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A net zero glossary

**All the terms you
need to know**

Real Estate

BREEAM – Building Research Establishment Environmental Assessment Methodology

A voluntary environmental assessment method for buildings that helps to identify and reduce environmental impacts.

Regulation

CSRD – Corporate Sustainability Reporting Directive

A European Union directive that will require medium and large companies to report on their environmental, social, and governance (ESG) performance. Companies will be phased-in from 2024.

ESG Ratings

DJSI – Dow Jones Sustainability Index

An index of companies that are considered to be leaders in sustainability.

Regulation

ESOS – Energy Savings Opportunities Scheme

The UK transposition of the EU Energy Efficiency Directive Article 8, which requires companies over a certain size to undertake energy audits every four years, to identify cost effective energy saving measures. The current ‘Phase 3’ compliance round finishes in 2024.

Regulation

FCA – Financial Conduct Authority

UK regulator that oversees financial services firms. The FCA has a responsibility to promote sustainable finance and has published guidance on ESG disclosures.

Real Estate

GRESB – Global Real Estate Sustainability Benchmark

A global sustainability assessment for real estate. GRESB is a platform that helps real estate companies assess and improve their sustainability performance.

Regulation

California SB 253 & SB 261 – Senate Bills 253 and 261

Californian laws requiring large businesses with activities in California to disclose their greenhouse gas emissions (253) and climate-related financial risks (261).

Regulation

CSDDD – Corporate Sustainability Due Diligence Directive

A European Union directive that will require large companies to assess and disclose their environmental and social impacts, including those of subsidiaries and value chains. It also requires large companies to have Paris-aligned transition plans. It is likely to be phased in from 2025 or 2026.

Standards and frameworks

EFRAG – European Financial Reporting Advisory Group

An organisation set up by the European Commission to promote thought leadership and European perspectives in the International Accounting Standards Board (IASB) standard-setting process. Working since 2022 on the development of the ESRS.

Standards and frameworks

ESRS – European Sustainability Reporting Standards

A set of sustainability reporting standards developed by the European Commission. The ESRS cover a wide range of environmental, social, and governance (ESG) issues.

Regulation

FRC – Financial Reporting Council

The organisation responsible for setting the UK Corporate Governance and Stewardship Codes.

Standards and frameworks

GRI – Global Reporting Initiative

A non-profit organisation that develops sustainability reporting standards. The GRI Standards are the most widely used sustainability reporting standards in the world.

ESG Ratings

CDP – Carbon Disclosure Project

A non-profit organisation that collects data from companies and provides a snapshot of their disclosure and environmental performance. Scores and ranks companies on a scale of A to F based on their responses.

Real Estate

CRREM – Carbon Risk in Real Estate Monitor

Aims to make climate risks for investors transparent by identifying properties at risk of ‘stranding’ due to the net zero transition. The CRREM tool provides SBTi-aligned pathways based on global carbon and energy budgets and the IEA’s Net Zero Roadmap.

Real Estate

EPRA – European Public Real Estate Association

The EPRA Sustainability Best Practices Recommendations (sBPR) Guidelines draw on other standards to provide a consistent way of measuring sustainability performance. Aim to bring greater consistency and clarity to companies’ disclosure around their environmental performance.

Regulation

EU Green Taxonomy – Taxonomy for Sustainable Activities

A classification system for sustainable economic activities. Intended to help investors identify and invest in sustainable economic activities.

Standards and frameworks

GHG Protocol – International Standard for Corporate GHG Accounting

A set of standards for measuring and reporting greenhouse gas emissions, which are categorised under the different ‘scopes’. The GHG Protocol’s approach is the most widely used for measuring and reporting greenhouse gas emissions.

Standards and frameworks

ICVCM – The Integrity Council for the Voluntary Carbon Market

An independent governance body focused on carbon credit creation. The ICVCM have published ‘Core Carbon Principles’ (CCPs) and an associated ‘Assessment Framework’ to assure carbon-crediting programs and methodologies to the quality thresholds set out in the CCPs.

Standards and frameworks

IFRS S1 & S2 – International Financial Reporting Standards Foundation Sustainability disclosure Standard 1 & Standard 2

Voluntary sustainability disclosure standards published by the ISSB in June 2023, designed to enable companies to communicate to investors about the sustainability-related risks and opportunities they face.

Real Estate

INREV – European Association for Investors in Non-Listed Real Estate Vehicles

The association publishes INREV Sustainability Reporting Guidelines for the non-listed real estate investment industry, which aim to provide a coherent framework for ESG reporting in line with annual financial reporting.

Standards and frameworks

ISO14064 – International Standard for GHG Accounting

ISO14064 is an international standard for quantifying, monitoring, reporting and verifying greenhouse gas emissions. Part 1 covers organisations, part 2 projects and part 3 validation and verification.

Standards and frameworks

ISO50001 – International Standard for Energy Management

An international standard for energy management systems. Organisations which are certified to the ISO50001 standard are exempt from ESOS.

Standards and frameworks

ISSB – International Sustainability Standards Board

An organisation created by the IFRS Foundation, responsible for developing global sustainability reporting standards. The standards are identified as IFRS Standards, e.g. IFRS S1 & S2.

Real Estate

LEED – Leadership in Energy and Environmental Design

A green building certification system developed by the US Green Building Council. LEED is a voluntary certification system that recognises buildings that meet certain sustainability criteria.

Real Estate

NABERS (UK) – National Australian Built Environment Rating System (UK)

An adaptation of the Australian NABERS environmental performance rating programme for commercial buildings. It has two products: Design for Performance to drive energy-efficient new buildings, and NABERS Energy ratings to measure the energy efficiency of existing buildings.

Sustainability Initiative

NZAMI – Net Zero Asset Manager’s Initiative

Aims to galvanise the asset management industry to commit to a goal of net zero emissions. Assets worth \$59 trillion are now covered by NZAMI commitments.

Sustainability Initiative

NZAOA – Net Zero Asset Owners Alliance

A member-led initiative of institutional investors committed to transitioning their investment portfolios to net zero GHG emissions by 2050.

Standards and frameworks

PCAF – Partnership for Carbon Accounting Financials

A global partnership of financial institutions working to develop and implement a harmonised approach to assess and disclose the GHG emissions associated with their loans and investments. It publishes the Global GHG Accounting and Reporting Standard for the Financial Industry.

Sustainability initiative

PRI – Principles for Responsible Investment

Investors that sign up to PRI believe that an economically efficient, sustainable global financial system is a necessity for long-term value creation. Founded in 2005, the PRI now has 4,000 signatories. Their website provides resources for exploring sustainable investment and financial systems.

Sustainability initiative

Race to zero

The United Nation’s Framework Convention on Climate Change convened the Race to Zero campaign for “real economy” actors including businesses, cities and regions to build momentum for the shift to a decarbonised economy and encourage them to meet the Paris goals.

Real Estate

REEB – Real Estate Environmental Benchmark

A publicly available operational benchmark of environmental performance of commercial property in the UK.

Emissions target validation

SBTi – Science-Based Targets initiative

The SBTi provides companies with a framework to set climate targets in line with the Paris Agreement. Following its establishment by environmental NGOs, the SBTi recently become a standalone organisation and restructured to split out standard development and validation services.

Standards and frameworks

SBTi’s Corporate Net Zero Standard

The SBTi defines and promotes best practice in science-based target setting. The SBTi assesses and approves companies’ targets in line with its strict criteria, with the aim of achieving Paris-level emission reductions in the private sector.

Sustainability Initiative

SDG – UN Sustainable Development Goals

A set of 17 goals for sustainable development adopted by the United Nations in 2015. The SDGs are a set of aspirational goals that are being used by countries around the world to guide their development.

Regulation

SDR – Sustainability Disclosure Requirements

A flagship UK policy aiming to drive decision-useful information on sustainability across the economy. It sets out the FCA’s expectations of asset managers when making sustainability claims and includes anti-greenwashing rules, product labels, and disclosure requirements.

Regulation

SEC – Securities and Exchange Commission

A US regulator that oversees securities markets. The SEC has been working on developing guidance on climate related disclosure requirements.

Regulation

SECR – Streamlined Energy and Carbon Reporting

UK legislation introduced in April 2019, requiring companies over a certain size to report on their annual energy use, carbon emissions and energy efficiency actions. SERC information has to be included as part of a company's financial reporting.

Standards and frameworks

TPT – Transition Plan Taskforce

Launched by HM Treasury in April 2022 to develop the gold standard for private sector climate transition plans.

Regulation

SFDR – Sustainable Finance Disclosure Regulation

A mandatory EU disclosure framework put in place to help direct the flow of private funding towards companies and projects supporting sustainability objectives.

Standards and frameworks

VCMI – Voluntary Carbon Markets Integrity Initiative

An international non-profit organisation seeking to enable high-integrity voluntary carbon markets (VCMs). Has created a 'Corporate Claims Code' for corporates using VCM as part of net zero pathways. Focussed on the 'demand side' of the VCM.

Standards and frameworks

TCFD – Taskforce for Climate-related Financial Disclosures

An international task force that developed recommendations for climate-related financial disclosures. The TCFD recommendations are being adopted by financial institutions and other organisations around the world.

Sustainability initiative

WGBC – World Green Building Council

A global network of national/ regional Green Building Councils, who develop tools, pathways and ratings systems to help developers, owners and operators transition to a sustainable built environment.

Complete a short questionnaire to find out what environmental reporting requirements apply to your business.

[Take me to the questions](#)



Verco is a leading environmental consultancy helping businesses to understand legislation, set meaningful goals and achieve zero.

If you need help with any of those, please get in touch.

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