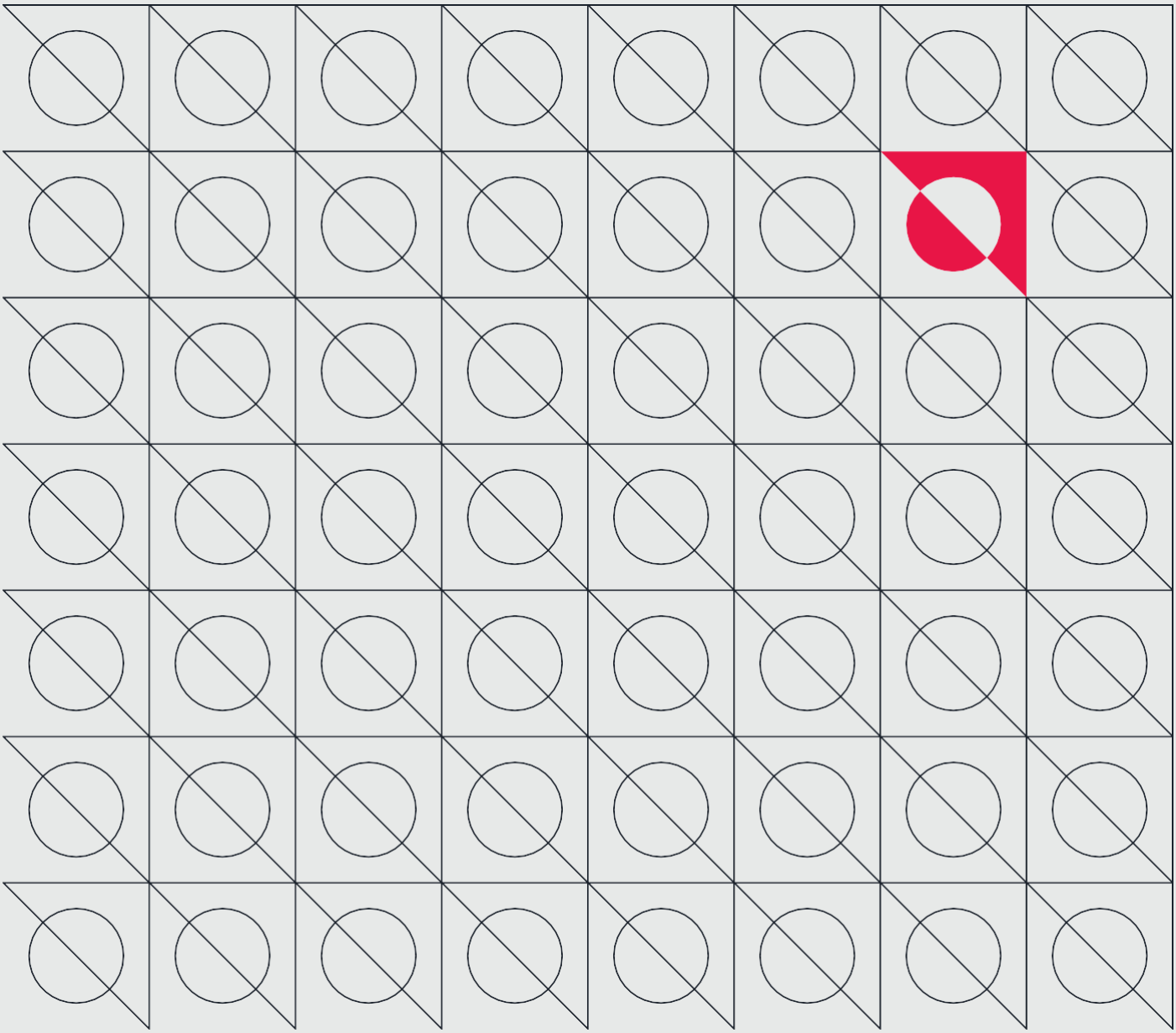
Glossary

CDP Full Corporate Questionnaire 2025



Version

Version number	Release / Revision date	Revision summary
1.0	Released: June 28, 2024	• Publication of the Full CDP Corporate Questionnaire Glossary
2.0	Revised: August 27, 2024	• Inclusion of low-carbon energy definition
3.0	Revised: May 21, 2025	• Inclusion of updated recycled content and portfolio impact definitions. • Inclusion of renewable energy definition • Updated hyperlinks • Minor changes to some term's definitions

Glossary – General

This list includes a summary of terms used in the CDP 2025 Full Corporate Questionnaire. Please refer to the CDP Reporting Guidance for all terms.

Term	Definition
Access to capital	Cash flows from sources other than an organization's sales and other revenues. It includes cash infusions from investors or securing lines of credit with banks and other lenders.
Activity level	An economic activity can be defined as an activity through which an organization derives revenue. As described by the NACE classification system, an economic activity takes place when resources such as capital goods, labor, manufacturing techniques or intermediary products are combined to produce specific goods or services. Activity level refers to figures or information which can be provided for relevant economic activities undertaken by an organization.
Afforestation	Establishment of forest through planting and/or deliberate seeding on land that, until then, was not classified as forest, which implies a transformation of land use from non-forest to forest (FAO, 2015).
Agroforestry	A land management approach that combines the production of trees with other crops and/or livestock. Trees have high adaptive capacity because they are deep rooted and have large reserves of water and nutrients, and are less susceptible than annual crops to inter-annual variability or short-lived extreme events like droughts or floods. Additionally, trees improve soil quality and fertility by contributing to water retention and by reducing water stress during low rainfall years, and also have higher evapotranspiration rates than row crops or pastures and can thus pump excess water out of the soil. Trees can also reduce the impacts of weather extremes such as droughts or torrential rain and can stabilize the soil against landslides and raise infiltration rates.

Alignment with a 1.5°C world	Refers to the Paris Agreement long-term temperature goal, as expressed in relevant IPCC reports, in particular the IPCC Sixth Assessment Report (AR6) and the IPCC Special Report on Global Warming of 1.5°C (SR1.5). According to the Science-based Targets initiative, aligning with a 1.5°C world currently means reducing Scope 1, 2 and 3 emissions to zero or close to zero and neutralizing any residual emissions by 2050 at the latest.
Area of influence	The area within which a mining project may potentially directly and indirectly cause impacts. The area of direct impacts caused by mining-related activities includes the physical mine site footprint, areas adjacent to the project site that are affected by emissions and effluents, power transmission corridors, pipelines, borrow and disposal areas, etc., and the area affected by associated facilities that, although not part of the project that is being assessed, would not have been constructed in the absence of the project. Areas indirectly affected by mining-related activities include the physical footprint of non-project activities in the surrounding area that are caused or stimulated by the project plus the area affected by their emissions and effluents (IRMA, 2018, adapted from Gullison et al. 2015).
Artisanal and small-scale mining (ASM)	Formal or informal mining operations with predominantly simplified forms of exploration, extraction, processing, and transportation. ASM is normally low capital intensive and uses high labor-intensive technology. ASM can include men and women working on an individual basis as well as those working in family groups, in partnership, or as members of cooperatives or other types of legal associations and enterprises involving hundreds or even thousands of miners. For example, it is common for work groups of 4-10 individuals, sometimes in family units, to share tasks at one single point of mineral extraction (e.g. excavating one tunnel). At the organizational level, groups of 30-300 miners are common, extracting jointly one mineral deposit (e.g. working in different tunnels), and sometimes sharing processing facilities (OECD, 2016).
Assets	Entities functioning as stores of value and over which ownership rights are enforced by institutional units, individually or collectively, and from which economic benefits may be derived by their owners by holding them, or using them, over a period of time (the economic benefits consist of primary incomes derived from the use of the asset and the value, including possible holding gains/losses, that could be realized by disposing of the asset or terminating it).
Attributional approach	The most commonly used approach at present to estimate avoided emissions - measures the difference in total life-cycle GHG emissions between the low-carbon product(s) or service(s) and a reference product or service that provides an equivalent function.

Banking (Bank)	Financial institutions that mostly undertake lending, deposit taking and other financial intermediary activities. Relevant questions focus on banks' lending and other activities, which for banks are the entire collection of products, securities and loans held on the balance sheet for which they own the receivable stream. Note that multi-finance companies engaging in e.g. motor vehicle lending while not taking deposits are considered banks for the purpose of this questionnaire.
Best available technique (BAT)	Best available technique (BAT) refers to the available techniques which are the best for preventing or minimizing emissions and impacts on the environment. BAT include both the technology used, and the way your installation is designed, built, maintained, operated and decommissioned.
Beyond value chain mitigation	Mitigation action or investments that fall outside of a company's value chain. This includes activities that avoid or reduce greenhouse gas emissions, and those that remove and store greenhouse gases from the atmosphere. Examples include purchasing high quality, jurisdictional REDD+ carbon credits that support countries in raising the ambition on and, in the long-term, achieving their nationally determined contributions, or investing in carbon dioxide removal (CDR) technologies such as direct air capture (DAC) with geological carbon storage (adapted from the SBTi Beyond Value Chain Mitigation FAQ).
Biodiversity (also referred to as "Biological diversity")	Variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems (CBD, 1992).
Biodiversity Action Plan (BAP)	A plan to manage potential risks to changes in biodiversity or ecosystem services arising from environmental aspects of assets and activities; it lists the actions to take to conserve or enhance biodiversity (CSBI, 2015).
Biodiversity indicators	Biodiversity indicators are communication tools that summarize data on complex environmental issues. They can be used to signal key issues to be addressed through policy or management interventions. Indicators, therefore, are important for monitoring the status and trends of biological diversity and, in turn, feeding back information on ways to continually improve the effectiveness of biodiversity policies and management programmes (GreenFacts, 2006).

Biodiversity offsetting	measures taken to compensate for any residual significant, adverse impacts that cannot be avoided, minimized and/or rehabilitated or restored, in order to achieve no net loss or a net gain of biodiversity. Offsets can take the form of positive management interventions such as restoration of degraded habitat, arrested degradation or averted risk, protecting areas where there is imminent or projected loss of biodiversity (BBOP, 2012).
Biogenic carbon	Refers to carbon which is contained in biomass (both above-ground and below-ground), dead organic matter, soil organic matter, and harvested products.
Biomass	Any organic matter, i.e. biological material, available on a renewable basis. Includes feedstock derived from animals or plants, such as wood and agricultural crops, and organic waste from municipal and industrial sources. Biomass fuels should be sustainably sourced and certified where possible, and include: o Solid biofuels - solid fuels derived from biomass. Includes feedstock derived from animals or plants, such as wood and agricultural crops, and organic waste from municipal and industrial sources. o Biogas - a mixture of methane (CH4) and carbon dioxide (CO2) used as fuel and produced by bacterial degradation of organic matter or through gasification of biomass. o Liquid biofuels - liquid fuels derived from biomass such as ethanol and biodiesel.
Board (also referred to as "Board of Directors")	A body of elected or appointed members who jointly oversee the activities of a company or organization. Some countries/areas use a two-tiered system, with a "supervisory board" and a separate "management board".
Brackish surface water/seawater	Surface water in which the concentration of salts is high and far exceeds normally acceptable standards for municipal, domestic or irrigation use (at least higher than 10,000 mg/l TDS). Seawater has a typical concentration of salts above 35,000 mg/l TDS.
Building energy management system (BEMS)	An integrated system comprising hardware, software, and services that leverage information and communication technology for monitoring, automating, and controlling energy consumption. Examples include smart meters and smart billing, data analytics, performance optimization and others.

Capital expenditure (CAPEX)	A measure of the value of purchases of fixed assets such as property, buildings, an industrial plant, technology, or equipment. Put differently, CapEx is any type of expense that an organization capitalizes, or shows on its balance sheet as an investment, rather than on its income statement as an expenditure.
Carbon capture and storage (CCS)	As defined by the IEA, a family of technologies and techniques that enable the capture of carbon dioxide (CO2) from fuel combustion or industrial processes, the transport of CO2 via ships or pipelines, and its storage underground, in depleted oil and gas fields and deep saline formations.
Carbon capture, utilization and storage (CCUS)	A family of technologies and techniques in which carbon dioxide (CO2) is captured and utilized/used. Examples of direct utilization include CO2 use in the food and drink industry and for enhanced oil recovery. CO2 can also be converted into chemicals or fuels. If CO2 is stored but not utilized, then the process should be classified as CCS.
Certification	The action or process of providing a product with an official document attesting to a status or level of achievement against a certain standard.
Certification schemes providing full DCF assurance	Include robust requirements on no deforestation and no conversion, after an appropriate cutoff date, and/or physical traceability of raw material supplies back to a production unit that complies with specific performance attributes, i.e., free from deforestation and conversion.

Chain-of-custody model (also referred to as "control system", "traceability type", or "supply chain models")	The process by which materials and associated information are transferred, monitored, and controlled as they move through each step in a value chain. There are four commonly recognized types of chain-of-custody models used to determine volumes DCF status: o Identity preserved: a chain-of-custody model under which materials with particular characteristics that originate from a single identifiable certified source are kept separate from all other sources throughout the value chain. o Segregated: a chain-of-custody model under which materials with particular characteristics that are kept separate from materials that may lack these characteristics, although materials are not necessarily traced and controlled back to a single identifiable source and may be mixed from among multiple sources. o Mass balance (synonym: mixed): a chain-of-custody model under which product with particular characteristics is not separated from and may be mixed with product that lacks these characteristics at any stage in the value chain, provided that the quantities are controlled such that the quantity of product sold as having the given characteristics is equivalent to the quantity of product produced with these characteristics (adapted from AFi, 2024).
Circular economy	An economic system which eliminates waste and pollution, circulates products and materials, and regenerates nature (adapted from Ellen MacArthur Foundation's Circular Economy Glossary).
Circularity potential	The potential for products and materials to be reused, recycled, composted or otherwise circulated in the economy and natural systems (adapted from EMF's Circular Economy Introduction).
Climate change adaptation	The process of adjustment to actual and expected climate change and its impacts.
Climate change mitigation	The process of holding the increase in the global average temperature to well below 2°C and pursuing efforts to limit it to 1.5°C above pre-industrial levels, as laid down in the Paris Agreement.
Climate transition plan	An encompassing instrument that helps organizations to align their climate ambitions. This alignment is achieved by establishing specific strategies and clear accountability mechanisms to track progress.

Climate transition plan which aligns with a 1.5°C world	A time-bound action plan that clearly outlines how an organization will achieve its strategy to pivot its existing assets, operations, and entire business model towards a trajectory that aligns with the latest and most ambitious climate science recommendations, i.e., halving greenhouse gas (GHG) emissions by 2030 and reaching net-zero by 2050 at the latest, thereby limiting global warming to 1.5 degrees Celsius. Please refer to the CDP Climate Transition Plan technical note for more details.
Combustion	Combustion refers to combustion within the company's boundary giving rise to greenhouse gas emissions. Sources may include boilers, heaters, furnaces, incinerators, internal combustion engines, and turbines. Scope 1 GHG emissions exclude emissions of CO2 arising from the combustion and fermentation of biomass and biofuels; these emissions are reported as a separate category.
Commercialization	Placing goods/products/services into the market for financial gain.
Company-affiliated smallholder (also referred to as "scheme smallholder", "plasma smallholder" and "out grower")	Small-scale agricultural or forest products producers with a long -term or permanent selling relationship with a given buyer and receive significant levels of inputs, support, and/or requirements or mandates from that buyer (adapted from AFi, 2020).
Compliance	The state of complying with or fulfilling a given environmental requirement, standard, commitment, or target. Compliance may be assessed at the level of production or primary processing unit(s) (e.g., farms, farmer groups, or mills), supply chains, or an entire organization commitment (adapted from AFi, 2024).
Composting (industrial/home)	A process primarily characterized by forced aeration and natural heat production from biological activity that degrades material. This can either be done in an industrial facility or at home. Industrial composting processes must align with ASTM D6400. Compostable plastics must align with ISO 17088.

Concession/lease	The right to use land or other property to produce commodities, granted by a government, company, landholder, or a controlling body.
Consolidation approach	The identification of entities (companies, businesses, organizations etc.) relevant to the environmental impact of the responding organization. The GHG Protocol states that two distinct approaches may be used to consolidate GHG emissions; the equity share and the control approaches. Control can be defined in either financial (financial control) or operational (operational control) terms.
Conversion	Loss of a natural ecosystem as a result of its replacement with agriculture or another land use, or due to a profound and sustained change in a natural ecosystem's species composition, structure, or function. o Deforestation is one form of conversion (conversion of natural forests). o Conversion includes severe and sustained degradation or the introduction of management practices that result in a profound and sustained change in the ecosystem's species composition, structure, or function. o Change to natural ecosystems that meets this definition is considered to be conversion regardless of whether or not it is legal (AFi, 2024).
C-suite	A term used to collectively refer to the most senior executive team.
Cutoff date	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 (AFi, 2024).

Deforestation	Loss of natural forest as a result of: (i) conversion to agriculture or other non-forest land use; (ii) conversion to a tree plantation; or (iii) severe and sustained degradation. o Severe and sustained degradation (scenario iii in the definition) constitutes deforestation even if the land is not subsequently used for a non-forest land use. o Loss of natural forest that meets this definition is considered to be deforestation regardless of whether or not it is legal. o The definition of deforestation signifies "gross deforestation" of natural forest where "gross" is used in the sense of "total; aggregate; without deduction for reforestation or other offset." (adapted from AFi, 2024).
Deforestation- and conversion-free (also referred to as "no-conversion")	Commodity production, sourcing, or financial investments that do not cause or contribute to deforestation and the conversion of natural ecosystems. o Conversion-free refers to no gross conversion of natural ecosystems, which the Accountability Framework specifies as the appropriate policy and goal on this topic for companies and supply chains. o Deforestation-free refers to no gross deforestation of natural forests, which the Accountability Framework specifies as the appropriate policy and goal on this topic for companies and supply chains. o In the context of the Accountability Framework, deforestation refers to the loss of natural forest (see definition of deforestation). o The terms "no-conversion", and "deforestation- and conversion-free" are used in favor of "zero-conversion" because "zero" can imply an absolutist approach that may be at odds with the need to sometimes accommodate minimal levels of conversion at the site level in the interest of facilitating optimal conservation and production outcomes (see AFi's definition for minimal level [of deforestation or conversion], 2024) (adapted from AFi, 2024).

Deforestation-free (also referred to as "no-deforestation")	Commodity production, sourcing, or financial investments that do not cause or contribute to deforestation. o Deforestation-free refers to no gross deforestation of natural forests, which the Accountability Framework specifies as the appropriate policy and goal on this topic for companies and supply chains. o In the context of the Accountability Framework, deforestation refers to the loss of natural forest (see definition of deforestation). o The terms "no-deforestation" and "deforestation-free" are used in favor of "zero deforestation" because "zero" can imply an absolutist approach that may be at odds with the need sometimes to accommodate minimal levels of conversion at the site level in the interest of facilitating optimal conservation and production outcomes (see AFi's definition for minimal level [of deforestation or conversion], 2024) (adapted from AFi, 2024).
Dependencies (on the environment)	Aspects of environmental assets and ecosystem services that an organization relies on to function (TNFD, 2023).
Derivative	A purposely extracted or derived substance from a commodity. Derivatives are physically present in the end product, e.g., Caprylyl glycol is a fatty acid extracted from palm oil and is present in many creams and ointments.
Direct costs (also referred to as "costs of goods or services sold")	These expenses can be attributed to the manufacture of a particular product or the provision of a particular service.
Direct operations	All activities and sites (e.g., buildings, farms, mines, retail stores) over which the reporting organization has operational or financial control. This covers any internal supply chains between the organization's business units (adapted from TNFD, 2023; SBTN, 2023).
Direct soy	Soy or soy products produced and/or directly sourced by an organization, e.g., soybean oil, soybean meal and soy derivatives used as ingredients.

Disclosure volume	The volume that your organization includes in its disclosure. Organizations are encouraged to report the "Total commodity volume" as their "Disclosure volume", however certain volumes may be excluded.
Downstream value chain	The activities, sites, resources, relationships, and stakeholders which receive products and/or services from your organization. The downstream value chain varies depending on the nature of the business but may include customers, distributors, logistics providers, and packaging suppliers (adapted from ESRS, 2023).
Due diligence (Financial services only)	Research or investigation performed by the financial services company before entering into an agreement or a financial transaction with another party.
Durable goods	This generally refers to goods whose expected usage period is greater than three years.
Durable plastic component	A constituent plastic part of a durable good, for example, plastic electronic components for tech products or textiles for clothing products.
Ecosystem services	The contributions of ecosystems to the benefits that are used in economic and other human activity (TNFD, 2023).
Embedded soy	Indirectly sourced soy used in animal feed during the production of an animal product, e.g., meat, farmed fish, dairy, eggs, or other animal products as ingredients. The concept of embedded soy allows organizations to account for the impact of soy from sourcing animal products despite the organization not sourcing soy or soy products directly. Soy is 'embedded' when it is indirectly sourced and is not physically present in the end product (adapted from WWF, 2022 and CGF, 2016).
Emissions to water	This metric tracks the mass of any solid, liquid or gaseous pollutants or contaminants, such as nitrates and pesticides, released to bodies of water by your organization in the reporting year.
End-of-life management	The stage of the lifecycle where goods, materials and substances are no longer in use and go through a management system to process them for preparation for reuse, recycling, or disposal (adapted from European Environmental Bureau and Pew Charitable Trusts).

End-of-life management pathway	A generalized term used to describe the type of waste treatment process goods, materials and substances undergo once they reach end-of-life.
Energy attribute certificate	A category of contractual instruments used in the energy sector to convey information about energy generation to other entities involved in the sale, distribution, consumption, or regulation of electricity.
Enforcement order	A non-financial restriction as punishment for a regulatory violation or other compliance offence. Examples of non-financial enforcement orders include removal of abstraction licenses or discharge consents.
Environmental externalities	Refers to the uncompensated environmental effects of production and consumption, not reflected in market prices. As a consequence of negative externalities, private costs of production tend to be lower than its "social" cost. By introducing a price on environmental externalities, organizations aim to internalize the true "social" cost on production and consumption. For example, an organization may incorporate internal carbon or water pricing mechanisms into financial plans and budgets, ensuring accountability for carbon emissions and water consumption.
Environmental issues	This refers to your organization's dependencies, impacts, risks, and opportunities related to the environmental issue areas covered in CDP's corporate questionnaire i.e., climate change water, forests, biodiversity and/or plastics.
Environmental opportunities	Opportunities are generated through impacts and dependencies on nature, and can occur: o When organisations avoid, reduce, mitigate or manage nature-related risks, for example, connected to the loss of nature and ecosystem services that the organisation and society depend on; o Through the strategic transformation of business models, products, services, markets and investments that actively work to reverse the loss of nature, including by restoration, regeneration of nature and implementation of nature-based solutions (adapted from TNFD "Nature related opportunities", 2023).
Environmental policy	A statement or framework of statements which outlines and communicates the intentions and direction of an organization related to environmental performance, as formally expressed by senior management (adapted from ISO 14001:2015).

Environmental risks	Potential threats (effects of uncertainty) posed to an organization that arise from its and wider society's dependencies and impacts on the environment (adapted from TNFD, 2023).
Facilities	May be used throughout this questionnaire as a broad term and not restricted to a particular site or grouping of fixed buildings and factories. For example, if your organization is in the extractive industries, you might normally collate business information for assets or business units, and so you may wish to define "facility" information in this way.
Financed emissions (Financial services only)	The absolute greenhouse gas emissions associated with a portfolio, expressed in tons CO2e. For financial institutions, the indirect emissions caused by their financing activities are relevant and their emissions inventory would be incomplete without accounting for them. The GHG Protocol classifies these emissions in Scope 3 Category 15 Investments. They are also known as portfolio emissions or financed emissions. Put simply, they are emissions that occur at sources owned or controlled by other companies, but which are made possible because those companies are financed by the investment and lending of financial institutions; and therefore are indirect to the financial institution and should be included in the financial institution's Scope 3 inventory.
Financial planning	An organization's consideration of how it will achieve and fund its objectives and strategic goals. The process of financial planning allows organizations to assess future financial positions and determine how resources can be utilized in pursuit of short- and long-term objectives. As part of financial planning, organizations often create "financial plans" that outline the specific actions, assets, and resources (including capital) necessary to achieve these objectives over a one-to-five-year period. However, financial planning is broader than the development of a financial plan as it includes long-term capital allocation and other considerations that may extend beyond the typical 3-5 year financial plan (e.g., investment, research and development, manufacturing, and markets) (TCFD, 2017).
Financing agreements (Financial services only)	Legal documents defining the terms and conditions of a financing product or service between your organization, for example as lender, and your client, for example as borrower.
Fine	A specific type of penalty that requires payment of money as punishment for a regulatory violation or other compliance offence.

First-party verification	Verification conducted by the company itself but carried out by personnel not involved in the design or implementation of the operations being verified (AFi, 2024).
Flaring	Includes emissions from elevated flares, ground flares, emergency flares, well-testing and well work-over.
Free, Prior and Informed Consent (FPIC)	A collective human right of indigenous peoples and local communities to give and withhold their consent prior to the commencement of any activity that may affect their rights, land, resources, territories, livelihoods, and food security. It is a right exercised through representatives of their own choosing and in a manner consistent with their own customs, values, and norms (AFi, 2024).
Fresh surface water, including rainwater, water from wetlands, rivers and lakes	Water that is naturally occurring water on the Earth's surface in ice sheets, ice caps, glaciers, icebergs, bogs, ponds, lakes, rivers and streams, and has a low concentration of dissolved solids. For the purposes of reporting water accounting data to CDP, this surface water source includes water of a quality generally acceptable for, or requiring minimal treatment to be acceptable for, domestic, municipal or agricultural uses (at least <10,000 mg/l TDS, though a range of additional quality properties may also be considered). "'High quality"' fresh water sources considered acceptable for potable use are typically characterized as having concentrations of dissolved solids less than 1,000 mg/l.
Global warming potential (GWP)	The Intergovernmental Panel on Climate Change (IPCC)'s Sixth Assessment Report (AR6) defines the Global Warming Potential (GWP) as "an index measuring the radiative forcing following an emission of a unit mass of a given substance, accumulated over a chosen time horizon, relative to that of the reference substance, carbon dioxide (CO2). The GWP thus represents the combined effect of the differing times these substances remain in the atmosphere and their effectiveness in causing radiative forcing." By using GWPs, GHG emissions from multiple gases can be standardized to a carbon dioxide equivalent (CO2e).
Governance	A system whereby an organization is influenced and controlled based on the interests of shareholders and stakeholders. This involves relationships and communication between management, the board, the shareholders, and stakeholders. Governance provides a framework for an organization to set objectives, monitor performance, and evaluate results (adapted from the Recommendations of the Task Force for Climate Related Financial Disclosure, 2017).

Greenhouse gases	In line with Kyoto Protocol to the United Nations Framework Convention on Climate Change (UNFCCC) and the amendment issued by the Greenhouse Gas Protocol on May 2013 the basket of greenhouse gases (GHGs) consists of: o Carbon dioxide (CO2); o Methane (CH4); o Nitrous oxide (N2O); o Hydrofluorocarbon family of gases (HFCs); o Perfluorocarbon family of gases (PFCs); o Sulfur hexafluoride (SF6), and; o Nitrogen trifluoride (NF3). Nitrogen trifluoride (NF3) is now considered a potent contributor to climate change and is therefore mandated to be included in national inventories under the UNFCCC. NF3 should also be included in GHG inventories under the GHG Protocol Corporate Standard, and the GHG Protocol Corporate Value Chain (Scope 3) Standard.
Grievance mechanism	Any routinized process through which grievances concerning business-related negative impacts to human rights or the environment can be raised and remedy can be sought. Grievance mechanisms may be state-based or non-state-based and they may be judicial or non-judicial (AFi, 2024).
Gross generation	Covers the total output from all generating installations or facilities without deducting for amount of generated electricity, steam, heat or cooling used by those installations or facilities for the purpose of generation. Deducting this self-consumption of output gives the net generation. To avoid double-counting, consumption of one energy carrier (i.e., electricity, heat, steam, or cooling) to produce another (i.e., electricity, heat, steam, or cooling) within the same installation should not be included. For example, the generation of steam which is consumed in a steam turbine for the generation of electricity should not be included.
Groundwater (non-renewable)	Water which is being held in, and can be recovered from, an underground formation. Non-renewable groundwater has a negligible rate of natural recharge on the human time-scale (more than 50 years), and is generally located at deeper depths than renewable groundwater. This is sometimes referred to as “fossil” water.

Groundwater (renewable)	Water which is being held in, and can be recovered from, an underground formation. Renewable groundwater sources can be replenished within 50 years and are usually located at shallow depths.
Hazardous substances	Compounds exhibiting intrinsically negative properties such as being persistent, bioaccumulative and toxic (PBT), very persistent and very bioaccumulative (vPvB), carcinogenic, mutagenic and toxic for reproduction (CMR), or endocrine disruptors (ED) (ZDHC, 2022).
High Value Chemicals	High value chemicals (HVCs) produced via steam cracking include ethylene, propylene from the pyrolysis gas of steam crackers, benzene (contained amounts, excluding extracted amounts), butadiene (also contained), acetylene, and hydrogen sold (as fuel).
Impacts (on the environment)	Changes in the condition of nature (quality or quantity), which may result in changes to the capacity of nature to provide social and economic functions (adapted from TNFD, 2023).
Independent smallholders	Small-scale agricultural or forest products producers with enforceable decision-making power on the operation of the land and production practices, in addition to freedom to choose how the land will be utilised (adapted from RSPO, 2019).
Insurance underwriting (Insurance company)	Financial institutions that provide and sell insurance underwriting products and services to their policyholders. Relevant questions focus on insurers' insurance policy underwriting activities/portfolios. Please note that where references are made to "insurance" in the questionnaire, these are also applicable to reinsurance unless otherwise specified.
Intensity metrics	Intensity metrics describe an organization's CO2e emissions in the context of another business metric. In this way, the emissions are normalized to account for growth. Intensity is calculated by dividing the CO2e emissions figure (the numerator) by an alternative business metric (the denominator), such as the number of full-time equivalent employees, the revenue or tons of aggregate produced.
Internal carbon/water price	A monetary value assigned within an organization's financial calculations, going beyond direct costs like utility bills, to account for both internal and external costs and benefits associated with carbon emissions or water use. This price guides strategic decisions and investments towards conservation and efficiency initiatives.

Investing (Asset Manager)	Also known as investment managers, asset managers are hired by clients to invest assets on their behalf. Relevant questions focus on asset managers' investing activities.
Investing (Asset Owner)	Include public- and private-sector pension plans, (re)insurance companies, endowments, and foundations that invest assets on their own behalf or on behalf of their beneficiaries. Relevant questions focus on asset owners' investing activities.
Key Performance Indicators (KPIs)	In relation to the EU Taxonomy for Sustainable Activities, the KPIs refer to the proportion of the turnover, capital expenditure (CAPEX) and operating expenditure (OPEX) related to assets or processes associated with environmentally sustainable economic activities. For each of the Turnover KPI, CAPEX KPI, OPEX KPI this refers to the numerator divided by the denominator as specified by the Disclosure Delegated Act (Annex I p17- 19).
Landscape	Defined geographic area with common and interacting ecological and socioeconomic characteristics. They may be delineated based on river basins, seascapes, ecosystems, jurisdictional boundaries, or in other ways (adapted from AFi, 2024).
Landscape and jurisdictional approach	A muti-stakeholder collaborative strategy to advance shared sustainability goals and build resilience at landscape scale. A jurisdictional approach is a landscape approach defined by administrative boundaries and with high level of government involvement.
Landscape and jurisdictional initiative	An on-the-ground collaborative program to set common goals, take collective action while reconciling different interests, and monitor progress towards improving social, environmental, and economic outcomes at a landscape/jurisdictional scale.
Latitude and longitude	Geographic coordinates that specify, respectively, the north-south and east-west position, of a point on the Earth's surface. These coordinates are expressed as angular measures and thus, latitude can vary from 0 to +/-90 and longitude from 0 to +/-180.
Liabilities	An obligation which requires one unit (the debtor) to make a payment or a series of payments to the other unit (the creditor) in certain circumstances specified in a contract between them.

Life cycle	Consecutive and interlinked stages of a product system, from the acquisition of raw materials or generation of natural resources to end-of-life.
Life cycle assessment (LCA)	A structured, comprehensive method of quantifying material-and energy-flows and their associated emissions in the life cycles of products (i.e. goods and services). Emissions assessments are a component of an LCA, but full LCA's cover all environmental impacts of a studied product.
Life cycle emissions	GHG emissions from a product or service throughout its life cycle.
Likelihood	The terms used to describe likelihood are taken from the Intergovernmental Panel on Climate Change's (IPCC) 2013 reports. They are associated with probabilities, indicating the percentage likelihood of the event occurring. It is not necessary for respondents to have calculated probabilities for the risks they are considering, however they can give an indication as to the meaning of the terms: o Virtually certain: 99–100% probability o Very likely: 90–100%; o Likely: 66–100% o More likely than not: 50–100%; o About as likely as not: 33–66%; o Unlikely: 0–33%; o Very unlikely: 0-10%; o Exceptionally unlikely: 0–1%.
Low-carbon energy	In line with the IEA definition, low-carbon technologies are technologies that produce low – or zero – greenhouse-gas emissions while operating. In the power sector this includes fossil-fuel plants fitted with carbon capture and storage, nuclear plants and renewable-based generation technologies. Natural gas, combined cycle gas turbine and fossil fuel-based combined heat and power (cogeneration), despite being less carbon intensive than other means of electricity production like coal, are not considered low-carbon.

Low-carbon product or service	Product or service which has comparatively lower emissions across its entire life cycle (i.e. from material acquisition through to product end-of-life) when compared to a baseline (business-as-usual) scenario or reference product of a similar function. Note that a product can only be considered low-carbon if its production and use does not prevent and/or contributes to reaching net-zero by 2050 or sooner. To define whether the product or service is low-carbon, CDP encourages the use of existing industry taxonomies and frameworks such as Climate Bonds Taxonomy, the IEA Energy Technology Perspectives (ETP) Clean Energy Technology Guide, and the EU Taxonomy for Environmentally Sustainable Economic Activities.
Macro plastics	Macro plastics are large plastic waste that are readily visible, with dimensions larger than 5 mm (adapted from Plastic Leak Project).
Mainstream reports	In line with CDSB, this refers to the annual reporting packages in which organizations are required to deliver their audited financial results under the corporate, compliance or securities laws of the country/area in which they are incorporated or, if relevant, operate. Mainstream reports are traditionally publicly available. They provide information to existing and prospective investors about the financial position and financial performance of the organization. The exact provisions under which companies are required to deliver mainstream financial reports differ internationally but will generally contain financial statements and other financial reporting, including governance statements and management commentary.
Maintenance target	A target to maintain a certain level of performance, such as the level of emissions reductions achieved after meeting a near-term target (e.g., a target to maintain a 90% reduction in scope 1+2 emissions compared to the base year).
Manufacturing	The series of actions, methods, and techniques that transform raw or processed materials into final products ready for human use/consumption.
Metric ton (also referred to as "metric tonne")	Relates to a unit of mass equal to 1000 kilograms. This unit of mass is often referred to as the "metric" ton to distinguish it from the non-metric units of the short ton (US ton, 907kg) and long ton (Imperial ton, 1016kg).
Micro plastics	Micro plastics are small plastic particulates below 5 mm in size (adapted from Plastic Leak Project).

Minimum safeguards	A taxonomy-eligible activity that substantially contributes to one or more of the taxonomy's objectives and does not cause significant harm to any other environmental objective may only qualify as an environmentally sustainable (i.e., 'taxonomy-aligned') if it complies with international best practices for sustainable business and social safeguards. In relation to the EU Taxonomy for Sustainable Activities, these refer to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organization on Fundamental Principles and Rights at Work and the International Bill of Human Rights.
Mining project	Any set of activities undertaken for the purpose of extracting mineral resources, and the infrastructure required to support these activities. Mining projects may include exploration, mine construction, mining, mine closure, post-closure and related activities either as separately or in combination (IRMA, 2018)
Mining project area	The total area of land owned, leased or managed by the organization for a given mining project, including areas that have not been disturbed by mining-related activities.
Mitigation hierarchy	The sequence of actions to anticipate and avoid impacts on biodiversity and ecosystem services; and where avoidance is not possible, minimize; and, when impacts occur, rehabilitate or restore; and where significant residual impacts remain, offset (CSBI, 2015).
Monitoring	An ongoing function that uses the systematic collection of data on specific metrics to assess and document the extent to which actions, progress, performance, and compliance are being carried out or achieved (AFi, 2024).
Multi-stakeholder initiative	An initiative that is governed by different stakeholder groups, including private sector companies and their associations, civil society organizations (e.g., environmental and social NGOs) and possibly farmer organizations, government organizations and knowledge providers (SAI Platform, 2015).

Natural ecosystem	An ecosystem that substantially resembles—in terms of species composition, structure, and ecological function—one that is or would be found in a given area in the absence of major human impacts. This includes human-managed ecosystems where much of the natural species composition, structure, and ecological function are present (AFi, 2024).
Natural forest	A forest that is a natural ecosystem, i.e., possesses most of the native species' composition, structure, and ecological function as a forest native to the given site. This includes: o Primary forests that have not been subject to major human impacts in recent history; o Regenerated (second-growth) forests that were subject to major anthropogenic impacts in the past (e.g., 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 attained much of the species composition, structure and ecological function of prior or other contemporary natural ecosystems; o Managed natural forests where much of the ecosystem composition, structure, and ecological function exist in the presence of activities such as: (a) Harvesting of timber or other forest products, including management to promote high-value species, (b) Low intensity, small-scale cultivation within the forest, such as less-intensive forms of swidden agriculture in a forest mosaic; and o Forests that have been partially degraded by anthropogenic or natural causes (e.g., harvesting, fire, climate change, invasive species) 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 (AFi, 2024).
Nature-based Solutions	Actions to protect, conserve, restore, sustainably use and manage natural or modified terrestrial, freshwater, coastal and marine ecosystems, which address social, economic and environmental challenges effectively and adaptively, while simultaneously providing human well-being, ecosystem services and resilience and biodiversity benefits (UNEA-5).

Negligible risk	A conclusion, based on credible evidence, that it is exceedingly unlikely that material produced in or sourced from a given context is non-compliant with one or more aspects of a company's social and environmental commitments, policies, or other obligations. o Criteria for determining negligible risk should be defined in each sourcing area and for each aspect of a company's social and environmental commitments, policies, and other obligations. A given production area could be considered negligible risk for one aspect of a company's social and environmental obligations but not negligible risk for other aspects (adapted from AFi, 2024).
Net-zero target	The SBTi Net-Zero Standard defines corporate net-zero as: o Reducing Scope 1, 2 and 3 emissions to zero or to a residual level that is consistent with reaching net-zero emissions at the global or sector level in eligible 1.5°C scenarios or sector pathways and; o Neutralizing any residual emissions at the net-zero target date and any GHG emissions released into the atmosphere thereafter.
Neutralization	Measures that companies take to remove carbon from the atmosphere and permanently store it to counterbalance the impact of emissions that remain unabated. Neutralization can occur using removals within or beyond the value chain (adapted from the SBTi Beyond Value Chain Mitigation FAQ).
No-conversion (also referred to as "deforestation- and conversion-free")	Commodity production, sourcing, or financial investments that do not cause or contribute to the conversion of natural ecosystems. o No-conversion refers to no gross conversion of natural ecosystems, which the Accountability Framework specifies as the appropriate policy and goal on this topic for companies and supply chains. o The terms "no-conversion" and "conversion-free" are used in favor of "zero-conversion" because "zero" can imply an absolutist approach that may be at odds with the need to sometimes accommodate minimal levels of conversion at the site level in the interest of facilitating optimal conservation and production outcomes (see definition for minimal level [of deforestation or conversion]) (adapted from AFi, 2024).

No-deforestation (also referred to as "deforestation-free")	Commodity production, sourcing, or financial investments that do not cause or contribute to deforestation. o No-deforestation refers to no gross deforestation of natural forests, which the Accountability Framework specifies as the appropriate policy and goal on this topic for companies and supply chains. o In the context of the Accountability Framework, deforestation refers to the loss of natural forest (see definition of deforestation). o The terms "no-deforestation" and "deforestation-free" are used in favor of "zero deforestation" because "zero" can imply an absolutist approach that may be at odds with the need sometimes to accommodate minimal levels of conversion at the site level in the interest of facilitating optimal conservation and production outcomes (see definition for minimal level [of deforestation or conversion]) (adapted from AFi, 2024).
Non-compliance	The state of not complying with or fulfilling (or only partially complying with or fulfilling) a given environmental requirement, standard, commitment, or target. In this context non-fulfilment of voluntary commitments, non-compliance with applicable environmental requirements, and adverse impacts to internationally recognized human rights are all considered instances of non-compliance (adapted from AFi, 2024).
Operational expenditure (OPEX)	Operating expenditure includes direct non-capitalized costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets. In case of reporting to the EU Taxonomy, please refer the explanation for 'Key Performance Indicators' below, for further information on the exact reporting requirements of the OPEX KPI.
Organization	Throughout this questionnaire, "your organization" and "organization-wide" refer collectively to all the companies, businesses, other groups etc. that fall within the definition of your reporting boundary (provided in 1.5). This term is used interchangeably with "your company", but CDP recognizes that some disclosing organizations may not consider themselves to be, or be formally classified, as "companies".
Packaged goods/products	Combination of an item and the packaging it is placed in, where the item cannot be used without the packaging being opened.

Penalty	A punishment of any kind due to a regulatory violation or other compliance offence.
Physical risk	○ Acute – occurrence of short term, specific events that change the state of nature. For example, oil spills, forest fires or pests affecting a harvest; ○ Chronic – gradual changes to the state of nature. For example, pollution stemming from pesticide use or climate change.
Plastic goods/products	Goods and products are used interchangeably throughout. This refers to any finished item made from the conversion of plastic polymers which is manufactured or refined for commercialization or usage.
Plastic packaging	Packaging whose main structural element is plastic (corresponding to 50% of packaging weight). This should include fossil-based, biobased as well as compostable, biodegradable, and oxo-degradable plastic. This also includes: ○ Any plastic packaging that is (1) in direct contact with the product, (2) holding several units of packaging, (3) used for the transport of units of packaging (i.e., primary, secondary, and tertiary plastic packaging). ○ Any plastic packaging applied to or offered to accompany any products sold (for example, plastic shopping bags, plastic cutlery accompanying food, or crates used to transport products) (adapted from EMF's Global Commitment definitions and reporting guidelines).
Plastic pollution	Broadly, all emissions and risks resulting from plastics production, commercialization, use, end-of-life management and leakage (adapted from OECD, 2022).
Plastic polymers	Produced through a polymerization or polycondensation process from raw materials such as cellulose, coal, natural gas, salt, and crude oil. This material can either be from virgin or recycled content (adapted from Plastics Europe).
Plastic waste	Material discarded at any point in the value chain, which contains as an essential ingredient a polymer (a large chain molecule with repeating molecular units) which can be moulded into a finished product e.g., thermoplastics, polyurethanes, elastomers, thermosets, adhesives, coatings and sealants, PP fibers and synthetic rubbers (adapted from ISO 24161:2022, and EMF's report 'The New Plastics Economy', 2016).

Plastics	Material containing a polymer (a large chain molecule with repeating molecular units) which can be moulded into a finished product - examples include thermoplastics, polyurethanes, elastomers, thermosets, adhesives, coatings and sealants, and PP fibres. For 2024 CDP disclosure, synthetic rubber is included in our definition (adapted from EMF's report 'The New Plastics Economy').
Portfolio (Financial services only)	In the context of this questionnaire your portfolio is the entire collection of the core financing activities and insurance policies that you offer. For banking, this is the entire collection of products, securities and loans held on your balance sheet for which you own the receivable stream. For asset managers, this is the entire collection of your products and investments that you hold and/or manage on behalf of your clients. For asset owners, this is the entire collection of products, funds and investments owned and controlled by your company. For investment portfolios, asset managers should consider discretionary investments, those where the company has discretion over investment decisions. For insurance underwriting, this is the entire collection of products and insurance policies you provide to your clients.
Portfolio impact (Financial services only)	Impact of financial activities, namely lending, investment and insurance underwriting, on the environment.
Priority locations	Locations that the organization has identified in their value chain where action should be prioritized most urgently due to locations being in or near sensitive locations and/or areas where the organization has substantive nature-related dependencies, impacts, risks, and/or opportunities (adapted from the TNFD, 2024).
Process emissions	Emissions from industrial production processes which chemically or physically transform materials (e.g. CO2 from the calcinations step in cement manufacturing, CO2 from catalytic cracking in petrochemical processing, PFC emissions from aluminium smelting, etc.)
Processing	The series of actions that transform raw materials from their natural state to an initial processed state in preparation for market or further processing/manufacturing.

Produced volume	The proportion of the "Disclosure volume" that is produced by your organization e.g., commodities grown, reared or harvested on land owned, managed or controlled.
Produced water	Water which enters the organization's boundary as a result of the extraction, processing, or use of any raw material, so that it must be managed by the organization. o When reporting to CDP, this water should not be counted as recycled water when put to use within a single cycle of a business process. Examples of produced water include moisture derived from vegetation such as in sugar cane crushing and the water content in crude oil. (Note that companies with oil and gas activities should refer to CDP's Technical Note on Water Accounting for sector-specific guidance on this water aspect).
Production	The first stage of the upstream value chain, often entailing the production of raw agricultural and forest products by farm owners, smallholders, and communities. Vertically integrated companies are also involved in producing activities if they own or manage land used for production (adapted from Global Canopy, 2018 and AFi, 2024).
Production unit	A plantation, farm, ranch, or forest management unit. This includes all plots used for agriculture or forestry that are under one management, located in the same general area, and share the same means of production. It also includes natural ecosystems, infrastructure, and other land within or associated with the plantation, farm, ranch, or forest management unit. o A production unit can be a contiguous land area (regardless of any internal subdivisions) or a group of plots interspersed with other land units the same area or landscape and under the same management (AFi, 2024).
Raw material content	The plastic materials that make up a plastic product (EMF refer to this as 'material sourcing').

Recycled content	Proportion, by mass, of recycled material in a product. Only pre-consumer and post-consumer materials shall be considered as recycled content (adapted from ISO 14021:2016) ○ **Pre-consumer recycled content**: content that has been recycled from materials diverted from the waste stream during a manufacturing process (adapted from EMF's Global Commitment definitions and reporting guidelines). ○ **Post-consumer recycled content:** content that has been recycled from materials generated by households or by commercial, industrial and institutional facilities in their role as end users of the product which can no longer be used for its intended purpose (adapted from EMF's Global Commitment definitions and reporting guidelines and ISO 14021:2016).
Recycling	Any recovery operation by which waste materials are reprocessed into goods, materials or substances for the original or other purposes. This excludes Waste to Energy (adapted from ISO 15270 and the Waste Framework Directive).
Reference product	The product against which the low-carbon product is compared in the attributional approach to estimating avoided emissions.
Reforestation	Re-establishment of forest through planting and/or deliberate seeding on land classified as forest (FAO, 2015).
Regenerative production	A range of approaches used to manage agroecosystems that provide food and materials – be it through agriculture, aquaculture or forestry etc. — in ways that create positive outcomes for nature. These outcomes include, but are not limited to, healthy soils, improved air and water quality, and higher levels of carbon sequestration. They can be achieved through a variety of context-dependent practices and can together help regenerate degraded ecosystems and build resilience on farms and in surrounding landscapes. Farmers may draw on several different schools of thought, such as regenerative agriculture, restorative aquaculture, agroecology, organic, permaculture, agroforestry, and conservation agriculture, to help them apply the most appropriate set of practices to drive regenerative outcomes in their managed agroecosystems (adapted from EMF).
Renewable content	Proportion, by mass of material in a product, which is derived from resources that are replenished at a rate equal to or greater than the rate of depletion (adapted from EMF's Circular Economy Glossary).
Renewable energy	Energy taken from sources that are inexhaustible, e.g. wind, water, solar, geothermal energy and sustainable biofuels (adapted from GHG Protocol, 2004).

Reporting boundary	This determines which organizational entities, such as groups, businesses, and companies, are included in or excluded from your disclosure. Please consistently apply this organizational boundary when responding to questions unless you are specifically asked for data about another category of activities.
Reporting year (also referred to as "reporting period")	The 12-month period for which you are submitting data to CDP.
Requesting CDP Supply Chain Member	Organizations working with CDP's Supply Chain program to engage suppliers on environmental issues and performance to pinpoint risks and identify opportunities in their upstream value chain. If you are responding to CDP because of a request from your customer, you will need to answer the relevant supply chain questions in addition to the main questionnaire.
Research and Development (R&D)	Refers to the activities companies undertake to innovate and introduce new products and services. It is often the first stage in the development process. Investment in R&D is a type of expense associated with the research and development of a company's goods or services.
Restoration	The process of assisting the recovery of an ecosystem, and its associated conservation values, that has been degraded, damaged, or destroyed (adapted from SER, 2004).
Retailing	Selling products directly to individual consumers. This includes supermarkets, convenience stores, lumber and home improvement stores, home furnishing stores, online retailers, and restaurant chains (adapted from Global Canopy, 2018 and AFi, 2024).
Reusable packaging and reusable plastic products	Packaging or a plastic product which has been designed to and proves its ability to accomplish multiple trips or rotations in a system for reuse after minimal processing (adapted from EMF's Global Commitment definitions and reporting guidelines).
Revenue	Gross income arising from the operations of an organization over a period of time.

Second-party verification	Verification conducted by a related entity with an interest in the company or operation being assessed, such as the business customer of a production/processing operation or a contractor that also provides services other than verification (AFi, 2024).
Sectoral decarbonization approach (SDA)	Methodology for companies to establish greenhouse gas (GHG) reduction targets by allocating a sector-specific carbon budget based on subsector-level considerations. The best practice example is the Sectoral Decarbonization Approach (SDA) developed by the SBTi. For further information on the SDA, consult the Science Based Targets SDA Methodology.
Set-aside land	Land owned/managed by the company that is not used for production or planned development and is set aside for conservation purposes.
Significant impact on biodiversity	Impact that can adversely affect the integrity of a geographic area or region, either directly or indirectly, by substantially changing its ecological features, structures, and functions across its whole area, and over the long term, so that habitat, its population levels, and the particular species that make the habitat important cannot be sustained. On a species level, a significant impact causes a population decline or change in distribution so that natural recruitment (reproduction or immigration from unaffected areas) cannot return to former levels within a limited number of generations. A significant impact can also affect subsistence or commercial resource use to the degree that the well-being of users is affected over the long term (GRI, 2018).
Single-use plastic products	A product that is made wholly or partly from plastic and that is not conceived, designed or placed on the market to accomplish, within its life span, multiple trips or rotations by being returned to a producer for refill or re-used for the same purpose for which it was conceived (Single-Use Plastics Directive).

Smallholders	Small-scale agricultural or forest products producers that are distinct from larger-scale producers found in similar contexts by virtue of many or all of the following characteristics: o High degree of dependence on family labor. o Profits accrue primarily to the farm/forest owner and their family. o The farm/forest provides a primary source of income livelihood for the smallholder. o Production units have a relatively small land footprint (relative to the range of production unit sizes for the given commodity and region). o Household resources are allocated to both food crops and cash crops. o Relatively low use of agricultural inputs and generally low productivity and yields. o Significant economic constraints, such as lack of capital assets and low access to finance. o Significant information constraints, including lack of technical knowledge and low access to market information (adapted from AFi, 2024).
Sourced volume	The proportion of the "Disclosure volume" that is consumed, sourced, purchased and/or used by your organization for processing, trading or used as an input for manufacturing and/or packaging. This includes the commodity volume contained within manufactured goods sold by retailers in addition to the volume of soy embedded in animal products.
Sourcing area	An area or region from which materials in a supply chain originate. o Sourcing areas could include a sourcing radius or a supply-shed around a first point of collection or processing facility (e.g., a radius from a palm oil mill); a defined set of production units supplying a particular aggregator or buyer (e.g. the area covered by a smallholder cooperative); or a landscape or subnational jurisdiction (e.g. municipality) from which materials are sourced (AFi, 2024).
Strategy	An organization's desired future state. An organization's strategy establishes a foundation against which it can monitor and measure its progress in reaching that desired state. Strategy formulation generally involves establishing the purpose and scope of the organization's activities and the nature of its businesses, taking into account the risks and opportunities it faces and the environment in which it operates (TCFD, 2017).
Subsidiary	A company owned or controlled by a parent company or holding company.

Substantive effect	An effect that has a considerable or relatively significant effect on an organization at the corporate level in terms of risks and opportunities. This could include operational, financial, or strategic effects that undermine, or provide opportunities for, the entire organization or part of the organization.
Supplier	An entity upstream from the reporting organization that provides or sells raw materials, processed materials, finished products or services to the reporting organization (adapted from GHG, 2013; ESRS, 2023).
Sustainable finance taxonomy	As defined by the Bank for International Settlements, a sustainable finance taxonomy is a set of criteria which can form the basis for an evaluation of whether and to what extent a financial asset can support given sustainability goals. The central goal of taxonomies is driving capital allocation towards sustainable activities, reducing greenwashing, and enabling simpler comparison.
Sustainable forest management	The process of managing a forest for achieving the continuous production of desired forest products and services without reducing its inherent values and future productivity, avoiding undesirable social-environmental effects (adapted from ITTO).
Target	A specific measurable output to be achieved within a specific timeline. Targets often act as steps towards a wider and long-term corporate goal.
Third-party certification	When a certification process is carried out by an independent organization.
Third-party verification	Verification conducted by an independent entity that does not provide other services to the company (AFi, 2024).
Tier 1 supplier (also referred to as "direct supplier")	A supplier that provides or sells products directly to the reporting organization (GHG Protocol, 2013).
Tier 2, 3, or 4+ supplier	A supplier that provides or sells products to the suppliers of the reporting organization (GHG Protocol, 2013).

Total commodity volume	The total volume of a commodity produced and/or sourced (including used, purchased and consumed) by your organization regardless of whether this volume is included or excluded from your disclosure.
Traceability	The ability to follow a product or its components through stages of the value chain (e.g., production, processing, manufacturing, and distribution) (adapted from AFi, 2024).
Traceability system	A system that records and follows the trail of products and/or raw materials along the value chain as they move from suppliers and are processed and ultimately distributed as end products. Systems used to ensure traceability can be digital/electronic or manual/paper based (ISEAL, 2016).
Trading	Purchasing and selling raw or primary processed agricultural or forestry materials to domestic or export markets. This includes shipments, transport, and storage of the commodities (adapted from Global Canopy, 2018 and AFi, 2024).
Transition risk	○ Policy – changes in the policy context due to new (or enforcement of existing) policies to create positive impacts on nature or mitigate negative impacts on nature; ○ Technology – Substitution of products or services with a reduced impact on nature and/or reduced dependency on nature. For example, the replacement of plastics with biodegradable containers; ○ Market – Changing dynamics in overall markets, including changes in consumer preferences, which arise from changing physical, regulatory, technological and reputational conditions and stakeholder dynamics. For example, the market value of a company is affected by assets that have decreased in value because there is insufficient freshwater for the production process, or the value of the business' production process is reduced by the emergence of new technologies that require less water to operate; ○ Reputation – Changes in perception concerning an organization's actual or perceived nature impacts, including at the local, economic and societal level. This can result from direct company impacts, industry impacts and/or impacts of activities upstream and/or downstream in a value chain. ○ Liability – Liability risks that arise directly or indirectly from legal claims. As laws, regulations and case law related to an organisation's preparedness for nature action evolves, the incident or probability of contingent liabilities arising from an organisation may increase (TNFD, 2023).

Tree plantations	A forest predominantly composed of trees established through planting and/or deliberate seeding that lacks key elements of natural forest native to an area such as species composition and structural diversity. o Tree plantations generally have one or a few tree species and tend to include one or more of the following characteristics (i) planted on cleared land, (ii) harvest regularly, (iii) trees are of even ages, (iv) products from plantation are managed and processed for commercial plantation. o Tree plantations can consist of tree planted for timber, pulp, non-timber forest products (e.g., rubber latex), or ecosystem services (e.g., soil stabilization). Plantation dominantly by agricultural species (e.g., fruits or oil palm) are considered agriculture, not tree plantations (AFi, 2019).
Turnover	Net turnover means the amount derived from the sale of products and the provision of services after deducting sales rebates and the provision of services after deducting sales rebates and value added tax and other taxes directly linked to turnover, as per Article 2 (5) of Directive 2013/34/EU.
Unbundled energy attribute certificate	An energy attribute certificate that is separate, and may be traded separately, from the underlying energy produced.
Upstream value chain (also referred to as "supply chain"):	The activities, sites, resources, relationships, and stakeholders that provide products and/or services to your organization. This typically involves activities early in the value chain, such as production or development. The upstream value chain varies depending on the nature of the business but may include raw material, component, or equipment suppliers (adapted from ESRS, 2023).
Value chain	The entire sequence of upstream and downstream activities, sites, resources, and relationships associated with the reporting organization's operations, starting with the raw materials and extending through end-of-life management, aimed at providing or receiving value from an organization's products and services either within, upstream, or downstream of direct operations (adapted from GHG Protocol, 2013; ESRS, 2023; SBTN, 2023).

Value chain mapping	The process of understanding the flow of activities, processes, and value creation within an organization. It involves identifying actors in the value chain, locating where they operate, and understanding the relationships between them (adapted from AFi, 2024).
Verification	Assessment and confirmation of compliance, performance, and/ or actions relative to a stated commitment, policy, goal, target, or other obligation. Verification signifies that information is checked and confirmed by persons other than those involved in the operation or entity being assessed (AFi, 2024).
Virgin materials	Materials that have not been previously used or subjected to processing other than for their original production. In the context of plastic, virgin materials are materials not produced from pre-consumer or post-consumer recycled material. Virgin material could be from renewable sources (adapted from EMF's Circular Economy Glossary).
Vulnerability	The propensity or predisposition to be adversely affected. Vulnerability encompasses a variety of concepts and elements, including sensitivity or susceptibility to harm and lack of capacity to cope and adapt (IPCC)
Water balance	An account of the volumes of water flowing into and leaving an organization across its boundary. When the two volumes are equal, the net water balance will be zero.
Water consumption	The amount of water drawn into the boundaries of the organization (or facility) and not discharged back to the water environment or a third party over the course of the reporting period.
Water discharge	The sum of effluents and other water leaving the boundaries of the organization (or facility) and released to surface water, groundwater, or third parties over the course of the reporting period.
Water intensity	A metric providing the relationship between a volumetric aspect of water and a unit of production, financial metric or any other unit.

Water pollutants	Physical (including thermal), biological, or chemical agents (organic, inorganic substances or heavy metals) that have the direct or indirect potential to negatively modify/contaminate water bodies and/or water ecosystems or affect human health.
Water recycled/reused	Water and wastewater (treated or untreated) used more than once before being discharged from the organization's boundary, so that water demand is reduced. This may be in the same process (recycled), or in a different process within the same facility or another of the organization's facilities (reused). It can include wastewater re-used from household processes such as washing dishes, laundry, and bathing (grey water).
Water stress ('areas with')	A concept that considers physical quantity aspects related to water resources, including water availability. As good practice, a water stressed area should be measured at the catchment level as a minimum. Commonly accepted global indicators to assess areas as water stressed and their thresholds for reporting to CDP include: o Water availability – category greater than 'High risk': 3.4 (WWF Water Risk Filter). WWF recommends that users also take into consideration 'Medium risk': >2.6. This category is based on a multi-model approach which integrates the best available global water scarcity risk indicators: water depletion, baseline water stress, and blue water scarcity. o Baseline water stress – indicator equal to/greater than 'High': 40-80% (WRI Aqueduct Water Risk Atlas). This refers to the ratio of total annual water withdrawals to available renewable water supply. o Baseline water depletion – indicator equal to/greater than 'High': 50-75% (WRI Aqueduct Water Risk Atlas). This refers to the ratio of total annual water consumption to available renewable water supply.
Water withdrawal	The sum of all water drawn into the boundaries of the organization from all sources for any use over the course of the reporting period.
Year-on-year rolling target	A target to achieve a certain level of performance every year (e.g., a target to reduce scope 1 emissions by 5% compared to the previous year).