



Hosted by



Chapter Zero New Zealand Climate Lexicon




Anthem

Created in partnership with Anthem, Chapter Zero
New Zealand official communications partner.

Table of contents

01	Introduction	Page 3
02	Climate Lexicon	Page 4
	– Environmental sustainability	Page 4
	– Emissions reduction and management	Page 7
	– International reporting – acronyms and frameworks	Page 11
	– The New Zealand agenda	Page 15
03	Useful resources	Page 19



Introduction

In 2022, the Institute of Directors established Chapter Zero New Zealand to mobilise, connect, educate and equip directors and boards to make climate-smart governance decisions, thereby creating long-term value for both shareholders and stakeholders.

Research in 2023 by Chapter Zero found that while the majority of New Zealand directors are concerned about climate change, lack of knowledge, resources and time prevents boards from taking appropriate action that would reduce the impact of climate change on their organisation. This need to act is compounded by growing pressure from New Zealand stakeholders to go above and beyond government-mandated action on climate change.

Directors need the appropriate language and to understand the terminology in order to address climate change at the board level. This document, prepared by Chapter Zero NZ and official communications partner Anthem, aims to create an information hub for directors who want to upskill and support the global goal to achieve net zero carbon emissions by 2050.



Climate Lexicon

Environmental sustainability

Term	Definition
<u>Active travel</u>	Walking, cycling and other non-motorised forms of travel.
Adaptation	Actions to manage the unavoidable impacts of climate change.
<u>Anthropogenic</u>	Caused by human beings.
<u>Biodegradable</u>	Able to break down and blend back into the earth, given the right conditions and presence of microorganisms, fungi or bacteria.
Biodiversity	The variety of life within a single ecosystem or habitat.
<u>Bioenergy</u>	Renewable energy produced by living organisms.
<u>Biofuel</u>	Fuel produced from plant or animal waste.
<u>Biomimicry</u>	A form of design that seeks sustainable solutions by mimicking nature. The goal is to create products and services that are well adapted to life on Earth over the long-term.
<u>Circular economy</u>	<p>An economy where waste and pollution are designed out, products and materials are kept in use and natural systems are regenerated.</p> <p>For example, the circular plastic economy is a viable alternative to the existing linear system, where plastic is produced, used and disposed of. The purpose of a circular plastic economy is to increase the amount of plastic that is reused or recycled back into the system.</p>

Term	Definition
<u>Compostable</u>	Given the right conditions, a material that breaks down completely into non-toxic components that can support plant growth.
<u>Conscious capitalism</u>	A form of capitalism that seeks to benefit people and the environment.
<u>Conscious consumerism</u>	Consumers voting with their wallet by purchasing products and services that are produced responsibly.
<u>Corporate Social Responsibility (CSR)</u>	A management concept whereby companies integrate social and environmental concerns into their business operations.
<u>Deforestation</u>	The human-driven and natural loss of trees. More than half of all deforestation is caused by farming, grazing of livestock, mining and drilling. Forestry practices, wildfires, and urbanisation account for the rest. Deforestation releases carbon dioxide to the air and reduces the Earth's capacity to absorb existing carbon dioxide.
Ecosystem	A geographic area where plants, animals and other organisms, as well as weather and landscapes, work together to form a bubble of life.
<u>Environmental, Social and Corporate Governance (ESG)</u>	Refers to the three central pillars of sustainability assessing companies on their environmental, social and governance performance. It has become increasingly popular with investors wanting to invest responsibly while still making a profit.
Ethical supply chain	Where all suppliers adhere to upholding human rights and mitigating environmental damage. Organisations who receive products and services need to demand strong transparency from suppliers and support them to be able to operate in an ethical manner in how they impact society and the environment.
<u>Fair trade</u>	An alternative approach to conventional trade, based on a partnership between producers and consumers, to ensure that farmers and workers get a fair share of the benefits of trade.
Green bonds and loans	Forms of financing that enables borrowers to use the proceeds to exclusively fund projects that make a substantial contribution to an environmental objective. Green loans and green bonds also follow different but consistent policies. <ul style="list-style-type: none"> – Loans: The Green Loan Principles (GLP) – Bonds: Green Bond Principles (GBP) of the <u>International Capital Market Association (ICMA)</u>.
Green infrastructure	Incorporates both the natural environment and engineered systems to provide clean water, conserve ecosystem values and functions, and provide a wide array of benefits to people and wildlife. It is effective, economical and enhances community safety and quality of life. Green infrastructure solutions can be applied on different scales, from the house or building level, to the broader landscape level.
<u>Greenwashing</u>	Activities, usually marketing, intended to make people believe a company is doing more to protect the environment than it really is.
Plug-in hybrid electric vehicle (PHEV)	A vehicle whose propulsion is mostly electric with batteries re-charged from an electric source but extra power and distance are provided by a hybrid internal combustion engine.
Product stewardship	An approach to managing the environmental impacts of different products/materials and accepting the responsibility for this.

Term	Definition
<u>Recycling</u>	Processing materials that would otherwise be thrown away and turning them into reusable material. In closed loop recycling materials from a product are recycled to make the same, or a similar, product without significant degradation or waste. This can be done repeatedly. In open loop recycling materials from a product are used to make a different type of product.
<u>Renewable energy</u>	Energy that comes from natural sources that are constantly replenished like wind, water and sunlight.
<u>Stakeholder capitalism</u>	A system where corporations are focused on serving the interests of all their stakeholders, including customers, suppliers, employees, shareholders and local communities. Under this system, a company's purpose is to create long-term value rather than maximise profit and prioritise shareholder value at the cost of other stakeholder groups.
Sustainability	Sustainability focuses on our ability to meet our current needs without compromising the ability of future generations to meet their own. It is comprised of three pillars: the economy, society and the environment. These principles are also referred to as profit, people and planet.
<u>Sustainable and green finance</u>	Refers to the process of taking environmental, social and governance (ESG) considerations into account when making investment decisions in the financial sector, helping to ensure that investment supports a sustainable and resilient economy. These considerations might include the use of green bonds, sustainability-linked loans and responsible or ethical investment.
Transitions bonds	A relatively new class of debt instrument used to fund a company's transition towards reducing environmental impact or carbon emissions. They are often issued in areas that would not normally qualify for green bonds, such as large carbon-emitting industries like oil and gas, iron and steel, chemicals, aviation and shipping.



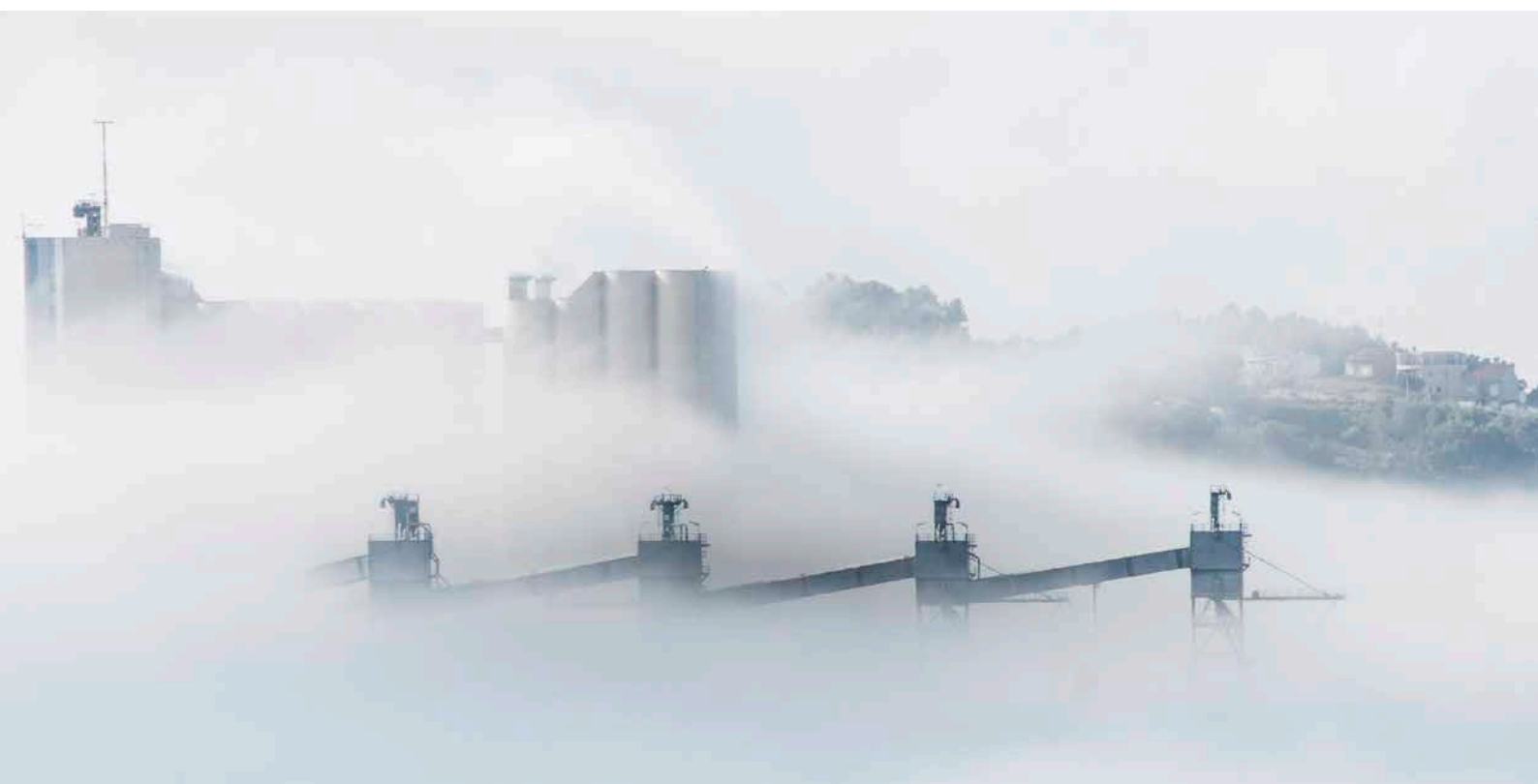
Emissions reduction and management

Term	Definition
<u>Absolute target</u>	A target defined by a change in absolute GHG emissions over time. For example, reducing scope 1 GHG emissions by 50% by 2030 from a 2019 base year.
Afforestation	Planting new forests on land that historically has not contained forests.
<u>Atmosphere</u>	The envelope of gases surrounding the Earth or any other object in space. The air in Earth's atmosphere is made up of approximately 78% nitrogen and 21% oxygen. Air also has small amounts of other gases including carbon dioxide.
<u>Anthropogenic</u>	Resulting from, or produced by, human activities.
<u>Base year</u>	An historical datum (a specific year or an average over multiple years) against which an entity's metric is tracked over time.
Blue carbon	Carbon captured by living organisms in coastal and marine ecosystems.
Carbon budgets	A simplified way to measure the maximum emissions that can still enter the atmosphere if the world limits global warming to levels such as 1.5°C.
<u>Carbon credit</u>	Any tradable certificate or permit deemed to allow a company, within an emissions trading scheme, to emit one tonne of CO ₂ equivalent. This covers CO ₂ or any of the other greenhouse gases.
<u>Carbon dioxide (CO₂)</u>	A natural occurring gas that is also a by-product of burning fossil fuels, such as oil, gas and coal. It is the principal greenhouse gas that traps heat in the atmosphere and warms the planet.
<u>Carbon dioxide equivalent</u>	The universal unit of measurement to indicate the global warming potential of each of the seven GHGs, expressed in terms of the global warming potential of one unit of carbon dioxide for 100 years. It is used to evaluate releasing (or avoiding releasing) any GHGs against a common basis.
Carbon emissions	The release of carbon dioxide into the atmosphere. There are both natural and human sources of carbon emissions, but it is human activities - like driving, cement production and deforestation - that are driving increases in the atmospheric concentration of carbon dioxide.
Carbon footprint	The amount of carbon dioxide that is released into the atmosphere as a result of the activities of individuals, organisations, groups or communities.
<u>Carbon neutral</u>	The balancing of greenhouse gas emissions with an equivalent amount of independently verified carbon offsets. Also referred to as net zero greenhouse gas emissions.
Carbon price	The price for avoided or released CO ₂ or CO ₂ -equivalent emissions. This may refer to the rate of a carbon tax or the price of emissions permits.
<u>Carbon positive</u>	When an organisation saves more greenhouse gas emissions than it emits and takes other positive actions towards restoring the environment. Becoming carbon positive may include halting deforestation, eliminating the use of fossil fuels, sourcing all energy from renewable sources and offsetting more carbon than has been released.

Term	Definition
<u>Carbon sequestration</u>	<p>The capture and long-term storage of carbon dioxide from the atmosphere in plants, soils, geologic formations and the ocean.</p> <p>Carbon sequestration occurs both naturally and as a result of anthropogenic activities and typically refers to the storage of carbon that has the immediate potential to become carbon dioxide gas.</p> <p>For example, deforestation is a source of carbon emission into the atmosphere, but forest regrowth is a form of carbon sequestration.</p>
Carbon sink	Anything that absorbs more carbon from the atmosphere than it releases.
<u>Climate neutral</u>	Reducing all greenhouse gas emissions to the point of zero while eliminating all other negative environmental impacts that an organisation may cause.
<u>Climate positive (net negative)</u>	Any activity that goes beyond achieving net-zero carbon emissions to create an environmental benefit by removing additional carbon dioxide from the atmosphere.
<u>Climate-related opportunities</u>	Efforts to mitigate and adapt to climate change can lead to improvements such as resource efficiency and cost savings, the adoption of low-emissions energy sources, the development of new products and services, and building resilience along the value chain.
<u>Climate-related risks</u>	<p>The potential negative impacts of climate change on an entity.</p> <p>These can be risks related to the physical impacts of climate change which are event-driven (acute) such as increased severity of extreme weather events. They can also relate to longer-term shifts (chronic) in precipitation and temperature, and increased variability in weather patterns, such as sea level rise.</p> <p>Transition risks relate to the transition to a low-emissions, climate-resilient global and domestic economy, such as policy, legal, technology, market and reputation changes associated with the mitigation and adaptation requirements relating to climate change.</p>
<u>Climate-related scenario</u>	<p>A plausible, challenging description of how the future may develop based on a coherent and internally consistent set of assumptions about key driving forces and relationships covering both physical and transition risks in an integrated manner.</p> <p>Climate-related scenarios are not intended to be probabilistic or predictive, or to identify the 'most likely' outcome(s) of climate change. They are intended to provide an opportunity for entities to develop their internal capacity to better understand and prepare for the uncertain future impacts of climate change.</p>
<u>Decarbonisation</u>	The reduction of greenhouse gas emissions, for example, through the use of low-emissions power sources and electrification.
<u>Emissions intensity</u>	<p>Intensity ratios express GHG emissions impact per unit of physical activity or unit of economic output.</p> <p>A physical intensity ratio is suitable when aggregating or comparing across entities that have similar products. An economic intensity ratio is suitable when aggregating or comparing across entities that produce different products. A declining intensity ratio reflects a positive performance improvement.</p> <p>Intensity ratios are also often called normalised environmental impact data. Examples of intensity ratios include product emission intensity (for example, tonnes of GHG emissions per electricity generated); service NZ CS 1 13 intensity (for example, GHG emissions per function or service); and sales intensity (for example, emissions per sales).</p>

Term	Definition
<u>Emissions Trading Scheme (ETS)</u>	<p>A tool that puts a price on the emission of greenhouse gases. All sectors of Aotearoa New Zealand's economy, apart from agriculture, pay for their emissions through the NZ ETS. A select group of large businesses are required to buy units to cover their emissions.</p> <p>These businesses pass on these costs to their customers. The ETS provides an incentive to reduce emissions. It is one of the government's main tools to meet our emissions targets under the Paris Agreement.</p>
<u>F-gases (fluorinated gases)</u>	<p>Man-made gases used in a range of industrial applications. They are often used as substitutes for ozone-depleting substances because they do not damage the atmospheric ozone layer. However, F-gases are powerful greenhouse gases, with an even higher warming potential than carbon dioxide.</p>
<u>Fossil fuels</u>	<p>Non-renewable fuels including coal, oil and natural gas. They are made from decomposing plants and other organisms that are buried beneath layers of sediment and rock that have become carbon-rich deposits over millions of years. They supply the majority of the world's energy and are the primary contributors to climate change as they release carbon dioxide and greenhouse gases into the atmosphere.</p>
<u>Global warming</u>	<p>Describes the global aggregate average temperature increases of greenhouse gases in the atmosphere which trap more heat, causing warming. These increases drive changes in weather, including increased intensity and frequency of extreme weather events including snowstorms, hurricanes, cyclones, etc.</p>
<u>Global warming potential (GWP)</u>	<p>A factor describing the ability of a greenhouse gas to trap heat in the atmosphere. Calculated relative to the volume of carbon dioxide that would trap the same amount of heat.</p>
<u>Greenhouse Gases (GHG)</u>	<p>Greenhouse gases are gases that trap heat in the atmosphere and warm the planet. The main gases include carbon dioxide (caused by decomposition, human respiration, ocean release and the burning of fossil fuels like coal, oil and natural gas), methane (caused by farming, wetlands, landfills and coal mining), nitrous oxide (caused by wastewater, power plants and automobiles) and water vapour.</p>
<u>Greenhouse removals</u>	<p>Actions that remove GHGs from the atmosphere relative to baseline. Examples include: Afforestation and reforestation, soil carbon enhancement, bioenergy with carbon capture and storage (BECCS), direct air capture, mineralisation, or enhanced weathering.</p>
<u>Gross emissions</u>	<p>Emissions are the release of GHGs into the atmosphere. Gross emissions are total GHG emissions excluding any removals, and excluding any purchase, sale or transfer of GHG emission offsets or allowances. Gross scope 2 emissions must be calculated using the location-based method.</p>
<u>Insetting</u>	<p>Where an organisation offsets its emissions through a carbon offset project within its own value chain. This may include tree planting, capturing methane gas or using solar energy and hydropower. Unlike a typical carbon offset project, emissions are avoided, reduced or sequestered upstream or downstream within the organisation's own value chain.</p>
<u>Internal emissions price</u>	<p>A monetary value on GHG emissions that an entity uses internally to guide its decision-making process in relation to climate-related impacts, risks and opportunities.</p>
<u>Location-based method</u>	<p>A method to quantify Scope 2 GHG emissions based on average energy generation emissions factors for defined geographic locations, including local, subnational or national boundaries.</p>

Term	Definition
<u>Methane</u>	A colourless, flammable and nontoxic gas formed naturally by the decomposition of organic matter. Wetlands, livestock and energy are the main sources of methane emissions to the atmosphere, where it acts as a greenhouse gas.
Mitigation	Actions to limit the emitting of emissions into the atmosphere.
<u>Neutralisation</u>	Greenhouse gas removals outside an organisation's emissions inventory that balance residual emissions, meaning an actor's net contribution to global emissions is reduced or eliminated. Neutralisation claims are only valid under a rigorous set of conditions, including that the reductions/removals involved are additional, not over-estimated, exclusively claimed, and like for like.
<u>Nitrous oxide</u>	A potent and long-lived greenhouse gas that is emitted during some industrial processes, including the burning of fossil fuels, when solid wastes are treated and when naturally occurring microbes act on nitrogen in agricultural soils. Nitrous oxide is nearly 300 times more effective at trapping heat than carbon dioxide.
<u>Offsetting</u>	Any activity deemed to reduce overall emissions of greenhouse gases by purchasing verified carbon credits (also known as offsets) through emissions reduction projects or carbon trading schemes.
Scope 1, 2 and 3 emissions	<p>Three categories of greenhouse gas emissions, defined by the Greenhouse Gas Protocol.</p> <p>Scope 1 includes all direct emissions from the activities of company-owned and controlled resources.</p> <p>Scope 2 includes indirect emissions from the generation of purchased energy from a utility provide.</p> <p>Scope 3 includes all the indirect emissions not included in Scope 2 that occur in the value chain of the reporting company.</p>



International reporting, acronyms, initiatives and frameworks

Term	Definition
<u>1.5°C aligned</u>	A target that is aligned with scenarios that yield a long-term warming outcome of <1.5°C. The IPCC's Sixth Assessment report states that we must halt global temperature rise to 1.5°C to avoid the most significant effects of climate breakdown.
<u>Carbon Disclosure Project (CDP)</u>	An international non-profit organisation helping investors, companies, cities and states to disclose and manage their environmental impact. Each year, the CDP takes the information supplied in its annual reporting process and scores organisations based on their journey towards environmental leadership on climate change, forests and water security.
<u>Climate Bonds Initiative (CBI)</u>	An international organisation working to mobilise global capital for climate action through the development of the Climate Bonds Standard and Certification Scheme, which is a labelling scheme for entities, assets, bonds, loans and other sustainability-linked debt instruments.
<u>COP</u>	<p>'Conference of the Parties' refers to the countries that have signed up to the 1992 United Nations Framework Convention on Climate Change (UNFCCC).</p> <p>The 154 nations who signed the framework committed to reducing atmospheric concentrations of greenhouse gases with the goal of "preventing dangerous anthropogenic interference with Earth's climate system."</p>
<u>Dow Jones Sustainability Index (DJSI)</u>	A stock index tracking the performance of companies that lead in corporate sustainability in their respective sectors or in the geographies they operate. They are designed for investors seeking to track equity markets while applying a sustainability best-in-class selection process.
<u>Environmental management systems</u>	A set of processes and practices that enable an organisation to reduce its environmental impacts. The most used framework is the one developed by the International Organization for Standardisation (ISO) for the ISO 14001 standard.
<u>G7</u>	Also known as the G7, or Group of Seven, was an informal forum set up in 1975 bringing together the leaders of the world's industrial nations. The annual G7 summits have developed into a platform for shaping responses and action to global challenges. The summit gathers leaders from the European Union and Canada, France, Germany, Italy, Japan, the UK and the US. In 2021, the 47th G7 summit was held in Cornwall, United Kingdom.
<u>Glasgow Climate Pact</u>	The agreement reached by nations at COP26 in Glasgow in 2021. The pact includes a range of decisions that aim to curb greenhouse gas emissions and build resilience to climate change. It is the first climate agreement explicitly planning to reduce unabated coal usage.
<u>The Greenhouse Gas Protocol (GHGP)</u>	A joint initiative of World Resources Institute to help countries and companies account for, report and mitigate emissions. This is based on a report that identified an action agenda to address climate changes that included the need for standardised measurement of GHG emissions.

Term	Definition
<u>Global ESG Benchmark for Real Assets (GRESB)</u>	The Global ESG Benchmark for Real Assets, formerly the Global Real Estate Sustainability Benchmark. It is one of the many organisations issuing standards for ESG performance disclosure for real estate owners, asset managers and developers. It was founded in the Netherlands in 2009 and it helps real estate investors assess the sustainability performance of commercial real estate portfolios.
<u>Global Reporting Initiative (GRI)</u> <i>Additional resource</i>	<p>The independent, international organisation that helps businesses and organisations understand and communicate their impact on environmental, social and economic sustainability. First launched in 2000, the GRI's sustainability reporting framework measures an organisation's performance indicators (PI) based on 30 environmental indicators relevant to energy, biodiversity and emissions.</p> <p>There are three GRI Standards that allow organisations to structure their reporting in a way that is transparent to stakeholders and other industry partners. They include:</p> <ul style="list-style-type: none"> – GRI Universal Standards – all three must be applied to your reporting – GRI Sector Standards – use the Standards that apply to your sectors – GRI Topic Standards – select the Standards to report specific information on your material topics.
Impact assessment	Assessing the impact an organisation's operations has on society and the environment. It includes an assessment of the upstream (suppliers), business operations and downstream (outputs).
Impact measurement	Measuring the impact an organisation has on society and the environment using a range of qualitative and quantitative indicators. Ideally, it would measure the core business operation's impacts alongside intentional actions to benefit society and environment.
<u>Integrated reporting (IR)</u>	<p>An approach to corporate reporting that integrates financial information and non-financial information (e.g. sustainability) into a single document to show how a company is performing.</p> <p><u>Votorantim Cimentos</u>, <u>Vancouver City Savings Credit Union</u>, and <u>PJSC RusHydro</u> are best practice examples of integrated reporting and were acknowledged at the Corporate Register's Reporting Awards 2022.</p>
<u>The Intergovernmental Panel on Climate Change (IPCC)</u>	A United Nations body for assessing the science related to climate change. It was created to provide policymakers with regular scientific assessments on climate change, its implications and potential future risks, as well as providing solutions to adaptation and mitigation.
<u>The International Sustainability Standards Board (ISSB)</u>	A standard-setting body established in 2021 under the International Financial Reporting Standards (IFRS) Foundation, whose mandate is the creation and development of sustainability-related financial reporting standards to meet investors' needs for sustainability reporting.
<u>ISAE 3410 Assurance on Greenhouse Gas Statements</u>	A set of standards that serve as a framework for providing guidance on assurance engagements related to greenhouse gas statements. The standard aims to enhance the reliability and credibility of greenhouse gas statements.
<u>ISO 14090 International Standard for adaptation to climate change</u>	An international standard providing principles, requirements and guidelines for adaptation to climate change, including the integration of adaptation within or across organisations and the use of climate information in the adaptation decision-making processes.

Term	Definition
<u>ISO 20400 Standard for Sustainable Procurement</u>	An international standard that provides guidance to organisations on integrating sustainability within procurement processes, with the aim of using influence to make the entire supply chain more sustainable.
<u>The Kyoto Protocol</u>	An international treaty that extended the 1992 United Nations Framework Convention on Climate Change and committed signatories to reduce greenhouse gas emissions. The protocol is based on the scientific consensus that global warming is occurring and that human-made CO2 emissions are driving it. New Zealand is one of 192 countries that signed up to the protocol. The Kyoto Protocol finished in 2021 and was replaced by the Paris Agreement.
LCA (Life Cycle Assessment)	The analysis of the carbon emissions associated with products or services during their entire life cycle. This also includes the upstream (i.e., suppliers) and downstream (i.e., waste management) processes associated with the production, use phase and disposal.
<u>Materiality assessment</u>	A formal exercise aimed at engaging stakeholders to find out how important specific environmental, social and governance (ESG) issues are to them. The insights gained can then be used to guide strategy and communication, and help organisations tell a more meaningful story.
<u>Nationally Determined Contribution (NDC)</u>	The contribution a party to the Paris Agreement will make to the global effort to reduce emissions, both domestically and internationally. New Zealand's first NDC is currently an economy-wide, absolute emissions reduction target to reduce greenhouse gas emissions by 30% below 2005 levels by 2030.
<u>Net-Zero Banking Alliance</u> <i>Additional resource</i>	An industry-led alliance under the auspices of the UN that brings together a global group of banks, currently representing over 40% of global banking assets, which are committed to ensuring their investment and lending portfolios align to net-zero greenhouse gas emissions by 2050.
Non-financial insurance	Used to verify the legitimacy of claims and performance measures against non-financial metrics such as greenhouse gas emissions, World Economic Forum's International Business Council (WEF IBC) metrics, and evidence of actions towards sustainability or social related issues.
<u>Non-Financial Reporting Directive (NFRD)</u>	A European Union (EU) directive requiring the disclosure of non-financial and diversity information as an integral part of annual public reporting by large public interest entities with more than 500 employees. The NFRD adopts a "double materiality" principle for matters relating to environmental, social and employee matters, human rights, anti-corruption and bribery. This requires organisations to disclose information required for an understanding of the development, performance, position and impact the organisation's activities.
<u>Paris Agreement</u>	A legally binding international treaty on climate change adopted by more than 190 countries in 2015. Its goal is to limit global warming to well below 2°C, preferably to 1.5°C, compared to pre-industrial levels.
<u>Principles for Responsible Banking (PRB)</u>	A framework for ensuring that signatory banks of the Net-Zero Banking Alliance align their strategy and practice with the commitments set out in the Sustainable Development Goals and the Paris Climate Agreement.
<u>Principles for Responsible Investment (PRI)</u>	A set of six voluntary and aspirational investment principles that were developed by a group of international investors in 2005 in response to the increasing relevance of environmental, social and governance (ESG) issues to investment practices.

Term	Definition
<u>Science-based</u>	Targets that are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C, with no or low overshoot.
<u>Sustainable Development Goals (SDGs)</u>	A collection of 17 interlinked global goals designed to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. They were adopted by the UN in 2015.
<u>The Sustainability Accounting Standards Board (SASB)</u>	An ESG guidance framework that sets standards for the disclosure of financially material sustainability information by companies to investors. Available for 77 industries, the Standards identify the subset of environmental, social and governance (ESG) issues most relevant to financial performance in each industry.
<u>UN Principles for Responsible Investment (PRI)</u>	An international organisation that works to promote the incorporation of environmental, social and corporate governance factors (ESG) into investment decision-making. Launched in April 2006 with support from the United Nations, the PRI has over 4,900 participating financial institutions who participate by becoming signatories to the PRI's six key principles and then filing regular reports on their progress.
World Economic Forum, International Business Council metrics (WEF IBC metrics)	Frameworks which create common metrics and consistent reporting on sustainable value. They are made up of 21 core and 34 expanded metrics and disclosures for organisations to report against.



The New Zealand agenda

Term	Definition
<u>2050 target</u>	To reduce all greenhouse gases (except biogenic methane, emitted by plant and animal sources) to net zero by 2050.
Ao	The world, globe, global.
Aotearoa Circle	A voluntary initiative bringing together leaders from the public and private sectors to investigate the state of our natural resources, and to commit to priority actions that will halt and reverse their decline.
<u>Aotearoa New Zealand Climate Standards</u>	<p>A set of financial reporting standards developed by the External Reporting Board (XRB) that aim to facilitate the disclosure of the financial implications of climate risks and opportunities.</p> <p>The standards require entities to disclose material information on the risks and opportunities presented by climate change, as well as how they are managing these risks and opportunities. These standards are mandatory for any entity that falls under the Financial Reporting Act 2013, including all listed companies and other large organisations, and applying to annual reporting periods that begin on or after 1 January 2023.</p>
<u>Climate Change Commission</u>	Crown entity that gives independent, evidence-based advice to the Government, to help Aotearoa move to a climate-resilient, low-emissions future.
<u>Climate Leaders Coalition</u>	A group of around 100 business CEOs leading the response to climate change through collective, transparent and meaningful action on mitigation and adaptation.
<u>Climate Change Response Act 2002</u>	<p>This legislation sets a framework by which New Zealand can develop and implement clear and stable climate change policies. The changes do four key things:</p> <ul style="list-style-type: none"> – Set a new domestic greenhouse gas emissions reduction target for New Zealand – Establish a system of emissions budgets to act as steppingstones towards the long-term target – Require the Government to develop and implement policies for climate change adaptation and mitigation – Establish the Climate Change Commission.
<u>Carbon Neutral Government Programme (CNGP)</u>	A government programme aiming to make a number of organisations within New Zealand’s public sector carbon neutral from 2025. CNGP participants are required to measure, verify and report their emissions annually, set gross emissions reduction targets, introduce a plan to reduce their emissions and offset remaining gross emissions from 2025 to achieve carbon neutrality.
<u>Centre for Climate Action on Agricultural Emissions</u>	A new government partnership to develop and commercialise smart new products and technology to reduce agricultural emissions. Funding will be available for organisations wanting to develop alternatives to fossil fuels, boost carbon storage and increase sequestration.
<u>Centre for Sustainable Finance (CSF)</u>	The Centre for Sustainable Finance’s purpose is to implement the Sustainable Finance Forum’s 2030 Roadmap for Action. The CSF is housed within the Aotearoa Circle.

Term	Definition
<u>Clean Car Discount scheme</u>	A scheme introduced by the New Zealand Government in 2022 with the aim to reduce transport emissions to help meet the country's 2050 zero-carbon emissions goal. The scheme offers rebates for zero-emission and low-emission light vehicles and fees for high-emissions vehicles.
<u>Environmental Defence Society (EDS)</u>	A not-for-profit committed to improving environmental outcomes.
<u>Emissions budget</u>	The cumulative amount of greenhouse gases that can be emitted over a certain period. Aotearoa legislation requires three budgets to be in place at any given time.
<u>Emissions Trading Scheme</u>	A key tool for meeting our domestic and international climate change targets that places a price on greenhouse gas emissions and requires all sectors of our economy, except agriculture, to pay for their emissions.
<u>External Reporting Board (XRB)</u> <i>Additional resource</i>	The independent Crown Entity responsible for developing and implementing accounting, auditing and assurance standards for New Zealand. In December 2022, the XRB published three climate-related disclosure standards that apply to around 200 New Zealand entities for reporting commencing 1 January 2023.
<u>Emissions Reduction Plan</u>	New Zealand's first emissions reduction plan containing strategies, policies and actions for achieving our first emissions budget and contributing to global efforts to limit global temperature rise to 1.5°C above pre-industrial levels. It will do this by implementing policies and strategies for specific sectors, including transport, energy, waste and f-gases, building and construction, and agriculture and forestry.
<u>The Financial Sector (Climate-related Disclosures and Other Matters) Amendment Bill</u>	<p>In April 2021, the New Zealand Government introduced a Bill to Parliament to mandate certain climate-related disclosures for publicly listed companies and large FMC entities. It aims to support and accelerate New Zealand's transition to a zero carbon economy. In October 2021, the bill was passed and introduced mandatory climate risk reporting in New Zealand.</p> <p>These companies will be required to disclose the impacts of climate change on their business and to explain how they will manage climate-related risks and opportunities. The reporting regimes begins December 31 2023, with the first reports due to start coming out in February 2024.</p>
<u>Government Investment in Decarbonising Industry (GIDI) Fund</u>	A partnership between Government and business to accelerate the decarbonisation of industrial process heat and contribute to the COVID-19 recovery. EECA administers the GIDI Fund on behalf of the Government and is available to New Zealand-based private sector businesses who have committed to decarbonising their business and industrial processes, where Government co-investment will help remove barriers to accelerating their decarbonisation goals.
Hāpori	Section of a kinship group, family, society, community.
Hāpori whānau	Public, wider community.
Hapū	Kinship group, clan, tribe, subtribe – a section of a large kinship group and the primary political unit in traditional Maori society. It consisted of a number of whanau sharing descent from a common ancestor, usually being named after the ancestor, but sometimes from an important event in the group's history.
Hauora	Be fit, well, health and vigorous, in good spirits. Nutrition, happiness, togetherness and wellbeing shared and consumed through eating and producing quality food.

Term	Definition
Hui	Gathering, meeting.
Iwi	Extended kinship group, tribe, nation, people, nationality, race – often refers to a large group of people descended from a common ancestor and associated with a distinct territory.
<u>Kaitiakitanga</u>	The exercise of guardianship by the tangata whenua of an area in accordance with tikanga Māori in relation to natural and physical resources and include the ethic of stewardship.
<u>Māori and Public Housing Renewable Energy Fund</u>	A new Government fund trialing renewable energy technologies on Māori and public housing. The aim of the fund is to trial new renewable ways of generation energy to lead to improved health outcomes for people in public and Māori housing. Some projects may also provide a more resilient power supply and enhance energy sovereignty by enabling local communities to generate their own power.
<u>Mātauranga</u>	The unique Māori way of viewing the world, encompassing both traditional knowledge and culture.
<u>NABERSNZ rating</u>	An independent, government-backed system for rating the energy efficiency of office buildings.
<u>National Climate Change Risk Assessment</u>	Released by the Government in August 2020, the risk assessment covers all aspects of life from our ecosystems and communities to buildings and the financial system. The Government is now working on developing its response to the risks in the report, through the National Adaptation Plan. The Climate Change Commission will produce further national climate risk assessments at least every six years.
Nuinga	Abundance. The Māori worldview focuses on there being enough for everyone and although allocation of resources may differ (based on location), it is those communities' responsibility to share access and trade to ensure the notion of abundance is maintained.
<u>Principle 4 of the NZX Code of Corporate Governance</u>	The obligation for listed companies to issue annual, non-financial disclosures relating to environmental, economic, and social sustainability factors and practices. The current requirement is, however, principle based and less prescriptive than the formal standard is likely to be.
<u>Production and Consumption Emissions</u>	Production-based emissions are the emissions from goods that are produced in New Zealand and either consumed in New Zealand or overseas. Consumption-based emissions are the emissions associated with the production of goods that are consumed in New Zealand – these include locally produced or imported goods, but not goods exported from New Zealand.
<u>Rangatiratanga</u>	The right to exercise authority and leadership, self-determination, ownership.
<u>Sustainable Business Council (SBC)</u>	A CEO-led membership organisation with over 100 businesses from all sectors. SBC is a Global Network Partner of the World Business Council for Sustainable Development.
<u>Task Force on Climate-related Financial Disclosures (TCFD)</u>	An international organisation created in 2015 to develop consistent climate-related financial risk disclosures for use by companies, banks and investors in providing information to stakeholders. In 2021 New Zealand was the first country in the world to adopt reporting requirements based on the TCFD framework. The Bill will make climate-related disclosures mandatory for around 200 organisations in the financial and insurance sectors.

Term	Definition
<u>Task Force on Nature-related Financial Disclosures (TNFD)</u>	<p>An international initiative that builds on the model developed by the Taskforce on Climate-Related Financial Disclosures (TCFD). Nature and environmental risks include loss of biodiversity and degradation of ecosystems, while climate risks are an interdependent issue.</p> <p>The TNFD provides a framework that organisations can follow when disclosing information about the exposure of their companies to natural hazards. The ultimate aim is to support a shift in global financial flows towards nature-positive outcomes.</p>
<u>Te ao Māori</u>	The Māori world view, acknowledging the interconnectedness of all living and non-living things.
<u>Te Tiriti</u>	Te Tiriti o Waitangi/The Treaty of Waitangi.
<u>Warmer Kiwi Homes programme</u>	A Government programme offering grants to help low-income households with funding for sustainable and renewable heating and insulation upgrades.

Definitions sourced from offline resources have not been credited.



Useful resources

Podcasts:

- [Footprint: Business Sustainability \(newstalkzb.co.nz\)](http://newstalkzb.co.nz)
- [This Climate Business - Vincent Heeringa - Podcasts NZ](#)
- [The Big Switch – Columbia University’s Center on Global Energy Policy](#)
- [Climate Change Podcast | Outrage + Optimism \(outrageandoptimism.org\)](http://outrageandoptimism.org)
- [GreenBiz 350 Podcast | Greenbiz](#)
- [How to Save a Planet | Gimlet \(gimletmedia.com\)](http://gimletmedia.com)
- [BBC World Service - The Climate Question](#)
- [One Hot Minute \(stuff.co.nz\)](http://stuff.co.nz)
- [GRI - SDGs podcast series \(globalreporting.org\)](http://globalreporting.org)
- [GRI Podcasts \(3blmedia.com\)](http://3blmedia.com)
- [Sustainability Leaders podcast | BMO Sustainability Leaders](#)
- [How to Save a Planet | Gimlet \(gimletmedia.com\)](http://gimletmedia.com)
- [The Climate Minute on Apple Podcasts](#)
- [Climate One on Apple Podcasts](#)

Columns/newsletters:

- [The Forever Project / Stuff](#)
- [Newsroom’s Rod Oram](#)
- [Newsroom Sustainable Future section](#)
- [The Sustainable Business Council’s Pānui weekly newsletter](#)

Resource hubs and tools

- [The Value Project - Our Land & Water - Toitū te Whenua, Toiora te Wai \(ourlandandwater.nz\)](http://ourlandandwater.nz)
- [Sustainable Business Council](#)
- [Welcome to Sustainable Business Network - Sustainable Business Network](#)
- [Climate Action Toolbox | Business.govt.nz Tools](http://business.govt.nz)
- [Resources » XRB](#)
- [Climate change: the science | NIWA](#)
- [Carbon Footprint Calculators NZ | Toitū Envirocare \(toitu.co.nz\)](http://toitu.co.nz)
- [Responsible Investment - Mindful Money](#)

About Chapter Zero New Zealand

The Institute of Directors New Zealand (IoD) is proud to be the host of Chapter Zero New Zealand, the national chapter of the Climate Governance Initiative (CGI). This global network seeks to mobilise, educate and equip directors with the skills and knowledge necessary to address climate change at board level.

Chapter Zero NZ is grateful for the support of our key partners who provide guidance and expertise to help us serve the director community.



Hosted by



chapterzero.nz

Thanks to our Foundation Partners



DENTONS

