NSRS Appendix:
Glossary

Organized after alphabetical order

C

Carbon dioxide equivalent is a metric measure used to compare various greenhouse gases on bases of Global Warming Potential.

Climate Change: Framework Convention on Climate Change (UNFCCC), in its Article 1, defines climate change as: 'a change of climate which is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and which is in addition to natural climate variability observed over comparable time periods.'

Climate-related opportunity: refers to the potential positive impacts that climate change may have on an organisation. Efforts to mitigate and adapt to climate change can produce opportunities for organisations, by resource efficiency and cost savings, the adoption and utilisation of low-emission energy sources, the development of new products and services, and by building resilience along the supply chain. Climate-related opportunities will vary depending on the region, market, and industry in which the organisation operates.

Climate-related risk: refers to the potential impacts of climate change on an organisation, as well as the organisation's potential impacts on the climate. Physical risks emanating from climate change can be event-driven (acute) such as increased severity of extreme weather events (e.g., cyclones, droughts, floods, and fires). They can also relate to longer-term shifts (chronic) in precipitation and temperature and increased variability in weather patterns (e.g., sea level rise). Climate-related risks can also be associated with the transition to a lower-carbon global economy, the most common of which relate to policy and legal actions, technology changes, market responses, and reputational considerations.

Climate target: refers to a temperature limit, concentration level, or emissions reduction goal used to avoid dangerous anthropogenic interference with the climate system. For example, national climate targets may aim to reduce greenhouse gas emissions by a certain amount over a given time horizon, as the ones under under the Kyoto Protocol.

Circularity: A circular economy calls for the decoupling of economic growth and resource consumption. Products, components and materials should according to such thinking be kept at their highest utility and value at all times, thereby contributing to the responsible and cyclical use of resources. In contrast with the traditional linear economy – which is characterized by a "take, make, dispose" model of production – a circular system aims to minimize resource inputs, waste, pollution, and carbon emissions by improving the productivity of resources and keep them in use for longer.

D

Decoupling (in relation to climate change) is where economic growth is no longer strongly associated with the consumption of fossil fuels. Relative decoupling occurs when both grow but at different rates. Absolute decoupling occurs when the economy grows but fossil fuel consumption declines.

Double materiality: Double materiality speaks to the fact that material topics can be material from both a financial and non-financial perspective. Remarking the impact a company has on the environment and/or society (positive or negative) in addition to the impact the environment and/or society (positive or negative) has on the company. This two-way effect, where the organisation impacts its

surroundings on the one hand, and the surroundings impact the organisation on the other, is the core of the double materiality approach.

Disclosure is a noun describing the action of making new or secret information known. See Disclosure Requirement.

Disclosure Requirement: In the context of financial reporting, and sustainability reporting as such, it is widely known as the requirements for a given report. A synonym for disclosure requirement is reporting requirement. The NSRS is utilising both disclosure requirements and reporting requirements in its language.

E

Economic sustainability is an integrated part of sustainability and means that we must use, safeguard and sustain resources (human and material) to create long-term sustainable values by optimal use, recovery and recycling. This includes practices that support long-term economic growth without negatively impacting social, environmental, and cultural aspects of the community.

Energy sources are sources from which useful energy can be extracted or recovered either directly or by means of a conversion or transformation process. Energy sources are commonly divided in two main categories: fossil (also called non-renewable) and renewable energy sources. See renewable and/or non-renewable energy for examples.

The European Commission helps to shape the EU's overall strategy, proposes new EU laws and policies, monitors their implementation and manages the EU budget. It also plays a significant role in supporting international development and delivering aid.

EU´s Taxonomy

The EU taxonomy is a classification system that determines which economic activities within different sectors can be defined as sustainable for investment purposes. In order to be considered taxonomy- aligned, economic activity (eg. aluminum production, passenger transport or property development) must meet three main performance thresholds (Read more about EUs Taxonomy in the Theoretical Annex).

The EU Taxonomy is a new classification tool for sustainable private sector activities. By providing a set of industry-specific technical screening criteria, the Taxonomy dictates whether a specific private sector activity is sustainable or not. It is designed to counter greenwashing and to steer finance in a sustainable direction. Read more at:
https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en

F

Fuels are raw materials such as coal, gas or oil that is burned to produce heat or power. Machinery in a production-facility or vehicles are common sources of fuel consumption.

G

Global Reporting Initiative (GRI)
GRI is a leading sustainability reporting framework globally and the one most used in Europe. The GRI Standards aim to establish a common language around sustainability reporting, where economic, social, and environmental impacts can easily be understood and communicated across organisations and stakeholders. They are hence designed to enhance the global comparability and quality of information, enabling greater transparency and accountability in organisations. GRI is recognized for their ability to facilitate the process of sustainability reporting, and for their ability to structure and present the report in a highly accessible manner.

Global Warming Potentials are values representing the radiative forcing impact of one unit of a given GHG relative to one unit of CO2 over a certain period of time.

Goal: is a bit broader and more general compared to "target" (See target). Where target may imply a very specific goal, goal can be broader. Nevertheless, you could use the two interchangeably.

Governance is a comprehensive and inclusive concept of the full range of means for deciding, managing, implementing and monitoring policies and measures. Whereas government is defined strictly in terms of the nation-state, the more inclusive concept of governance recognizes the contributions of various levels of government such as the mechanisms and processes in a company relating to how it is governed.

Greenhouse gases (GHG) are those gaseous constituents of the atmosphere, both natural and anthropogenic, that absorb and emit radiation at specific wavelengths within the spectrum of terrestrial radiation emitted by the Earth's surface, the atmosphere itself and by clouds. This property causes the greenhouse effect. Water vapour (H2O), carbon dioxide (CO2), nitrous oxide (N2O), methane (CH4) and ozone (O3) are the primary GHGs in the Earth's atmosphere. Moreover, there are a number of entirely human-made GHGs in the atmosphere, such as the halocarbons and other chlorine- and bromine-containing substances, dealt with under the Montreal Protocol. Beside CO2, N2O and CH4, the Kyoto Protocol deals with the GHGs sulphur hexafluoride (SF6), hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs). See also Carbon dioxide (CO2), Methane (CH4), Nitrous oxide (N2O) and Ozone (O3)

Impact:
A topic or concern that has an effect (positive or negative) on someone or something to that degree that it will impact its trajectory. See NSRS materiality model.

Internal carbon price: is an internally developed estimated cost of carbon emissions. Internal carbon pricing can be used as a planning tool to help identify revenue opportunities and risks, as an incentive to drive energy efficiencies to reduce costs, and to guide capital investment decisions.

L

List of material topic:
A list of topics or concerns which is material for a company from an environmental, social and economic perspective and thus qualify for inclusion in the sustainability report. See definition of material topic.

M

Management approach: refers to how the organisation seeks to improve their sustainability performance and rig themselves to tackle risks and opportunities regarding sustainability. Management approach will be the process for getting things done through the functions of setting goals and targets, planning, organizing, staffing, leading and controlling. It involves coordination of human and material resources.

Material inputs are all the materials required to produce a product or service.

Materiality:
"Topics that reflect the reporting companies' significant economic, environmental and social impacts, or substantively influence the decisions of stakeholders." (See GRI 102, page 44). NSRS is referring to GRIs definition of materiality. Further, NSRS´s interpretation of this definition is aligned and merged with NFRD and TCFD.
Material topics:

Topics that reflect a company's significant impact (positive or negative) on the environment, society or economical dimensions inside and outside the company.

Metric in the context of NSRS is a particular type of reporting requirement that includes numeric matters. An example include; Report on the X amount of energy consumption during the reporting cycle. On the contrary side, a descriptive reporting requirement can be something like; Describe the organisations progress plan to reach the target.

Mobile combustion refers to emissions from the transportation of materials, products, waste, and employees resulting from the combustion of fuels in company owned or controlled mobile combustion sources (e.g., cars, trucks, buses, trains, airplanes, ships, etc.).

N

NAF: is short for Nordic Accountant Federation – the organization in which initiated the NSRS-project. NAF is the accountants' member organizations including Srf konsulterna from Sweden, TAL from Finland and Accounting Norway from Norway.

Non-Financial Reporting Directive (NFRD): Since 2014, large companies and financial actors are obliged by EU law to disclose information about their operations and its impact on social and environmental factors. Directive 2014/95/EU - also called the non-financial reporting directive (NFDR) - presents these reporting requirements and disclosures in detail. The directive helps stakeholders, hereunder investors, consumers, and policy makers, to make sound

assessments of a company's performance and prospects from an economic, social, and environmental perspective.
New guidelines on how to report on climate-related information were published in 2019, which supplements the already existing guidelines on non-financial reporting. The new guidelines include new recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD) and further take into account the soon to be implemented EU Taxonomy.
The EU is setting the political scene on – and is slowly taking over the power. Following their guidelines is necessary to stay up to date on regulations and the discourse of sustainability reporting. NFRD and the guidelines on reporting climate-related information sets the context of the NSRS.

Non-renewable energy sources are sources of energy that will run out or that cannot be replenished for thousands or even millions of years. Most non-renewable energy sources are fossil fuels, including coal, petroleum and natural gas. Carbon is the main element in all fossil fuels.

Non-renewable fuels are fuels produced from non-renewable resources. Examples include oil, coal, natural gas etc.

Non-renewable materials are materials which cannot be manufactured or generated quickly and the resources from which these materials are sourced from, do not renew in a short period of time.

NSRS: is short for Nordic Sustainability Reporting Standard. NSRS is a standard for sustainability reporting simplified and tailored for Nordic SMEs. Furthermore, the standard is developed with the accountants in mind because they in many cases are the SMEs closest advisors. Read more about the project on www.nsrs.eu.

NSRS Advancement Levels: are the three advancement levels that make

up the NSRS Framework. This Implementation Manual is only covering Level 1. You can read more about the NSRS Advancement Levels in the NSRS Foundation-document in chapter 1: NSRS Advancement Levels.

NSRS Foundation Document: is an introduction to NSRS – what it is and how it is constructed. Consider this the engine of NSRS. The document outlines the foundation of the NSRS. It covers the Building Blocks in which NSRS is based on, the NSRS Advancement Levels which makes out the three different certifications one can obtain with NSRS and the process for each reporting cycle.

NSRS materiality context: The materiality context of NSRS is 'sustainability', including both the environmental, societal and the economic context of a company. Applying this context in a materiality assessment therefore encompasses more aspects compared to a traditional financial materiality assessment.

NSRS Reporting Requirements Document: is the document in which the actual standard is to be found. This is a formal document which makes out all the requirements. Consider this the "law-document". We know the tone of voice might make it hard to understand. That is why we have made this Implementation Manual.

NSRS Guiding Principles makes out chapter 1 in the NSRS Reporting Requirement Document. The Guiding Principles are a set of principles which one should turn to when uncertain on how to proceed.

NSRS Disclosure Requirements makes out chapter 2 in the NSRS Reporting Requirement Document. The Disclosure Requirements are the 'hard law' of NSRS. They are classified after NSRS Advancement Levels.

NSRS sustainability dimensions: From a NSRS perspective these three dimensions – environmental, social and economic – make up the context 'sustainability'. See definition of materiality.

O

Office/administrative-related waste is waste aggregated form the organisations secondary activities. Examples: Wrongly printed paper, single use coffee mugs, sticky notes etc.
Offsite waste:
Waste aggregated outside the physical boundary or administrative control of the organisation.

Onsite waste:
Waste aggregated within the physical boundary or administrative control of the organisation.

P

The Paris Agreement: under the United Nations Framework Convention on Climate Change (UNFCCC) was adopted on December 2015 in Paris, France, at the 21st session of the Conference of the Parties (COP) to the UNFCCC. The agreement, adopted by 196 Parties to the UNFCCC, entered into force on 4 November 2016 and as of May 2018 had 195 Signatories and was ratified by 177 Parties. One of the goals of the Paris Agreement is 'Holding the increase in the global average temperature to well below 2°C above pre-industrial levels and

pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels', recognising that this would significantly reduce the risks and impacts of climate change. Additionally, the Agreement aims to strengthen the ability of countries to deal with the impacts of climate change. The Paris Agreement is intended to become fully effective in 2020.

Planetary Boundaries: The planetary boundary concept is developed by Steffen et al. and defines the environmental limits within which humanity can safely operate. Of the original nine proposed boundaries, they identify three (including climate change) that might push the Earth system into a new state if crossed and that also have a pervasive influence on the remaining boundaries.

Production-related waste is waste aggregated through the organisations productions of its core products/services. Examples: Waste from a restaurant: as food waste, cardboard etc, or waste from a company within the building industry: as construction waste, hazardous waste etc.

Progress Plan refers to how and what the organisation seeks to achieve a set goal or target.

R

Recycled material inputs are materials that replace virgin materials, which are procured from internal or external sources, and which are not a by-product, or a non-product output produced by the organisation.

Regulatory risk is a subcategory of climate risks relating to the potential that

changes to laws, regulations or interpretations can cause market changes that affect an organisation's core activities in a negative way.

Renewable energy sources: are considered to be energy sources which can be naturally replaced after consumption. These sources can be wind, solar, hydro, geothermal or biomass.

Renewable fuels are fuels produced from renewable resources. Examples include biofuels (e.g. vegetable oil used as fuel, ethanol, methanol from clean energy and carbon dioxide or biomass, and biodiesel) and hydrogen fuel (when produced with renewable processes).

Renewable materials are materials which can be manufactured or generated quickly through ecological cycles or agricultural processes, so that the resources from which these materials are derived from remain available for the next generation.

Risk management: refers to a set of processes that are carried out by an organization's board and management to support the achievement of the organization's objectives by addressing its risks and managing the combined potential impact of those risks.

S

Scenario: A plausible description of how the future may develop based on a coherent and internally consistent set of assumptions about key driving forces (e.g., rate of technological change, prices) and relationships. Note that scenarios

are neither predictions nor forecasts, but are used to provide a view of the implications of developments and actions.

Scopes of GHG emissions are groups of origins of greenhouse gases developed by GHG Protocol. There are three scopes, and each represents the origins of greenhouse gas emissions. Scope 1 emissions are from the reporting organisations' direct operations. Scope 2 consists of emissions from purchased or produced electricity. Scope 3 includes other indirect emissions outside the operations of the reporting organisation.

Self-assessment: is an assessment or evaluation of oneself or one's actions, attitudes and/or performance.

Social sustainability includes gender equality, respect for human rights, good working conditions, fair payment, inclusion of vulnerable groups and minorities, education and training. This includes practices that support long-term economic growth without negatively impacting social and cultural aspects of the community.

Stakeholder: is a party or an actor that has an interest in a company and can either affect or be affected by the business. Examples of stakeholders in an organisation can be its investors, employees, customers, and suppliers.

Stationary combustion is part of the fuel combustion sector, which is a sub-sector to the energy sector. Stationary combustion includes power plants, combined heat and power production plants, industrial combustion plants and district heating plants as well as small plants e.g. stoves and residential boilers.

Stranded assets: Assets exposed to devaluations or conversion to 'liabilities' because of unanticipated changes in their initially expected revenues due to innovations and/or evolutions of the business context, including changes in public regulations at the domestic and international levels.

Supply chain: A supply chain is defined as the entire process of making and selling goods, including every stage from the supply of materials and the manufacture of the goods through to their distribution and sale.

Sustainability: in the context of NSRS is defined to include both environmental, social and financial concerns. This is what the term 'triple bottom line' includes. So, when we use the term sustainability without specifying what type of sustainability, all the three concerns are included. However, on the Level 1 of the NSRS standard, only environmental and mostly in particular climate-related concerns are addressed and thus reflected in the disclosure requirements. Read more about proportionality and which sustainability concerns are covered on the different advancement levels on the NSRS Foundation-document in chapter 1: NSRS Advancement Levels.

Sustainable development (SD): Development that meets the needs of the present without compromising the ability of future generations to meet their own needs (WCED, 1987) and balances social, economic and environmental concerns (IPCC, 2016).

Sustainable Development Goals (SDGs): The 17 global goals for development for all countries established by the United Nations through a participatory process and elaborated in the 2030 Agenda for Sustainable Development, including ending poverty and hunger; ensuring health and well-being, education, gender equality, clean water and energy, and decent work; building and ensuring resilient and sustainable infrastructure, cities and consumption; reducing inequalities; protecting land and water ecosystems; promoting peace, justice and partnerships; and taking urgent action on climate change.

Sustainable finance generally refers to the process of taking due account of environmental, social and governance (ESG) considerations when making

investment decisions in the financial sector, leading to increased longer-term investments into sustainable economic activities and projects.

Sustainability Reporting: is the process of gathering sustainability information in a systematic and presentable way such that an easy comparison with the past and progress concerning the target is possible, for the improvement in environmental, social and economic aspects of the reporting company. Thus, the sustainability report is the key platform for communicating sustainability performance and impacts.

T

Targets: implies a numerical goal.

Task Force on Climate-related Financial Disclosures (TCFD): is the leading international framework for assessing climate-related risks and opportunities, and is hence more strategic, forward-looking and scenario-based in nature than other sustainability reporting frameworks. The taskforce has published recommendations on how to disclose clear, comparable and consistent information about the direct and indirect risks faced by organisations as a result of a changing climate. The recommendations are highly authoritative in their field, supported by multiple nation states and the preferred framework by the European Commision on climate-related disclosures.

This framework is also recommended by the European Commission. The NSRS climate risk disclosure requirements are therefore largely harmonized with the TCDF. NSRS have adapted and simplified elements from TCFD as the framework is known for being too complex and resource demanding for SMEs. In line with proportionality, climate risk disclosure requirements are tailored to match the NSRS Advancement Levels, hence reflecting the reporting organization's resources, experience, and motivation.

Topic boundary: Same Definition as GRI: The concept of 'topic Boundary' is based on the expectation that organizations have a responsibility not only for impacts they cause directly, but also for impacts they contribute to or that are directly linked to them through their business relationships – for example, with suppliers or customers

Trade-off: A situation in which you balance two opposing situations or qualities (ex: There is a trade-off between doing the job accurately and doing it quickly) (Cambridge, 2020). In the context of sustainability trade-offs are a widespread concept as multiple values and perspectives are represented in the discourse. Sustainability trade-offs are classified in two groups;

1. Process, or procedural trade-offs reflect the realities of decision-making in an imperfect world in which neither resources nor the cognitive capacity or political power of key decision-makers are unlimited. Such trade-offs are compromises between the ideal and the practical and are often concealed within opaque organizational processes.

2. Substantive trade-offs, on the other hand, as the actual win–loss outcomes of all the decisions made, tend to be more obvious and exposed. They may often arise from process trade-offs occurring throughout the decision-making process, whether these are acknowledged or not. Substantive tradeoffs arise whenever

there are positives and negatives that must be weighed against each other in the selection among competing options and outcomes. Substantive tradeoffs can involve substitutions of impacts in time, place and kind.

V

Virgin materials are sourced directly from nature in their raw form, such as wood or metal ores. Manufacturing products using virgin materials uses much more energy and depletes more natural resources, as opposed to producing goods using recycled materials.

W

Waste Categories: Waste can be categorised in multiple categories such as food-waste, el-waste, construction waste, hazardous waste, non-hazardous waste etc. Categories typically (but not always) follow industry-norms.

2030 Agenda for Sustainable Development is a UN resolution in September 2015 adopting a plan of action for people, planet and prosperity in a new global development framework anchored in 17 Sustainable Development Goals (UN, 2015).

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