



THE SUSTAINABILITY GLOSSARY

What is Sustainability?

Sustainability can be defined as the **creation of value in the long term** for the company, both in the economic-financial context (e.g. increased margin, efficiency) and in other contexts (e.g. increased reputation, risk reduction, eco-efficiency). Value creation must involve a broad set of stakeholders, not just the company.

How does it differ from corporate social responsibility (CSR) and charity?

Corporate Social Responsibility (CSR) is a business conduct that voluntarily adds **environmental and social aspects** to legislative requirements, alongside **economic and financial** ones, in its activities and relations with the various stakeholders. CSR produces a slight change in society.

A charitable action that occurs when a company donates a number of resources or a portion of its profits to a **charity** to address certain sources of injustice or suffering. Charity does not produce a substantive change in society.

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A

ADAPTATION (Climate Changes)

The term refers to activities implemented on natural and human systems **to minimize the impact of climate change** on public well-being, resource supply, and ecosystem stability.

ANTHROPOCENE

The concept of the Anthropocene refers to a new geological era and was proposed in 2000 by Nobel laureate Paul J. Crutzen to define **a period in which human impact on the environment is so significant as to threaten its survival** as we have known it to date. Over the last twenty years, this term has acquired a considerable reputation; however, the debate is heated: the concept considers the entire human race blaming everyone, indifferently, for the damage caused by the behavior and lifestyles of a minority. Critics also point out that the current environmental crisis has cultural, economic, and political roots. This means that human impact on the environment is a matter of choice rather than an inevitable result of human "nature". In fact, according to many, the current climate crisis can be turned into an opportunity through innovation, engineering, and eco-modernization.

BENEFIT CORPORATION

A benefit corporation is a legal tool to **create a solid foundation for long term mission alignment and value creation**. It protects company missions through capital raises and leadership changes and creates more flexibility when evaluating potential sale and liquidity options.

BIODEGRADABLE

Material capable of rapid decomposition by microorganisms under natural (aerobic and/or anaerobic) conditions. Most organic materials, such as food scraps and paper, are biodegradable.

BIODIVERSITY

The United Nations defines biodiversity as "**the variety and variability among living organisms from all sources including, *inter alia*, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part: this includes diversity within the species, between the species and of ecosystems**". Although species extinction is a natural process, the current rate of biodiversity loss is estimated to be one thousand times the natural rate. Biodiversity loss has a severe impact on the health of entire ecosystems and, consequently, the human ability to adapt to the changing environment. The loss of biodiversity means the erosion of the foundations of our economies: livelihoods, food security, health, and quality of life.

BIOGAS

A mixture of various gases, mainly methane, resulting from decomposition processes in the absence of oxygen of organic material (such as the wet fraction of municipal solid waste) that, suitably treated, can be used as fuel for thermal power generation plants.

BIOMASS

Biological masses that can be recovered and converted to electricity, heat, or chemical substitutes for petroleum derivatives (biofuels). Because of their ability to regenerate, they are considered renewable sources.

BIOPLASTICS

Bioplastic is plastic made from organic material and without using petroleum derivatives. It is quite similar to traditional synthetic plastic in both lightness and strength. However, because it is produced from organic matter (e.g., wheat, corn, beets), **bioplastic can be biodegradable**.

C

CARBON SECTION

CARBON CAPTURE, UTILIZATION, AND STORAGE (CCS)

The activity of capture, use, and storage of CO₂, referred to as CCS, or **Carbon Capture and Storage**, is considered strategic within the European energy policy as a transitional technology that can help mitigate climate change. If not used for other industrial processes, CO₂ storage can be accomplished by injecting into deep geological formations or depleted hydrocarbon reservoirs, CO₂ in liquid form obtained from capturing emissions from fossil fuel power plants and other large industrial facilities removing it from the atmosphere.

CARBON CREDIT

A carbon credit is a financial unit representing the **removal of one ton of CO₂ equivalent from the atmosphere**. Represents greenhouse gas (GHG) emissions that have been avoided, reduced, or sequestered through a project and can be purchased as a means to offset emissions.

CARBON CYCLE

Carbon is exchanged between the geosphere, hydrosphere, biosphere, and Earth's atmosphere through the carbon cycle. All these portions of the Earth are considered carbon sinks to all intents and purposes. The global carbon balance is the balance of exchanges between stocks: **human intervention has created an imbalance between them, generating an increase in the quantity of gas such as carbon dioxide, methane, and carbon compounds, from which the greenhouse effect derives.**

CARBON DIOXIDE (CO₂)

CO₂ (carbon dioxide) is an inert, odorless, colorless gas naturally present in the atmosphere in limited concentrations. CO₂ is not toxic; it is a naturally occurring atmospheric compound. CO₂ emissions are related to the combustion of fossil fuels and biomass, land use and management, and industrial production. As the primary greenhouse gas (GHG), **CO₂ critically affects the Earth's radiation balance**. It is a significant contributor to global warming and climate change.

CARBON EMISSIONS

These are **pollutants** released into the atmosphere: carbon dioxide and carbon monoxide produced by motor vehicles, industrial processes, or combustion.

CARBON FOOTPRINT

The carbon footprint is an indicator of the **greenhouse gas emissions generated to produce a good or service**. The total amount of these emissions is expressed in terms of CO₂ eq (carbon dioxide equivalent).

C

CARBON NEUTRAL

This term refers to a situation in which **carbon dioxide emissions** associated with individuals, organizations, or entire populations **are balanced by** short-term **compensatory actions**, such as carbon offsets, **or eliminated altogether** by long-term radical systems changes, such as the transition to an economy that does not rely on burning fossil fuels.

CARBON OFFSET

A carbon offset is any "activity designed to offset the emission of carbon dioxide or other greenhouse gases (measured in carbon dioxide equivalent, CO₂e) through reducing CO₂ emissions elsewhere". In other words, carbon compensation is a mechanism for organizations and individuals to offset their CO₂ emissions through the support of certified emission reduction projects that absorb or avoid CO₂. This mechanism is accomplished through the purchase of carbon credits.

CARBON SINK

Literally, it means a sink for carbon adsorption. The UNFCCC (United Nation Framework Convention on Climate) defines carbon sink as "any process, activity, or mechanism to remove greenhouse gases, aerosols, or a precursor to greenhouse gases from the atmosphere. Carbon sinks are thus activities, processes, or mechanisms for removing (and sequestering) carbon dioxide (CO₂) from the atmosphere." The main natural sinks are the adsorption of carbon dioxide by the oceans and photosynthesis by plants and algae. This process is referred to as **CO₂ sequestration**.

CARBON TAX

Taxation of energy fuels of fossil origin based on their carbon content to reduce carbon dioxide emissions into the atmosphere.

CDP (Carbon Disclosure Project)

CDP is an international non-profit organization that provides businesses, local authorities, governments, and investors with a **global system for environmental measurement and reporting**. The CDP provides a system to measure, track, manage, and share information regarding climate change globally. There are four CDP-supported programs of interest to businesses: Climate Change Program, Water Program, Forests Program, and Supply Chain Program. For each of these programs, special questionnaires have been developed that contain a range of information that the company is required to provide to feed a large platform.

C

CHAIN OF CUSTODY

The chain of custody is a mechanism that provides for the **traceability** of materials coming, for example, from certified **forests** whose certified management makes it possible to reconstruct all the steps, production, transformation, and commercial, up to the realization of the finished product. Each link in this imaginary chain is independently checked by a **supervisory body**, the certification body. This control system guarantees the final consumer that the products come from **well-managed and responsible forests**.

CHARITY

A charitable action that occurs when a company donates a number of resources or a portion of its profits to a **charity** to address certain sources of injustice or suffering. Charity does not produce a substantive change in society.

CIRCULAR ECONOMY

A systematic set of solutions addressing global challenges such as climate change, biodiversity loss, waste, and pollution. It is based on three principles: **eliminate waste and pollution, circulate products and materials** (at their highest value), and **regenerate nature**.

The system leverages a transition to renewable energy and materials. The transition to a circular economy seeks to separate economic activity from the consumption of limited natural resources. This represents a systemic change that creates long-term resilience, generates business and economic opportunities, and provides environmental and social benefits.

CLIMATE CHANGE

This is the alteration of the natural balance of our planet's global **climate**. Climate change concerns the increase in intensity and frequency of extreme events (hurricanes, storms, floods, droughts), rising sea levels, desertification, temperature increases, and biodiversity loss.

CLIMATE CRISIS

The term climate crisis refers to the devastating effects of **climate change** on people and the planet. The climate crisis is caused by human actions such as the consumption of fossil fuels, which lead to high concentrations of greenhouse gases (GHG) in the atmosphere and exacerbate the greenhouse effect and, therefore, global warming.

CLIMATE POSITIVE / CARBON NEGATIVE

For a business to be climate positive or carbon negative means not only **neutralizing the associated carbon emissions** but also taking steps to **remove additional carbon dioxide from the atmosphere**.

C

CODE OF ETHICS

The Code of Ethics can be considered the primary tool for **making ethics institutional (i.e., making it an active asset) within the company**. The Code of Ethics clarifies to all the company stakeholders what the reference values and the fundamental criteria guide the organization's choices. These are the same values and criteria to which the behavior of all those who have a relationship with the company must conform, even from outside.

COGENERATION

Electrical energy and heat cogeneration in the same plant guarantee efficient use energy resource use compared to separate production.

COMPOSTABLE/COMPOSTING

A material is defined as **compostable** if it is biodegradable and can be used for recovery operations through **composting**. Composting is the microbial decomposition of organic matter in the presence of oxygen. According to European legislation, for a product to be labeled "compostable", it must be biodegradable within three months, and it must pass tests as proof that it cannot exert any negative effect on the environment. In a circular economy, composting can quickly convert food byproducts and other biodegradable materials (e.g., agricultural byproducts, pruning clippings, grass, leaves, sludge from wastewater treatment processes) into compost, a brown soil-like mixture used to bring valuable organic matter into the soil.

CORPORATE GOVERNANCE

Within a company, "corporate governance" is defined as the **set of rules at all levels** (laws, regulations, etc.) that govern the company management. Corporate governance also encompasses the relationships between the various players involved and the objectives to be pursued by directors in the interests of shareholders and other stakeholders.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility (CSR) is a business conduct that voluntarily adds **environmental and social aspects** to legislative requirements, alongside **economic and financial ones**, in its activities and relations with the various stakeholders. CSR produces a slight change in society.

D

DECARBONIZATION

Decarbonization is a **process for reducing the carbon footprint** of individuals, organizations, nations, and the world as a whole. The 2018 Intergovernmental Panel on Climate Change (IPCC) report highlighted that radical decarbonization is the only way to avoid catastrophic consequences and that the current rate of reduction of our greenhouse gas (GHG) emissions is insufficient. To avoid irreversible damage to natural and human systems worldwide, we must cut our emissions in half by 2030 and achieve net-zero emissions by 2050.

DEFORESTATION

Deforestation is the **clearing of a forest and its conversion to a non-forest use**. For example, agricultural land, pastures for raising livestock for the meat and leather industry, timber for the wood and paper industry, palm oil extraction for the food industry, cosmetics and detergents, or expansion of urban areas. Deforestation is also caused by wildfires, linked to a combination of human and natural factors, which contribute to and are intensified by global warming. To date, approximately 17% of the Amazon rainforest has been lost to deforestation.

Deforestation critically affects global carbon budgets: on the one hand, it releases CO₂ into the atmosphere, and on the other hand, it reduces the areas that can absorb large amounts of greenhouse gases and CO₂ emissions through the photosynthesis process. Tree loss causes soil degradation leading to severe erosion, and local ecosystems, biodiversity, and wildlife are severely affected. This is why a considerable number of species are endangered. Additionally, clearing vast forest areas displaces the communities that rely on them for their livelihoods, resulting in migration, exploitation, and social conflict.

DISPOSABLE PLASTIC

Single-use plastic products are made entirely or partially of plastic and, generally, are intended to be **used only once or for a short period before being discarded**. Under the new rules, certain disposable plastic products for which there are alternatives have been banned. Disposable plastic plates, cutlery, straws, and balloon and cotton swab sticks can no longer be sold in EU member states. Furthermore, the same measure applies to cups, expanded polystyrene food and beverage containers, and all products made from oxo-degradable plastics.

D

DIVERSITY AND INCLUSION

Diversity is that mechanism by which an organization fosters the **integration of human beings regardless of their nationality, age, ethnicity, language, culture, religion**, and any other measurable parameter. Inclusion is defined as the ability to enable every citizen, particularly the most disadvantaged, to **participate fully in society, including through employment**. In other words, diversity occurs when there are no discriminatory criteria that circumvent the entry of new members into an organization. On the other hand, inclusion requires that whatever the organizational structure (vertical or horizontal), the individual qualities of the organization's members are enhanced to achieve the best possible results. The difference is so subtle that the two themes are complementary: there is no inclusion without diversity. There is no diversity without inclusion.



E

ECOLOGICAL FOOTPRINT

Also referred to as the environmental footprint, the ecological footprint refers to the **environmental resources that a population or organization consumes**. Ecological footprint measurement allows the needs of a specific population or economy to be estimated in terms of resource consumption and waste assimilation over a defined area. There are considerable differences in ecological footprint between countries and different social groups within countries. This is a reflection of global inequalities. The ecological footprint can be measured on specific aspects, like greenhouse gas emissions (carbon footprint) or water (water footprint).

ECOLOGICAL TRANSITION

The ecological transition is that process of technological innovation that considers economic profits and **compliance with criteria for environmental sustainability**.

ECOSYSTEM

An ecosystem is a **system of living organisms** that cohabit within an area and how they interact with the environment around them and with each other. It is a functional unit consisting of living organisms, their non-living environment, and the interactions within and between them. Unfortunately, most of today's ecosystems are affected by human actions.

EFRAG (European Financial Reporting Advisory)

The European Financial Reporting Advisory is a technical, non-political body that deals with **accounting standards on the international level**. Together with the Accounting Regulatory Committee, which is political in nature, EFRAG contributes to the process of endorsing accounting standards using two bodies: a technical accounting committee and a supervisory board that provides direction to the work agenda.

EMAS

Eco-Management and Audit Scheme (EMAS) is a voluntary tool created by the European Community to which organizations (companies, public bodies, etc.) can voluntarily adhere **to assess and improve their environmental performance** and provide the public and other interested parties with information on their environmental management.

E

ESG

ESG means using environmental, social and governance factors to assess companies regarding how advanced they are in terms of sustainability, both in assessing risk and impacts produced.

E for environmental

Environmental factors include a company's contribution to, for example, climate change through greenhouse gas emissions, waste management and energy efficiency.

S for social

Social aspects include, for example, human rights, exposure to child labor, respect for health and safety in the workplace and gender equality.

G for governance

Governance refers to a set of rules or principles that define rights, responsibilities and expectations among the various stakeholders in the governance of companies. A well-defined corporate governance system can be used to balance or align interests among stakeholders and can work as a tool to support a company's long-term strategy.

ETHICAL FINANCE

Ethical finance proposes to select investments not only based on analysis of company performance and economic returns considering the **social and ecological impact** of the project.

EU ECOLABEL

Ecolabel is the **European Union's ecological quality mark** that distinguishes products and services that, while guaranteeing high-performance standards, are characterized by a reduced ecological impact during their entire life cycle. Environmental performance is evaluated scientifically by analyzing the most significant ecological impacts throughout the product's life cycle, taking into account the products' average lifespan and their reusability/recyclability and packaging reduction and their recycled content.

F

FOREST

Large land area that has not undergone anthropization, dominated by **natural vegetation**, primarily tall trees and more than ten percent tree cover. A natural virgin forest is more commonly called a forest, as opposed to woods and plantations, which are the subject of silviculture.

FOREST CONVERSION

A term used to refer to a change in the type of governance of a forest (e.g., from forest to plantation).

FOSSIL FUELS

Fossil fuels derive from the transformation of organic matter, according to natural reactions that occurred over millions of years. This category of compounds includes **coal**, **oil**, and **natural gas**. These materials require long periods to be produced and remain buried underground over consecutive geological eras.

FSC® (Forest Stewardship Council)

FSC® certification is an **international**, independent, third-party **certification** specifically for the forest **sector** and products - wood and non-wood - derived from forests. The FSC® certification mark guarantees that the entire wood-paper chain certified to its standards is derived from environmentally friendly, socially beneficial, and economically sustainable forest management.

G

GENETICALLY MODIFIED ORGANISM (GMO)

A genetically modified organism (GMO) is a living organism that possesses a **genetic makeup that has been modified through recombinant DNA technology**, laboratory techniques that allow for the addition, deletion, or modification of genetic elements.

GLOBAL COMPACT

The Global Compact is a United Nations initiative that aims to build a **global movement of companies adopting sustainable policies** that respect corporate social responsibility and make public the results of the actions taken. To make this happen, the Global Compact supports companies to align their strategies with its Ten Principles and takes strategic action to promote broader societal goals, such as the United Nations Sustainable Development Goals, focusing on collaboration and innovation.

GLOBAL WARMING

This refers to the **rise in the Earth's global average temperature**. The consequences of global warming are phenomena such as melting glaciers, desertification, rising oceans, and climate change. According to experts, the predominant causes are anthropogenic (caused by human activity).

GREENHOUSE EFFECT

Heating caused by certain gases in the atmosphere (called greenhouse gases) capable of absorbing a portion of the infrared rays emitted by the soil and the oceans. Due to emissions linked to human activities, the increase in the **concentration of greenhouse gases** in the atmosphere generates an increase in the greenhouse effect and, therefore, an abnormal increase in atmospheric temperature.

GREENHOUSE GAS EMISSIONS

"Greenhouse gases" are defined as **gases in the atmosphere that affect the Earth's energy balance**. These gases generate the so-called greenhouse effect. The main greenhouse gases, namely carbon dioxide (CO₂), methane, and nitrous oxide, are naturally present in the atmosphere in limited concentrations.

GREENWASHING

This term refers to an organization that offers a **misleading image as an environmentally responsible entity** to promote a positive perception of the organization for increased profits. A company manipulates public opinion to obtain support from the local community and institutions, proposing objectives that are not socially and environmentally responsible.

G

GRI - REPORTING FRAMEWORK (Global reporting Initiative)

The GRI Reporting Framework is a universally accepted model for an organization's **economic, environmental, and social reporting**. All organizations can use it, regardless of size, industry, or country. The GRI Reporting Framework contains general and industry topics that many worldwide stakeholders around the world consider universally applicable for communicating an organization's sustainability performance.



H

HUMAN RIGHTS

The United Nations defines human rights as "rights inherent to us all, regardless of nationality, sex, national or ethnic origin, color, religion, language, or any other status". Human rights include the right to life, equality before the law, freedom of expression, economic, social, and cultural rights, such as the right to work, social security and education, and the rights to development and self-determination. They are universal, inalienable, interdependent, indivisible, equal, and non-discriminatory.

States have an obligation to respect, protect, and fulfill the human rights of their citizens, whereas individuals are obligated to respect the human rights of others. Human rights are protected and enforced by a number of international treaties, of which all states have ratified at least one and 80% of states have ratified four or more. Some fundamental human rights are protected by universally recognized international legislation, such as the **Universal Declaration of Human Rights**, which was created in 1948 following the atrocities of World War II.

HYDROGEN

Hydrogen is an **energy carrier** that can store and deliver large amounts of energy per unit mass without generating CO₂ emissions during combustion. Despite being the most abundant element on the planet and in the Solar System, it is not available in sufficient quantities in the free molecular state but only in compounds (e.g., water, methane).

BLUE HYDROGEN

Blue hydrogen refers to hydrogen production from fossil fuels such as natural gas. In these cases, the production plant is coupled with a system for capturing and permanently storing the CO₂ produced during the process. Thus, hydrogen can be generated without climate-damaging emissions.

GREY HYDROGEN

Grey hydrogen refers to the production of hydrogen from natural gas through "*steam reformation*", in which high-temperature steam is used to split high-pressure methane gas.

GREEN HYDROGEN

Green hydrogen is defined as hydrogen production using processes with very low CO₂ emissions. These processes can be: electrolysis powered by exclusively renewable sources or biomass gasification/pyrolysis.

PURPLE HYDROGEN

Purple hydrogen is extracted from water using electricity produced by a nuclear power plant, i.e., zero CO₂ emission; the hydrogen is 100% decarbonized.

IMPACT INVESTING

Investments made in companies, organizations, and funds with the intent of **generating** a measurable and favorable **social or ecological impact** alongside or in lieu of a financial return.

INDICATORS

An indicator is a quantitative or qualitative variable that detects and describes with simplicity "phenomena", even complex and difficult to represent. This **measurement activity** serves to define the **strategic objectives** for implementing a Sustainability Plan, allows monitoring of the efforts made to achieve the objectives, and enables evaluation of the results obtained and their comparison over time. Indicators can be simple or compound indicators (resulting from combining two or more simple indicators).

INNOVABILITY

Innovability comes from the integration of the words innovation and sustainability and refers to Open Innovation activities that involve startups, companies, or individual makers in developing high-tech solutions that can revolutionize entire markets towards a sustainable business path. The term was coined by Ernesto Ciorra, Director of Innovation and Sustainability at Enel, who described it as follows: "Innovability means creating a better world we would like to be a part of".

ISO 9001

ISO 9001 addresses any type of organization, manufacturing or service, of any industry and size. It is the internationally recognized reference standard for the **quality management** of any organization that intends to respond to the need to increase the effectiveness and efficiency of internal processes on the one hand, and to improve customer satisfaction and loyalty on the other.

ISO 14001

ISO 14001 is an international standard applicable to any type of organization that specifies the requirements for an **environmental management system**. Certification does not attest to specific environmental performance; instead, the organization has an adequate management system to control the ecological impact of its activities and systematically seeks to improve them in a consistent, effective, and sustainable manner.

ISO 20400

ISO 20400 is the first international standard on **responsible sourcing**, allowing companies to make more informed choices by introducing criteria and processes for evaluating suppliers and products based on their sustainability performance. Sustainable sourcing and supply chain management initiatives are recognized in sustainability indices and reporting models. As a result, companies that rely on ISO 20400 derive significant reputational benefits.

ISO 27001

ISO 27001 is an international standard that describes the best practices for an **Information Security Management System**. Certification allows demonstrating that an organization follows information security best practices and provides an independent, qualified check that information security is being managed according to international best practices and business objectives.

ISO 37001

ISO 37001 is an international standard that allows companies to certify management systems for the prevention of corruption, identifies a management standard to help organizations in the fight against corruption, establishing a culture of integrity, transparency and compliance. The standard provides an important aid in the implementation of effective measures to prevent and deal with corruption phenomena.

ISO 45001

ISO 45001 is an international standard that defines minimum standards of good practice for **worker health and safety**. It establishes a framework for improving safety, reducing workplace hazards, and enhancing worker health and well-being, enabling increased health and safety performance.

ISO 50001

ISO 50001 is an international standard that defines the requirements for creating, initiating, maintaining, and improving an **energy management system**. The goal is to enable an organization to pursue the continuous improvement of its energy performance, including energy efficiency and energy consumption and use through a systematic approach.

K

KYOTO PROTOCOL

Executive act containing legally binding targets and decisions on the operational implementation of some of the United Nation Framework Convention on Climate Change commitments signed in December 1997 at the conclusion of the third plenary session of the Conference of the Parties (COP3). The Protocol committed industrialized countries and countries with economies in transition to **reduce their main anthropogenic greenhouse gas emissions by 5.2% overall by 2010** and, more specifically, in the period between 2008 and 2012.

L

LIFE CYCLE ASSESSMENT (LCA)

Life Cycle Assessment (LCA), also known as life cycle analysis, is a comparative methodology for **assessing the ecological impacts** associated with all phases of a product's life cycle: from the raw materials from which it is made to its production, distribution, and retail sale, through its use and disposal.

LINEAR ECONOMY

An economy in which **limited resources** are **extracted** to make products that are used - generally not to their full potential - and then thrown away. It is a wasteful and polluting system that degrades natural systems.

M

MATERIALITY ANALYSIS

The materiality matrix expresses the summary of the priorities of a company's management, its staff, and all categories of stakeholders with whom the organization interacts conducting its business. It identifies **the most relevant necessary issues to ensure an understanding of the company's activities**, their performance and economic, social and ecological impact. The order of priority of the issues is defined by considering the strategic relevance of each of these for the company and the perceived relevance for the stakeholders. Each material issue identified has an impact generated either directly by the organization or whose influence is derived from suppliers working on its behalf.

MICROPLASTICS

Microplastics are **plastic particles less than five millimeters in size**. Their presence in the environment is increasing, mainly due to pollution from the decomposition of plastic packaging waste. Microplastics are also a significant source of ocean pollution due to their entry into the food chain.

MITIGATION (Climate Changes)

The term refers to activities to **make the impact of climate change less severe** by preventing or decreasing the emission of climate-altering gases into the atmosphere.

MODERN SLAVERY

Modern slavery refers to a situation in which a **person is exploited and controlled entirely** by another person or organization without the ability to leave. It often affects vulnerable people because of their difficult economic situation, lack of education, and social traditions. Modern slavery includes practices such as forced labor, human trafficking, descent-based slavery, child labor, and forced and early marriage. An estimated 40.3 million people are subject to modern slavery worldwide, 1.5 million of them in developed economies.

NET-ZERO EMISSIONS

Achieving "net-zero emissions" means that any emissions of climate-altering gases, not just carbon dioxide, released into the atmosphere by a company's activities are **offset by an equivalent amount removed**. According to the Intergovernmental Panel on Climate Change (IPCC), limiting the global temperature increase to 1.5 °C above pre-industrial levels requires net global greenhouse gas (GHG) emissions to reach net-zero around 2050, meaning no additional emissions are added to the atmosphere.

NGO

A non-governmental organization (NGO) is a **non-profit organization** independent of states and international governmental organizations. They are very diverse organizations, engaged in a wide range of activities, often of a **humanitarian or social** nature, that take on different legal forms in different parts of the world: some may have charitable status, others may be fronts for political, religious, or other interests. Typically, they are funded by donations or by handouts from philanthropists, although all of the larger ones are supported also by public money.



P

PARIS AGREEMENT

The main objective of the Paris Agreement is to "**strengthen the global response to the threat of climate change**". It was adopted at COP 21 in Paris in 2015 and entered into effect in November 2016. The main goal is to hold the increase in global temperatures well below 2 °C, while making every effort to limit it to 1.5 °C. Part of the agreement is to support developing countries as they respond to climate change and address their environmental and social impacts.

PEFC™

PEFC™, Programme for the Evaluation of Forest Certification Schemes, is a global alliance of national forest certification systems. As an international non-profit and non-governmental organization, it is committed to promoting **sustainable forest management** through independent third-party certification.

PLANTATION

A plantation is an **agricultural area** (by extension an agricultural enterprise) devoted to monoculture. It is generally large in size, and its products are for sale.

PLASTIC

Family of polymers pure or blended with additives or various fillers. The most common polymers are synthetic, made from **petroleum derivatives**, but there are also plastics developed from other sources, such as plant materials (see bioplastics).

POST-CONSUMER RECYCLED MATERIAL

Material recovered from the **waste** stream from **end-users of a product** that can no longer be used for its intended purpose.

PRE-CONSUMPTION RECYCLED MATERIAL (or POST-INDUSTRIAL)

Material recovered from the waste stream **during the manufacturing process**. This does not include recycling of materials reused within the same industrial process.

R

RECYCLABLE (material)

Recyclable materials are those waste materials that can be recovered in production processes. Examples include **glass, paper and cardboard, aluminum, plastic, and wood**. Recycling allows these waste items to be turned back into a resource, limiting the materials that end up in landfills.

RECYCLING

Transform a product or its component and **reprocess it into new materials**. In a circular economy, recycling is the last stage of the product.

REDUCING EMISSIONS

Decreasing the amount of emissions at the source of activity without using other strategies such as emissions offsets.

RENEWABLE ENERGY

Energy derived from **resources that are not depleted** on economically relevant time scales, i.e., geologic time scales, e.g., wind, solar, hydroelectric, hydrothermal, ocean (wave and tidal), geothermal.

RENEWABLE ENERGY CERTIFICATES

Renewable energy certificates attest to the **renewable origin of the sources** used by power plants.

RENEWABLE RESOURCES

Resources that are continuously replenished at a rate equal to or greater than the rate of depletion. For example: cotton, hemp, corn, wood, wool, leather, agricultural byproducts, nitrogen, carbon dioxide, and sea salt. These materials must be produced using regenerative manufacturing practices to fit into a circular economy.

REUSE

Reuse is the **reuse of a product before it becomes waste**. It takes place when, after an initial phase of consumption, an object continues to be used while maintaining its original function of use. A perfect example of reuse is the **second-hand stores**, back in vogue in recent years thanks to the growing passion of many for vintage style.

S

SASB (Sustainable Accounting Standards Board)

SASB (Sustainable Accounting Standards Board) is an independent non-profit organization that sets **standards for the disclosure** of financially material **sustainability information** by companies to their investors. SASB standards identify a subset of environmental, social, and governance criteria relevant to financial performance in 77 areas. Investors around the world recognize SASB standards as a key component of a company's ESG disclosure.

SCIENCE BASED TARGET INITIATIVE (SBTi)

The Science Based Target initiative was created with the intent of guiding companies in setting **ambitious climate change mitigation targets** to ensure that their Climate Action is in line with science-based goals. Science Based Targets (SBTs) are targets for reducing Greenhouse Gases (GHGs) whose ambition is in line with the level of decarbonization required to keep the global temperature increase below 1.5 °C, as described in the Paris Climate Agreement.

SCOPE 1, 2, AND 3 EMISSIONS

The **emission sources** composing the corporate carbon footprint can be grouped into three macro-classes: SCOPE 1, SCOPE 2, and SCOPE 3. This categorization is necessary to determine which emission sources are under the company's direct control and which are under the control of other organizations to distinguish between direct and indirect emission sources.

SCOPE 1: Direct GHG emissions from facilities within the organization's boundaries due to the use of fossil fuels and the emission of any greenhouse gases into the atmosphere. Direct emissions are, for example, emissions from the combustion of fossil fuels in heating systems, emissions from the consumption of fuel for company vehicles, and leakage of fluorinated greenhouse gases from air-conditioning systems.

SCOPE 2: Indirect GHG emissions from the generation of electricity, heat, and steam imported and consumed by the organization, as the organization is indirectly responsible for the emissions generated by the supplier to produce the required energy.

SCOPE 3: Indirect emissions due to the company's operations. This category includes emission sources not under direct corporate control but whose emissions are indirectly due to corporate activity. They are divided in turn into 15 categories.

STAKEHOLDER

Individuals or groups that have an interest in the company with respect to a company's activities or a specific project because:

- they could be affected positively or negatively;
- they have or could have any influence on them;
- they are interested in the outcomes and the consequences that may result.

Stakeholders include shareholders, employees, customers, suppliers, public institutions, competitors, local communities, pressure groups, and the media.

SUSTAINABILITY

Sustainability can be defined as the **creation of value in the long term** for the company, both in the economic-financial context (e.g. increased margin, efficiency) and in other contexts (e.g. increased reputation, risk reduction, eco-efficiency). Value creation must involve a broad set of stakeholders, not just the company.

SUSTAINABILITY REPORT/INTEGRATED REPORT

The **Sustainability Report** is a document that companies draw up voluntarily to account for their economic, social, and environmental behavior. It is necessary to report and communicate, as well as plan and manage relationships with stakeholders. Among the corporate communication tools, it has the broadest information content. While not an accounting document, it can be linked to the financial statements from which it draws data and news. The report is drawn up annually at the behest of corporate governance. It is a strategic choice because it reflects on all staff's thinking and acting. It contributes to increasing the sense of social responsibility within the company, promoting and enhancing dialogue, and improving existing relationships.

An **Integrated Report** is a concise communication that illustrates how an organization's strategy, governance, performance, and prospects enable it to create value in the short, medium, and long term in the context in which it operates. Integrated Reports include both economic-financial information (contained in the annual financial statements) and information regarding the economic, environmental, and social impact of the company's activities. The novelty of the integrated report compared to the sustainability report lies in the possibility of defining the link between the strategy, financial performance, and the social, environmental, and economic context within which the organization operates.

SUSTAINABLE DEVELOPMENT

There are over three hundred official definitions of sustainable development. The first in chronological order and the best known is that contained in the Brundtland Report (1987): "**Development that meets the needs of the present without compromising the ability of future generations to meet their own needs**". Also of note is the 1992 UN definition: "Sustainable development is defined as an improvement in quality of life, without exceeding the carrying capacity of supporting ecosystems" and the 1994 ICLEI (International Council for Local Environmental Initiatives) definition: "Development that delivers basic environmental, social, and economic services to all community members without threatening the viability of the natural, built, and social systems."

T

TRACEABILITY

Traceability refers to the ability to trace the path and origins of products from raw material to the finished product throughout the entire distribution and production chain. **Traceability is closely linked to transparency.** Examples of methods used to enable traceability are forest custody certification systems such as FSC® and PEFC™.

U

UN AGENDA 2030 (AND 17 SUSTAINABILITY DEVELOPMENT GOALS - SDGs)

This is a United Nations resolution adopted in September 2015 to define an **action plan for people, the planet, and prosperity** in a new global development framework anchored by 17 Sustainable Development Goals. The 17 Sustainable Development Goals established by the United Nations through a participatory process and developed in the 2030 Agenda include 1) ending **poverty** and 2) **hunger** 3) ensuring **good health and well-being**, 4) **quality education**, 5) **gender equality**, 6) **clean water and sanitation**, 7) **affordable and clean energy**, 8) **decent work**; 9) **building innovative businesses**; 10) **reducing inequality**; 11) **shaping sustainable cities and communities** 12) **promoting responsible consumption**; 13) **taking urgent action on climate change** 14) **protecting aquatic and** 15) **terrestrial ecosystems**; 16) **promoting peace, justice, and** 17) **partnerships** to achieve the goals together

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE (UNFCCC)

The United Nations Convention on Climate Change, also known as the Rio Accords, is an international environmental treaty produced by the United Nations Conference on Environment and Development in 1992. The treaty aims to **reduce greenhouse gas emissions**, the cause of global warming. Following this first act, other conferences led to new understandings, including the Kyoto Protocol (1997) and the Paris Agreement (2015).

W

WASTE

Any substance or object that the holder disposes of, intends or is required to dispose of.

WASTE DISPOSAL

Waste disposal refers to the treatment and final storage of waste and scrap that cannot be further utilized, such as landfilling.

WASTE MANAGEMENT

Any operation whose main result is to **allow waste to play a useful role** within industrial processes or in the economy at large.

WATER CONSUMPTION

Water consumption is the **volume of fresh water withdrawn by individuals and businesses**. This includes both water consumed and water polluted in the industrial process to meet the demand for the production of goods and services. Water consumption is linked to the concept of the water footprint, developed to improve understanding of how our production and consumption choices affect the use of global water sources.

WELFARE SYSTEM

The set of contractual or unilateral initiatives promoted by the employer to **increase the well-being of the worker and his/her family** through "alternative" methods for remuneration that may consist of reimbursement, direct provision of services, or a mix of the two solutions. Possible initiatives include supplemental health care, supplemental retirement plans, and financial support for families and education. Benefits that translate for the worker in a package of possibilities to be added to the classic salary.

WWF

The WWF (World Wildlife Fund) is an international non-governmental organization founded in 1961 in Morges (Switzerland) and whose headquarters was later moved to Gland near Lausanne. In 1986, it took the name of Worldwide Fund for Nature, keeping the previous acronym. The WWF aims to protect the **natural environment** by protecting endangered species and conserving ecosystems and biodiversity, reducing pollution, and combating the waste of resources and energy. It carries out environmental education projects and campaigns all over the world, with funding raised by its national member organizations. The Italian section, founded in 1966, has focused its attention not only on operations in defense of wildlife but also on the creation of protected oases, such as the Oasis of Bolgheri (1967), Lake Burano (1968), the marine park in Miramare near Trieste (1973), the purchase of areas of particular naturalistic interest, and the implementation of environmental awareness campaigns

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