a project is effectively "greenlighted," transitioning from an idea with detailed planning into a tangible asset under construction.</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Investment</li> </ul>
<b>Financed emissions</b>	<p>Absolute emissions that banks and investors finance through their loans and investments (PCAF, 2022a). Financed emissions can be calculated and disclosed by financial institutions at an asset class level or at portfolio level. Financed emissions are separate from "facilitated emissions" and should be separately reported.</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Absolute emissions</li> <li>● Attribution factor / attribution share</li> <li>● Facilitated emissions</li> <li>● Insured emissions</li> </ul>

Term	Definition	Further comments
<b>Financial activities</b>	<p>Within SBTi, financial activities refer to a broad group of transactions and events that are used to fund operations and growth. In the context of the SBTi Financial Institutions Net Zero Standard, the following financial activities and corresponding actors are covered:</p> <ul style="list-style-type: none"> <li>● Lending : Entities that provide loans, such as retail or commercial banks, as well as non-bank lenders.</li> <li>● Asset Owner Investing : Entities that own investments, such as asset owners, re/ insurance companies (asset side), banks (direct investing activities), pension funds, family offices, etc.</li> <li>● Asset Manager Investing: Entities that manage investments on behalf of clients, such as asset managers, wealth managers, and private equity firms.</li> <li>● Insurance Underwriting: Entities that provide insurance underwriting services, such as primary insurers, reinsurers, or captives (i.e., all entities that have a license to be a risk carrier).</li> <li>● Capital Market Activities : Entities such as investment banks that facilitate the primary issuance of capital market instruments.</li> </ul>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Financial exposure</li> <li>● Financial institution(s)</li> <li>● Financial intermediaries</li> </ul>
<b>Financial control approach</b>	<p>A consolidation approach used for GHG inventories defined in the Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard. A company has financial control over the operation if it has the ability to direct the financial and operating policies of the operation with a view to gaining</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Consolidation approach</li> <li>● Operational control approach</li> <li>● Equity share approach</li> </ul>

Term	Definition	Further comments
	economic benefits from its activities (adapted from <a href="#">WRI &amp; WBCSD, 2004</a> ).	
<b>Financial exposure</b>	Financial exposure refers to the monetary value of assets, capital, or contractual obligations that are subjected to potential loss or reduction in value because of changes in economic variables or counterparty failures.	Related terms: <ul style="list-style-type: none"> <li>● Financial activities</li> <li>● Financial institution(s)</li> <li>● Financial intermediaries</li> </ul>
<b>Financial institution (FI)</b>	An entity that generates 5% or more of its revenue from investment, lending, or insurance activities. It is intended for commercially operated private and public financial institutions globally (including public pension funds and sovereign wealth funds). This includes, but is not limited to, banks, asset managers, private equity firms, asset owners, and re/insurance companies.	Related terms: <ul style="list-style-type: none"> <li>● Facilitated emissions</li> <li>● Financed emissions</li> <li>● Financial exposure</li> </ul>
<b>Financial intermediaries</b>	A financial intermediary is an institution or individual that acts as a middleman in a financial transaction to channel funds between two parties with opposing needs: those with a surplus of capital (savers/investors) and those with a deficit of capital (borrowers/firms).	Related terms: <ul style="list-style-type: none"> <li>● Financial activities</li> <li>● Financial exposure</li> <li>● Financial institution(s)</li> </ul>
<b>FLAG demand-side company</b>	As per <a href="#">SBTi FLAG Guidance</a> (Anderson et al., 2022) , FLAG demand-side companies are generally: <ul style="list-style-type: none"> <li>● Companies with the majority of FLAG emissions in scope 3 of their inventory;</li> <li>● Companies who are selling directly to end-use customers or governments;</li> <li>● Companies with significant business activities categorized as consumer product goods;</li> </ul>	Related terms: <ul style="list-style-type: none"> <li>● Forest, land and agriculture (FLAG)</li> <li>● FLAG supply-side company</li> </ul>

Term	Definition	Further comments
	Please note that this is a non-exhaustive list of FLAG demand-side companies.	
<b>FLAG (Forestry, land, and agriculture) targets</b>	A target that applies to a company's GHG emissions from AFOLU (agriculture, forestry, and other land use), including GHG emissions associated with land use change (LUC), emissions from land management, and land management CO <sub>2</sub> removals.	Related terms: <ul style="list-style-type: none"> <li>• Agriculture, forestry and other land use (AFOLU)</li> <li>• Forest, land and agriculture (FLAG)</li> </ul>
<b>FLAG supply-side company</b>	As per <u>SBTi FLAG Guidance</u> (Anderson et al., 2022), FLAG supply-side companies are generally: <ul style="list-style-type: none"> <li>• Companies with significant FLAG emissions in scope 1</li> <li>• Companies whose primary business activity is agricultural or forestry commodity production.</li> </ul> Please note that this is a non-exhaustive list of FLAG supply-side companies.	Related terms: <ul style="list-style-type: none"> <li>• Forest, land and agriculture (FLAG)</li> <li>• FLAG demand-side company</li> </ul>
<b>Fluorinated gasses (F-Gas)</b>	The five main types of fluorinated GHGs are hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF <sub>6</sub> ), nitrogen trifluoride (NF <sub>3</sub> ), and other fully fluorinated GHGs. These fluorinated GHGs can be emitted from F-gas production as by-products, reactants, intermediates, or products, and from process vents, leaks, container venting, or destruction processes ( <u>U.S. EPA, 2023</u> ).	Related terms: <ul style="list-style-type: none"> <li>• Greenhouse gasses (GHGs)</li> </ul>
<b>Forest</b>	Land spanning more than 0.5 hectares with trees higher than 5 meters and a canopy cover of more than 10% or trees able to reach these thresholds in situ. It	Related terms:

Term	Definition	Further comments
	<p>does not include land that is predominantly under agricultural or other land use. Forest includes natural forests and tree plantations. For the purpose of implementing “no-deforestation” supply chain commitments, the focus is on preventing the conversion of natural forests (<a href="#">Accountability Framework initiative, 2019</a>).</p>	<ul style="list-style-type: none"> <li>● Conversion</li> <li>● Deforestation</li> <li>● Degradation</li> <li>● Forest restoration</li> <li>● Reforestation</li> <li>● No-deforestation</li> </ul>
<p><b>Forest, land and agriculture (FLAG)</b></p>	<p>FLAG designates the SBTi Forest, Land and Agriculture project, sectors, methodologies and targets. The terms “FLAG-related emissions” and “Agriculture, Forestry and Other Land Use (AFOLU) emissions” are used interchangeably in the SBTi FLAG Guidance.</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Agriculture, forestry and other land use (AFOLU)</li> <li>● Land use change (LUC)</li> </ul>
<p><b>Forest restoration</b></p>	<p>The process of assisting the recovery of a forest (natural or managed), as well as its associated conservation values, which has been degraded or damaged but is still above 10% canopy cover.</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Degradation</li> <li>● Forest</li> <li>● Reforestation</li> </ul>
<p><b>Forward looking ambition adjustment</b></p>	<p>An adjustment applied by SBTi target-setting tools to calculate the ambition of near-term scope 1 and 2 absolute and intensity targets that do not use the most recent reporting year as the base year.</p>	<p>The forward looking ambition (FLA) adjustment enables companies to count early emission reductions towards achieving their near-term SBTs, while at the same time prevents companies from setting targets that have already been achieved. The FLA adjustment works by increasing target ambition to the point that ensures scope 1 and scope 2 reductions from the most recent year (MRY) to the target year align with the long term 1.5°C trajectory. This corresponds to 90% absolute reduction from the base year by 2050 for the cross-sector approach.</p> <p>Related terms:</p> <ul style="list-style-type: none"> <li>● Base year (or base period)</li> <li>● Scope 1 emissions</li> </ul>

Term	Definition	Further comments
		<ul style="list-style-type: none"> <li>• Scope 2 emissions</li> </ul>
<b>Fossil fuel support service</b>	A service that supports unabated fossil fuel production, processing, transmission, and distribution, including equipment and professional services (e.g., legal, advocacy and lobbying, consulting, public relations and advertising, data, dedicated software and other information technology services, assurance, architecture, intellectual property services).	Related terms: <ul style="list-style-type: none"> <li>• Unabated fossil fuels</li> </ul>
<b>Fugitive emissions</b>	Emissions of GHGs that are not produced intentionally by a stack or vent. Fugitive emissions may include leaks from industrial plants and pipelines ( <a href="#">IPCC, 2006</a> )	Related term: <ul style="list-style-type: none"> <li>• Scope 1 emissions</li> </ul>
<b>Fully diluted shares</b>	A company's total number of common shares that will be outstanding and potentially transferable after all possible sources of conversion, such as convertible bonds and employee stock options, are exercised ( <a href="#">Investopedia, 2021</a> ).	Related terms: <ul style="list-style-type: none"> <li>• Equity (in financial services)</li> </ul>
<b>Fund of funds</b>	This refers to a pooled investment fund that invests in other funds. Its portfolio consists of the different underlying portfolios of other funds, rather than investments in securities/assets directly.	Related terms: <ul style="list-style-type: none"> <li>• Hedge fund</li> <li>• Investment</li> <li>• Multi-strategy funds</li> </ul>
<b>Fungibility</b>	Being of such a nature that one part or quantity may be replaced by another equal part or quantity in the satisfaction of an obligation.	Related terms: <ul style="list-style-type: none"> <li>• Carbon credit</li> </ul>
<b>G</b>		
<b>General cargo</b>	General cargo is a type of maritime vessel. It includes: <ul style="list-style-type: none"> <li>• Barge carrier</li> </ul>	Related terms:

Term	Definition	Further comments
	<ul style="list-style-type: none"> <li>● Deck cargo ship</li> <li>● General cargo ship</li> <li>● General cargo ship (with RoRo facility)</li> <li>● General cargo ship, self-discharging</li> <li>● General cargo, inland waterways</li> <li>● General cargo/passenger ship</li> <li>● General cargo/passenger ship, inland waterways</li> <li>● General cargo/tanker</li> <li>● Heavy load carrier</li> <li>● Heavy load carrier, semi-submersible</li> <li>● Livestock carrier</li> <li>● Munitions carrier</li> <li>● Nuclear fuel carrier</li> <li>● Nuclear fuel carrier (with RoRo facility)</li> <li>● Open hatch cargo ship</li> <li>● Palletised cargo ship</li> <li>● Yacht carrier, semi-submersible</li> </ul>	<ul style="list-style-type: none"> <li>● Bulk carrier</li> <li>● Chemical tanker</li> <li>● Container</li> <li>● Cruise</li> <li>● Ferry (passenger only)</li> <li>● Ferry (RoPax)</li> <li>● Liquefied gas tanker</li> <li>● Oil tanker</li> <li>● Other liquid tankers</li> <li>● Refrigerated bulk</li> <li>● Roll on/off (RoRo)</li> <li>● Vehicle carrier</li> </ul>
<b>General partner</b>	<p>General partner refers to private equity fund management firms since most private equity funds take the form of limited partnerships that are required by law to have a general partner responsible for the operation of the limited partnership. General partner can refer to the management entity or to individual partners within such entities. General partners raise capital from third-party investors, into a specific fund which will then be invested into certain types of assets according to an investment strategy. General partners thus identify the assets to be invested in, execute those investments, and then manage them until eventual exit (<a href="#">Fraser-Sampson, 2010</a>).</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Limited partner (LP)</li> <li>● Private equity</li> <li>● Private equity firm</li> </ul>
<b>Geographic matching</b>	<p>The correspondence between an action, outcome, or attribute and the underlying activity or emissions</p>	<p>Related terms:</p>

Term	Definition	Further comments
	based on the geographic location or system boundary within which they occur.	<ul style="list-style-type: none"> <li>● Matching</li> </ul>
<b>Geographically relevant</b>	Occurring within the same geographic region from which the company sources a product, material, fuel, or energy, or into which it supplies products or services, such that outcomes are reasonably connected to the physical system reflected in the company's inventory.	Related terms: <ul style="list-style-type: none"> <li>● Geographic matching</li> </ul>
<b>Global warming potential (GWP)</b>	A factor describing the radiative forcing impact (degree of harm to the atmosphere) of one unit of a given GHG relative to one unit of CO <sub>2</sub> over a given time horizon.	Related terms: <ul style="list-style-type: none"> <li>● Carbon dioxide equivalent (CO<sub>2</sub>e)</li> </ul>
<b>Global warming potential 100 (GWP-100)</b>	GWP on a 100-year time horizon basis.	Related terms: <ul style="list-style-type: none"> <li>● Carbon dioxide equivalent (CO<sub>2</sub>e)</li> </ul>
<b>GHG accounting of financial portfolios</b>	The annual accounting and disclosure of GHG emissions associated with loans and investments at a fixed point in time in line with financial accounting periods.	Related terms: <ul style="list-style-type: none"> <li>● Absolute emissions</li> <li>● Attribution factor / attribution share</li> <li>● Financed emissions</li> <li>● Investment</li> </ul>
<b>GHG credit</b>	A convertible and transferable instrument usually bestowed by a GHG program that represents the mitigation of a specified amount of GHG emissions or carbon dioxide removals, not necessarily used as an offset ( <a href="#">GHG Protocol, 2026b</a> ).	Related terms: <ul style="list-style-type: none"> <li>● Carbon credit</li> </ul>

Term	Definition	Further comments
<b>GHG emission reduction targets (for corporates)</b>	Goals set by an organization to reduce direct or indirect emissions by a specified amount.	Related terms: <ul style="list-style-type: none"> <li>● Corporate climate targets</li> <li>● Direct GHG emissions / Direct emissions</li> <li>● Greenhouse gasses (GHGs)</li> <li>● Indirect emissions</li> <li>● Science-based targets (SBTs)</li> </ul>
<b>GHG externality</b>	Most of the impacts of GHG emissions do not fall on those conducting the activities – instead they fall on future generations or people living in developing countries, for example – so those responsible for the emissions do not pay the cost. The adverse effects of GHGs are therefore “external” to the market. This leads to the market failure of climate change. The GHG externality is accompanied by a number of other market failures, including those arising from a lack of information about how to reduce emissions, network effects and a lack of innovation incentives ( <a href="#">LSE, 2014</a> ).	Related terms: <ul style="list-style-type: none"> <li>● Climate justice</li> <li>● Equity (in climate change)</li> <li>● Just transition</li> </ul>
<b>GHG inventory / Emissions inventory</b>	The exhaustive calculated GHG emissions arising from activities within a company's organizational boundary and value chain corresponding to scope 1 and 2 GHG emissions and scope 3 GHG emissions respectively, displayed with all scope 1 emissions aggregated, all scope 2 emissions aggregated and scope 3 GHG emissions disaggregated by categories 1-15. GHG inventories also include biogenic emissions, but these are disaggregated from other emissions in the inventory.	Related terms: <ul style="list-style-type: none"> <li>● GHG inventory boundary</li> <li>● GHG inventory coverage</li> <li>● GHG screening / Screening</li> <li>● Operational boundary</li> <li>● Organizational boundary</li> <li>● Scope 1 emissions</li> <li>● Scope 2 emissions</li> <li>● Scope 3 categories</li> <li>● Scope 3 emissions</li> <li>● Value chain emissions</li> </ul>

Term	Definition	Further comments
<b>GHG inventory boundary</b>	The activities and their associated direct and indirect emissions that are included in the GHG inventory. It results from the chosen organizational and operational boundaries (adapted from <a href="#">WRI &amp; WBCSD, 2004</a> ).	Related terms: <ul style="list-style-type: none"> <li>● GHG inventory / Emissions inventory</li> <li>● GHG inventory coverage</li> <li>● Target boundary</li> <li>● Employees</li> </ul>
<b>GHG inventory coverage</b>	Expresses the GHG inventory boundary as the percentage of emissions in the GHG boundary out of total emissions (i.e., including exclusions). This total can be one or multiple emissions scopes and categories and may vary depending on the accounting year.	Related terms: <ul style="list-style-type: none"> <li>● Target boundary coverage</li> <li>● GHG inventory boundary</li> </ul>
<b>GHG inventory rebaselining</b>	The recalculation of an organization's base-year GHG emissions to align with updated boundaries, methods or material structural changes so that year-on-year comparisons remain consistent and meaningful.	Related terms: <ul style="list-style-type: none"> <li>● Base year emissions recalculation</li> </ul>
<b>GHG removals / Removals / Emissions removals</b>	Withdrawals of a GHG and/or a precursor from the atmosphere by a sink ( <a href="#">IPCC, 2018</a> ).	In the context of the SBTi, GHG removals are measures that companies take to remove GHGs from the atmosphere and store them (not necessarily permanently) within or beyond the value chain. Examples of GHG removals include, but are not limited to: <ul style="list-style-type: none"> <li>● DAC and storage</li> <li>● Bioenergy with carbon capture and storage (BECCS)</li> <li>● Biochar</li> <li>● Afforestation and reforestation</li> <li>● Improved soil management</li> <li>● Improved forest management</li> <li>● Land restoration, e.g., of peatland, terrestrial forests or mangroves</li> </ul> Within the value chain, companies in the FLAG sectors are expected to deliver land management CO <sub>2</sub> removals as well as abatement as part of their science-based targets.  Related terms:

Term	Definition	Further comments
		<ul style="list-style-type: none"> <li>● Beyond value chain mitigation (BVCM)</li> <li>● Biochar</li> <li>● Bioenergy with carbon capture and storage (BECCS)</li> <li>● Carbon dioxide removals (CDR) / Carbon removals</li> <li>● Carbon sequestration / Sequestered emissions</li> <li>● Direct air carbon dioxide capture and storage (DACCS) / Direct air capture and storage (DACs)</li> <li>● Forest restoration</li> <li>● Land management</li> <li>● Long-lived removal</li> <li>● CO<sub>2</sub> removals</li> <li>● Reforestation</li> <li>● Short-lived removal</li> </ul>
<b>GHG screening / Screening</b>	A preliminary method to estimate GHG emissions, typically using lower quality data and calculation methods, to determine the size of GHG emissions in each of the scope 3 categories ( <a href="#">WRI &amp; WBCSD, 2013</a> ).	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Environmentally extended input output (EEIO) data</li> <li>● GHG inventory / Emissions inventory</li> <li>● Scope 3 categories</li> <li>● Scope 3 (S3) emissions</li> <li>● Spend-based data</li> </ul>
<b>Governance structure</b>	The roles, responsibilities and relationships of the decision-making bodies that have the responsibility and accountability for the SBTi Standards and components (adapted from ISEAL 2025a).	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Scheme</li> </ul>
<b>Greenhouse Gas (GHG) Protocol</b>	Comprehensive global standardized frameworks to measure and manage GHG emissions from private and public sector operations, value chains, and	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Consolidation approach</li> </ul>

Term	Definition	Further comments
	mitigation actions. The GHG Protocol supplies the world's most widely used GHG accounting standards. The Corporate Accounting and Reporting Standard provides the accounting platform for virtually every corporate GHG reporting program in the world.	<ul style="list-style-type: none"> <li>● Operational boundary</li> <li>● Organizational boundary</li> <li>● Scope</li> <li>● Scope 1 emissions</li> <li>● Scope 2 emissions</li> <li>● Scope 3 emissions</li> </ul>
<b>Greenhouse gasses (GHGs)</b>	Gasses which absorb and re-emit infrared radiation, thereby trapping it in Earth's atmosphere and causing the GHG effect. They include carbon dioxide (CO <sub>2</sub> ), methane (CH <sub>4</sub> ), nitrous oxide (N <sub>2</sub> O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF <sub>6</sub> ), and nitrogen trifluoride (NF <sub>3</sub> ).	Related terms: <ul style="list-style-type: none"> <li>● Fluorinated gasses (F-Gas)</li> </ul>
<b>Green financing</b>	Financial flows (such as lending, equity positions, or underwriting and advisory services) associated with zero- or low-carbon assets or activities. This term is often used to reflect non-climate-specific “green” activities as well, such as “green” bonds, which can support climate relevant activities or water conservation, and other related activities.	
<b>Green premium</b>	The green premium is the extra price producers can extract – and customers are willing to pay – over and above other price “extras” such as those relating to the physical characteristics or carbon costs associated with producing a commodity.	
<b>Greenwashing</b>	Greenwashing is the act of making false or misleading statements about the environmental benefits of a product or practice. It can be a way for companies to continue or expand their polluting as well as related harmful behaviors, all while gaming the system or profiting off well-intentioned, sustainably minded consumers (NRDC, 2023).	

Term	Definition	Further comments
<b>Growth capital</b>	Also known as growth equity or expansion capital, this is a type of often minority private equity investment in relatively mature companies looking for primary capital to expand and improve operations or enter new markets to accelerate business growth. Growth capital is separate from venture capital ( <a href="#">Investment Council, 2021</a> ).	Related terms: <ul style="list-style-type: none"> <li>● Buyout</li> <li>● Investment</li> <li>● Private equity</li> <li>● Venture capital</li> </ul>
<b>H</b>		
<b>Headline ambition (related to science-based targets)</b>	A consolidated percentage figure summarizing a company's scope 3 targets. Calculated by weighting each activity's target percentage by its share of the target base year emissions. It represents the proportion of a company's scope 3 inventory covered by its scope 3 targets, not a total absolute reduction in emissions. It is used for communication purposes only and does not constitute a separate target for progress assessment at the end of the target cycle.	Related terms: <ul style="list-style-type: none"> <li>● Scope 3 (S3) emissions</li> </ul>
<b>Headline climate claim</b>	Headline climate claims are short, marketing-focused claims used to convey climate-related achievements and they should be supported by narrative claims which are, typically, longer descriptive claims made to convey more detailed progress or status-based achievements, for example, describing actions undertaken or planned and sharing data about achievements made ( <a href="#">Gold Standard, 2023</a> ).	Related term: <ul style="list-style-type: none"> <li>● Narrative claim</li> </ul>
<b>Hedge fund</b>	A pooled alternative investment fund often characterized by its more complex investment strategies that generally can only be marketed to accredited investors (with a high net worth).	Related terms: <ul style="list-style-type: none"> <li>● Fund of funds</li> <li>● Investment</li> <li>● Multi-strategy funds</li> </ul>

Term	Definition	Further comments
<b>High-carbon technology or infrastructure lock-in</b>	High-carbon technology or infrastructure lock-in occurs when fossil fuel-intensive systems perpetuate, delay or prevent the transition to low-carbon alternatives ( <a href="#">WRI, 2021</a> ).	
<b>High value chemicals (HVCs)</b>	The following chemicals are considered HVCs for the purpose of the SBTi Criteria for the Implementation of Chemicals Sector Pathways: ethylene and propylene (together classified as olefins), benzene, toluene, and mixed xylenes (together classified as aromatics).	Related terms: <ul style="list-style-type: none"> <li>● Primary chemicals</li> </ul>
<b>Homogenous functional unit</b>	Refers to a consistent, uniform unit of output (e.g., 1 kWh, 1 ton of steel) such that every unit is directly comparable. Homogenous functional units are relevant when issuing and matching emissions sources with certificates, ensuring the emission factor applied is accurate and meaningful.	
<b>Hourly matching</b>	The correspondence between electricity consumption and electricity generation attributes within the same hourly time interval through physical or contractual arrangements.	Related terms: <ul style="list-style-type: none"> <li>● Temporal matching</li> </ul>
<b>Hydrogen - Blue</b>	Blue hydrogen is produced mainly from natural gas, using a process called steam reforming. Carbon dioxide is also produced as a by-product but is captured and permanently stored.	Related terms: <ul style="list-style-type: none"> <li>● Hydrogen - Grey</li> <li>● Hydrogen - Green</li> <li>● Hydrogen - White</li> </ul>
<b>Hydrogen - Grey</b>	Grey hydrogen is the most common form of hydrogen production. It is formed from natural gas, or methane using steam methane reformation, but without capturing the GHG made in the process ( <a href="#">National Grid plc., 2023</a> ).	Related terms: <ul style="list-style-type: none"> <li>● Hydrogen - Blue</li> <li>● Hydrogen - Green</li> <li>● Hydrogen - White</li> </ul>

Term	Definition	Further comments
<b>Hydrogen - Green</b>	Green hydrogen is defined as hydrogen produced from electrolysis of water using renewable electricity ( <a href="#">National Grid plc., 2023</a> ).	Related terms: <ul style="list-style-type: none"> <li>● Hydrogen - Blue</li> <li>● Hydrogen - Grey</li> <li>● Hydrogen - White</li> </ul>
<b>Hydrogen - White</b>	White hydrogen is a naturally occurring, geological hydrogen found in underground deposits and created through fracking. There are no strategies to exploit this hydrogen at present ( <a href="#">National Grid plc., 2023</a> ).	Related terms: <ul style="list-style-type: none"> <li>● Hydrogen - Blue</li> <li>● Hydrogen - Grey</li> <li>● Hydrogen - Green</li> </ul>
<b>I</b>		
<b>IMAGE Model</b>	IMAGE is an integrated assessment model framework that simulates global and regional environmental consequences of changes in human activities.	Related terms: <ul style="list-style-type: none"> <li>● FLAG (Forestry, land, and agriculture) targets</li> <li>● Integrated assessment models (IAMs)</li> </ul>
<b>Independent (related to third-party assurance)</b>	Free from influences that could compromise professional judgment or impartiality, ensuring objectivity and integrity in fact and appearance. Independent assurance providers have no financial, commercial, personal, or other interests, or actual or potential conflicts of interest, that could influence the outcomes of the services they provide to companies in relation to SBTi requirements.	Related terms: <ul style="list-style-type: none"> <li>● Third-party assurance</li> <li>● Third-party assurance provider</li> </ul>

Term	Definition	Further comments
<b>Indicator</b>	Quantitative or qualitative factor or variable of interest that provides a means to track and understand changes and performance (ISEAL, 2025a).	Related terms: <ul style="list-style-type: none"> <li>● Performance</li> <li>● Scheme</li> </ul>
<b>Indirect emissions</b>	Emissions that are a consequence of the activities of the reporting entity but occur at sources owned or controlled by another entity (WRI & WBCSD, 2004). Indirect emissions are accounted for in scope 2 and scope 3 inventories.	Related terms: <ul style="list-style-type: none"> <li>● Direct GHG emissions / Direct emissions</li> <li>● Operational boundary</li> <li>● Scope 2 emissions</li> <li>● Scope 3 emissions</li> </ul>
<b>Indirect land use change (iLUC)</b>	Indirect land use change (iLUC) occurs outside the area of focus as a consequence of change in use or management of land within the area of focus. iLUC is often mediated by markets or driven by policy shifts in land use that cannot be directly attributed to land-use management decisions of individuals or groups. From the perspective of a company, iLUC is defined as a recent carbon stock loss (i.e., previous 20 years) due to land conversion on lands not owned or controlled by the company or in its supply chain, induced by a change in demand for products produced or sourced by the company.	Related terms: <ul style="list-style-type: none"> <li>● Carbon stock</li> <li>● Conversion</li> <li>● Direct land use change (dLUC)</li> <li>● Land use change (LUC)</li> </ul>
<b>Informative documents</b>	Informative documents are those that are descriptive, developed to enable entities, including applicants for validation, to understand the concepts presented in the normative documents. They contain examples or suggestions that explain the meaning and implications of the requirements in normative documents as well as giving suggestions on the application of the	Related terms: <ul style="list-style-type: none"> <li>● Normative documents</li> <li>● Requirement</li> </ul>

Term	Definition	Further comments
	requirements. Informative resources cannot be used to assess compliance with SBTi Standards.	
<b>Infrastructure debt</b>	Like private debt, infrastructure debt is not traded or issued in an open market. Private infrastructure debt can be loaned to both listed and unlisted companies. Infrastructure debt funds invest in debt linked directly to projects and to corporate entities dependent on the debt strategy. Infrastructure debt funds target project finance—however, there is no single definition among investors of what constitutes infrastructure. As a result, sector and risk exposures of funds differ ( <a href="#">Cambridge Associates, 2018</a> ).	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Corporate bonds</li> <li>● Debt</li> <li>● Investment</li> <li>● Private credit / Private debt</li> <li>● Project finance</li> </ul>
<b>Infrastructure private equity</b>	Investing in the equity of infrastructure assets to gain ownership and control. Examples of infrastructure assets include utilities (e.g., gas, electric, water distribution), transportation (e.g., airports, roads, bridges), social infrastructure (e.g., hospitals, schools), and energy (e.g., power plants, pipelines, solar and wind farms) ( <a href="#">Mergers &amp; Inquisitions, 2021</a> ).	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Equity (in financial services)</li> <li>● Infrastructure debt</li> <li>● Investment</li> <li>● Listed equity</li> <li>● Private equity</li> <li>● Project finance</li> </ul>
<b>In-scope financial activity</b>	For the Financial Institutions Net-Zero Standard, the term refers to the following applicable financial activities: asset owner investing, asset manager investing, lending, insurance underwriting, and capital markets.	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Applicable financial activity</li> <li>● Financial institution</li> </ul>
<b>Insetting / supply chain interventions</b>	Used to describe climate mitigation projects or programs wholly contained within the scope 3 value chain boundary of a company or projects partially within its scope 3 supply chain boundary (spanning	<p>There are multiple definitions for the term “insetting” in use and no standardization of the term.</p> <p>Related terms:</p>

Term	Definition	Further comments
	their supply chain and other companies' supply chains).	<ul style="list-style-type: none"> <li>● Scope 3 emissions</li> <li>● Supply chain</li> </ul>
<b>Insurance claims</b>	A formal request submitted by a policyholder to an insurance company seeking coverage or compensation for a loss or event.	
<b>Insured emissions</b>	Emissions associated with a financial institution's insurance underwriting and related activities. Insured emissions are a subset of scope 3 category 15 emissions. The PCAF Standard describes insured emissions as a category of facilitated emissions.	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Absolute emissions</li> <li>● Attribution factor / attribution share</li> <li>● Facilitated emissions</li> <li>● Financed emissions</li> </ul>
<b>Integrated assessment models (IAMs)</b>	Models that seek to combine knowledge from multiple disciplines in the form of equations and/or algorithms in order to explore complex environmental problems. As such, they describe the full chain of climate change, from production of GHGs to atmospheric responses. This necessarily includes relevant links and feedback loops between socioeconomic and biophysical processes.	<p>Related term:</p> <ul style="list-style-type: none"> <li>● IMAGE Model</li> </ul>
<b>Intergovernmental Panel on Climate Change (IPCC)</b>	United Nations body for assessing the science related to climate change.	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● IPCC Special Report on 1.5°C (SR15)</li> <li>● Paris Agreement</li> </ul>
<b>Intermediate chemicals</b>	Chemicals that typically utilize primary and other base chemicals as inputs and are often used as inputs for additional products or are sold directly to consumers.	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Non-primary chemicals</li> </ul>

Term	Definition	Further comments
	Intermediate chemicals include propylene oxide, urea, ammonium nitrate, polymers, styrene, acetone and formaldehyde.	<ul style="list-style-type: none"> <li>• Primary chemicals</li> </ul>
<b>Internal carbon pricing</b>	Internal carbon pricing is a tool an organization uses internally to guide its decision-making process in relation to climate change impacts, risks and opportunities ( <a href="#">The World Bank, 2017</a> ).	<p>Related terms:</p> <ul style="list-style-type: none"> <li>• Carbon pricing</li> <li>• Climate-related financial risks</li> </ul>
<b>Intervention (or project) accounting</b>	A type of consequential accounting that quantifies systemwide GHG impacts of a specific project, on GHG emissions, removals, and/or other accounting categories relative to a counterfactual baseline scenario that represents the conditions most likely to occur in the absence of the project (adapted from <a href="#">GHG Protocol, 2026b</a> , <a href="#">GHG Protocol, 2026a</a> ).	<p>Related terms:</p> <ul style="list-style-type: none"> <li>• Additionality</li> <li>• Carbon credit</li> <li>• Consequential accounting</li> <li>• Counterfactual baseline</li> </ul>
<b>In-transition entity</b>	An entity, e.g. supplier or customer, that has near-term science-based targets covering scope 1, scope 2 and material scope 3 emissions (scope 1 and 2 only for Category B companies), consistent with reaching net-zero by 2050 in accordance with recognized science-based standards; or that generates more than 90% of revenue from activities classified as transitional or transition-enabling under recognized sustainable finance taxonomies. <sup>1</sup> Over time, entities are required to demonstrate measurable progress to maintain their in-transition classification.	<p>Related terms:</p> <ul style="list-style-type: none"> <li>• Entity</li> <li>• (In) Transition counterparty</li> <li>• Net-zero aligned counterparty</li> <li>• Net-zero aligned entity</li> </ul>
<b>Investment</b>	The term investment (unless explicitly stated otherwise) is used in the broad sense: “Putting money into activities or organizations with the expectation of making a profit.” Most forms of investment involve	<p>Related terms:</p> <ul style="list-style-type: none"> <li>• Debt</li> <li>• Equity (in financial services)</li> </ul>

<sup>1</sup> The SBTi will develop criteria and processes for recognizing third-party frameworks, standards, and programs, where applicable.

Term	Definition	Further comments
	some form of risk taking, such as investment in equities, debt, property, projects, and even fixed interest securities which are subject to inflation risk, among other risks ( <a href="#">PCAF, 2022</a> ).	<ul style="list-style-type: none"> <li>• Project finance</li> </ul>
<b>IPCC Special Report on 1.5°C (SR15)</b>	An IPCC special report on the impacts of global warming of 1.5°C above pre-industrial levels and related global GHG emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty.	Related terms: <ul style="list-style-type: none"> <li>• Intergovernmental Panel on Climate Change (IPCC)</li> <li>• Paris Agreement</li> </ul>
<b>J</b>		
<b>Joint venture (JV)</b>	Business arrangement in which two or more parties agree to pool their resources for the purpose of accomplishing a specific task. This task can be a new project or any other business activity ( <a href="#">Investopedia, 2023</a> ).	Related terms: <ul style="list-style-type: none"> <li>• Equity share approach</li> </ul>
<b>Just transition</b>	<p>Greening the economy in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind (<a href="#">International Labour Organization (ILO), 2023</a>).</p> <p>A just transition incorporates key principles, such as respect and dignity for vulnerable groups, the creation of decent jobs, social protection, employment rights, fairness in energy access and use, and social dialogue and democratic consultation with the relevant stakeholders, while coping with the effects of asset-stranding and the transition to net-zero (<a href="#">IPCC, 2022</a>).</p>	Related terms: <ul style="list-style-type: none"> <li>• Climate justice</li> <li>• Equity (in climate change)</li> </ul>

Term	Definition	Further comments
<b>K</b>		
<b>L</b>		
<b>La Niña</b>	La Niña refers to the periodic cooling of ocean surface temperatures in the central and east-central equatorial Pacific Ocean. Typically, La Niña events occur every three to five years, but on occasion can occur over successive years, affecting patterns of rainfall, atmospheric pressure, and global atmospheric circulation. ( <u>National Weather Service &amp; NOAA, 2012</u> ).	Related term : <ul style="list-style-type: none"> <li>● El Niño</li> </ul>
<b>Land management CO<sub>2</sub> removals</b>	Net biogenic CO <sub>2</sub> removals resulting from net land carbon stock increases due to ongoing land management practices. All land management CO <sub>2</sub> removals are from biological sinks ( <u>GHG Protocol, 2026b</u> ).	Related terms: <ul style="list-style-type: none"> <li>● Biochar</li> <li>● Bioenergy</li> <li>● Biogenic CO<sub>2</sub> emissions</li> <li>● Biomass</li> <li>● Carbon dioxide removals (CDR) / Carbon removals</li> <li>● Carbon sequestration / Sequestered emissions</li> <li>● Carbon stock</li> <li>● Forest, land and agriculture (FLAG)</li> <li>● FLAG (Forestry, land, and agriculture) targets</li> </ul>
<b>Land use change (LUC)</b>	Transformation from one land use category (e.g., cropland, grassland, forest/woodland, urban/industrial, wetland/tundra) to another category (e.g., transformation from natural forest to cropland).	Related terms: <ul style="list-style-type: none"> <li>● Direct land use change (dLUC)</li> <li>● Indirect land use change (iLUC)</li> </ul>
<b>Lead time</b>	The total time required between conception and commissioning of a facility ( <u>International Energy Agency, 2023</u> ).	

Term	Definition	Further comments
<b>Leakage</b>	An effect of an action that results in a displacement of the environmental impact, thereby counteracting the intended effects of the initial action (adapted from <a href="#">IPCC, 2022</a> ).	
<b>Leakage (of GHG emissions)</b>	When a mitigation activity, carbon crediting project, or program displaces emission-creating activities outside the project or program boundary rather than halting them in actual terms. Leakage of GHG emissions can occur when mitigation activities: (a) shift location (activity-shifting leakage); (b) indirectly affect areas that are hydrologically connected (ecological leakage); (c) impact the supply or demand of an emissions-intensive product or service (market leakage); or (d) impact upstream or downstream emissions (upstream/downstream emissions leakage) ( <a href="#">ICVCM, 2023</a> ).	Related term: <ul style="list-style-type: none"> <li>● Mitigation</li> </ul>
<b>Lender</b>	The firm lending capital to the borrower via credit or loans.	Related terms: <ul style="list-style-type: none"> <li>● Borrower</li> <li>● Business / corporate loan</li> <li>● Consumer loan</li> <li>● Debt</li> </ul>
<b>Level of assurance</b>	Degree of confidence in the object of assurance statement as part of an assurance process, e.g., limited assurance, reasonable assurance ( <a href="#">ISO 14064, 2018</a> ; <a href="#">ISO 14065, 2020</a> ).	Related terms: <ul style="list-style-type: none"> <li>● Assurance</li> </ul>
<b>Leveraged buyout (LBO)</b>	A private equity fund's acquisition of a portfolio company using relatively significant levels of debt finance to meet the cost of acquisition. A leveraged buyout usually sees the buyer take a majority stake and gain control of the portfolio company.	Related terms: <ul style="list-style-type: none"> <li>● Acquisition</li> <li>● Buyout</li> <li>● Equity (in financial services)</li> </ul>

Term	Definition	Further comments
		<ul style="list-style-type: none"> <li>• Portfolio company (PC)</li> <li>• Private equity</li> </ul>
<b>Life cycle assessment (LCA)</b>	<p>Compilation and evaluation of the inputs, outputs, and potential environmental impacts of a product system throughout its life cycle (<u>International Organization for Standardization, 2006</u>).</p> <p>LCA is a tool for the analysis of the environmental burden of products at all stages in their life cycle - from the extraction of resources, through to the production of materials, product parts and the product itself, and the use of the product to the management after it is discarded, either by reuse, recycling or final disposal (<u>Guinee, 2002</u>).</p>	
<b>Limited assurance</b>	Level of assurance where the nature and extent of the verification activities have been designed to provide a reduced level of assurance on historical data and information ( <u>ISO 14064-3:2019</u> ).	<p>Related terms:</p> <ul style="list-style-type: none"> <li>• Assurance</li> <li>• Level of assurance</li> </ul>
<b>Limited Partner (LP)</b>	Investors in private equity funds are also known as limited partners, since most private equity funds take the form of limited partnerships ( <u>Fraser-Sampson, 2010</u> ).	<p>Related terms:</p> <ul style="list-style-type: none"> <li>• Private equity</li> <li>• General partner</li> </ul>
<b>Linear annual reduction (LAR)</b>	Percentage of emissions that, on average, must be reduced annually to be consistent with an emissions pathway from a fixed base year.	<p>Related term:</p> <ul style="list-style-type: none"> <li>• Pathway</li> </ul>
<b>Liquefied gas tanker</b>	<p>Liquefied gas tanker is a type of maritime vessel. It includes:</p> <ul style="list-style-type: none"> <li>• CO<sub>2</sub> tanker</li> </ul>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>• Bulk carrier</li> <li>• Chemical tanker</li> </ul>

Term	Definition	Further comments
	<ul style="list-style-type: none"> <li>● Combination gas tanker (liquefied natural gas, LNG/liquefied petroleum gas, LPG)</li> <li>● LNG tanker</li> <li>● LPG tanker</li> <li>● LPG tanker, inland waterways</li> <li>● LPG/Chemical tanker</li> </ul>	<ul style="list-style-type: none"> <li>● Container</li> <li>● Cruise</li> <li>● Ferry (passenger only)</li> <li>● Ferry (RoPax)</li> <li>● General cargo</li> <li>● Oil tanker</li> <li>● Other liquid tankers</li> <li>● Refrigerated bulk</li> <li>● Roll on/off (RoRo)</li> <li>● Vehicle carrier</li> </ul>
<b>Listed equity</b>	Asset class that includes all investments in equity securities (regardless of how they are traded) that are issued by listed companies (i.e., those that have equity listed and traded on a stock exchange, including financial institutions).	Related terms: <ul style="list-style-type: none"> <li>● Asset class</li> <li>● Equity (in financial services)</li> <li>● Investment</li> <li>● Private equity</li> </ul>
<b>Location-based accounting for scope 2</b>	A method to quantify scope 2 GHG emissions based on average energy generation emission factors for defined locations, including local, subnational, or national boundaries ( <a href="#">WRI &amp; WBCSD, 2015</a> ).	Related terms: <ul style="list-style-type: none"> <li>● Market-based accounting for scope 2</li> <li>● Scope 2 emissions</li> </ul>
<b>Long-lived GHG (LLGHG)</b>	A well-mixed greenhouse gas (GHG) with a long atmospheric lifetime. This set of compounds includes carbon dioxide (CO <sub>2</sub> ) and nitrous oxide (N <sub>2</sub> O), together with some halogenated compounds (e.g., SF <sub>6</sub> ). They have a warming effect on the climate. These compounds accumulate in the atmosphere at decadal to centennial time scales, and their effect on climate hence persists for decades to centuries after their emission (adapted from <a href="#">IPCC, 2021</a> ).	

Term	Definition	Further comments
<b>Long-lived removal / Long-lived removal reservoirs</b>	Carbon dioxide removal activities that are capable of retaining carbon for centuries to millennia (adapted from <a href="#">IPCC, 2022</a> ).	<p>The SBTi will continue to review and update this definition in line with scientific advancements.</p> <p>Related terms:</p> <ul style="list-style-type: none"> <li>● Carbon storage pool/reservoir</li> <li>● Short-lived removal</li> </ul>
<b>Long-term science-based target</b>	GHG reduction targets established over longer time periods (10+ years in the future) that are in line with what the latest climate science deems necessary to reach net-zero and limit warming to 1.5°C above pre-industrial levels at the global or sector level and that are achieved by 2050 at the latest.	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Near-term science-based target</li> <li>● Net-zero science-based target</li> </ul>
<b>Loss and damage</b>	Refers to the negative effects of climate change that go beyond what people can adapt to ("hard limits" to adaptation", or where adaptation options exist but a community does not have the resources to access or utilize them ("soft limits" to adaptation) (adapted from <a href="#">WRI, 2022</a> ).	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Adaptation</li> <li>● Loss and damage funding</li> </ul>
<b>Loss and damage funding</b>	<p>Providing funds to support the response to, and recovery from, unavoidable climate-related losses and damages, prioritizing those least responsible for emissions and most affected by impacts.</p> <p>While there is no internationally agreed-upon definition for loss and damage, it usually refers to the negative effects of climate change that go beyond what people can adapt to ("hard limits" to adaptation), or where adaptation options exist but a community does not have the resources to access or utilize them ("soft limits" to adaptation).</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Loss and damage</li> </ul>

Term	Definition	Further comments
<b>Low-carbon electricity</b>	Electricity produced by an individual generator that is characterized by direct GHG emissions less than or equal to 0.048 kg CO <sub>2</sub> /kWh. This threshold changes to 0.024 kg CO <sub>2</sub> /kWh in 2035.	
<b>Low carbon/zero carbon R&amp;D and innovation funding</b>	Providing finance for research and development (R&D), demonstration, and early deployment of technologies or practices that accelerate the availability, scalability, and cost-effectiveness of climate solutions consistent with eligible science-based net-zero pathways <sup>2</sup> . For example, this might include funding of research that addresses system bottlenecks (e.g., energy storage, hydrogen infrastructure, carbon capture and storage, low-carbon materials).	
<b>Lower-carbon</b>	Lower-carbon technologies, products, materials, fuels, energy sources, or services are those whose emissions performance is consistent with a trajectory toward net-zero emissions by 2050 at the latest, assessed against a relevant science-based benchmark, recognized taxonomies, or other eligible criteria set out in applicable SBTi methods and pathways.	
<b>Lower-carbon performance at the product use phase</b>	A level of product-use-phase emissions performance that is consistent with a trajectory toward net-zero emissions by 2050 at the latest, assessed against recognized taxonomies, energy efficiency standards or other eligible criteria set out in applicable SBTi methods and pathways.	The SBTi will develop criteria and processes for recognizing third-party frameworks, standards and programs, where applicable.

<sup>2</sup> The SBTi will develop criteria and processes for recognizing third-party frameworks, standards, and programs, where applicable.

Term	Definition	Further comments
<b>Low-emission hydrogen</b>	Hydrogen produced through water electrolysis with electricity generated from a low-emissions source such as renewables or nuclear, or biomass or hydrogen produced from fossil fuels equipped with CCS technology. Production from fossil fuels with CCS is included only if upstream emissions are sufficiently low, if capture, at high rates, is applied to all CO <sub>2</sub> streams associated with the production route, and if all CO <sub>2</sub> is permanently stored to prevent its release to the atmosphere <sup>3</sup> .	<p>Related terms:</p> <ul style="list-style-type: none"> <li>• Carbon dioxide capture and storage (CCS)</li> </ul>
<b>M</b>		
<b>Maintenance targets</b>	Targets that maintain the same emissions reductions reached after achieving a science-based target over time.	<p>Maintenance targets are intended for companies that plan to achieve net-zero ambition levels well before the 2040 or 2050 end-date prescribed by their chosen methodology. Maintenance targets require companies to maintain reductions through 2040 or 2050 that are at least as ambitious as the original ambition selected, or otherwise to increase ambition beyond that of the initial target.</p> <p>Related terms:</p> <ul style="list-style-type: none"> <li>• Long-term science based target</li> <li>• Near-term science based target</li> <li>• Net-zero science based target</li> </ul>
<b>Market-based accounting for scope 2</b>	A method to quantify the scope 2 GHG emissions of a reporter based on GHG emissions emitted by the generators from which the reporter contractually purchases electricity bundled with contractual	<p>Related terms:</p> <ul style="list-style-type: none"> <li>• Location-based accounting for scope 2</li> <li>• Scope 2 emissions</li> </ul>

<sup>3</sup> The SBTi does not contain criteria that rely on a quantitative definition of low-emissions hydrogen. However, certain jurisdictions have developed maximum regulatory thresholds for the amount of GHG emissions allowed in the production process for hydrogen to be considered 'low carbon hydrogen', for example the United Kingdom's (UK) Low Carbon Hydrogen Standard.

Term	Definition	Further comments
	instruments, or contractual instruments on their own ( <a href="#">WRI &amp; WBCSD, 2015</a> ).	
<b>Market instrument</b>	A contractual arrangement between two or more parties that enables the creation, transfer, or claiming of GHG-related environmental attributes (e.g., emissions factors or production characteristics). Market instruments include, but are not limited to, certificates, mitigation-related contracts and GHG credits (adapted from <a href="#">VCI, 2026</a> and <a href="#">GHG Protocol, 2026a</a> ).	Related terms: <ul style="list-style-type: none"> <li>● Carbon credits</li> <li>● GHG credits</li> <li>● Commodity certificates</li> <li>● Energy attribute certificates</li> <li>● Projects</li> </ul>
<b>Matching (related to actions)</b>	The correspondence between an action, outcome, or attribute and the underlying activity or emissions to which it is applied, based on defined criteria (e.g., quantity, activity type, temporal or geographic boundaries). In electricity contexts, “matching” refers to pairing electricity consumption with generation attributes across temporal and geographic dimensions.	Related terms: <ul style="list-style-type: none"> <li>● Actions</li> <li>● Geographic matching</li> <li>● Temporal matching</li> <li>● Hourly matching</li> </ul>
<b>Measurement (of science-based targets data)</b>	The accounting of companies’ GHG and non-GHG metrics associated with science-based targets. This may entail direct physical measurement of GHG emissions, estimating emissions or emissions reductions utilizing activity data and emission factors, calculating changes relevant to sustainable development, and collecting information about support for climate change mitigation ( <a href="#">WRI, 2016</a> ).	Related terms: <ul style="list-style-type: none"> <li>● Alignment metrics</li> <li>● GHG inventory / Emissions inventory</li> <li>● GHG screening / Screening</li> </ul>
<b>Mechanical recycling technologies</b>	Recycling technologies that do not alter the basic chemical structure of a material.	Related term: <ul style="list-style-type: none"> <li>● Alternative feedstock</li> </ul>
<b>Merchant hydrogen</b>	Hydrogen produced by one company to sell to others.	

Term	Definition	Further comments
<b>Merger</b>	A merger is an agreement that unites two existing companies into one new company.	Related term: <ul style="list-style-type: none"> <li>● Acquisition</li> </ul>
<b>Meta-criterion</b>	A specific, unambiguous rule that must be met by a pathway, method, or criterion/standard to be compliant with a principle.	Related terms: <ul style="list-style-type: none"> <li>● Method</li> <li>● Pathway</li> <li>● Principle</li> <li>● Standard</li> </ul>
<b>Methanol as an energy carrier</b>	Methanol that is produced for the purpose of being used as a fuel or – as methanol – as fuel additive. Methanol converted to fuel additives, such as MTBE, is not considered an energy carrier in this definition.	Related term: <ul style="list-style-type: none"> <li>● Primary chemicals</li> </ul>
<b>Method</b>	A mathematical formula or algorithm used to calculate benchmarks, expressed in terms of a target metric, which serves as the reference for entities to set targets.	Methods are independent from, but related to, the pathway and metric. In the past, “methods” have been called also “allocation approach”, “model”, “formula allocation”, and “target equation”.  Related terms: <ul style="list-style-type: none"> <li>● Benchmark</li> <li>● Metric</li> <li>● Pathway</li> </ul>
<b>Metric</b>	A target-setting metric is a quantifiable indicator used to assess, manage, compare, and communicate the past, current or intended climate-related performance of an organization. Metrics provide the common, objective data necessary for scientific reporting, policy formulation, financial risk management, and corporate accountability.	Related terms: <ul style="list-style-type: none"> <li>● Alignment metrics</li> <li>● Method</li> <li>● Pathway</li> <li>● Sector-specific metric</li> </ul>

Term	Definition	Further comments
<b>Mezzanine debt</b>	Subordinated debt repaid after senior debtors are repaid in full. Mezzanine debt is often used in buyouts and thus can include embedded equity instruments ( <a href="#">PitchBook, 2021</a> ).	Related terms; <ul style="list-style-type: none"> <li>● Buyout</li> <li>● Debt</li> <li>● Equity (in financial services)</li> <li>● Investment</li> </ul>
<b>Minimal level of deforestation or conversion</b>	A small amount of deforestation or conversion that is negligible in the context of a given site because of its small area and because it does not significantly affect the conservation values of natural ecosystems or the services and values they provide to people ( <a href="#">Accountability Framework initiative, 2024</a> ).	Related terms: <ul style="list-style-type: none"> <li>● Deforestation</li> <li>● No-deforestation</li> </ul>
<b>Mitigation</b>	A human intervention to reduce emissions or enhance the sinks of GHGs ( <a href="#">IPCC, 2018</a> ).	Related terms: <ul style="list-style-type: none"> <li>● Adaptation</li> <li>● Mitigation hierarchy</li> <li>● Mitigation strategy</li> </ul>
<b>Mitigation-enabling outcomes funding</b>	Providing funds for interventions that enable structural or system-level change, which unlock or accelerate mitigation at scale. These interventions do not directly reduce emissions in a company's own operations or value chain, but instead change the conditions (policy, market, institutional, or infrastructural) that are necessary for widespread decarbonization. For example, a company might provide grants to a regional planning authority to develop spatial plans that allocate land for renewable energy deployment, or it might contribute pooled capital into a collective action platform that accelerates grid interconnection and shared infrastructure.	Related terms: <ul style="list-style-type: none"> <li>● Decarbonization</li> <li>● Mitigation</li> </ul>

Term	Definition	Further comments
<b>Mitigation hierarchy</b>	The mitigation hierarchy consists of a hierarchy of steps, in the following order of priority: avoidance, GHG emissions reduction, contribution to climate mitigation beyond the value chain, and counterbalancing residual GHG emissions. An organization should prioritize actions to avoid releasing GHG emissions into the atmosphere and reduce GHG emissions when avoidance is not possible (GRI, 2023).	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Abatement</li> <li>● Avoidance (of corporate value chain emissions)</li> <li>● Beyond value chain mitigation (BVCM)</li> <li>● Emissions reductions</li> <li>● GHG removals / Removals / Emissions removals</li> <li>● Mitigation</li> <li>● Mitigation strategy</li> <li>● Neutralization</li> <li>● Residual emissions</li> </ul>
<b>Mitigation outcome</b>	A quantified result of human-induced activities that contribute to climate mitigation, measurable in tCO <sub>2</sub> e (adapted from IPCC, 2022).	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Verified mitigation outcome</li> </ul>
<b>Mitigation strategy</b>	A set of measures planned and implemented by a company to avoid and reduce emissions or to remove and store GHG emissions from the atmosphere. Mitigation can occur within or beyond a company's value chain.	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Abatement</li> <li>● Avoidance (of corporate value chain emissions)</li> <li>● Beyond value chain mitigation (BVCM)</li> <li>● Emissions reductions</li> <li>● GHG removals / Removals / Emissions removals</li> <li>● Mitigation</li> <li>● Mitigation hierarchy</li> <li>● Neutralization</li> <li>● Ongoing Emissions Responsibility</li> </ul>
<b>Money-for-money method</b>	This is a method for determining the scale of a beyond value chain mitigation (BVCM) pledge. Using this method, a company would allocate a share of revenue or profit towards funding climate mitigation beyond the value chain. The volume of finance deployed towards BVCM would be determined by the chosen	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Beyond value chain mitigation (BVCM)</li> <li>● Money-for-ton method</li> <li>● Ton-for-ton method</li> </ul>

Term	Definition	Further comments
	denominator (e.g., profit or revenue) and the chosen percentage.	
<b>Money-for-ton method</b>	This is a method for determining the scale of a beyond value chain mitigation (BVCM) pledge. Using this method, a company would channel finance into BVCM based on predefined reference price of the unabated GHG ongoing emissions of that company in a defined period (e.g., in a given year or since the inception of the company). The volume of finance deployed towards BVCM would be determined by the chosen cost of carbon (e.g., a social cost of carbon or otherwise) and the unabated emissions in that defined period.	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Beyond value chain mitigation (BVCM)</li> <li>● Money-for-money method</li> <li>● Ton-for-ton method</li> </ul>
<b>Mortgage</b>	On-balance sheet loans used to purchase residential property, including multifamily properties with no limit on the number of units. This definition implies that the property is used for residential purposes.	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Business / corporate loan</li> <li>● Consumer loan</li> <li>● Debt</li> <li>● Real estate</li> <li>● Real estate debt</li> </ul>
<b>Most recent year (MRY) (related to science-based targets)</b>	The latest available scope 1, 2, and 3 GHG inventory that covers a complete reporting period no earlier than two years prior to the date of submission, against which a company's emissions are tracked over time.	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Base year (or base period)</li> <li>● Forward looking ambition</li> <li>● Target year</li> <li>● Target period</li> </ul>
<b>Motor vehicle loan</b>	Loans that are used to finance one or several motor vehicles.	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Business / corporate loan</li> <li>● Consumer loan</li> <li>● Debt</li> </ul>

Term	Definition	Further comments
<b>Multi-strategy funds</b>	Multi-strategy funds engage in a variety of investment strategies ( <a href="#">Eurekahedge, 2021</a> ).	Related terms: <ul style="list-style-type: none"> <li>● Fund of funds</li> <li>● Hedge fund</li> <li>● Investment</li> </ul>
<b>N</b>		
<b>Narrative claim</b>	In contrast to headline claims, narrative claims are descriptive claims made to convey more detailed progress or status-based achievements, for example, describing actions undertaken or planned and sharing data about achievements made ( <a href="#">Gold Standard, 2023</a> ).	Related terms: <ul style="list-style-type: none"> <li>● Headline climate claim</li> </ul>
<b>Nationally Determined Contribution (NDC)</b>	Nationally Determined Contributions, or NDCs, are national climate action plans by each country under the Paris Agreement. A country's NDC outlines how it plans to reduce GHG emissions to help meet the global goal of limiting temperature rise to 1.5°C and adapt to the impacts of climate change ( <a href="#">United Nations, 2025</a> ).	
<b>National oil company (NOC)</b>	Organizations that have the largest shares of their value held by their parent governments ( <a href="#">Al-Fattah, 2013</a> ). Many large oil-producing countries have NOCs that control most or all of the oil industry activities in their domestic markets ( <a href="#">McKinsey &amp; Company, 2024</a> ).	
<b>Natural forest</b>	A forest that is a natural ecosystem. Natural forests possess many or most of the characteristics of a forest native to the given site, including species composition, structure and ecological function. Natural forests include:	Related terms: <ul style="list-style-type: none"> <li>● Conversion</li> <li>● Deforestation</li> <li>● Degradation</li> </ul>

Term	Definition	Further comments
	<p>(i) Primary forests that have not been subject to major human impacts in recent history.</p> <p>(ii) Regenerated (second growth) forests that were subject to major impacts in the past (for instance by agriculture, livestock raising, tree plantations or intensive logging) but where the main causes of impact have ceased or greatly diminished and the ecosystem has recovered much of the species composition, structure and ecological function of prior or other contemporary natural ecosystems.</p> <p>(iii) Managed natural forests where much of the ecosystem's composition, structure, and ecological function exist in the presence of activities such as: harvesting of timber or other forest products, including management to promote high-value species and low intensity, small-scale cultivation within the forest, such as less-intensive forms of swidden agriculture in a forest mosaic.</p> <p>iv) Forests that have been partially degraded by anthropogenic or natural causes (e.g., harvesting, fire, climate change, invasive species, or others) but where the land has not been converted to another use and where degradation does not result in the sustained reduction of tree cover below the thresholds that define a forest or sustained loss of other main elements of ecosystem composition, structure and ecological function" (<a href="#">Accountability Framework initiative, 2019</a>).</p>	<ul style="list-style-type: none"> <li>● Forest</li> <li>● Forest restoration</li> <li>● Reforestation</li> <li>● No-deforestation</li> </ul>
<p><b>Nature-based Solutions (NbS)</b></p>	<p>Nature-based Solutions (NbS) are actions to protect, sustainably manage and restore natural and modified ecosystems in ways that address societal challenges effectively and adaptively, to provide both human well-being and biodiversity benefits" (<a href="#">IUCN, 2020</a>). In</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Beyond value chain mitigation (BVCM)</li> <li>● Carbon dioxide removals (CDR) / Carbon removals</li> <li>● Co-benefit</li> </ul>

Term	Definition	Further comments
	<p>some cases NbS can be Natural Climate Solutions (NCS) and be a form of land-based emissions reductions and/or removals.</p>	<ul style="list-style-type: none"> <li>● Compensation</li> <li>● Forest, land and agriculture (FLAG)</li> <li>● Insetting / supply chain interventions</li> <li>● Ongoing Emissions Responsibility</li> </ul>
<p><b>Near-term target / near-term science-based target</b></p>	<p>A goal set by a company on a short-term time horizon toward reaching a state of net-zero emissions.</p>	<p>In CNZS V2.0, a near-term target is based on a five-year time horizon or is based on a milestone year, while in earlier versions of SBTi Standards, a near-term target is based on a 5 to 10 year time horizon.</p> <p>Related terms:</p> <ul style="list-style-type: none"> <li>● Long-term science-based target</li> <li>● Net-zero target / net-zero science-based target</li> </ul>
<p><b>Negative emissions</b></p>	<p>Removal of GHGs from the atmosphere by deliberate human activities, i.e., in addition to the removal that would occur via natural carbon cycle processes (<a href="#">IPCC, 2018</a>).</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Carbon dioxide removals (CDR) / Carbon removals</li> </ul>
<p><b>Net-Zero</b></p>	<p>A state in which a company has reduced its greenhouse gas emissions to the residual levels defined by net-zero pathways and neutralizes those remaining residual emissions, achieving and maintaining this balance at its net-zero target year and beyond.</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Net-zero emissions</li> <li>● Net-zero science-based target</li> </ul>

Term	Definition	Further comments
<b>Net-zero achieved counterparty</b>	A counterparty that has reached zero or net-zero emissions, and whose activities do not result in the accumulation of GHG in the atmosphere, i.e., existing residual emissions have been neutralized.	Related terms: <ul style="list-style-type: none"> <li>● Portfolio climate alignment</li> <li>● Net-zero aligned counterparty</li> </ul>
<b>Net-zero aligned</b>	A descriptor for technologies, products, materials, fuels, energy sources, or services whose emissions performance has reached a level consistent with net-zero emissions, assessed against recognized net-zero pathways, taxonomies, or other eligible criteria set out in applicable SBTi methods and pathways.	Related terms: <ul style="list-style-type: none"> <li>● Net-Zero</li> <li>● Net-zero aligned benchmark</li> <li>● Net-zero aligned counterparty</li> <li>● Net-zero aligned entities</li> <li>● Net-zero emissions</li> <li>● Net-zero pathway</li> </ul>
<b>Net-zero aligned benchmark</b>	A benchmark that stipulates the required level of performance to be compatible with a net-zero economy by 2050 at the latest (i.e., end-point value of the indicator).	Related terms: <ul style="list-style-type: none"> <li>● Net-zero aligned</li> </ul>
<b>Net-zero aligned counterparty</b>	A counterparty that has reduced emissions across their operations and value chains to reach residual emissions levels consistent with a net-zero pathway.	Related terms: <ul style="list-style-type: none"> <li>● Portfolio climate alignment</li> <li>● Net-zero achieved counterparty</li> </ul>
<b>Net-zero aligned entity</b>	An entity (e.g., supplier or customer) that has zero or residual levels of emissions across scopes 1, 2, and 3, or that generates more than 90% of revenue from activities classified as net-zero aligned under recognized sustainable finance taxonomies.	Related terms: <ul style="list-style-type: none"> <li>● Net-zero aligned counterparty</li> <li>● (In)Transition counterparty</li> <li>● In-transition entity</li> </ul>
<b>Net-zero emissions</b>	Net zero emissions are achieved when anthropogenic emissions of GHGs to the atmosphere are balanced by anthropogenic removals over a specified period ( <a href="#">IPCC, 2018</a> ).	Net-zero emissions is a climate goal at the global level. The SBTi translates the global goal of net-zero emissions into net-zero science-based targets at the corporate level.

Term	Definition	Further comments
	While the term net-zero primarily refers to balancing CO <sub>2</sub> emissions with removals, the SBTi definition encompasses all greenhouse gases as a broader signal of comprehensive climate ambition.	Related terms: <ul style="list-style-type: none"> <li>● Carbon dioxide removals (CDR) / Carbon removals</li> <li>● Long-term science-based target</li> <li>● Near-term science-based target</li> <li>● Net-zero science-based target</li> <li>● Neutralization</li> <li>● Residual emissions</li> </ul>
<b>Net-zero pathway</b>	A quantitative trajectory of change in a climate-relevant metric over time, based on an internally consistent set of assumptions about key drivers, such as patterns of economic and population growth and technology development, consistent with reaching net-zero emissions by 2050 or earlier.	Related terms: <ul style="list-style-type: none"> <li>● Net-Zero</li> </ul>
<b>Net-zero performance at the product-use phase</b>	A level of use-phase emissions performance that is consistent with net-zero emissions, assessed against recognized taxonomies or other eligible criteria set out in applicable SBTi methods and pathways.	
<b>Net-zero target / net-zero science-based target</b>	A net-zero science-based target includes: <ul style="list-style-type: none"> <li>● Reducing scope 1, scope 2, and scope 3 emissions to zero or to a residual level consistent with reaching net-zero emissions at the global or relevant sector level in eligible net-zero pathways; and</li> <li>● Neutralizing any residual emissions at the net-zero target year and any GHG emissions released into the atmosphere thereafter through durable removal and storage.</li> </ul>	Related terms: <ul style="list-style-type: none"> <li>● 1.5°C aligned scenario</li> <li>● Beyond value chain mitigation (BVCM)</li> <li>● Long-term science-based target</li> <li>● Near-term science-based target</li> <li>● Net-zero emissions</li> <li>● Neutralization</li> <li>● Residual emissions</li> </ul>
<b>Neutralization</b>	Measures that companies take to counterbalance the climate impact of unabatable (i.e., residual) GHG emissions, which are released into the atmosphere at	CO <sub>2</sub> removals for the purposes of neutralization of residual emissions can be implemented within or beyond the value chain.

Term	Definition	Further comments
	and after the net-zero target date, through durable removal and storage of carbon dioxide from the atmosphere.	Related terms: <ul style="list-style-type: none"> <li>● Carbon credit</li> <li>● Carbon dioxide removals (CDR) / Carbon removals</li> <li>● Residual emissions</li> </ul>
<b>New financial activity</b>	For the SBTi Financial Institutions Net-Zero Standard, the term ‘new financial activity’ is related to entities, projects, and assets that the financial institution was not previously involved with, and any new or additional in-scope financial activities related to entities, projects, and assets that the financial institution is already involved with. For a detailed definition, see Annex A of the SBTi Financial Institutions Net Zero Standard.	Related terms: <ul style="list-style-type: none"> <li>● Financial activities</li> <li>● Financial institution(s)</li> <li>● Financial intermediaries</li> <li>● In-scope</li> </ul>
<b>No-deforestation</b>	Commodity production, sourcing, or financial investments that do not cause or contribute to deforestation (as defined by the Accountability Framework initiative, 2024).	Related terms: <ul style="list-style-type: none"> <li>● Deforestation</li> <li>● Minimal level of deforestation or conversion</li> </ul>
<b>Non-primary chemicals</b>	All chemicals, other than primary chemicals or nitric acid, that fall within the chemicals sectoral boundary as defined in the SBTi Criteria for the Implementation of Chemicals Sector Pathways.	Related terms: <ul style="list-style-type: none"> <li>● Chemical recycling technologies</li> <li>● Consumer chemicals</li> <li>● Intermediate chemicals</li> <li>● Pharmaceuticals</li> <li>● Primary chemicals</li> <li>● Other base chemicals</li> <li>● Specialty chemicals</li> </ul>
<b>Non-substantive revision</b>	A minor revision that would not significantly impact the	Related terms:

Term	Definition	Further comments
	manner in which entities conform with a standard (SBTi, 2023).	<ul style="list-style-type: none"> <li>• Revision (of a standard)</li> </ul>
<b>Non-variable LCE generation</b>	Non-variable low-carbon electricity (LCE) generation resources are firm (reliable and dispatchable) LCE resources. Firm LCE generation excludes wind, solar, and marine resources, which are variable (not reliable and dispatchable) LCE resources.	Related terms: <ul style="list-style-type: none"> <li>• Low-carbon electricity (LCE)</li> </ul>
<b>Normative (related to SBTi Standards System)</b>	Refers to elements that are prescriptive and shall be followed by companies, including those applying for Target Validation, to conform with the requirements of SBTi Standards.	Related terms: <ul style="list-style-type: none"> <li>• Normative documents</li> </ul>
<b>Normative documents</b>	Normative documents are those that are prescriptive and shall be followed by an entity, including those applying for target validation, to comply with the requirements of SBTi's Standards.	Related terms: <ul style="list-style-type: none"> <li>• Informative documents</li> </ul>
<b>O</b>		
<b>Offsetting</b>	The term “offsetting” refers to actions that a company takes to deliver mitigation outside of its value chain as a substitute for abatement of value chain emissions.	Companies cannot achieve their science-based targets through offsetting. Related terms: <ul style="list-style-type: none"> <li>• Abatement</li> <li>• Carbon credit</li> <li>• Mitigation</li> <li>• Value chain emissions</li> </ul>
<b>Offtake (agreement)</b>	An agreement, often used in project financing, to purchase all or a substantial part of the output or product produced by a project. Depending on the	

Term	Definition	Further comments
	nature of the project, this agreement can take the form of a purchase agreement or a service contract (Thomson Reuters, 2026).	
<b>Oil tanker</b>	<p>Oil tanker is a type of maritime vessel. It includes:</p> <ul style="list-style-type: none"> <li>● Asphalt/Bitumen tanker</li> <li>● Oil tanker</li> <li>● Coal/Oil mixture tanker</li> <li>● Crude oil tanker</li> <li>● Crude/Oil products tanker</li> <li>● Oil tanker, inland waterways</li> <li>● Products tanker</li> <li>● Shuttle tanker</li> <li>● Tanker (unspecified)</li> </ul>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Bulk carrier</li> <li>● Chemical tanker</li> <li>● Container</li> <li>● Cruise</li> <li>● Ferry (passenger only)</li> <li>● Ferry (RoPax)</li> <li>● General cargo</li> <li>● Liquefied gas tanker</li> <li>● Other liquid tankers</li> <li>● Refrigerated bulk</li> <li>● Roll on/off (RoRo)</li> <li>● Vehicle carrier</li> </ul>
<b>Ongoing emissions</b>	The GHG emissions across all scopes that continue to be released into the atmosphere within the target timeframe (adapted from <a href="#">Gold Standard, 2024</a> ).	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Ongoing Emissions Responsibility</li> <li>● Residual emissions</li> </ul>
<b>Ongoing Emissions Responsibility (OER)</b>	A voluntary approach in which a company makes climate contributions beyond its required value chain targets, in recognition of the GHG emissions it continues to generate as it progresses toward net-zero. The scale of the climate contributions a company makes under the SBTi Ongoing Emissions Responsibility (OER) recognition program is determined relative to its ongoing emissions.	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Ongoing emissions</li> <li>● Climate contributions</li> <li>● Contribution budget</li> <li>● Verified mitigation outcomes</li> </ul>

Term	Definition	Further comments
	OER is a voluntary recognition framework and does not create or imply legal liability, fault, or a legal obligation to compensate for emissions.	
<b>Operational boundary</b>	The boundaries that determine the direct and indirect emissions associated with operations owned or controlled by the reporting company. This assessment allows a company to establish which operations and sources cause direct and indirect emissions, and to decide which indirect emissions to include that are a consequence of its operations ( <u>WRI &amp; WBCSD, 2004</u> ).	Related terms: <ul style="list-style-type: none"> <li>● Control approach</li> <li>● Direct GHG emissions / Direct emissions</li> <li>● Equity share approach</li> <li>● Financial control approach</li> <li>● Indirect emissions</li> <li>● Operational control approach</li> </ul>
<b>Operational control approach</b>	A consolidation approach used for GHG inventories defined in the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. A company has operational control over an operation if the former or one of its subsidiaries has the full authority to introduce and implement its operating policies at the operation ( <u>WRI &amp; WBCSD, 2004</u> ).	Related terms: <ul style="list-style-type: none"> <li>● Consolidation approach</li> <li>● Control approach</li> <li>● Equity share approach</li> <li>● Financial control approach</li> </ul>
<b>Operational emissions (buildings)</b>	Emissions associated with the operation of a building in its use stage.	
<b>Organizational boundary</b>	The boundaries that determine the operations owned or controlled by the reporting company, depending on the consolidation approach taken (equity or operational control or financial control approach) ( <u>WRI &amp; WBCSD, 2004</u> ).	Related terms: <ul style="list-style-type: none"> <li>● Consolidation approach</li> <li>● Control approach</li> <li>● Financial control approach</li> <li>● Equity share approach</li> <li>● Operational control approach</li> </ul>

Term	Definition	Further comments
<b>Other base chemicals</b>	Base chemicals not included in the definition of primary chemicals, such as acids, bases, alkalis, and industrial gases.	Related term: <ul style="list-style-type: none"> <li>● Primary chemicals</li> </ul>
<b>Other liquid tanker</b>	An other liquid tanker is a type of maritime vessel. It includes: <ul style="list-style-type: none"> <li>● Alcohol tanker</li> <li>● Caprolactam tanker</li> <li>● Effluent carrier</li> <li>● Fruit juice carrier, refrigerated</li> <li>● Molasses tanker</li> <li>● Water tanker</li> <li>● Water tanker, inland waterways</li> </ul>	Related terms: <ul style="list-style-type: none"> <li>● Bulk carrier</li> <li>● Chemical tanker</li> <li>● Container</li> <li>● Cruise</li> <li>● Ferry (passenger only)</li> <li>● Ferry (RoPax)</li> <li>● General cargo</li> <li>● Liquefied gas tanker</li> <li>● Oil tanker</li> <li>● Refrigerated bulk</li> <li>● Roll on/off (RoRo)</li> <li>● Vehicle carrier</li> </ul>
<b>Outcome (related to SBTi standards)</b>	Short-term and medium-term result or change resulting from the outputs of SBTi Standards or resources (adapted from ISEAL, 2025a).	
<b>Outcome (related to actions)</b>	The result of an action, which may include changes in emissions, removals activities, or systems, and which can be quantified and attributed to the action (adapted from <a href="#">AIM Platform, 2026</a> ).	Related terms: <ul style="list-style-type: none"> <li>● Verified Mitigation Outcomes</li> </ul>
<b>Out of scope financial activity</b>	This term refers to activities that are not addressed by any required or optional criteria in the SBTi Financial Institutions Net-Zero Standard.	Related terms: <ul style="list-style-type: none"> <li>● In-scope financial activity</li> </ul>

Term	Definition	Further comments
<b>Outsourcing</b>	The contractual obtaining of goods or services from a third party (ISEAL, 2025a).	
<b>Overshoot pathways</b>	Pathways in which greenhouse gas concentrations, radiative forcing, or global mean temperature exceed a specified stabilization level during a given period (e.g., before 2100) and subsequently decline toward that level by the end of the time horizon. Such pathways involve a temporary exceedance of the target, though the associated impacts may persist or be irreversible.	Related terms: <ul style="list-style-type: none"> <li>● Greenhouse gasses (GHGs)</li> <li>● Pathway</li> <li>● Sink (GHG)</li> <li>● Temperature overshoot</li> </ul>
<b>Oversight</b>	Responsibility for ensuring that assurance providers are competent, impartial and consistent when performing specific assurance activities (ISEAL, 2025a).	
<b>P</b>		
<b>Parent company</b>	An entity that has one or more subsidiaries ( <a href="#">WRI &amp; WBCSD, 2011</a> ).	Related term: <ul style="list-style-type: none"> <li>● Subsidiary</li> </ul>
<b>Paris Agreement</b>	Legally binding international treaty on climate change adopted within the United Nations Framework Convention on Climate Change (UNFCCC) in December 2015. The Paris Agreement commits participating countries to limit global temperature rise to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C, adapt to changes already occurring, and regularly increase efforts over time.	Related terms: <ul style="list-style-type: none"> <li>● 1.5°C aligned scenario</li> <li>● IPCC Special Report on 1.5°C (SR15)</li> <li>● Mitigation</li> </ul>

Term	Definition	Further comments
<b>Passenger-kilometer</b>	A passenger-kilometer, abbreviated as “pkm”, is the unit of measurement representing the transport of one passenger by a defined mode of transport (road, rail, air, sea, inland waterways etc.) over one kilometer.	Related terms: <ul style="list-style-type: none"> <li>● Emissions intensity</li> <li>● Sector-specific metric</li> <li>● Tonne-kilometer</li> </ul>
<b>Pathway</b>	A quantitative trajectory of change in a climate-relevant metric over time, based on an internally consistent set of assumptions about key drivers, such as patterns of economic and population growth and technology development.	Related terms: <ul style="list-style-type: none"> <li>● Benchmark</li> <li>● Method</li> <li>● Scenario</li> </ul>
<b>Payment for ecosystem services (PES)</b>	Payments for ecosystem services is the name given to a variety of arrangements through which the beneficiaries of environmental services, from watershed protection and forest conservation to carbon sequestration and landscape beauty, reward those whose lands provide these services with subsidies or market payments ( <a href="#">WWF, 2024</a> ).	
<b>Performance</b>	The state of outcomes at a given point in time, which may be assessed relative to a defined reference point.	Related terms: <ul style="list-style-type: none"> <li>● Outcome (related to actions)</li> </ul>
<b>Permanence / Durability</b>	The longevity of a carbon pool and the stability of its stocks, given the management and disturbance environment in which it occurs.	Storage duration can differ significantly, depending on the type of reservoir. For example, concentrated CO <sub>2</sub> stored in geologic formations deep underground is effectively permanent (thousands of years), whereas forest carbon stocks can release carbon back into the atmosphere due to wildfire or tree harvesting (adapted from <a href="#">Wilcox et al., 2021</a> ).  Related terms: <ul style="list-style-type: none"> <li>● Carbon stock</li> <li>● Neutralization</li> <li>● Sink (GHG)</li> </ul>

Term	Definition	Further comments
<b>Pharmaceuticals</b>	Operations involved in the discovery, development, and manufacture of drugs and medications.	Related term: <ul style="list-style-type: none"> <li>● Non-primary chemicals</li> </ul>
<b>Phase-out (natural resources, assets)</b>	Phase-out indicates the time bound commitment to cessation of additional new infrastructure related to the resource as well as the reduction of production from an asset to zero over a period of time.	Related terms: <ul style="list-style-type: none"> <li>● Asset</li> <li>● Decarbonization</li> <li>● Mitigation</li> <li>● Mitigation strategy</li> </ul>
<b>Phase-out method (financial activities)</b>	The approach whereby a financial institution sets a timeline to eliminate exposure to applicable value chain companies, projects, and assets, typically of a certain sector for a certain geography.	Related terms: <ul style="list-style-type: none"> <li>● Asset</li> <li>● Decarbonization</li> <li>● Mitigation</li> <li>● Mitigation strategy</li> </ul>
<b>Physical emissions intensity</b>	A metric describing the emissions per physical unit of an activity (e.g., tonne CO <sub>2</sub> e / tonne of cement production).	Related terms: <ul style="list-style-type: none"> <li>● Absolute emissions</li> <li>● Decarbonization</li> <li>● Emissions intensity</li> <li>● Paris Agreement</li> </ul>
<b>Physical GHG inventory</b>	An attributional inventory that provides a comprehensive account of a reporting entity's annual greenhouse gas (GHG) emissions (and removals, where applicable) resulting from its activities across scope 1, scope 2, and scope 3. Emissions are allocated based on physical relationships and the physical flows of goods and services to the reporting entity. This includes the location-based method for scope 2.	Related terms: <ul style="list-style-type: none"> <li>● Physical traceability</li> </ul>

Term	Definition	Further comments
	The physical inventory may use chain-of-custody models that establish physical traceability to the reporting entity and account for average emissions from a shared pool where physical traceability does not extend beyond that pool (adapted from <a href="#">GHG Protocol, 2026a</a> ).	
<b>Physical traceability</b>	The ability of a company to identify, track, and collect information on activities (e.g., activity data, GHG emissions or removals factors) related to material flows of goods and services in its value chain, across its upstream and downstream processes and products ( <a href="#">GHG Protocol, 2026b</a> ).	Related terms: <ul style="list-style-type: none"> <li>● Physical GHG inventory</li> </ul>
<b>Polluter pays principle</b>	The polluter pays principle set out in the 1992 Rio Declaration signifies that those who produce pollution should bear the costs of managing it to prevent damage to human health or the environment.	Related terms: <ul style="list-style-type: none"> <li>● Climate justice</li> <li>● Equity (in climate change)</li> <li>● Just transition</li> </ul>
<b>Portfolio</b>	A collection of an entity's financial assets, entities, and projects. Portfolios can extend across multiple asset classes, including loans, investments, and underwriting.	Related terms: <ul style="list-style-type: none"> <li>● Asset class</li> <li>● Financial activities</li> <li>● Financial institution(s)</li> <li>● Financial intermediaries</li> </ul>
<b>Portfolio climate alignment</b>	Portfolio climate alignment represents the assessment of entities, projects, and assets in a financial institution's portfolio that can be considered in transition, climate solutions, or to have achieved a net-zero state. Portfolio climate alignment is the aggregated assessment at the portfolio level, expressed as a percentage share (%) of total financial activities.	Related terms: <ul style="list-style-type: none"> <li>● Metric</li> <li>● Portfolio climate-alignment method</li> </ul>

Term	Definition	Further comments
<b>Portfolio climate-alignment method</b>	A method to assess whether a specific entity, project or asset can be considered either 1) in transition, 2) a climate solution, 3) or to have achieved a net-zero state. The SBTi Financial Institutions Net-Zero Standard elaborates on these categories and presents eligible third-party methodologies in the <a href="#">Implementation List</a> .	Related terms: <ul style="list-style-type: none"> <li>● Portfolio climate alignment</li> <li>● Method</li> </ul>
<b>Portfolio company (PC)</b>	A company that has received an investment or a loan from a financial institution.	Related terms: <ul style="list-style-type: none"> <li>● Business / corporate loan</li> <li>● Corporate bonds</li> <li>● Listed equity</li> <li>● Private credit / Private debt</li> <li>● Private equity</li> </ul>
<b>Portfolio Index Alignment</b>	An approach that applies to technology share metrics, and requires convergence to a sector benchmark value in the desired target year (independent of the portfolio starting point).	Related terms: <ul style="list-style-type: none"> <li>● Benchmark</li> <li>● Financial institution(s)</li> <li>● Financial intermediaries</li> <li>● Method</li> </ul>
<b>Primary chemicals</b>	Ammonia, methanol, ethylene, propylene, benzene, toluene, or mixed xylenes (the latter five chemicals collectively known as HVCs).	Related terms: <ul style="list-style-type: none"> <li>● Ammonia as an energy carrier</li> <li>● High-value chemicals</li> <li>● Methanol as an energy carrier</li> </ul>
<b>Primary data</b>	Data from specific activities within a company's value chain (e.g. data provided by suppliers related to their specific activities). (GHG Protocol, 2011)	Related terms: <ul style="list-style-type: none"> <li>● Scope 3 emissions</li> </ul>

Term	Definition	Further comments
<b>Principle</b>	An overarching statement that guides SBTi's technical developments.	Related terms: <ul style="list-style-type: none"> <li>● Method</li> <li>● Pathway</li> </ul>
<b>Private credit / Private debt</b>	This asset class includes all loans to private companies (i.e., those that do not have equity listed and traded on a stock exchange, including financial institutions) as well as investments in debt securities without known use of proceeds (regardless of how they are traded) that are issued by private companies.	Related terms: <ul style="list-style-type: none"> <li>● Asset class</li> <li>● Corporate bonds</li> <li>● Debt</li> <li>● Investment</li> <li>● Private equity</li> </ul>
<b>Private equity</b>	This asset class includes all investments in equity securities (regardless of how they are traded) that are issued by private companies (i.e., those that do not have equity listed and traded on a stock exchange, including financial institutions). The term is also used to refer to the private equity fund management industry, which is the raising and investment of funds consisting principally of third-party institutional capital into the share capital of private companies. A private equity fund, distinct from a venture capital fund, will typically take large minority (30%+) or majority equity positions in relatively mature companies.	Related terms: <ul style="list-style-type: none"> <li>● Asset class</li> <li>● Investment</li> <li>● Listed equity</li> <li>● Private equity direct investment</li> <li>● Private equity (PE) firm</li> </ul>
<b>Private equity direct investment</b>	Medium to long-term finance provided in return for an equity stake in unlisted companies. As well as investment in more mature companies through buyouts, private equity direct investments can be broken down into growth capital and venture capital, for less mature and/or smaller businesses ( <a href="#">British Private Equity and Venture Capital Association, 2021</a> ).	Related terms: <ul style="list-style-type: none"> <li>● Buyout</li> <li>● Equity (in financial services)</li> <li>● Growth capital</li> <li>● Investment</li> <li>● Private equity (PE) firm</li> <li>● Venture capital</li> </ul>

Term	Definition	Further comments
<b>Private equity (PE) firm</b>	A private equity fund management firm. Private equity fund manager, private equity firm, and general partner are terms that are commonly used interchangeably.	Related terms: <ul style="list-style-type: none"> <li>● General partner</li> <li>● Private equity</li> </ul>
<b>Progress (related to science-based targets)</b>	The extent to which a company advances toward its targets over the target timeframe, based on changes in emissions and the implementation of actions aligned with those targets, and assessed at the end of the target cycle.	Related term: <ul style="list-style-type: none"> <li>● Measurement (of science-based targets)</li> <li>● Progress assessment</li> </ul>
<b>Progress assessment</b>	A company's evaluation of its progress toward its validated targets at the end of the target timeframe, based on reported emissions and implementation of actions. This assessment is submitted to the SBTi and, where required, is subject to independent third-party assurance, forming the basis for the End-of-Cycle Assessment.	Related terms: <ul style="list-style-type: none"> <li>● Progress (related to science-based targets)</li> </ul>
<b>Project</b>	A specific action designed to deliver GHG emission reductions, storage of carbon, or enhancement of GHG removals from the atmosphere. GHG projects may be standalone projects, or specific activities or elements within a larger non-GHG related project (adapted from "GHG project" <a href="#">GHG Protocol, 2004</a> ).	Related terms: <ul style="list-style-type: none"> <li>● Intervention (or project) accounting</li> </ul>
<b>Project finance</b>	Asset class that includes loan or equity with known use of proceeds that is designated for a clearly defined asset, activity, or set of activities, such as the construction of a gas-fired power plant, a wind or solar project, or energy efficiency projects.	Related terms: <ul style="list-style-type: none"> <li>● Asset class</li> <li>● Debt finance</li> <li>● Equity finance</li> <li>● Investment</li> </ul>

Term	Definition	Further comments
<b>Project insurance</b>	Project insurance refers to the comprehensive suite of policies and risk transfer instruments acquired by the entity to protect all stakeholders—especially the lenders—from catastrophic risks that could jeopardize the project's cash flow. In project finance, insurance is a compulsory contractual obligation, dictated by the lenders. Asset class or insurance product(s) with a known use of proceeds for financing or insuring a specific or ring-fenced set of, on- or off-balance sheet, assets and activities.	Related terms: <ul style="list-style-type: none"> <li>• Lender</li> <li>• Insured emissions</li> </ul>
<b>Proprietary data</b>	Information for which the rights of ownership are restricted so that the ability to freely distribute the data is limited (ISEAL, 2025a).	Related terms: <ul style="list-style-type: none"> <li>• Data</li> </ul>
<b>Publicly available</b>	Obtainable by any person, via free and publicly available platforms such as the company's websites or annual reports, without unreasonable barriers of access (ISEAL, 2025a).	
<b>Purchasing</b>	The process by which an organization obtains energy, materials, or services, whether directly from producers, indirectly through intermediaries or market instruments (such as certificates, credits, or contractual claims to environmental attributes), or internally through its own operations.	
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<b>R</b>		
<b>Real estate</b>	Property consisting of land and resources attached to it. In the context of the Financial Sector Guidance and	Related term:

Term	Definition	Further comments
	Private Equity Sector Guidance, real estate refers to loans and/or investments related to service and residential buildings ( <a href="#">Investopedia, 2022</a> ).	<ul style="list-style-type: none"> <li>● Real estate debt</li> </ul>
<b>Real estate debt</b>	The most common real estate debt strategy is direct lending for real estate acquisitions. This includes buying and selling securitized real estate loans in the secondary market ( <a href="#">PitchBook, 2023</a> ).	Related terms: <ul style="list-style-type: none"> <li>● Debt</li> <li>● Investment</li> <li>● Real estate</li> </ul>
<b>REDD and REDD+</b>	Countries established the “REDD+” framework to protect forests as part of the Paris Agreement. “REDD” stands for reducing emissions from deforestation and forest degradation in developing countries. The “+” stands for additional forest-related activities that protect the climate, namely sustainable management of forests and the conservation and enhancement of forest carbon stocks. Under the framework with these REDD+ activities, developing countries can receive results-based payments for emission reductions when they reduce deforestation.	Related terms: <ul style="list-style-type: none"> <li>● Carbon stock</li> <li>● Deforestation</li> <li>● Degradation</li> <li>● Forest</li> <li>● Forest restoration</li> <li>● Reforestation</li> </ul>
<b>Reforestation</b>	The regrowth of forests after a temporary (less than 10 years) condition with less than 10% canopy cover due to human-induced or natural perturbations.	Related terms: <ul style="list-style-type: none"> <li>● Deforestation</li> <li>● Forest</li> <li>● Forest restoration</li> </ul>
<b>Refrigerated bulk</b>	Refrigerated bulk is a type of maritime vessel. It includes: <ul style="list-style-type: none"> <li>● Refrigerated cargo ship</li> </ul>	Related terms: <ul style="list-style-type: none"> <li>● Bulk carrier</li> <li>● Chemical tanker</li> <li>● Container</li> <li>● Cruise</li> <li>● Ferry (passenger only)</li> </ul>

Term	Definition	Further comments
		<ul style="list-style-type: none"> <li>● Ferry (RoPax)</li> <li>● General cargo</li> <li>● Liquefied gas tanker</li> <li>● Oil tanker</li> <li>● Roll on/off (RoRo)</li> <li>● Vehicle carrier</li> </ul>
<b>Reporting</b>	<p>Presenting data to internal management and external users, such as regulators, shareholders, the general public or specific stakeholder groups, of GHG and non-GHG metrics associated with a science-based target or targets (adapted from <a href="#">GHG Protocol, 2004</a>). This includes sharing information or data with the general public in a transparent and accessible manner, for instance, on an SBTi-owned website, a company website, a company annual report, or through other means.</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Measurement (of science-based targets data)</li> <li>● Progress (related to science-based targets)</li> <li>● Reporting cycle</li> </ul>
<b>Reporting cycle</b>	<p>Refers to the recurring, typically 12-month period over which an organization compiles, verifies, and discloses sustainability-related information, typically aligned with its financial reporting year (adapted from requirements from <a href="#">International Sustainability Standards Board, 2026</a>).</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Reporting</li> <li>● Disclosure</li> </ul>
<b>Re-powering</b>	<p>Capital expenditure to increase the efficiency of, expand the capacity of, extend the life of, or otherwise improve existing electricity generators (for example, turbine rewinding for a hydro generator, wind turbine upgrades, or adding additional panels to a solar farm). Depending on the nature of the re-powering activities, a re-powering date may be associated with all or only the incremental generation capacity of the generator (adapted from <a href="#">US Department of Energy Integrated Energy Systems Office, 2021</a>).</p>	

Term	Definition	Further comments
<b>Requirement</b>	A need or expectation that is stated in normative documents such as standards, criteria or technical specifications (adapted from ISEAL, 2025a).	Related terms: <ul style="list-style-type: none"> <li>● Normative documents</li> <li>● Normative elements</li> <li>● Standard</li> </ul>
<b>Residual emissions</b>	The emissions that are expected to remain unabated at the net-zero target year, after implementing all available mitigation measures contemplated in pathways consistent with reaching net-zero CO <sub>2</sub> emissions by 2050 or earlier.	Related terms: <ul style="list-style-type: none"> <li>● Annual unabated emissions</li> <li>● Long-term science-based target</li> <li>● Net-zero emissions</li> <li>● Net-zero science-based target</li> <li>● Neutralization</li> <li>● Paris Agreement</li> <li>● Residual level</li> </ul>
<b>Residual level</b>	The level of residual emissions expected at the net-zero target year, as determined by the application of eligible pathways consistent with reaching net-zero CO <sub>2</sub> emissions by 2050 or earlier. This level reflects the emissions that remain after implementing all available mitigation measures contemplated in these pathways, based on the activities the company undertakes or is associated with.	Related terms: <ul style="list-style-type: none"> <li>● Residual emissions</li> </ul>
<b>Reversal</b>	Commonly used to refer to the full or partial release of previously stored carbon back to the atmosphere, resulting in the loss of previously achieved mitigation outcomes. The term is predominantly used in relation to carbon removal activities.	Related terms: <ul style="list-style-type: none"> <li>● Carbon dioxide removals (CDR) / carbon removal</li> <li>● Mitigation outcome</li> </ul>

Term	Definition	Further comments
<b>Review (of a standard)</b>	A formal assessment of an element of a standard that determines if a revision of that element is necessary (adapted from ISEAL, 2025a).	Related terms: <ul style="list-style-type: none"> <li>● Revision (of a standard)</li> <li>● Standard</li> </ul>
<b>Revision (of a standard)</b>	The process of updating a standard component or element (adapted from ISEAL, 2025a).	Related terms: <ul style="list-style-type: none"> <li>● Review (of a standard)</li> <li>● Standard</li> </ul>
<b>Risk</b>	The chance of something happening that will have an impact on objectives. It is measured in terms of a combination of the probability of an event and the severity of its consequences (ISEAL, 2025a).	
<b>Risk of reversal</b>	The likelihood that a reversal will occur, i.e., that a mitigation outcome will be fully or partially lost over time. For carbon removal activities, the risk arises when stored carbon is subsequently released (e.g., through forest fires, soil disturbance, or storage failures).	Related terms: <ul style="list-style-type: none"> <li>● Reversal</li> </ul>
<b>Roll on/off (RoRo)</b>	Roll on/off (RoRo) is a type of maritime vessel. It includes: <ul style="list-style-type: none"> <li>● Container/RoRo cargo ship</li> <li>● Infantry landing craft</li> <li>● Landing craft</li> <li>● Landing ship (dock type)</li> <li>● Rail vehicles carrier</li> <li>● RoRo cargo ship</li> <li>● RoRo cargo ship, inland waterways</li> </ul>	Related terms: <ul style="list-style-type: none"> <li>● Bulk carrier</li> <li>● Chemical tanker</li> <li>● Container</li> <li>● Cruise</li> <li>● Ferry (passenger only)</li> <li>● Ferry (RoPax)</li> <li>● General cargo</li> <li>● Liquefied gas tanker</li> <li>● Oil tanker</li> <li>● Refrigerated bulk</li> </ul>

Term	Definition	Further comments
		<ul style="list-style-type: none"> <li>• Vehicle carrier</li> </ul>
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<b>SBTi Assurance</b>	Demonstration that specified criteria in SBTi Standards are fulfilled through an assessment process conducted by an SBTi-recognized validation body.	Related terms: <ul style="list-style-type: none"> <li>• SBTi Assurance Framework</li> <li>• SBTi Assurance Model</li> </ul>
<b>SBTi Assurance Framework</b>	The SBTi policies, processes, and requirements that seek to ensure that applicable criteria in SBTi Standards for validation and assessment processes are consistently fulfilled. This includes the assurance and oversight systems governing Target Validation, End-of-Cycle Assessment, SBTi-recognized validation bodies, and companies with validated targets.	Related terms: <ul style="list-style-type: none"> <li>• SBTi Assurance</li> <li>• SBTi Assurance Model</li> <li>• End-of-cycle assessment</li> <li>• Validation</li> </ul>
<b>SBTi Assurance Model</b>	The strategic approach through which the SBTi Assurance Framework is implemented to achieve the desired outcomes and impacts of SBTi Standards and assessment processes. The model incorporates a cyclical process of validation and assessment and is supported by independent third-party assurance of company-reported information for Category A companies, as specified in SBTi Standards.	Related terms: <ul style="list-style-type: none"> <li>• SBTi Assurance</li> <li>• SBTi Assurance Framework</li> </ul>
<b>SBTi claim</b>	Public communication about a company's association with the SBTi. This includes but is not limited to communications regarding a company's validation status, approved science-based targets, and progress made on science-based targets across any medium and expressed through text, logos, or other formats.	Related terms: <ul style="list-style-type: none"> <li>• Claim</li> <li>• Progress</li> </ul>
<b>SBTi Dashboard</b>	An SBTi-owned <a href="#">webpage</a> that provides information on and recognizes companies' and financial institutions'	

Term	Definition	Further comments
	interaction with the SBTi system, including their validated science-based targets, commitment to developing targets, and target status.	
<b>SBTi-recognized validation body</b>	Body formally contracted by the SBTi to carry out conformance assessments against SBTi Standards (and excludes reference to any recognized independent third-party assurance providers).	Related terms: <ul style="list-style-type: none"> <li>● Conformity</li> </ul>
<b>Scenario</b>	A plausible description of how the future may develop based on a coherent and internally consistent set of assumptions about key driving forces (e.g., rate of technological change, prices) and relationships.	Related terms: <ul style="list-style-type: none"> <li>● 1.5°C aligned scenario</li> <li>● Pathway</li> <li>● Scenario analysis</li> </ul>
<b>Scenario analysis</b>	A process of analyzing future events by considering alternative possible outcomes.	Related term: <ul style="list-style-type: none"> <li>● Scenario</li> </ul>
<b>Scheme</b>	The collective set of decisions and strategies carried out by an organisation or group of organisations to: <ul style="list-style-type: none"> <li>● Establish standards or similar tools focused on one or more sustainability issues</li> <li>● Measure, monitor, or verify performance or progress against these tools</li> <li>● Allow for claims</li> </ul> Note: A scheme can also undertake additional strategies that contribute to its sustainability outcomes and impacts, such as capacity-building or advocacy work (ISEAL, 2025a).	Related terms: <ul style="list-style-type: none"> <li>● Standard</li> <li>● Sustainability</li> </ul>
<b>Science-based carbon price</b>	A carbon price that represents the economic value of GHG emissions. The SBTi considers science-based carbon prices to be those which are based on:	Related term: <ul style="list-style-type: none"> <li>● Carbon pricing</li> </ul>

Term	Definition	Further comments
	<p>(a) robust scientific assessment of the external cost of GHG emissions (the costs of emissions that the public pays for, such as damage to crops, health care costs from heat waves and droughts, and loss of property from flooding and sea level rise);</p> <p>(b) robust scientific assessment of the expected costs associated with achieving a 1.5°C pathway, and/or</p> <p>(c) the true and complete cost to fully and permanently abate a given GHG emission.</p>	
<b>Science-based targets (SBTs)</b>	Corporate targets to mitigate GHG emissions that are in line with what the latest climate science says is necessary to meet the goals of the Paris Agreement – to pursue efforts to limit warming to 1.5°C.	<p>Science-based targets show companies how fast and how much they need to reduce GHGs emissions to be in line with the latest climate science.</p> <p>Related terms:</p> <ul style="list-style-type: none"> <li>● 1.5°C aligned scenario</li> <li>● Long-term science-based target</li> <li>● Near-term science-based target</li> <li>● Net-zero science-based target</li> <li>● Paris Agreement</li> </ul>
<b>Scientific Advisory Group (SAG) within the SBTi</b>	Advisory body to the SBTi consisting of recognized experts in climate change mitigation, integrated assessment modeling, energy system and land-use dynamics, and other topics contributing to developing the SBTi's scientific foundations approach (2023 - 2025).	<p>Related term:</p> <ul style="list-style-type: none"> <li>● Technical Advisory Group (TAG) within the SBTi</li> </ul>
<b>Scope</b>	Term used in GHG accounting to indicate the classification of an organization's GHG emissions according to the GHG Protocol Corporate Standard ( <a href="#">WRI &amp; WBCSD, 2004</a> ).	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Greenhouse gasses (GHGs)</li> <li>● GHG inventory / Emissions inventory</li> <li>● GHG screening / Screening</li> <li>● Scope 1 emissions</li> <li>● Scope 2 emissions</li> </ul>

Term	Definition	Further comments
		<ul style="list-style-type: none"> <li>• Scope 3 emissions</li> </ul>
<b>Scope 1 (S1) emissions</b>	Direct GHG emissions from operations owned or controlled by the reporting company.	<p>For example, for a company that operates owned vehicles with combustion engines, scope 1 emissions are those derived from the combustion of fossil fuels in those vehicles.</p> <p>Related terms:</p> <ul style="list-style-type: none"> <li>• Greenhouse gasses (GHGs)</li> <li>• Scope</li> <li>• Scope 2 (S2) emissions</li> <li>• Scope 3 (S3) emissions</li> </ul>
<b>Scope 2 (S2) emissions</b>	Indirect GHG emissions associated with the generation of purchased or acquired electricity, steam, heating or cooling consumed by the reporting company.	<p>For example, for a company that operates owned electric vehicles and does not generate power, scope 2 emissions are those derived from the combustion of fossil fuels to produce electricity that is consumed in a vehicle.</p> <p>Related terms:</p> <ul style="list-style-type: none"> <li>• Greenhouse gasses (GHGs)</li> <li>• Location-based accounting for scope 2</li> <li>• Market-based accounting for scope 2</li> <li>• Scope</li> <li>• Scope 1 emissions</li> <li>• Scope 3 emissions</li> </ul>
<b>Scope 3 (S3) categories</b>	Fifteen distinct categories as defined by the Greenhouse Gas Protocol ( <a href="#">WRI &amp; WBCSD, 2011</a> ) intended to provide companies with a systematic framework to organize, understand, and report on the variety of scope 3 activities within a corporate value chain.	<p>Scope 3 categories are designed to be mutually exclusive, such that, for any one reporting company, there is no double counting of emissions between scope 3 categories.</p> <p>Each scope 3 category comprises multiple scope 3 activities that individually result in emissions. Please refer to the <a href="#">GHG Protocol Value Chain</a></p>

Term	Definition	Further comments
		<p><u>Accounting and Reporting Standard (Scope 3 Standard)</u> for the definitions of each category and to the <u>Technical Guidance for Calculating Scope 3 Emissions</u> for guidance for calculating emissions from each category.</p> <p>Related terms:</p> <ul style="list-style-type: none"> <li>● Greenhouse gasses</li> <li>● Scope 3 emissions</li> </ul>
<b>Scope 3 (S3) emissions</b>	Indirect GHG emissions (other than those covered in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.	<p>For example, emissions associated with the extraction and production of purchased materials, transportation of purchased fuels, and using sold products and services.</p> <p>Related terms:</p> <ul style="list-style-type: none"> <li>● Greenhouse gasses (GHGs)</li> <li>● Scope</li> <li>● Scope 1 emissions</li> <li>● Scope 2 emissions</li> <li>● Scope 3 categories</li> </ul>
<b>Secondary data</b>	Data that is not from specific activities within a company's value chain (e.g. industry averages, proxy data, etc.) (GHG Protocol, 2011).	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Scope 3 emissions</li> </ul>
<b>Secondary interest</b>	A secondary interest is an ownership position in an existing fund which may or may not be fully invested but has not been fully exited and wound up. Such interests are usually transferable, subject to certain conditions, and a secondary market has grown up to cater for such transactions, a number of specialist firms having been set up for the purpose (Fraser-Sampson, 2010).	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Equity (in financial services)</li> <li>● Investment</li> <li>● Private equity</li> </ul>
<b>Second-hand goods</b>	Goods that have been previously owned or used and are subsequently acquired for continued use, either in	

Term	Definition	Further comments
	<p>their current condition or following minor repair or refurbishment, without being newly manufactured for that transaction. Such goods retain their original form and function and are not considered remanufactured, recycled, rebuilt, or newly produced.</p>	
<p><b>Sector-specific absolute reduction method or approach / Sector-specific absolute contraction method or approach</b></p>	<p>The sector-specific absolute reduction method assigns to companies the same percentage of absolute emission reductions as is required for the sector selected within a given time period.</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Absolute contraction approach (ACA)</li> <li>● Method</li> <li>● Sector-specific intensity convergence method / intensity convergence / Sectoral decarbonization approach (SDA)</li> </ul>
<p><b>Sector-specific intensity convergence method / intensity convergence / Sectoral decarbonization approach (SDA)</b></p>	<p>Method used to calculate emissions intensity targets based on the principle of converging to a sector-wide physical emissions intensity in a future year of a mitigation pathway. Also referred to as “physical intensity convergence” or “sectoral decarbonization approach (SDA)”.</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Absolute contraction approach (ACA)</li> <li>● Method</li> <li>● Sector-specific absolute reduction method or approach / Sector-specific absolute contraction method or approach</li> </ul>
<p><b>Sector-specific metric</b></p>	<p>An energy or carbon intensity metric that uses a physical unit as a denominator and is applicable to a specific sector. Examples include kgCO<sub>2</sub>/MWh (power), MWh/m<sup>2</sup> (real estate), etc.</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Alignment metrics</li> <li>● Emissions intensity</li> </ul>

Term	Definition	Further comments
<b>Sector-specific pathway</b>	Absolute emissions or emissions intensity pathways for a specific sector that may be used for calculating near-term and long-term intensity targets—as well as long-term absolute targets, in most cases.	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Cross-sector pathway</li> <li>● Long-term science-based target</li> <li>● Near-term science-based target</li> <li>● Pathway</li> <li>● Sector-specific absolute reduction method or approach / Sector-specific absolute contraction method or approach</li> <li>● Sector-specific intensity convergence method / intensity convergence / Sectoral decarbonization approach (SDA)</li> </ul>
<b>Short-lived removal</b>	Carbon dioxide removal activities that are capable of retaining carbon for decades to centuries (adapted from <a href="#">IPCC, 2022</a> ).	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Carbon dioxide removals (CDR) / carbon removals</li> </ul>
<b>Significance threshold</b>	A qualitative and/or quantitative criterion used to define any significant change to the data, inventory boundary, methods, or any other relevant factors ( <a href="#">WRI &amp; WBCSD, 2004</a> ).	<p>“Significant” is defined as a change of 5% or more of the relevant denominator.</p> <p>Related term:</p> <ul style="list-style-type: none"> <li>● GHG inventory / Emissions inventory</li> </ul>
<b>Significant</b>	An activity, emissions source, or scope is considered significant when it meets the relevance thresholds as defined in SBTi Standards.	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Significant emissions-intensive activities</li> <li>● Significant scope 3 categories</li> </ul>
<b>Significant emissions-intensive activity</b>	An emissions-intensive activity that individually represents 5% or more of total scope 3 emissions (categories 1-14).	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Emissions intensive activities</li> <li>● Significant</li> </ul>

Term	Definition	Further comments
<b>Significant scope 3 category</b>	A scope 3 category representing 5% or more of scope 3 emissions (categories 1–14).	Related terms: <ul style="list-style-type: none"> <li>• Significant</li> </ul>
<b>Sink (GHG)</b>	A biogenic or technological process, activity or mechanism that removes GHGs from the atmosphere (GHG Protocol, 2026).	Related term: <ul style="list-style-type: none"> <li>• GHG removals / Removals / Emissions removals</li> </ul>
<b>Small and medium-sized enterprises (SMEs)</b>	Businesses that maintain revenues, assets, or a number of employees below a certain threshold.	<p>SME validation route: The SBTi considers SMEs to be companies that meet all of the following criteria:</p> <ul style="list-style-type: none"> <li>• Have less than 10,000 tCO<sub>2</sub>e across scope 1 and location-based scope 2</li> <li>• Are not classified in the financial institution (FI) sector and oil and gas (O&amp;G) sector</li> <li>• Are not required to set targets using sector-specific criteria (such as the SDA) developed by the SBTi (see the SBTi’s sector guidance documents for requirements)</li> <li>• Are not a subsidiary of a parent company whose combined businesses fall into the standard validation route.</li> </ul> <p>And that meet three or more of the following:</p> <ol style="list-style-type: none"> <li>1. Employ less than 250 employees</li> <li>2. Turnover of less than €50 million</li> <li>3. Total assets of less than €25 million</li> <li>4. Are not in a mandatory FLAG sector.</li> </ol> <p>Please note that the SME definition has been effective from 1 January 2024. Before then, the SBTi defined SMEs as companies with fewer than 500 employees.</p> <p>Related term:</p> <ul style="list-style-type: none"> <li>• SME validation route</li> </ul> <p>For the Financial Institutions Net-Zero Standard only: As the definition of SMEs may vary from region to region, financial institutions shall use either</p>

Term	Definition	Further comments
		the SBTi definition as defined in the SBTi Glossary or the relevant national or regional regulatory definition(s).
<b>SME validation route</b>	The specific process for validation of science-based targets for SMEs.	Related term: <ul style="list-style-type: none"> <li>• Small and medium-sized enterprises (SMEs)</li> </ul>
<b>Social cost of carbon</b>	Estimated as the net present value of climate change impacts over the next 100 years (or longer) of one additional metric ton of carbon emitted to the atmosphere today; the marginal global damage costs of carbon emissions (Defra, 2005).	Related term: <ul style="list-style-type: none"> <li>• Carbon pricing</li> </ul>
<b>Specialty chemicals</b>	Chemicals for bespoke purposes not included in other categories, such as chemicals used to produce additives, adhesives, solvents, catalysts, dyes, flavourings, ink, lubricants, paints and advanced materials (adapted from CDP, 2025).	Related term: <ul style="list-style-type: none"> <li>• Non-primary chemicals</li> </ul>
<b>Spend-based data</b>	Data on the amount of money a company spends on various purchased goods and services which can be used for calculating emissions under a spend-based method (adapted from GHG Protocol, 2013).	Related terms: <ul style="list-style-type: none"> <li>• Supplier</li> </ul>
<b>Standard</b>	Document that provides a set of criteria and/or guidelines established by an authority, organization, or consensus, to ensure uniformity, consistency, and interoperability in a particular context (adapted from ISEAL, 2023b).	

Term	Definition	Further comments
<b>Statistical land use change (sLUC)</b>	A calculation approach used to calculate sLUC emissions that assigns responsibility for LUC emissions in the relevant boundary to products produced in that region using a statistical proxy. Used in situations of incomplete product traceability ( <a href="#">GHG Protocol, 2026b</a> ).	Related terms: <ul style="list-style-type: none"> <li>● Carbon stock</li> <li>● Direct land use change (dLUC)</li> <li>● Land use change (LUC)</li> </ul>
<b>Structural change</b>	A change in the organizational or operational boundaries of a company that results in the transfer of ownership or control of emissions from one company to another. Structural changes usually result from a transfer of ownership of emissions, such as mergers, acquisitions and divestitures, but can also include outsourcing/insourcing ( <a href="#">WRI &amp; WBCSD, 2004</a> ).	Related terms: <ul style="list-style-type: none"> <li>● Acquisition</li> <li>● Divestment</li> <li>● Merger</li> <li>● Operational boundary</li> <li>● Organizational boundary</li> </ul>
<b>Structural constraint</b>	A condition external to a company that materially limits the availability of options to take action at the activity or activity pool level within the target timeframe, including infrastructure, technological maturity, regulatory, market structure, or supply limitations. Structural constraints do not include internal preferences, procurement choices, or cost considerations alone.	
<b>Submit</b>	The act of providing information or documentation to the SBTi for review or decision as part of an assessment.	
<b>Subsidiary</b>	An organization owned or controlled by a parent company. The term is broadly defined to include entities that are controlled by the parent company but	Related term: <ul style="list-style-type: none"> <li>● Parent company</li> </ul>

Term	Definition	Further comments
	not consolidated in the parent company's financial statements.	
<b>Supplier</b>	An entity that provides or sells products to another entity (i.e., a customer) ( <a href="#">WRI &amp; WBCSD, 2011</a> ).	Related term: <ul style="list-style-type: none"> <li>• Supply chain</li> </ul>
<b>Supply chain</b>	A supply chain is the entire system of processes and resources required to produce and sell a product from start to finish, typically starting with raw materials and ending with the customer in possession of the product.	Related terms: <ul style="list-style-type: none"> <li>• Cradle-to-gate</li> <li>• Supplier</li> </ul>
<b>Supply shed</b>	A group of suppliers in a specifically defined market (preferably at subnational level) providing similar goods and services (commodities) that can be demonstrated to be within the company's supply chain ( <a href="#">VCI, 2026</a> ).	Relevant terms: <ul style="list-style-type: none"> <li>• Activity pool</li> </ul>
<b>Sustainability</b>	Meeting the needs of the present without compromising the ability of future generations to meet their own needs. Sustainability has three main interdependent dimensions: social, environmental, and economic ( <a href="#">ISEAL, 2025a</a> ).	Related terms: <ul style="list-style-type: none"> <li>• Adaptation</li> <li>• Carbon budget</li> <li>• Climate change mitigation</li> <li>• Climate solution</li> </ul>
<b>Systematically relevant</b>	Occurring within the same market, network, or value chain system as the company's emissions-generating activity, where actions are reasonably expected to influence emissions within that system due to shared infrastructure, supply chains, regulatory frameworks, or market dynamics.	Related terms: <ul style="list-style-type: none"> <li>• Matching</li> </ul>
<b>T</b>		

Term	Definition	Further comments
<b>Tank-to-wheel / Tank-to-wake (TTW)</b>	Tank-to-wheel (or tank-to-wake for air and sea transport) refers to the section of the energy carrier's life cycle where the energy carrier is converted to propulsion energy.	Related terms: <ul style="list-style-type: none"> <li>● Life cycle assessment (LCA)</li> <li>● Wheel-to-Wheel / Well-to-Wake (WTW)</li> <li>● Well-to-tank (WTT) emissions</li> <li>● Well-to-wheel / Well-to-wake (WTW) emissions</li> </ul>
<b>Target base year adjustment</b>	Mechanism through which target ambition is adjusted to align targets with minimum ambition requirements, rather than arbitrarily between their base year and target year.	Related terms: <ul style="list-style-type: none"> <li>● Base year (or base period)</li> <li>● Forward looking ambition adjustment</li> <li>● Target period</li> </ul>
<b>Target boundary</b>	The activities and their associated emissions that are included in a target in the target base year and subsequent years within the timeframe of the target.	Related terms: <ul style="list-style-type: none"> <li>● Base year (or base period)</li> <li>● Target boundary coverage</li> </ul>
<b>Target boundary coverage</b>	Expresses the target boundary as the percentage of emissions in the target boundary out of the total. This total can be one or multiple emissions scopes and categories and may vary depending on the accounting year.	Related terms: <ul style="list-style-type: none"> <li>● GHG inventory boundary</li> <li>● GHG inventory coverage</li> <li>● Target boundary</li> </ul>
<b>Target-consistent approach to carbon pricing / marginal abatement cost (MAC) approach</b>	The target-consistent approach to carbon pricing determines the most cost-effective way to reach an agreed upon goal, such as a temperature limit for global warming. The costs associated with abating GHG emissions are used to inform the calculation of a time path of carbon prices that reflects the least-cost pathway to meeting these goals ( <a href="#">Stern et al., 2022</a> ).	
<b>Target cycle</b>	The sequence of activities that comprise target base year assessment, target setting and validation (Target	Related terms:

Term	Definition	Further comments
	Validation), implementation, ongoing progress tracking and reporting, and company progress assessment, culminating in an End-of-Cycle Assessment, after which a new cycle begins.	<ul style="list-style-type: none"> <li>● Target-setting method</li> <li>● Target-setting option</li> <li>● Target timeframe / target period</li> <li>● Target period</li> <li>● Target Validation</li> <li>● Validation</li> <li>● End-of-cycle assessment</li> </ul>
<b>Target-setting method</b>	A target-setting method is a foundational technical framework used to calculate the magnitude and pace of greenhouse gas emission reductions required to align with a specific global climate goal. At its core the method is a mathematical formula or algorithm used to determine the benchmark for a relevant metric. Some metrics (e.g., disclosure metrics) do not require interim performance values and therefore do not need a target-setting method.	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Metric</li> <li>● Method</li> <li>● Pathway</li> </ul>
<b>Target-setting option</b>	A specific, standardized approach that a company selects to formulate its targets. Each target-setting option prescribes a designated combination of a metric, unit, reference pathway, net-zero benchmark, and target-setting method.	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Metric</li> <li>● Benchmark</li> <li>● Target-setting method</li> </ul>
<b>Target timeframe / target period</b>	The duration of a target from the target base year to the target end year. Each timeframe has a predetermined and clearly defined start and end date.	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Base year (or base period) (BY)</li> </ul>
<b>Target Validation</b>	Process through which an SBTi-recognized validation body assesses a company's conformance with the applicable Corporate Net-Zero Standard Target Validation criteria from which a companies' targets are	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● SBTi-recognized validation body</li> </ul>

Term	Definition	Further comments
	validated.	
<b>Target value</b>	The specified projected level of emissions or other target metric to be reached by the end of the target timeframe (i.e., ambition).	Related terms: <ul style="list-style-type: none"> <li>• Science-based targets (SBTs)</li> <li>• Target timeframe</li> </ul>
<b>Target year</b>	The year by which a company intends to meet the performance value committed to a target.	Related terms: <ul style="list-style-type: none"> <li>• Base year (or base period) (BY)</li> </ul>
<b>Technical Advisory Group (TAG) within the SBTi</b>	An advisory body of members with in-depth knowledge of climate change mitigation or expertise in science-based target setting that provides expert advice to inform the development and revision of SBTi standards, methods, guidance and other technical outputs (2023 – 2025).	Related terms: <ul style="list-style-type: none"> <li>• Expert Working Group (EWG)</li> <li>• Scientific Advisory Group (SAG) within the SBTi</li> </ul>
<b>Temperature overshoot</b>	The temporary exceedance of a specified level of global warming, such as 1.5°C. Overshoot implies a peak followed by a decline in global warming, achieved through anthropogenic removal of CO <sub>2</sub> exceeding remaining CO <sub>2</sub> emissions globally (IPCC, 2018).	Related terms: <ul style="list-style-type: none"> <li>• 1.5°C aligned scenario</li> <li>• Carbon dioxide equivalent (CO<sub>2</sub>e)</li> <li>• Greenhouse gasses (GHGs)</li> <li>• Overshoot pathways</li> </ul>
<b>Temporal accounting interval</b>	The time period used to measure and match emissions sources, emissions factors, or emissions-related attributes in GHG accounting (e.g., hourly, monthly, or annual).	Related terms: <ul style="list-style-type: none"> <li>• Temporal matching</li> <li>• Vintage limitation</li> </ul>
<b>Temporal matching</b>	The correspondence between an action, outcome, or attribute and the underlying activity or emissions, based on the timing at which they occur.	Related terms: <ul style="list-style-type: none"> <li>• Matching</li> </ul>

Term	Definition	Further comments
		<ul style="list-style-type: none"> <li>Temporal accounting interval</li> </ul>
<b>Third-party assurance</b>	Conformity assessment activity performed by a qualified provider that is independent of the provider of the object of conformity assessment and has no user interest in the object of conformity assessment (adapted from <a href="#">ISO 17000</a> ).	Related terms: <ul style="list-style-type: none"> <li>Assurance</li> </ul>
<b>Third-party assurance provider</b>	A qualified entity, independent from the client company, that assesses the company's compliance with a standard or other set of requirements independently established by another party.	Related terms: <ul style="list-style-type: none"> <li>Assurance</li> <li>Independent</li> <li>Third-party assurance</li> </ul>
<b>Threat</b>	Any event, action, potential action, or inaction that could prevent an organisation from achieving its objectives. Quantifying the likelihood and severity of a threat in a specific context creates the risk categorisation (ISEAL, 2025a)	
<b>Tier 1 customer</b>	Tier 1 customers are companies with which the reporting company has a direct sales relationship for goods or services (adapted from <a href="#">GHG Protocol, 2011</a> ).	
<b>Tier 1 supplier</b>	A company with which the reporting company has a purchase order for goods or services (e.g., materials, parts, components). Tier 1 suppliers have contractual obligations with the reporting company, providing the leverage needed to request GHG inventory data ( <a href="#">GHG Protocol, 2022</a> ).	Related terms: <ul style="list-style-type: none"> <li>Supplier</li> <li>Supply chain</li> <li>Tier 2 supplier</li> </ul>
<b>Tier 2 supplier</b>	A supplier that provides or sells products directly to the reporting company's tier 1 supplier. A tier 2 supplier is a company with which the reporting	Related terms: <ul style="list-style-type: none"> <li>Supplier</li> </ul>

Term	Definition	Further comments
	company's tier 1 supplier has a purchase order for goods and services ( <a href="#">WRI &amp; WBCSD, 2011</a> ).	<ul style="list-style-type: none"> <li>• Supply chain</li> <li>• Tier 1 supplier</li> </ul>
<b>Ton-for-ton method</b>	<p>This is a method for determining the scale of a BVCM pledge.</p> <p>Using this method, a company would deliver mitigation beyond its value chain proportional to the climate impact of some percentage of the GHG emissions of that company in a defined period (e.g., in a given year or since a reference year).</p> <p>The volume of finance-deployed towards BVCM would be determined by the price that a company pays per tCO<sub>2</sub>e of BVCM (in the case of carbon credits, this would be determined by market prices) and the percentage of unabated emissions that are being “matched” with BVCM in that defined period.</p>	<p>Related terms:</p> <ul style="list-style-type: none"> <li>• Beyond value chain mitigation (BVCM)</li> <li>• Money-for-money method</li> <li>• Money-for-ton method</li> </ul>
<b>Tonne-kilometer</b>	A tonne-kilometer, abbreviated as tkm, is a unit of measure of freight transport which represents the transport of one tonne of goods (including packaging and tare weights of intermodal transport units) by a given transport mode (road, rail, air, sea, inland waterways, pipeline etc.) over a distance of one kilometer.	<p>Related terms:</p> <ul style="list-style-type: none"> <li>• Emissions intensity</li> <li>• Passenger-kilometer</li> <li>• Sector-specific metric</li> </ul>
<b>Total balance sheet value</b>	A balance sheet is a financial statement that reports a company's assets, liabilities, and shareholders' equity. The balance sheet value refers to the sum of total equity and liabilities, which is equal to the company's total assets ( <a href="#">PCAF, 2022</a> ).	<p>Related terms:</p> <ul style="list-style-type: none"> <li>• Asset</li> </ul>

Term	Definition	Further comments
<b>Total emissions</b>	Total emissions are equal to reported and excluded emissions. E.g., total scope 3 emissions = total reported and excluded scope 3 emissions.	Related terms: <ul style="list-style-type: none"> <li>• Exclusions (GHG inventory)</li> <li>• GHG inventory / Emissions inventory</li> <li>• Scope 1 emissions</li> <li>• Scope 2 emissions</li> <li>• Scope 3 emissions</li> </ul>
<b>Traceability</b>	The ability to track with complete information, and verify the history and location of a material's movement through every step in defined stages of production, processing and distribution (adapted from ISEAL, 2025a).	
<b>(In) Transition Counterparty</b>	Within the SBTi Financial Institutions Net-Zero Standard, the term indicates whether a counterparty is demonstrably transitioning toward reaching net-zero emissions by 2050 following credible 1.5°C low/no overshoot pathways.	Related terms: <ul style="list-style-type: none"> <li>• Counterparty</li> <li>• In-transition entity</li> <li>• Pathway</li> <li>• Portfolio climate alignment</li> </ul>
<b>Transition plan</b>	An aspect of a company's overall strategy that sets out the actions and timelines required to implement its validated science-based targets, including key assumptions and dependencies, and the governance and accountability mechanisms for implementation and monitoring (adapted from <a href="#">IFRS S2 Appendix A, 2023</a> ).	Related terms: <ul style="list-style-type: none"> <li>• Decarbonization</li> <li>• Mitigation strategy</li> </ul>
<b>U</b>		
<b>Ultimate parent company</b>	The highest-level parent company (TopCo) in a corporate group structure.	Related terms: <ul style="list-style-type: none"> <li>• Parent company</li> </ul>

Term	Definition	Further comments
<b>Unabated fossil fuel</b>	Fossil fuel that is produced and used without direct interventions that substantially reduce the amount of GHG emitted throughout the life cycle (adapted from <a href="#">IPCC, 2023</a> ). Fossil fuel combustion (e.g., power generation) with carbon capture and storage, where the capture rate is less than 95% is included in the unabated fossil fuel category for the purpose of the Corporate Net-Zero Standard.	
<b>Uncertainty</b>	A cognitive state of incomplete knowledge that can result from a lack of information or from disagreement about what is known or even knowable. In the context of GHG accounting, uncertainty can arise when the underlying science is not fully understood or when GHG emissions are estimated.	<p>Uncertainty associated with GHG inventories can arise when the science underpinning the actual emissions and /or removal process is not fully understood (scientific uncertainty). Uncertainty can also arise when GHG emissions are estimated and quantified. This is due to uncertainty associated with mathematical equations used to quantify emissions (model uncertainty) and/or uncertainty associated with quantifying the input parameters such as activity data or emissions factors (parameter uncertainty). (<a href="#">Greenhouse Gas Protocol, 2017</a>).</p> <p>Related terms:</p> <ul style="list-style-type: none"> <li>• GHG inventory / Emissions inventory</li> </ul>
<b>V</b>		
<b>Validation</b>	Confirmation of plausibility for a specific intended use or application through the provision of objective evidence that specified requirements have been fulfilled ( <a href="#">ISO, 2020. ISO/IEC 17000</a> ).	
<b>Value chain</b>	Encompasses the activities, resources, and relationships that an undertaking uses and relies on to create its products or services, from conception to delivery, consumption, and end of life ( <a href="#">EFRAG, 2024</a> ).	

Term	Definition	Further comments
<b>Value chain emissions</b>	A company's scope 1, 2, and 3 emissions as defined by the GHG Protocol Corporate Accounting and Reporting Standard ( <a href="#">WRI &amp; WBCSD, 2004</a> ).	Related terms: <ul style="list-style-type: none"> <li>● Scope 1 emissions</li> <li>● Scope 2 emissions</li> <li>● Scope 3 emissions</li> </ul>
<b>Vehicle carrier</b>	Vehicle carrier is a type of maritime vessel. It includes: <ul style="list-style-type: none"> <li>● Car park</li> <li>● Vehicle carrier</li> </ul>	Related terms: <ul style="list-style-type: none"> <li>● Bulk carrier</li> <li>● Chemical tanker</li> <li>● Container</li> <li>● Cruise</li> <li>● Ferry (Passenger only)</li> <li>● Ferry (RoPax)</li> <li>● General cargo</li> <li>● Liquefied gas tanker</li> <li>● Oil tanker</li> <li>● Other liquid tankers</li> <li>● Refrigerated bulk</li> <li>● Roll on/off (RoRo)</li> </ul>
<b>Venture capital</b>	Professional minority investments in small and micro companies, where no single professional investor owns more than 50%.	Related terms: <ul style="list-style-type: none"> <li>● Growth capital</li> <li>● Investment</li> <li>● Private equity</li> <li>● Venture debt</li> </ul>
<b>Venture debt</b>	Debt financing extended to companies with venture capital backing. For entrepreneurs, venture debt serves to extend the runway to exit without further diluting ownership ( <a href="#">PitchBook, 2023</a> ).	Related terms: <ul style="list-style-type: none"> <li>● Investment</li> <li>● Private credit / Private debt</li> <li>● Venture capital</li> </ul>

Term	Definition	Further comments
<b>Verification</b>	Confirmation of the veracity of a fact, statement or other data point through the provision of objective evidence that specified requirements have been fulfilled (adapted from <a href="#">ISO, 2020. ISO/IEC 17000</a> ).	
<b>Verification (of science-based targets data)</b>	The process for evaluating a statement of historical data and information related to GHG and non-GHG metrics to determine if the statement is materially correct and conforms to specified criteria.	
<b>Verified mitigation outcomes</b>	A mitigation outcome that is observed, measured and independently third-party assured (e.g. verified under carbon crediting standards or subject to equivalent assurance processes) ex post rather than as a forecast or anticipated effect. In the SBTi Standards System, verified mitigation outcomes are a subset of mitigation outcomes that are eligible for recognition under the Ongoing Emissions Responsibility recognition program. They derive from one or more of the following: (i) emission reductions from sources outside the company's value chain; (ii) carbon sequestration or carbon dioxide removal; or (iii) protection, restoration, and enhancement of natural carbon sinks.	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Mitigation outcome</li> <li>● Verification</li> <li>● Third-party assurance</li> <li>● Ex-post</li> <li>● Ongoing emissions responsibility</li> <li>● Carbon dioxide removal (CDR) / carbon removals</li> <li>● Carbon sink</li> <li>● Sink (GHG)</li> </ul>
<b>Vintage</b>	The year in which the carbon emission reduction or removal associated with a carbon credit or a commodity or energy attribute certificate took place. Because the verification process can take two to three years from project/program inception, projects/programs may generate credits for already-reduced or removed emissions.	<p>Related terms:</p> <ul style="list-style-type: none"> <li>● Carbon credit</li> <li>● GHG credit</li> <li>● Commodity certificate</li> <li>● Energy attribute certificate</li> </ul>

Term	Definition	Further comments
	In the context of scope 2 accounting, vintage reflects the date of energy generation from which the contractual instrument is derived ( <a href="#">WRI &amp; WBCSD, 2015</a> ).	
<b>Vintage limitation</b>	The maximum time difference between an activity tracked by a market instrument (e.g., the date or time of low-carbon electricity generation) and the activity to which the instrument is applied (e.g., the company's electricity consumption).	Related terms: <ul style="list-style-type: none"> <li>• Temporal matching</li> </ul>
<b>Voluntary carbon market</b>	A marketplace that encompasses all transactions of carbon credits that are not purchased with the intention to surrender into an active regulated carbon market. It includes carbon credits purchased with the intent to resell or retire to meet certain environmental claims.	Related term: <ul style="list-style-type: none"> <li>• Carbon credit</li> </ul>
<b>W</b>		
<b>Well-to-tank (WTT) emissions</b>	Well-to-tank (WTT) is the portion of transport related fuels and electricity that occur in the value chain before combustion e.g., gasoline, diesel, electricity for electric vehicles, extraction, production, refining, and distribution of the fuel.	Related terms: <ul style="list-style-type: none"> <li>• Life cycle assessment (LCA)</li> <li>• Tank-to-wheel / Tank-to-wake (TTW)</li> <li>• Well-to-wheel / Well-to-wake (WTW) emissions</li> </ul>
<b>Well-to-wheel / Well-to-wake (WTW)</b>	WTW refers to a specific scope or boundary used for measuring GHG emissions from transportation activities. It encompasses the full life cycle of the fuel used by a vehicle, from: <ul style="list-style-type: none"> <li>• Well-to-tank (WTT): the extraction, production, refining, and distribution of the fuel (e.g.,</li> </ul>	Related terms: <ul style="list-style-type: none"> <li>• Life cycle assessment (LCA)</li> <li>• Tank-to-wheel / Tank-to-wake (TTW)</li> <li>• Well-to-tank (WTT) emissions</li> </ul>

Term	Definition	Further comments
	<p>gasoline, diesel, electricity for electric vehicles).</p> <ul style="list-style-type: none"> <li>• Tank-to-wheel or Tank-to-wake (TTW): the combustion of the fuel in the vehicle's engine and the resulting emissions released at the tailpipe.</li> </ul> <p>Therefore, WTW emissions essentially capture the total climate impact of a vehicle's fuel use, going beyond just the immediate exhaust emissions at the tailpipe.</p>	
<b>Wide-area synchronous grid</b>	A large-scale AC power system in which all generators are locked into the same electrical frequency and are connected via alternating current transmission lines (adapted from <a href="#">IEEE, 2019</a> ).	
<b>X</b>		
<b>Y</b>		
<b>Z</b>		
<b>Zero-emission vehicle</b>	A vehicle with zero tailpipe emissions during its use phase.	<p>Related terms:</p> <ul style="list-style-type: none"> <li>• Climate solution</li> <li>• Greenhouses gasses (GHGs)</li> <li>• Sector-specific metric</li> <li>• Tank-to-wheel / Tank-to-wake (TTW)</li> </ul>
<b>Zero-emissions generation capacity</b>	Any technology that generates zero or near-zero emissions (less than 0.001 tCO <sub>2</sub> e/MWh) during the production of electricity (e.g., wind, solar, hydro,	<p>Related terms:</p> <ul style="list-style-type: none"> <li>• Climate solution</li> <li>• Greenhouse gasses (GHGs)</li> </ul>

Term	Definition	Further comments
	nuclear). While these technologies still have lifecycle emissions (e.g., via the embedded materials), the indicator only references the electricity generation phase.	<ul style="list-style-type: none"> <li data-bbox="1182 272 1491 300">• Sector-specific metric</li> </ul>

## ACRONYMS

Acronym	Explanation
ACA	Absolute contraction approach
AFi	Accountability Framework initiative
AFOLU	Agriculture, forestry and other land use
ARA	Absolute reduction approach
AUM	Assets under management
BECCS	Bioenergy with carbon capture and storage
BVCM	Beyond value chain mitigation.
BY	Base year
CABU	Bulk/Caustic soda carrier
CCS	Carbon dioxide capture and storage
CCU	Carbon dioxide capture and utilization
CCUS	Carbon dioxide capture, utilization and storage
CDP	Carbon Disclosure Project
CDR	Carbon dioxide removal
CNG	Compressed natural gas
CO <sub>2</sub>	Carbon dioxide

<b>CO<sub>2</sub>e</b>	Carbon dioxide equivalent
<b>CRE</b>	Commercial real estate
<b>CTG</b>	Cradle-to-gate
<b>DAC</b>	Direct air capture
<b>DACCS</b>	Direct air carbon dioxide capture and storage
<b>DACS</b>	Direct air capture and storage
<b>dLUC</b>	Direct land use change
<b>EEIO</b>	Environmentally extended input output
<b>ENSO</b>	El Niño-Southern Oscillation
<b>EOR</b>	Enhanced oil recovery
<b>EVIC</b>	Enterprise Value Including Cash
<b>EWG</b>	SBTi Expert Working Group
<b>F-gas</b>	Fluorinated gas
<b>FI</b>	Financial institution
<b>FID</b>	Final Investment Decision
<b>FLA</b>	Forward looking ambition
<b>FLAG</b>	Forest, land and agriculture
<b>GHG</b>	Greenhouse gas
<b>GHGP</b>	Greenhouse Gas Protocol

<b>GLEC</b>	Global Logistics Emissions Council
<b>GP</b>	General partner
<b>GRESB</b>	Global real estate sustainability benchmark
<b>GWP</b>	Global warming potential
<b>GWP-100</b>	Global warming potential 100
<b>HFCs</b>	Hydrofluorocarbons
<b>HVAC</b>	Heating, ventilation and air conditioning
<b>HVCs</b>	High value chemicals
<b>IEA</b>	International Energy Agency
<b>ILO</b>	International Labour Organization
<b>iLUC</b>	Indirect land use change
<b>IMO</b>	International Maritime Organization
<b>IOC</b>	Integrated Oil Company
<b>IPCC</b>	Intergovernmental Panel on Climate Change
<b>ISO</b>	International Organization for Standardization
<b>IUCN</b>	International Union for Conservation of Nature
<b>JV</b>	Joint venture
<b>KPI</b>	Key performance indicator
<b>LAR</b>	Linear annual reduction

<b>LBO</b>	Leveraged buyout
<b>LCA</b>	Life cycle assessment
<b>LCE</b>	Low-carbon electricity
<b>LLGHGs</b>	Long-lived greenhouse gases
<b>LMU</b>	Land management unit
<b>LNG</b>	Liquefied natural gas
<b>LP</b>	Limited partner
<b>LPG</b>	Liquefied petroleum gas
<b>LUC</b>	Land use change
<b>LULUCF</b>	Land use, land use change and forestry
<b>MAC</b>	Marginal abatement cost
<b>MRV</b>	Measurement, reporting and verification
<b>MRY</b>	Most recent year
<b>MTBE</b>	Methyl tert-butyl ether
<b>N<sub>2</sub>O</b>	Nitrous oxide
<b>NbS</b>	Nature-based Solutions
<b>NCS</b>	Natural Climate Solutions
<b>NDC</b>	Nationally Determined Contribution
<b>NF<sub>3</sub></b>	Nitrogen trifluoride

<b>NOC</b>	National oil company
<b>NZE</b>	IEA's Net Zero Emissions by 2050 Scenario
<b>O&amp;G</b>	Oil and Gas
<b>OBO</b>	Bulk/Oil carrier
<b>OER</b>	Ongoing Emissions Responsibility
<b>PC</b>	Portfolio company
<b>PCAF</b>	Partnership for carbon accounting financials
<b>PE</b>	Private equity
<b>PES</b>	Payment for ecosystem services
<b>PFCs</b>	Perfluorocarbons
<b>Pkm</b>	Passenger-kilometer
<b>REDD</b>	Reducing emissions from deforestation and forest degradation
<b>REIT</b>	Real estate investment trust
<b>RCP</b>	Representative concentration pathway
<b>RPK</b>	Revenue passenger kilometer
<b>RTK</b>	Revenue tonne kilometer
<b>RoPax</b>	Roll on/off and passenger
<b>RoRo</b>	Roll on/off

<b>RPS</b>	Renewable Portfolio Standard
<b>RET</b>	Renewable Energy Target
<b>SAF</b>	Sustainable aviation fuel
<b>SAG</b>	SBTi Scientific Advisory Group
<b>SBT</b>	Science-based target
<b>SBTi</b>	Science Based Targets initiative
<b>SCC</b>	Social cost of carbon
<b>SDA</b>	Sectoral decarbonization approach
<b>SF<sub>6</sub></b>	Sulfur hexafluoride
<b>sLUC</b>	Statistical land use change
<b>SME</b>	Small and medium-sized enterprise
<b>SR15</b>	IPCC Special Report on 1.5°C
<b>SSP</b>	Shared socioeconomic pathway
<b>S1</b>	Scope 1
<b>S2</b>	Scope 2
<b>S3</b>	Scope 3
<b>T&amp;D</b>	Transmission and distribution
<b>TAG</b>	SBTi Technical Advisory Group
<b>TCFD</b>	Task Force on Climate-related Financial Disclosures

<b>tCO<sub>2</sub>e</b>	Tonnes of carbon dioxide equivalent
<b>TEU</b>	Twenty-foot equivalent unit
<b>tkm</b>	Tonne-kilometer
<b>TopCo</b>	Highest level parent company
<b>TR</b>	Temperature rating
<b>TTW</b>	Tank-to-wheel / Tank-to-wake
<b>UNEP</b>	The United Nations Environment Program
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>VCI</b>	Value Change Initiative
<b>VCM</b>	Voluntary carbon market
<b>VCMi</b>	Voluntary Carbon Markets Integrity Initiative
<b>vPPA</b>	Virtual power purchase agreement
<b>WRI</b>	World Resources Institute
<b>WTT</b>	Well-to-tank
<b>WTW</b>	Well-to-wheel / Well-to-wake
<b>WWF</b>	World Wide Fund for Nature
<b>ZEV</b>	Zero-emission vehicle
<b>ZEGC</b>	Zero-emissions generation capacity

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