Glossary

CDP SME Corporate Questionnaire 2026

Version

Version number	Release / Revision date	Revision summary
1.0	Released: 21st May 2025	• Publication of the CDP SME Corporate Questionnaire Glossary
2.0	Revised: 20th April 2026	• Inclusion of terms chain-of-custody model; cutoff date; target; product unit; retailing; first-party and second-party verification; and third-party certification • Inclusion of forests-related terms such as Deforestation-free; produce volume and sourced volume • Inclusion of water-related terms such as produced water; water consumption and water discharge • Updated hyperlinks • Minor changes to some term's definitions

Glossary – General

This list includes a summary of terms used in the CDP 2026 SME Corporate Questionnaire. Please refer to the CDP Reporting Guidance for all terms.

Term	Definition
Access to capital	Cash flows from sources other than an organization's sales and other revenues. It includes cash infusions from investors or securing lines of credit with banks and other lenders.
Adaptation	In human systems, the process of adjustment to actual or expected climate and its effects, in order to moderate harm or exploit beneficial opportunities. In natural systems, the process of adjustment to actual climate and its effects; human intervention may facilitate adjustment to expected climate and its effects (IPCC, 2018).
Alignment with a 1.5°C world	Refers to the Paris Agreement long-term temperature goal, as expressed in relevant IPCC reports, in particular the IPCC Sixth Assessment Report (AR6) and the IPCC Special Report on Global Warming of 1.5°C (SR1.5). According to the Science-based Targets initiative, aligning with a 1.5°C world currently means reducing Scope 1, 2 and 3 emissions to zero or close to zero and neutralizing any residual emissions by 2050 at the latest.
Assets	Entities functioning as stores of value and over which ownership rights are enforced by institutional units, individually or collectively, and from which economic benefits may be derived by their owners by holding them, or using them, over a period of time (the economic benefits consist of primary incomes derived from the use of the asset and the value, including possible holding gains/losses, that could be realized by disposing of the asset or terminating it).
Biodiversity offset	Measures taken to compensate for any residual significant, adverse impacts that cannot be avoided, minimized and/or rehabilitated or restored, in order to achieve no net loss or a net gain of biodiversity. Offsets can take the form of positive management interventions such as restoration of degraded habitat, arrested degradation or averted risk, protecting areas where there is imminent or projected loss of biodiversity (BBOP, 2012).

Biomass	Any organic matter, i.e. biological material, available on a renewable basis. Includes feedstock derived from animals or plants, such as wood and agricultural crops, and organic waste from municipal and industrial sources. Biomass fuels should be sustainably sourced and certified where possible, and include: o **Solid biofuels** - solid fuels derived from biomass. Includes feedstock derived from animals or plants, such as wood and agricultural crops, and organic waste from municipal and industrial sources. o **Biogas** - a mixture of methane (CH4) and carbon dioxide (CO2) used as fuel and produced by bacterial degradation of organic matter or through gasification of biomass. o **Liquid biofuels** - liquid fuels derived from biomass such as ethanol and biodiesel.
Brackish surface water/seawater	Surface water in which the concentration of salts is high and far exceeds normally acceptable standards for municipal, domestic or irrigation use (at least higher than 10,000 mg/l TDS). Seawater has a typical concentration of salts above 35,000 mg/l TDS.
Building energy management system (BEMS)	An integrated system comprising hardware, software, and services that leverage information and communication technology for monitoring, automating, and controlling energy consumption. Examples include smart meters and smart billing, data analytics and performance optimization.
Capital expenditure (CAPEX)	A measure of the value of purchases of fixed assets such as property, buildings, an industrial plant, technology, or equipment. Put differently, CapEx is any type of expense that an organization capitalizes, or shows on its balance sheet as an investment, rather than on its income statement as an expenditure.
Certification	The action or process of providing a product with an official document attesting to a status or level of achievement against a certain standard.
Certification schemes providing full DCF assurance	Include robust requirements on no deforestation and no conversion, after an appropriate cutoff date, and/or physical traceability of raw material supplies back to a production unit that complies with specific performance attributes, i.e., free from deforestation and conversion.

Chain-of-custody model (also referred to as "control system", "traceability type", or "supply chain models")	The process by which materials and associated information are transferred, monitored, and controlled as they move through each step in a value chain. There are four commonly recognized types of chain-of-custody models used to determine volumes DCF status: ○ **Identity preserved:** a chain-of-custody model under which materials with particular characteristics that originate from a single identifiable certified source are kept separate from all other sources throughout the value chain. ○ **Segregated:** a chain-of-custody model under which materials with particular characteristics that are kept separate from materials that may lack these characteristics, although materials are not necessarily traced and controlled back to a single identifiable source and may be mixed from among multiple sources. ○ **Mass balance (synonym: mixed):** a chain-of-custody model under which product with particular characteristics is not separated from and may be mixed with product that lacks these characteristics at any stage in the value chain, provided that the quantities are controlled such that the quantity of product sold as having the given characteristics is equivalent to the quantity of product produced with these characteristics (adapted from AFi, 2024).
Climate transition plan	An encompassing instrument that helps organizations to align their climate ambitions. This alignment is achieved by establishing specific strategies and clear accountability mechanisms to track progress.
Climate transition plan which aligns with a 1.5°C world	A time-bound action plan that clearly outlines how an organization will achieve its strategy to pivot its existing assets, operations, and entire business model towards a trajectory that aligns with the latest and most ambitious climate science recommendations, i.e., halving greenhouse gas (GHG) emissions by 2030 and reaching net-zero by 2050 at the latest, thereby limiting global warming to 1.5 degrees Celsius. Please refer to the CDP Climate Transition Plan technical note for more details.
Consolidation approach	The identification of entities (companies, businesses, organizations etc.) relevant to the environmental impact of the responding organization. The GHG Protocol states that two distinct approaches may be used to consolidate GHG emissions; the equity share and the control approaches. Control can be defined in either financial (financial control) or operational (operational control) terms.

Conversion	Loss of a natural ecosystem as a result of its replacement with agriculture or another land use, or due to a profound and sustained change in a natural ecosystem's species composition, structure, or function. o Deforestation is one form of conversion (conversion of natural forests). o Conversion includes severe and sustained degradation or the introduction of management practices that result in a profound and sustained change in the ecosystem's species composition, structure, or function. o Change to natural ecosystems that meets this definition is considered to be conversion regardless of whether or not it is legal (AFi, 2024).
Cutoff date	The date after which deforestation or conversion renders a given area or production unit non-compliant with no-deforestation or no-conversion, commitments, policies, goals, targets, or other obligations (AFi, 2024).
Deforestation	Loss of natural forest as a result of: (i) conversion to agriculture or other non-forest land use; (ii) conversion to a tree plantation; or (iii) severe and sustained degradation. o Severe and sustained degradation (scenario iii in the definition) constitutes deforestation even if the land is not subsequently used for a non-forest land use. o Loss of natural forest that meets this definition is considered to be deforestation regardless of whether or not it is legal. o The definition of deforestation signifies "gross deforestation" of natural forest where "gross" is used in the sense of "total; aggregate; without deduction for reforestation or other offset." (adapted from AFi, 2024).

Deforestation- and conversion-free (also referred to as "no-conversion")	Commodity production, sourcing, or financial investments that do not cause or contribute to deforestation and the conversion of natural ecosystems. o Conversion-free refers to no gross conversion of natural ecosystems, which the Accountability Framework specifies as the appropriate policy and goal on this topic for companies and supply chains. o Deforestation-free refers to no gross deforestation of natural forests, which the Accountability Framework specifies as the appropriate policy and goal on this topic for companies and supply chains. o In the context of the Accountability Framework, deforestation refers to the loss of natural forest (see definition of deforestation). o The terms "no-conversion", and "deforestation- and conversion-free" are used in favor of "zero-conversion" because "zero" can imply an absolutist approach that may be at odds with the need to sometimes accommodate minimal levels of conversion at the site level in the interest of facilitating optimal conservation and production outcomes (see AFi's definition for minimal level [of deforestation or conversion], 2024) (adapted from AFi, 2024).
Deforestation-free (also referred to as "no-deforestation")	Commodity production, sourcing, or financial investments that do not cause or contribute to deforestation. o Deforestation-free refers to no gross deforestation of natural forests, which the Accountability Framework specifies as the appropriate policy and goal on this topic for companies and supply chains. o In the context of the Accountability Framework, deforestation refers to the loss of natural forest (see definition of deforestation). o The terms "no-deforestation" and "deforestation-free" are used in favor of "zero deforestation" because "zero" can imply an absolutist approach that may be at odds with the need sometimes to accommodate minimal levels of conversion at the site level in the interest of facilitating optimal conservation and production outcomes (see AFi's definition for minimal level [of deforestation or conversion], 2024) (adapted from AFi, 2024).
Direct costs (also referred to as "costs of goods or services sold")	These expenses can be attributed to the manufacture of a particular product or the provision of a particular service.

Direct operations (also referred to as 'own operations')	All activities and sites (e.g., buildings, farms, mines, retail stores) over which the reporting organization has operational or financial control. This covers any internal supply chains between the organization's business units (adapted from TNFD, 2025; SBTN, 2023).
Disclosure volume	the volume that your organization includes in its disclosure. Organizations are encouraged to report the "Total commodity volume" as their "Disclosure volume", however certain volumes may be excluded.
Downstream value chain	The activities, sites, resources, relationships, and stakeholders which receive products and/or services from your organization. The downstream value chain varies depending on the nature of the business but may include customers, distributors, logistics providers, and packaging suppliers (adapted from ESRS, 2023).
Enforcement order	A non-financial restriction as punishment for a regulatory violation or other compliance offence. Examples of non-financial enforcement orders include removal of abstraction licenses or discharge consents.
Environmental opportunities	Opportunities are generated through impacts and dependencies on nature, and can occur: o When organisations avoid, reduce, mitigate or manage nature-related risks, for example, connected to the loss of nature and ecosystem services that the organisation and society depend on; o Through the strategic transformation of business models, products, services, markets and investments that actively work to reverse the loss of nature, including by restoration, regeneration of nature and implementation of nature-based solutions (adapted from TNFD "Nature related opportunities", 2023).
Environmental policy	A statement or framework of statements which outlines and communicates the intentions and direction of an organization related to environmental performance, as formally expressed by senior management (adapted from ISO 14001:2015).
Environmental risks	Potential threats (effects of uncertainty) posed to an organization that arise from its and wider society's dependencies and impacts on the environment (adapted from TNFD, 2023).

Facilities	May be used throughout this questionnaire as a broad term and not restricted to a particular site or grouping of fixed buildings and factories. For example, if your organization is in the extractive industries, you might normally collate business information for assets or business units, and so you may wish to define "facility" information in this way.
Financial planning	An organization's consideration of how it will achieve and fund its objectives and strategic goals. The process of financial planning allows organizations to assess future financial positions and determine how resources can be utilized in pursuit of short- and long-term objectives. As part of financial planning, organizations often create "financial plans" that outline the specific actions, assets, and resources (including capital) necessary to achieve these objectives over a one-to-five-year period. However, financial planning is broader than the development of a financial plan as it includes long-term capital allocation and other considerations that may extend beyond the typical 3-5 year financial plan (e.g., investment, research and development, manufacturing, and markets) (TCFD, 2017).
Fine	A specific type of penalty that requires payment of money as punishment for a regulatory violation or other compliance offence.
Grievance mechanism	Any routinized process through which grievances concerning business-related negative impacts to human rights or the environment can be raised and remedy can be sought. Grievance mechanisms may be state-based or non-state-based and they may be judicial or non-judicial (AFi, 2024).
Landscape and jurisdictional initiative	An on-the-ground collaborative program to set common goals, take collective action while reconciling different interests, and monitor progress towards improving social, environmental, and economic outcomes at a landscape/jurisdictional scale.
Liabilities	An obligation which requires one unit (the debtor) to make a payment or a series of payments to the other unit (the creditor) in certain circumstances specified in a contract between them.

Likelihood	The terms used to describe likelihood are taken from the Intergovernmental Panel on Climate Change's (IPCC) 2013 reports. They are associated with probabilities, indicating the percentage likelihood of the event occurring. It is not necessary for respondents to have calculated probabilities for the risks they are considering, however they can give an indication as to the meaning of the terms: o Virtually certain: 99–100% probability o Very likely: 90–100%; o Likely: 66–100% o More likely than not: 50–100%; o About as likely as not: 33–66%; o Unlikely: 0–33%; o Very unlikely: 0-10%; o Exceptionally unlikely: 0–1%.
Low-carbon energy	In line with the IEA definition, low-carbon technologies are technologies that produce low – or zero – greenhouse-gas emissions while operating. In the power sector this includes fossil-fuel plants fitted with carbon capture and storage, nuclear plants and renewable-based generation technologies. Natural gas, combined cycle gas turbine and fossil fuel-based combined heat and power (cogeneration), despite being less carbon intensive than other means of electricity production like coal, are not considered low-carbon.
Mitigation hierarchy	The sequence of actions to anticipate and avoid impacts on biodiversity and ecosystem services; and where avoidance is not possible, minimize; and, when impacts occur, rehabilitate or restore; and where significant residual impacts remain, offset (CSBI, 2015).
Multi-stakeholder initiative	An initiative that is governed by different stakeholder groups, including private sector companies and their associations, civil society organizations (e.g., environmental and social NGOs) and possibly farmer organizations, government organizations and knowledge providers (SAI Platform, 2015).

Natural ecosystem	An ecosystem that substantially resembles—in terms of species composition, structure, and ecological function—one that is or would be found in a given area in the absence of major human impacts. This includes human-managed ecosystems where much of the natural species composition, structure, and ecological function are present (AFi, 2024).
Nature-based Solutions	Actions to protect, conserve, restore, sustainably use and manage natural or modified terrestrial, freshwater, coastal and marine ecosystems, which address social, economic and environmental challenges effectively and adaptively, while simultaneously providing human well-being, ecosystem services and resilience and biodiversity benefits (UNEA-5).
Negligible risk	A conclusion, based on credible evidence, that it is exceedingly unlikely that material produced in or sourced from a given context is non-compliant with one or more aspects of a company's social and environmental commitments, policies, or other obligations. o Criteria for determining negligible risk should be defined in each sourcing area and for each aspect of a company's social and environmental commitments, policies, and other obligations. A given production area could be considered negligible risk for one aspect of a company's social and environmental obligations but not negligible risk for other aspects (adapted from AFi, 2024).
Net-zero target	The SBTi Net-Zero Standard defines corporate net-zero as: o Reducing Scope 1, 2 and 3 emissions to zero or to a residual level that is consistent with reaching net-zero emissions at the global or sector level in eligible 1.5°C scenarios or sector pathways and; o Neutralizing any residual emissions at the net-zero target date and any GHG emissions released into the atmosphere thereafter.
No-conversion (also referred to as "deforestation- and conversion-free")	Commodity production, sourcing, or financial investments that do not cause or contribute to the conversion of natural ecosystems. o No-conversion refers to no gross conversion of natural ecosystems, which the Accountability Framework specifies as the appropriate policy and goal on this topic for companies and supply chains. o The terms "no-conversion" and "conversion-free" are used in favor of "zero-conversion" because "zero" can imply an absolutist approach that may be at odds with the need to sometimes accommodate minimal levels of conversion at the site level in the interest of facilitating optimal conservation and production outcomes (see AFi's definition for minimal level [of deforestation or conversion], 2024) (adapted from AFi, 2024).

No-deforestation (also referred to as "deforestation-free")	Commodity production, sourcing, or financial investments that do not cause or contribute to deforestation. o No-deforestation refers to no gross deforestation of natural forests, which the Accountability Framework specifies as the appropriate policy and goal on this topic for companies and supply chains. o In the context of the Accountability Framework, deforestation refers to the loss of natural forest (see definition of deforestation). o The terms "no-deforestation" and "deforestation-free" are used in favor of "zero deforestation" because "zero" can imply an absolutist approach that may be at odds with the need sometimes to accommodate minimal levels of conversion at the site level in the interest of facilitating optimal conservation and production outcomes (see AFi's definition for minimal level [of deforestation or conversion]) (adapted from AFi, 2024).
Organization	Throughout this questionnaire, "your organization" and "organization-wide" refer collectively to all the companies, businesses, other groups etc. that fall within the definition of your reporting boundary (provided in 1.5). This term is used interchangeably with "your company", but CDP recognizes that some disclosing organizations may not consider themselves to be, or be formally classified, as "companies".
Penalty	A punishment of any kind due to a regulatory violation or other compliance offence.
Physical risk	o **Acute** – occurrence of short term, specific events that change the state of nature. For example, oil spills, forest fires or pests affecting a harvest; o **Chronic** – gradual changes to the state of nature. For example, pollution stemming from pesticide use or climate change.
Process emissions	Emissions from industrial production processes which chemically or physically transform materials (e.g. CO_2 from the calcinations step in cement manufacturing, CO_2 from catalytic cracking in petrochemical processing, PFC emissions from aluminum smelting, etc.).
Produced volume	The proportion of the "Disclosure volume" that is produced by your organization e.g., commodities grown, reared or harvested on land owned, managed or controlled.

Produced water	Water which enters the organization's boundary as a result of the extraction, processing, or use of any raw material, so that it must be managed by the organization. When reporting to CDP, this water should not be counted as recycled water when put to use within a single cycle of a business process. Examples of produced water include moisture derived from vegetation such as in sugar cane crushing and the water content in crude oil. (Note that companies with oil and gas activities should refer to CDP's Technical Note on Water Accounting for sector-specific guidance on this water aspect).
Production	The first stage of the upstream value chain, often entailing the production of raw agricultural and forest products by farm owners, smallholders, and communities. Vertically integrated companies are also involved in producing activities if they own or manage land used for production (adapted from Global Canopy, 2018 and AFi, 2024).
Production unit	A plantation, farm, ranch, or forest management unit. This includes all plots used for agriculture or forestry that are under one management, located in the same general area, and share the same means of production. It also includes natural ecosystems, infrastructure, and other land within or associated with the plantation, farm, ranch, or forest management unit. o A production unit can be a contiguous land area (regardless of any internal subdivisions) or a group of plots interspersed with other land units the same area or landscape and under the same management (AFi, 2024).
Reforestation	Re-establishment of forest through planting and/or deliberate seeding on land classified as forest (FAO, 2020).
Regenerative production	A range of approaches used to manage agroecosystems that provide food and materials – be it through agriculture, aquaculture or forestry etc. — in ways that create positive outcomes for nature. These outcomes include, but are not limited to, healthy soils, improved air and water quality, and higher levels of carbon sequestration. They can be achieved through a variety of context-dependent practices and can together help regenerate degraded ecosystems and build resilience on farms and in surrounding landscapes. Farmers may draw on several different schools of thought, such as regenerative agriculture, restorative aquaculture, agroecology, organic, permaculture, agroforestry, and conservation agriculture, to help them apply the most appropriate set of practices to drive regenerative outcomes in their managed agroecosystems (adapted from EMF'S Circular Economy Glossary).
Renewable energy	Energy taken from sources that are inexhaustible, e.g. wind, water, solar, geothermal energy and sustainable biofuels (adapted from GHG Protocol, 2004).

Reporting boundary	This determines which organizational entities, such as groups, businesses, and companies, are included in or excluded from your disclosure. Please consistently apply this organizational boundary when responding to questions unless you are specifically asked for data about another category of activities.
Reporting year (also referred to as "reporting period")	The 12-month period for which you are submitting data to CDP.
Requesting CDP Supply Chain Member	Organizations working with CDP's Supply Chain program to engage suppliers on environmental issues and performance to pinpoint risks and identify opportunities in their upstream value chain. If you are responding to CDP because of a request from your customer, you will need to answer the relevant supply chain questions in addition to the main questionnaire.
Research and Development (R&D)	Refers to the activities companies undertake to innovate and introduce new products and services. It is often the first stage in the development process. Investment in R&D is a type of expense associated with the research and development of a company's goods or services
Restoration	The process of assisting the recovery of an ecosystem, and its associated conservation values, that has been degraded, damaged, or destroyed (adapted from SER, 2004).
Retailing	Selling products directly to individual consumers. This includes supermarkets, convenience stores, lumber and home improvement stores, home furnishing stores, online retailers, and restaurant chains (adapted from Global Canopy, 2018 and AFi, 2024).
Revenue	Gross income arising from the operations of an organization over a period of time.
Scope 1 emissions	Scope 1 emissions refer to direct greenhouse gas (GHG) emissions that occur from sources that are controlled or owned by an organization.

Scope 2 emissions	Scope 2 emissions refer to indirect GHG emissions associated with any purchases of electricity, steam, heat, or cooling.
Scope 3 emissions	Scope 3 emissions are the result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly impacts in its value chain.
Sourced volume	The proportion of the "Disclosure volume" that is consumed, sourced, purchased and/or used by your organization for processing, trading or used as an input for manufacturing and/or packaging. This includes the commodity volume contained within manufactured goods sold by retailers.
Sourcing area	An area or region from which materials in a supply chain originate. o Sourcing areas could include a sourcing radius or a supply-shed around a first point of collection or processing facility (e.g., a radius from a palm oil mill); a defined set of production units supplying a particular aggregator or buyer (e.g. the area covered by a smallholder cooperative); or a landscape or subnational jurisdiction (e.g. municipality) from which materials are sourced (AFi, 2024).
Strategy	An organization's desired future state. An organization's strategy establishes a foundation against which it can monitor and measure its progress in reaching that desired state. Strategy formulation generally involves establishing the purpose and scope of the organization's activities and the nature of its businesses, taking into account the risks and opportunities it faces and the environment in which it operates (adapted from TCFD, 2017).
Substantive effect	An effect that has a considerable or relatively significant effect on an organization at the corporate level in terms of risks and opportunities. This could include operational, financial, or strategic effects that undermine, or provide opportunities for, the entire organization or part of the organization.
Supplier	An entity upstream from the reporting organization that provides or sells raw materials, processed materials, finished products or services to the reporting organization (adapted from GHG, 2013; ESRS, 2023).

Sustainable forest management	The process of managing a forest for achieving the continuous production of desired forest products and services without reducing its inherent values and future productivity, avoiding undesirable social-environmental effects (adapted from ITTO).
Target	A specific measurable output to be achieved within a specific timeline. Targets often act as steps towards a wider and long-term corporate goal.
Third-party certification	When a certification process is carried out by an independent organization.
Total commodity volume	The total volume of a commodity produced and/or sourced (including used, purchased and consumed) by your organization regardless of whether this volume is included or excluded from your disclosure.
Traceability	The ability to follow a product or its components through stages of the value chain (e.g., production, processing, manufacturing, and distribution) (adapted from AFi, 2024).
Traceability system	A system that records and follows the trail of products and/or raw materials along the value chain as they move from suppliers and are processed and ultimately distributed as end products. Systems used to ensure traceability can be digital/electronic or manual/paper based (ISEAL, 2016).
Trading	Purchasing and selling raw or primary processed agricultural or forestry materials to domestic or export markets. This includes shipments, transport, and storage of the commodities (adapted from Global Canopy, 2018 and AFi, 2024).

Transition risk	○ **Policy** – changes in the policy context due to new (or enforcement of existing) policies to create positive impacts on nature or mitigate negative impacts on nature; ○ **Technology** – Substitution of products or services with a reduced impact on nature and/or reduced dependency on nature. For example, the replacement of plastics with biodegradable containers; ○ **Market** – Changing dynamics in overall markets, including changes in consumer preferences, which arise from changing physical, regulatory, technological and reputational conditions and stakeholder dynamics. For example, the market value of a company is affected by assets that have decreased in value because there is insufficient freshwater for the production process, or the value of the business' production process is reduced by the emergence of new technologies that require less water to operate; ○ **Reputation** – Changes in perception concerning an organization's actual or perceived nature impacts, including at the local, economic and societal level. This can result from direct company impacts, industry impacts and/or impacts of activities upstream and/or downstream in a value chain. ○ **Liability** – Liability risks that arise directly or indirectly from legal claims. As laws, regulations and case law related to an organisation's preparedness for nature action evolves, the incident or probability of contingent liabilities arising from an organisation may increase (TNFD, 2023).
Upstream value chain (also referred to as "supply chain"):	The activities, sites, resources, relationships, and stakeholders that provide products and/or services to your organization. This typically involves activities early in the value chain, such as production or development. The upstream value chain varies depending on the nature of the business but may include raw material, component, or equipment suppliers (adapted from ESRS, 2023).
Value chain	The entire sequence of upstream and downstream activities, sites, resources, and relationships associated with the reporting organization's operations, starting with the raw materials and extending through end-of-life management, aimed at providing or receiving value from an organization's products and services either within, upstream, or downstream of direct operations (adapted from GHG Protocol, 2013; ESRS, 2023; SBTN, 2023).
Value chain stage	A part of the sequence of activities that provide value to/or receive value from the organization's products and services. This can include activities within the organization's direct operations, or up or downstream of those operations, such as the supply chain, joint ventures, franchisees and product users.

Verification	Assessment and confirmation of compliance, performance, and/ or actions relative to a stated commitment, policy, goal, target, or other obligation. Verification signifies that information is checked and confirmed by persons other than those involved in the operation or entity being assessed (AFi, 2024). o **First-party verification**: Verification conducted by the company itself but carried out by personnel not involved in the design or implementation of the operations being verified. o **Second-party verification**: Verification conducted by a related entity with an interest in the company or operation being assessed, such as the business customer of a production/processing operation or a contractor that also provides services other than verification. o **Third-party verification**: Verification conducted by an independent entity that does not provide other services to the company.
Vulnerability	The propensity or predisposition to be adversely affected. Vulnerability encompasses a variety of concepts and elements, including sensitivity or susceptibility to harm and lack of capacity to cope and adapt (IPCC, 2022)
Water consumption	The amount of water drawn into the boundaries of the organization (or facility) and not discharged back to the water environment or a third party over the course of the reporting period.
Water discharge	The sum of effluents and other water leaving the boundaries of the organization (or facility) and released surface water, groundwater, or third parties over the course of the reporting period (adapted from GRI Standard 306-1, 2016).
Water intensity	A metric providing the relationship between a volumetric aspect of water and a unit of production, financial metric or any other unit.

Water stress ('areas with')	A concept that considers physical quantity aspects related to water resources, including water availability. As good practice, a water stressed area should be measured at the catchment level as a minimum. Commonly accepted global indicators to assess areas as water stressed and their thresholds for reporting to CDP include: o **Water availability** – risk category greater than 'High risk': 3.4 (WWF Water Risk Filter). WWF recommends that users also take into consideration 'Medium risk': >2.6. This category is based on a multi-model approach which integrates the best available global water scarcity risk indicators: water depletion, baseline water stress, freshwater quantity target and groundwater availability. In addition, WWF recommends that users take into consideration locations facing 'Drought' risk as these can exacerbate risks related to 'Water Availability'. o **Baseline water stress** – indicator equal to/greater than 'High': 40-80% (WRI Aqueduct Water Risk Atlas). This refers to the ratio of total annual water withdrawals to available renewable water supply. o **Baseline water depletion** – indicator equal to/greater than 'High': 50-75% (WRI Aqueduct Water Risk Atlas). This refers to the ratio of total annual water consumption to available renewable water supply.
Water withdrawal	The sum of all water drawn into the boundaries of the organization (or facility) from all sources for any use over the course of the reporting period.