

ENGLAND AND WALES

ESG Glossary

Term	Definition
Alternative Fuels	Transportation fuels that are derived from sources other than petroleum. Often they produce less pollution than gasoline or diesel. Examples include: ethanol, methanol, butanol, vegetable oils, waste-derived oils, and electricity.
Atmosphere	A group of gases surrounding the Earth. The Atmosphere is 300 miles thick and made up of several layers, including the troposphere, stratosphere, mesosphere, and thermosphere. It is 78% nitrogen and 21% oxygen, with the rest composed of carbon dioxide, argon, and other gases. The Atmosphere is important for maintaining the global temperature of the Earth and shields organisms from dangerous radiation.
BBP	<p><i>Better Buildings Partnership</i></p> <p>A collaboration of the UK's leading commercial property owners working to improve the sustainability of commercial building stock. The BBP website https://www.betterbuildingspartnership.co.uk/ has useful resources on its members' activities, including a Green Lease toolkit.</p> <p>Their aims are to:</p> <ul style="list-style-type: none"> • Enable market transformation through sustainability leadership and collaboration • Improve professional understanding through knowledge sharing • Develop common approaches with their members, stimulating the property industry to deliver buildings that perform better. <p>See also Green Leases.</p>
Biocapacity	The ability of an area to provide natural resources while also absorbing the resulting waste from the use of those resources.
Biochemical Cycle	The circular movement and transformation of chemicals throughout an Ecosystem . In the wetlands context, the Biochemical Cycle is strongly influenced by wetland conditions and affects the flow of materials through wetlands, determining overall wetland productivity.
Biodegrade / Biodegradable	The capability of being decomposed by a living organism without negatively impacting the surrounding Environment . For example, if a substance was to Biodegrade into carbon dioxide, water, and other naturally occurring minerals, the substance mixes back into the Earth, leaving no toxins behind.
Biodiversity	<p>Biodiversity (or "biological diversity") is the variety and variability of life on Earth.</p> <p>Biodiversity is a measure of variation at the genetic (genetic variability), species (species diversity), and Ecosystem (ecosystem diversity) level. All living things exist within their own communities, or Ecosystems – oceans, forests, deserts, ice caps and even cities.</p> <p>Biodiversity or a lack thereof can have important implications for the health of the world's Ecosystems.</p>
Biofuel	A type of fuel that is created from biological processes. For example, ethanol is a type of Biofuel produced from the fermentation of corn sugars by yeast bacteria.
Biogas	Biogas is an environmentally-friendly, Renewable Energy source produced by the breakdown of organic matter such as food scraps and animal waste.
Biomass	A type of fuel typically derived from organic materials and/or processes that is then used to produce electricity or alternative forms of energy. Common forms of Biomass include wood, manure, landfill gas, Biomass Gas, ethanol, and biodiesel. Biomass Energy is produced from Biomass.

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Biome	An area of the Earth that can be classified according to the plants and animals that live in it. Temperature, soil, and the amount of light and water help determine what life exists in a Biome .
Biosphere	The part of the Environment where life happens is called the Biosphere. It is made up of many Ecosystems. The Biosphere can range from 10 kilometres above Sea Level to the depths of the ocean. The Biosphere includes, for example, the Puerto Rico Trench, which is about 8 kilometres below Sea Level.
BNG	<p><i>Biodiversity Net Gain</i></p> <p>BNG is a strategy to develop land and contribute to the recovery of nature. It is a way of making sure the Habitat for wildlife is in a better state than it was before development. It will apply from November 2023 for developments in the Town and Country Planning Act 1990, unless exempt. It will apply to small sites from April 2024.</p> <p>Land owners can get paid by selling biodiversity units.</p> <p>Developers must try to avoid loss of Habitat to a piece of land they plan to do development work on. If they cannot do this, they must create Habitat either on-site or off-site. If they cannot use on-site or off-site land, they must buy "statutory credits" from the government – this is to be a last resort though. The government will invest in Habitat creation elsewhere in England if this is the case.</p> <p>Local planning authorities will have to approve a BNG plan for development work before works can start.</p>
BRE	<p><i>Building Research Establishment</i></p> <p>The BRE is a centre of building science in the UK, owned by charitable organisation the BRE Trust. It is a former UK government national laboratory that was privatised in 1997. BRE provides research, advice, training, testing, certification and standards for both public and private sector organisations in the UK and abroad. BRE is a profit-for-purpose organisation that is committed to developing knowledge on every aspect of the Built Environment.</p> <p>Any profits from BRE's work go to the BRE Trust, which invests in research projects for the public benefit, or are invested in upgrading their research facilities at the BRE Science Park.</p> <p>Their research generates knowledge which they use to create a wide range of tools that help construction professionals to deliver better, safer, less costly and more sustainable buildings and infrastructure.</p>
BREEAM	<p><i>Building Research Establishment Environmental Assessment Method</i></p> <p>BREEAM is a sustainability assessment method that is used to masterplan projects, infrastructure and buildings. Launched in 1990 by the BRE it sets standards for the environmental performance of buildings through the design, specification, construction and operation phases and can be applied to new developments or refurbishment schemes.</p> <p>BREEAM assessment evaluates the procurement, design, construction and operation of a development against a range of targets based on performance benchmarks.</p> <p>It focuses on sustainable value across range of categories:</p> <ul style="list-style-type: none"> • Energy • Land use and ecology • Water • Health and wellbeing • Pollution • Transport • Materials • Waste • Management <p>Each category focusses on the most influential factors, including reduced carbon emissions, low impact design, adaption to Climate Change, ecological value and Biodiversity protection.</p> <p>Independent licenced assessors carry out an assessment of a scheme and each of the criteria is scored and then multiplied by a weighting.</p> <p>Two assessment/certification stages are carried out (a design stage assessment which results in an interim certificate, and a post-construction assessment resulting in a final certificate being issued and a rating awarded).</p>

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BTR (sometimes known as “B2R”)	<p><i>Build to Rent</i></p> <p>A property development that is designed with the sole intention of appealing to the rental market as opposed to long-term home ownership. This is a growing sector in the UK property market.</p> <p>Many BTR developers are putting sustainability credentials at the top of investment decisions. The BREEAM “In-Use Residential Certification scheme” allows landlords to benchmark the sustainability performance of their BTR development.</p> <p>As the ESG agenda grows in significance, there is a focus on ensuring that developments within the BTR sector are built to withstand changes in regulation and shifts in tenant preferences. This means that developers are building higher quality homes that are more comfortable to live in and are less harmful to the Environment.</p> <p>One of the main advantages of BTR is that it offers long-term security of tenure to tenants. Unlike traditional rental properties, where landlords may need to respond to changes in the market, BTR properties are designed to provide long-term rental solutions, with the aim of creating stable, sustainable communities. Community is the keyword here, as it is often thought that BTR comes with a certain “philosophy” that facilitates social wellbeing.</p> <p>BTR is also seen as a more sustainable form of housing, with properties built to higher-than-normal environmental and sustainability standards. This includes measures such as energy-efficient appliances, Renewable Energy sources and sustainable building materials.</p>
Built Environment	<p>The term Built Environment refers to human-made conditions and is often used in architecture, landscape architecture, urban planning, public health, sociology, and anthropology, among others.</p> <p>These curated spaces provide the setting for human activity and were created to fulfil human desires and needs. The term can refer to a plethora of components including the traditionally associated buildings, cities, public infrastructure, transportation, open space, as well as more conceptual components like farmlands, dammed rivers and wildlife management.</p> <p>The Built Environment is made up of physical features. However, when studied, the Built Environment often highlights the connection between physical space and social consequences. It impacts the Environment and how society physically manoeuvres and functions, as well as less tangible aspects of society such as socioeconomic inequity and health.</p>
BVCA	<p><i>British Private Equity and Venture Capital Association</i></p> <p>The industry body and public policy advocate for the PE and venture capital industry in the UK. Since 2011, the BVCA has published a Guide to Responsible Investment to provide insights on how to integrate ESG considerations into their investment strategy. In 2017, the BVCA decided to revisit this content and create an online Responsible Investment Toolkit. The toolkit aims to offer practical advice throughout the investment life-cycle, from due diligence through to exit, accompanied by a number of case studies to demonstrate good practice.</p>
Carbon Footprint	<p>The mass of Greenhouse Gases created by an organisation or other entity. Other Greenhouse Gases such as nitrous oxide and Methane are included, measured as the mass of carbon dioxide equivalent.</p>
CCS	<p><i>Carbon capture and storage</i></p> <p>An as yet largely unproven technology that prevents the release of carbon dioxide into the Atmosphere by removing it before combustion or capturing it afterwards and storing it. Many climate models assume a materially positive impact from CCS, though it is unlikely to make a material contribution for some time.</p>

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CDP	<p><i>Carbon Disclosure Project</i></p> <p>Climate Change, water management and deforestation are persistent issues for businesses worldwide. In order to tackle these challenges, ESG reporting represents a viable option for various stakeholders to ascertain their impact on their surroundings and to be held accountable.</p> <p>CDP is a not-for-profit organisation that administers the worldwide disclosure system used by investors, businesses, cities, governments, and regions to manage their environmental effects. CDP surveys assist the business sector in successfully communicating their strategy for quantifying emissions and managing the risks and opportunities connected with Climate Change consequences.</p>
Climate Change	<p>Climate Change refers to long-term shifts in temperatures and weather patterns.</p> <p>Such shifts can be natural, due to changes in the sun's activity or large volcanic eruptions. However since the 1800s, human activities have been the main driver of Climate Change, primarily due to the burning of Fossil Fuels. Burning Fossil Fuels generates Greenhouse Gases emissions that act like a blanket wrapped around the Earth, trapping the sun's heat and raising temperatures.</p> <p>The main Greenhouse Gases that are causing Climate Change include carbon dioxide and Methane. These come from using gasoline for driving a car or coal for heating a building, for example. Clearing land and cutting down forests can also release carbon dioxide. Agriculture, oil and gas operations are major sources of Methane emissions. Energy, industry, transport, buildings, agriculture and land use are among the main sectors causing Greenhouse Gases.</p> <p>Climate Change is often used interchangeably with the term Global Warming however Global Warming is only one aspect of Climate Change.</p>
COP	<p><i>Conferences of Parties</i></p> <p>COP is the main decision-making body of the UNFCCC. It includes representatives of all the countries that are signatories (or "Parties") to the UNFCCC. COP assesses the effects of measures introduced by the Parties to limit Climate Change against the overall goal of the UNFCCC.</p> <p>COP has annual meetings primarily revolving around negotiations and debates. The aim is to review progress towards the overall goal of the UNFCCC: to limit Climate Change.</p> <p>Sometimes, COP will result in new agreements and treaties, often with the goal of refining targets, agreeing rules or forming binding treaties, like the Kyoto Protocol.</p> <p>A key part of COP meetings is to review the contributions of each of the Parties, detailing how they are tackling Climate Change. Members who are also party to the Paris Agreement will submit NDCs. Taken together, these actions will determine whether we meet the goals of the Paris Agreement.</p> <p>The attendees at COP are representatives of governments or 'observer' organisations, like charities. The United Nations manages all attendees at COP.</p> <p>The 197 Parties to the UNFCCC are broadly organised in five regional groups:</p> <ul style="list-style-type: none"> • Africa • Asia • Eastern Europe • Latin America and the Caribbean • Western Europe and Other States (including Australia, Canada and the USA) <p>The COP presidency and host of the next COP meeting usually rotate between these groups. These regional groups are also represented on the UNFCCC Bureau, which acts in an advisory role to the current COP President.</p> <p>Various other groupings of parties, such as ones representing Arab States, the EU and Small Island states, also exist within the UNFCCC. These groups may meet to agree on their negotiating positions and common interests.</p> <p>Previous COP meetings have set records for the largest gatherings of world leaders in history.</p>

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Climate Change Act 2008	This Act imposes a legally binding duty on the government to reduce the UK's carbon emissions by 100% by 2050 (that is, a net zero carbon target). This is the UK's overarching statute on Climate Change law, which was amended in 2019 to introduce a new target for at least a 100% reduction (previously it was 80%) of Greenhouse Gases emissions in the UK by 2050 compared to 1990 levels. This is known as the "net zero target" – see also Net Zero .
CRC Energy Efficiency Scheme / Carbon Reduction Commitment	<i>CRC Energy Efficiency Scheme</i> The UK's CRC Energy Efficiency Scheme is now closed. It was aimed at group owners/controllers of public and private sector organisations in non-energy intensive sectors (and so not caught by other carbon trading systems) holding relatively large-scale non-domestic property (e.g. offices, hotels, supermarkets). It involved buying carbon credits from the government and surrendering the requisite amount each year based on calculations of annual reported energy usage.
CSR	Corporate Social Responsibility. CSR is the subject of both voluntary corporate action and legal and regulatory mandates relating to: <ul style="list-style-type: none"> • Environmental concerns, including environmental protection and the impact on the ecological balance of Climate Change, hazardous waste and nuclear energy • Societal interests, including human rights, diversity, a living wage and economic disparity, and consumer protection <p>Commonly seen as forming 4 central pillars:</p> <ol style="list-style-type: none"> 1. Environmental 2. Ethical 3. Philanthropic 4. Economic
Decarbonise / Decarbonisation	The process of reducing dependency on carbon power sources in an effort to reduce carbon dioxide emissions.
Deforestation	The intentional clearing or thinning of forests to make the forested area available for alternative uses (e.g., agriculture, animal grazing, lumber/wood product production)..
Ecological Impact	The effect of human activities and natural events on living organisms and their non-living Environment . Ecological Impact is an important consideration for many environmental policies and ratings.
Ecosystem	An Ecosystem consists of all the organisms and the physical Environment with which they interact – it is a geographic area where plants, animals, and other organisms, as well as weather and landscapes, work together to form a bubble of life.
EDI	<i>Equality, Diversity, Inclusion</i> An EDI policy looks at how a company employs and engages with people who have a range of different backgrounds, experiences and ideas.
Effluent	Treated or untreated waste material that is discharged into the Environment . Effluent generally is used to describe water discharges, although it can refer to other material flowing into the Environment.
Electric Vehicle (or "EV")	A vehicle that runs at least partially on electricity. An EV's electric motor is powered partially or fully by batteries or a fuel cell, which means the vehicle has lower emissions compared with a motor that is powered by gasoline or diesel.

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Embodied Energy	The total energy consumed in the production of goods or services, particularly in the construction of buildings. The name is derived from the notion that the energy has been incorporated, or “embodied,” in the product itself. Embodied Energy is a useful concept for measuring the efficiency, environmental cost, and long-term value of a building, product, or service.
Emissions	The production and discharge of gases and other pollutants by processes and activities. Emissions often refers to Greenhouse Gases , but it can include other pollutants, such as Effluent .
Emission Reduction Target	An Emissions goal that entities aim to reach within a given time frame. Emission Reduction Targets are a key component of Greenhouse Gases reduction and Climate Change mitigation initiatives, such as the Paris Agreement . Targets are set by taking a variety of factors into account, including past and present Emissions rates, projected future Emissions , and relative Emissions compared with those of similar entities.
Environment	<p>All the physical surroundings on Earth are called the Environment. The Environment includes everything living and everything non-living.</p> <p>The non-living part of the Environment has three main parts:</p> <ul style="list-style-type: none"> • the Atmosphere • the Hydrosphere • the Lithosphere <p>People, animals, plants, and all other living things rely on the non-living parts of the Environment to survive.</p>
Environment Act	<p><i>Environment Act 2021</i></p> <p>The Environment Act operates as the UK’s new framework of environmental protection. Given that the UK has left the EU, new laws that relate to nature protection, water quality, clean air, as well as additional environmental protections that originally came from Brussels, needed to be established. The Environment Act allows the UK to enshrine some environmental protection into law. It offers new powers to set new binding targets, including for air quality, water, biodiversity, and waste reduction.</p> <p>It is a vehicle for a number of DEFRA’s different environmental policies, and sets out the legal framework for significant reforms to local authority waste and recycling services, as well as creating new statutory duties for local authorities on nature recovery. Taken together, the Environment Act establishes a new relationship between central and local government on environmental improvement.</p> <p>It also established a new environmental watchdog, the OEP, which will hold the Government and other public bodies to account and ensure that environmental laws are complied with.</p>
EPC	<p><i>Energy Performance Certificate</i></p> <p>An EPC is issued by an accredited assessor containing information on the energy efficiency of a property, in particular its asset rating (A to G). Generally valid for 10 years unless a new one is entered on the EPC register. Circumstances triggering when it may be required include when an existing property is being sold or let, a new property is built, or significant alterations are made. There are exceptions depending on the type of property or transaction.</p>

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ESG	<p>ESG is an umbrella term for a broad range of environmental, social and governance factors against which investors can assess the behaviour of the entities they are considering for investment.</p> <p>ESG has become the term of choice in the financial sector, especially among pension funds, banks and PE houses. It builds on older concepts like corporate social responsibility (CSR). CSR was deployed to focus company decision-making on the wider consequences of its business activities and “doing the right thing”. The term ESG got its traction with a growing focus on measuring companies’ performance against environmental, social and governance factors for the purposes of responsible investment.</p> <p>In the context of commercial property investment, if thinking about ESG factors, key considerations will include:</p> <ul style="list-style-type: none"> • what actions are being taken to deliver sustainable building portfolios • what assessments are available on buildings’ current and future performance in relation to Climate Change • with landlords, the extent to which they encourage Green Leases • waste • and other environmental impacts. <p>Much of this is not new to the real estate sector. However, there has been considerable progress in the last 10-12 years. Lots of other kinds of issues may be considered too; for example, green procurement, local employment, health and wellbeing and business ethics.</p>
ESOS	<p><i>Energy Savings Opportunity Scheme</i></p> <p>This implements in the UK an EU directive requiring corporate groups, if containing a large undertaking, to carry out mandatory energy assessments every four years and notify the regulator. The ESOS is a mandatory energy assessment scheme, introduced by the UK government to make sure large enterprises in the UK are energy efficient. Under the scheme, large organisations are required to assess their energy usage every 4 years and to find new ways to save energy.</p>
EVCP	<p><i>Electric Vehicle Charging Point</i></p> <p>A charging station/point is a piece of equipment that supplies electrical power for charging plug-in electric vehicles (including electric cars, electric lorries, electric buses, community electric vehicles, and plug-in hybrids).</p>
FCA	<p><i>Financial Conduct Authority</i></p> <p>The FCA is a financial regulatory body in the UK. It regulates the conduct of 50,000 firms in the UK with the aim to ensure that the financial markets are honest, competitive and fair.</p>
Fossil Fuel	<p>A natural fuel that is formed from the fossilised remains of once living organisms. Fossil Fuels include coal, oil, and natural gas. They are the world’s number one source of energy. The burning of Fossil Fuels is a primary contributor to the emission of pollution and Greenhouse Gases.</p>
Fracking	<p>An oil and gas well development technique in which bedrock is fractured by pressurised liquid (water, sand, and chemicals). The process is performed to create cracks in the deep-rock formations through which natural gas, petroleum, and brine can flow more freely. Fracking is formally known as hydraulic fracturing.</p>
Geothermal Energy	<p>A form of Renewable Energy that comes from the heat that radiates from the centre of the Earth. Geothermal Energy power plants have low pollution levels. More than 20 countries use Geothermal Energy.</p>
Genetic Diversity	<p>The total number of distinct genetic characteristics and the frequency in which they appear in a species’ genetic makeup.</p>

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Term	Definition
Genome	The complete set of DNA for an organism. It holds all of the genetic information that an organism needs to function. Think of a Genome as a 3 billion-step instruction manual for life.
Global Warming	Global Warming refers to the rise in global temperatures due mainly to the increasing concentrations of Greenhouse Gases in the Atmosphere .
Green Finance/ Sustainable Finance	<p>Green Finance is the set of financial regulations, standards, norms and products that pursue an environmental objective. It allows the financial system to connect with the economy and its populations by financing its agents while maintaining a growth objective. The long-standing concept was promoted with the adoption of the Paris Agreement, which stipulates that parties must make "finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development."</p> <p>Put simply, Green Finance is a loan or investment that supports environmentally-friendly activity, such as purchasing environmentally-friendly goods and services or building environmentally-friendly infrastructure.</p> <p>Green Finance has a critical role to play in working towards Net Zero and in the fight against Climate Change generally and presents an opportunity to build back with a greener future, creating new businesses and jobs.</p>
Greenhouse Gases / GHGs	<p>Gases in the Atmosphere that trap heat. During the day, the sun shines through the Atmosphere, warming the Earth's surface. At night the Earth's surface cools, releasing heat back into the air. But some of the heat is trapped by the Greenhouse Gases in the Atmosphere, causing a greenhouse effect.</p> <p>The primary Greenhouse Gases in the Atmosphere are water vapor, carbon dioxide, Methane, nitrous oxide, and ozone. There are natural Greenhouse Gases (water vapor, carbon dioxide, Methane, and nitrous oxide), and human-made ones (synthetic fluorinated gases). Human activity has not only created synthetic Greenhouse Gases, but has also increased the concentration of natural Greenhouse Gases in the Atmosphere.</p> <p>Also referred to as GHGs.</p>
Green Leases	<p>One weapon in the environmental armoury is Green Leases.</p> <p>Green Leases contain a series of additional provisions that impose an obligation on the landlord and tenant to manage and reduce the environmental impact of a property by way of improvements.</p> <p>They tend to only relate to commercial properties rather than residential.</p> <p>When considering the environmental impact of a property, the EPC is often one of the most common considerations. However, the environmental impact of a building goes beyond its energy efficiency rating and includes:</p> <ul style="list-style-type: none"> • energy and water consumption • waste generation • travel to and from the buildings and the materials used in the fit-out • refurbishment and alterations
GRESB	<p><i>Global Real Estate Sustainability Benchmark</i></p> <p>An international ESG benchmark provider for real estate investments. Assesses sustainability performance of assets worldwide using ESG data and analytical tools. For other major ESG disclosure standards organisations, see also, for example, SASB, CDP and GRI.</p>

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GRI	The GRI is an international independent organisation that helps businesses, governments and other organisations understand and communicate the impact of businesses on critical sustainability issues such as Climate Change . The GRI provides guidelines that reflect the perspective of a diverse range of stakeholders that are aiming at transparency. The GRI Sustainability Reporting Standards were created by the GRI in 1997 and give companies a mechanism for voluntarily reporting to stakeholders their Environmental Impacts and contributions to Sustainable Development .
Group of Eight / G8	Not to be confused with Ocean's 8, the Group of Eight was an inter-governmental political forum from 1997 until 2014 comprising France, the US, the UK, Russia (suspended), Germany, Japan, Italy, and Canada that met periodically to address global issues such as Climate Change .
Habitat	The natural home or Environment of an animal, plant, or other organism. A Habitat contains all the conditions an organism needs for survival.
Hybrid Electric Vehicle / HEV	A vehicle powered by a combination of an internal combustion engine and one or more electric motors that use energy stored in batteries. A PHEV refers to a plug-in Hybrid Electric Vehicle . See also EV .
Hydrocarbon	An organic compound of hydrogen and carbon. The most common Hydrocarbon is the smallest, Methane .
Hydropower	Power derived from the energy of falling or fast-flowing water.
Hydrosphere	All the oceans and other bodies of water on Earth make up the Hydrosphere. The Hydrosphere includes the water in the air, such as that in clouds.
Impact Reporting	Communicating the action of change initiated by an activity or person, how the change was created, and the influence of that change.
Joule	A unit of work or energy, equal to the work done by a force of one newton acting through one metre.
Kyoto Protocol	An international agreement committing participating nations to binding Emission Reduction Targets . The Kyoto Protocol was adopted in 1997, and entered into force in 2005. It is designed to implement the UNFCCC objective to reduce the onset of Global Warming by reducing atmospheric Greenhouse Gases concentrations to "a level that would prevent dangerous anthropogenic interference with the climate system." The Kyoto Protocol puts a heavier burden on developed nations under the principle of "common but differentiated responsibilities" due to the recognition that developed countries are primarily responsible for the majority of historic Emissions of Greenhouses Gases .
Landfill	A system of waste disposal in which waste is isolated from its surrounding Environment and covered with soil. This system is often used to extend arable land.
Leachate	Liquid, typically from a Landfill , that is produced by Leaching . Leachate varies widely in composition depending on the age of the source of Landfill and the type of waste that Landfill contains, but can pose a threat if it migrates into surrounding soil, groundwater, or surface water.
Leaching	A movement of water that removes nutrients from soil. Rainfall or surface water runoff dissolves soluble matter in Landfills , and can contaminate the surrounding Environment .
Life Cycle	Not the trendy spin class studio, but rather the consecutive and interlinked stages of a product or service system, from the extraction of natural resources to the final disposal.
Lithosphere	The outer layer of Earth – this includes the crust and the solid outermost layer of the upper mantle. The Lithosphere also includes the rocks and soil on the surface of Earth.

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Term	Definition
Low-Carbon Economy	An economy that aims to minimise its output of Greenhouse Gases while functioning as a traditional economic programme. The challenge for policymakers often is in determining how to balance economic growth with reduced Emissions .
MEES	<i>Minimum Energy Efficiency Standards Regulations</i> These prohibit landlords from lawfully letting sub-standard property (i.e. with an EPC asset rating of F or G). The relevant trigger dates are on or after: <ul style="list-style-type: none"> • April 2018 for new leases of both domestic and non-domestic property; • April 2020 for continuing to let any domestic property; and • April 2023 for any non-domestic property. • There are various exceptions and other property and transaction-specific nuances to consider.
Methane	A colorless, odorless gas that occurs abundantly in nature and as a product of certain human activities. Methane is among the most potent of the Greenhouse Gases .
Microorganism	An organism that is so small, it is microscopic (or invisible to the naked eye). Think bacteria, yeasts, moulds, and viruses. Microorganisms are responsible for wine fermentation, rising bread dough, and antibiotic production, among other things.
Modern Slavery Act	A UK law designed to combat modern slavery. It requires certain companies conducting business in the UK to publish a yearly statement describing the steps taken to ensure that their businesses and supply chains are free of slavery.
NABERS	<i>National Australian Built Environment Rating System</i> NABERS is a national rating system from Australia that measures the environmental performance of buildings and tenancies. Put simply, NABERS measures the energy efficiency, water usage, waste management and indoor environment quality of a building or tenancy and its impact on the Environment . NABERS is a reliable and easy to understand sustainability rating for the Built Environment . Like the efficiency star ratings that you get on a fridge or washing machine, NABERS provides a rating from one to six stars for a building's efficiency. NABERS is a world leading building performance rating due to its integrity of methods, transparency of process and accountability to industry. It is administered by Australia's New South Wales Government, and is in three countries; Australia, New Zealand and the UK.
NDCs	<i>Nationally Determined Contributions</i> NDCs are plans by each country to reduce their emissions and adapt to the impacts of Climate Change. Taken together, these actions will determine whether we meet the goals of the Paris Agreement . See also COP .
Net Zero	Net Zero refers to the balance between the amount of Greenhouse Gases produced and the amount that's removed from the Atmosphere. It can be achieved through a combination of emission reduction and emission removal. Reaching Net Zero requires us to balance the amount of Greenhouse Gases we emit with the amount we remove. When what we add is no more than what we take away, we reach Net Zero . The current target is to reduce the UK's carbon emissions by 100% by 2050. See also Climate Change Act 2008 .
Nuclear Energy	Energy in the core of an atom.
Nuclear Fission	The splitting of an atom into two roughly equal fragments, which produces Nuclear Energy . In contrast, see Nuclear Fusion .

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Nuclear Fusion	The fusing of two atoms in a single nucleus, which produces Nuclear Energy . It is the process by which the sun and stars generate light and heat. In contrast, see Nuclear Fission .
OECD	<i>Organisation for Economic Co-operation and Development</i> An intergovernmental organisation with 38 member countries, founded in 1961 to stimulate economic progress and world trade. It is a forum whose member countries describe themselves as committed to democracy and the market economy, providing a platform to compare policy experiences, seek answers to common problems, identify good practices, and coordinate domestic and international policies of its members.
OEP	<i>Office for Environmental Protection</i> The Environment Act established the OEP as a new environmental watchdog. This new body is tasked with holding the Government and other public bodies to account and ensure that environmental laws are complied with after Brexit. It will have various environmental governance roles, including monitoring progress against environmental improvement plans and new environmental targets developed under the Environment Act , and enforcement of breaches of environmental laws by public authorities.
Ozone	A colourless, odourless reactive gas comprising three oxygen atoms that is found naturally in the Earth's stratosphere, where it absorbs the ultraviolet component of incoming solar radiation that could be harmful to life on Earth, preventing that radiation from reaching the Earth's surface. The Ozone layer sits in the stratosphere between 15 km and 30 km above the Earth and shields us and other living things from the sun's harmful ultraviolet radiation. Ozone layer depletion could have serious effects on human health and the Environment .
Paris Agreement	An international agreement among proscripting nations to combat Climate Change. The central aim of the Paris Agreement is to strengthen the global response to the threat of Climate Change by keeping global temperature rise well below 2°C above pre-industrial levels (with a further aspirational goal to limit the temperature increase to 1.5°C). The amendment in 2019 to the Climate Change Act 2008 aligned the UK with this Net Zero target. The Paris Agreement also aims to strengthen the ability of countries to deal with the impacts of Climate Change.
PBSA	<i>Purpose-Built Student Accommodation</i> PBSA is housing specifically built for university students by developers. PBSA is a relatively new property asset class. Traditionally students going to university would live either in university-owned halls or student house shares. In recent years private developers and investors have entered this market by building and running student accommodation. PBSA is usually provided in modern apartment blocks of cluster flats or study bedrooms with ensuite facilities. These are sometimes known as student pods. PBSA blocks often have communal amenities such as residents' lounges, gyms, cinemas and media rooms. PBSA rooms usually include all amenities and utilities in the rent. PBSA is only found in cities and towns which have universities. It tends to be focussed around the UK's largest student towns and cities. Cities like London, Birmingham, Manchester, Nottingham, Liverpool, Leeds and Sheffield have seen extensive PBSA development.
PE	<i>Private Equity</i>
Physical Impacts of Climate Change	The physical manifestation of Climate Change , including heat waves, heat stress, drought, cyclones, extreme precipitation, and other phenomena. See also SASB .

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Term	Definition
PPA	<p><i>Power purchase agreement</i></p> <p>A PPA is a long-term contract between an electricity generator and a customer, usually a utility, government or company. PPAs may last anywhere between 5 and 20 years, during which time the power purchaser buys energy at a pre-negotiated price. Such agreements play a key role in the financing of independently owned (i.e. not owned by a utility) electricity generators, especially producers of Renewable Energy like solar farms or wind farms.</p> <p>PPA contracts can either be for a pre-defined amount of electricity or for a pre-defined portion of whatever quantity of electricity the seller generates. In either case, the price can be a fixed amount per kilowatt-hour or fluctuating market rates, depending on the specific terms of the contract.</p> <p>In the case of distributed generation (where the generator is located on a building site and energy is sold to the building occupant), commercial PPAs have evolved as a variant that enables businesses, schools, and governments to purchase electricity directly from the generator rather than from the utility. This approach facilitates the financing of distributed generation assets such as photovoltaic, micro-turbines, reciprocating engines, and fuel cells.</p>
PRA	<p><i>Prudential Regulation Authority</i></p> <p>A UK financial services regulatory body responsible for the prudential regulation and supervision of banks, building societies, credit unions, insurers and major investment firms. Climate Change creates financial risks and economic consequences, which impact monetary and financial stability. The PRA sets requirements and expectations of banks and insurers on managing financial risks arising from Climate Change. It focuses on what is meant by good governance, risk management, scenario analysis and disclosure.</p>
PRI	<p>The UN-backed Principles for Responsible Investment are a voluntary set of principles for incorporating ESG themes into investment practice. Over 2000 corporates are signatories and this has become a fundamental part of, in particular, PE houses' reporting on ESG (see also BVCA).</p>
Recyclable	<p>Any item that is of sufficient quality or grade to be collected, processed, and reused, either for its initial purpose or as a material or component in the manufacture of another item or product.</p>
Reduce, Reuse, Recycle	<p>The three basic principles of waste reduction used in education and communication on the Environment. Reduce, Reuse, Recycle is also known as the three Rs.</p>
Reforestation	<p>The restoration of forested Ecosystems by silviculture, tree planting, and natural regeneration planning. Reforestation provides many benefits, including the maintenance and expansion of diverse and healthy Ecosystems; carbon sequestration and oxygen production (both of which can improve air quality); and the reduction of soil erosion.</p>
Renewable Energy or "Renewables"	<p>Renewable Energy is energy derived from natural sources that are replenished at a higher rate than they are consumed. Sunlight and wind, for example, are such sources that are constantly being replenished. Renewable Energy sources are plentiful and all around us. Sources include certain Biomass, ethanol, biodiesel, Hydropower, Geothermal Energy, Wind Energy, and Solar Energy.</p> <p>Fossil Fuels (on the other hand) are non-renewable resources that take hundreds of millions of years to form.</p> <p>Generating Renewable Energy creates far lower emissions than burning Fossil Fuels. Transitioning from Fossil Fuels, which currently account for the lion's share of emissions, to Renewable Energy is key to addressing Climate Change.</p> <p>Renewables are now cheaper in most countries, and generate three times more jobs than Fossil Fuels.</p>

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Term	Definition
SASB	<p><i>The Sustainability Accounting Standards Board</i></p> <p>The SASB is an independent non-profit, whose mission is to develop and disseminate sustainability accounting standards that help public corporations disclose material, decision-useful information to investors.</p> <p>Investors, lenders, insurance underwriters, and other providers of financial capital are increasingly attuned to the impact of ESG factors on the financial performance of companies, driving the need for standardised reporting of ESG data.</p> <p>SASB's stated mission "<i>is to establish industry-specific disclosure standards across ESG topics that facilitate communication between companies and investors about financially material, decision-useful information. Such information should be relevant, reliable and comparable across companies on a global basis.</i>"</p> <p>SASB standards are used by companies around the world in a variety of disclosure channels, including their annual reports, financial filings, company websites, sustainability reports, and more.</p>
SDG	<p><i>Sustainable Development Goals</i></p> <p>The UN put together 17 SDGs together with a set of underlying targets for 2030, addressing longstanding challenges like reducing poverty and inequality, as well as tackling Climate Change and promoting sustainable cities and infrastructure, etc.</p> <p>Although pitched at a very high level, SDGs are gaining traction as the common language for communicating the sustainability agenda and its targets. For example, in the commercial real estate industry sector, CLS Holdings has recently committed to align its corporate sustainability strategy with the SDGs.</p>
SDR	<p><i>Sustainability Disclosure Requirements</i></p> <p>The FCA has published its highly anticipated consultation on proposed SDR and investment labels. The consultation proposes:</p> <ul style="list-style-type: none"> • Sustainable investment labels for investment products based on the nature of the product's investment objective and how it purports to promote positive sustainability outcomes. • Consumer-facing product-level disclosures that summarise the sustainability characteristics of products with a focus on retail investors. • More detailed sustainability disclosures aimed at a broader range of stakeholders, including pre-contractual and ongoing performance disclosures at product level, and entity-level disclosures. • Product naming and marketing rules to prevent firms using sustainability-related terms in product names and retail-facing marketing materials unless the product in question qualifies for one of the sustainable labels. • A general "anti-greenwashing rule" for all regulated firms. • Rules to ensure distributors provide sustainability information to consumers <p>These requirements, which will also apply to pension schemes, investment products and asset managers and owners, are part of the UK government's reforms to create a greener financial system.</p> <p>They are proposing an "anti-greenwashing" rule that would apply to all regulated firms, reiterating that sustainability-related claims must be clear, fair and not misleading. The idea of the SDR is to ensure investors have the information they need to make informed decisions about where to put their money.</p> <p>The proposals aim to build transparency and trust by introducing labels to help consumers navigate the market for sustainable investment products and ensuring that sustainability-related terms in the naming and marketing products are proportionate to the sustainability profile of the product.</p> <p>The proposals focus on asset managers and their UK-based fund products and portfolio management services but they will look to expand and evolve the regime over time.</p>

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Term	Definition
Sea Level	The elevation of the surface where land meets ocean. The Sea Level fluctuates with changes in tides, atmospheric pressure, and wind conditions. Longer-term changes to the Sea Level are caused by two major factors related to Global Warming : the thermal expansion of ocean water, and the increased melting of ice sheets and glaciers.
SECR	<p><i>Streamlined Energy and Carbon Reporting Requirements</i></p> <p>This came into legal force in the UK in April 2019. It replaced in part the old CRC scheme, and is viewed by many as a precursor to the more expansive disclosure criteria under TCFD.</p> <p>As well as holstering the mandatory reporting requirements of quoted companies in their financial filings, SECR legislation now imposes obligations on both large UK-based unquoted companies and LLPs to publicly disclose their annual energy use and Greenhouse Gases emissions and related information.</p> <p>Note that for such environmental reporting there are three typical categories of emissions:</p> <ul style="list-style-type: none"> • Scope 1 (direct (e.g. fuel combustion)) • Scope 2 (indirect (e.g. purchased electricity)) • Scope 3 (indirectly associated with (e.g. transportation, leased assets, supply chain, etc.)). <p>Current legislation focuses mostly on the first two of these, while reporting of the latter is encouraged if material data is available.</p>
Solar Energy	Energy from the sun that is converted into thermal or electrical power. It is a clean and Renewable Energy source. When Solar Energy is converted into electricity, it is often called "solar power."
Solar Panel/ PV Panel	<p>A Solar Panel (also known as a "PV Panel") is a device that converts light from the sun, which is composed of particles of energy called "photons", into electricity that can be used to power electrical loads – so it converts sunlight into electricity by using photovoltaic ("PV") cells.</p> <p>Solar panels can be used for a wide variety of applications including remote power systems for cabins, telecommunications equipment, remote sensing, and of course for the production of electricity by residential and commercial solar electric systems.</p> <p>PV cells are made of materials that generate electrons when exposed to light. The electrons flow through a circuit and produce direct current electricity, which can be used to power various devices or be stored in batteries.</p> <p>See also Solar Energy.</p>
Stormwater	Rainwater or snowfall that does not soak into the ground, but instead flows over the land's surface into the nearest water body through storm drain channels. Stormwater typically accumulates pollutants and toxic material as it flows over land, resulting in contaminated discharges into water bodies.
Supply Chain Management	The management of the flow of goods and services, from raw material to consumers. This flow can be managed in a way that incorporates sustainable practices.
Sustainable Design	An approach to building design that aims to reduce negative Environmental Impacts , improve occupant health, and boost overall building efficiency and performance. Sustainable Design seeks to reduce consumption of non-renewable resources, minimise waste, and create a healthy, productive Environment .
Sustainable Development	An approach to development and economic growth directed at balancing different, and often competing, present needs against environmental, social, and economic limitations so as not to undermine future generations' ability to meet their own needs.

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Term	Definition
TCFD	<p><i>Task Force on Climate-related Financial Disclosures</i></p> <p>An international body led by the Financial Stability Board which published a set of recommendations on how companies should manage climate-related financial risks, including by making disclosures in mainstream financial filings. TCFD has quickly become a globally recognised framework for developing consistency in Climate Change reporting, focusing on governance, strategy, risk management and metrics/targets.</p> <p>Financial markets need clear, comprehensive, high-quality information on the impacts of Climate Change. This includes the risks and opportunities presented by rising temperatures, climate-related policy, and emerging technologies in our changing world. The Financial Stability Board created the TCFD to improve and increase reporting of climate-related financial information.</p>
Thermal Mass	The ability of a material to absorb and hold heat. Thermal Mass principles to moderate temperatures inside buildings can be used to reduce energy costs.
Tidal Energy	The production of electricity due to the rise and fall of ocean tides. The ebb and flow of tides can interact with a mechanical system that produces an electrical current and sends it through a transmission line to be stored or consumed.
UKGBC	<p><i>UK Green Building Council</i></p> <p>UKGBC is the membership-led industry network radically transforming the sustainability of the Built Environment. Their mission is to radically improve the sustainability of the Built Environment, by transforming the way it is planned, designed, constructed, maintained, repurposed and operated. In particular this is to:</p> <ul style="list-style-type: none"> • Mitigating and adapting to Climate Change • Eliminating waste and maximising resource efficiency • Embracing and restoring nature and promoting Biodiversity • Creating long-term value for society and improving quality of life <p>See its recent framework definition for Net Zero carbon buildings in both construction and operation (i.e. in-use energy consumption).</p>
UKSIF	<p><i>UK Sustainable Investment and Finance Association</i></p> <p>A group of financial institutions and other organisations in the UK that are committed to connecting industry leaders, policymakers, and the public in supporting Green Finance.</p>
UNDP	<p><i>UN Development Programme</i></p> <p>A programme of the UN that aims to assist countries with their goals to achieve Sustainable Development goals through integrated solutions. UNDP's strategic plan for 2018-2021 focused on three areas:</p> <ol style="list-style-type: none"> 1. eliminating all forms of poverty 2. accelerating structural transformations 3. building resistance to financial shocks and crisis.
UNFCCC	<p><i>United Nations Framework Convention on Climate Change</i></p> <p>An international environment treaty entered into in 1992 which had the goal of stabilising Greenhouse Gases emissions. Through COP, nation states have agreed protocols and agreements to pursue the UNFCCC's goal.</p>
Waste Treatment	A process that removes contaminants from waste to reduce potential harm to people and the Environment .

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Term	Definition
WELL Building Standard / WELL Certified	<p>The WELL Building Standard is an international system that measures, monitors and certifies a series of features to promote occupant wellbeing. It investigates seven key concepts: air, water, nourishment, light, fitness, comfort, and mind.</p> <p>It is a performance-based system for measuring, certifying, and monitoring features of the Built Environment that impact human health and well-being, through air, water, nourishment, light, fitness, comfort and mind.</p> <p>The idea is that WELL Certified spaces can help create a Built Environment that improves the nutrition, fitness, mood, sleep patterns and performance of its occupants.</p> <p>Created by the International WELL Building Institute, the standard is currently recognised in 98 countries globally and can apply to new and existing buildings. It is predominantly used to assess workplaces and commercial buildings, but it can also be applied to residential developments and educational establishments.</p>
Wind Energy	<p>The process of creating electricity using the wind or air flows that occur naturally in the Atmosphere. Modern wind turbines are used to capture kinetic energy from wind and generate electricity.</p> <p>The three main types of Wind Energy are:</p> <ol style="list-style-type: none"> 1. utility-scale wind 2. distributed or "small wind," 3. offshore wind. <p>Wind Energy is also known as wind power.</p>
WWF	<p><i>World Wildlife Fund</i></p> <p>A conservation organisation that works in more than 100 countries and is supported by more than 1 million members in the US and close to 5 million globally. WWF generally works in the fields of forests, oceans, fresh water, wildlife, food, and climate.</p>
Zero Waste	<p>The conservation of all resources by means of responsible production, consumption, reuse, and recovery of all products, packaging, and materials, without burning them, and without discharges to land, water, or air that threaten the Environment or human health.</p>



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