Oxford Climate Policy Monitor

Methodology and Codebook

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The Oxford Climate Policy Monitor is a project by

the Oxford Climate Policy Hub

Visit https://climatepolicymonitor.ox.ac.uk/ for complete and up-to-date information

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1. Overview

The 2026 Climate Policy Monitor maps climate-related policies in 39 jurisdictions globally, including members of the Group of 20 (G20) and other economically significant developed and emerging countries across geographies.

Figure 1. Jurisdictions surveyed by the Oxford Climate Policy Monitor, 2026



Jurisdictions: Argentina*, Australia*, Brazil*, California (USA), Canada*, Chile, China*, Colombia, Costa Rica, Denmark, Egypt, Ethiopia, the European Union*, France*, Germany*, India*, Indonesia*, Italy*, Japan*, Kenya, Mexico*, the Netherlands, Nigeria, the Philippines, Poland, Russia*, Republic of Korea*, Rwanda, Saudi Arabia*, Singapore, South Africa*, Sweden, Thailand, Turkey*, the U.A.E, the United Kingdom*, Tanzania, the United States*, and Vietnam.
*= G20 jurisdiction.

Within each jurisdiction, the Monitor identifies and evaluates **policy tools** shaping the alignment of nine **governance domains** with climate change mitigation ambitions.
Data was generated through a collaboration between law firms contributing pro bono research expertise and the University of Oxford's Climate Policy Hub (the Hub). The Hub identifies the governance domains and crafts a standardised survey which asks over 400 possible questions about policy tools across all six domains.

Law firms identify relevant policy tools in their jurisdictions and across each domain and respond to the Hub survey.

This codebook provides further details about the Survey, the data gathering process, and the analysis of the data.

Further details about the specific formulas used to generate insights from the Evaluative Framework can be found in the Evaluative Framework Codebook.

2. Key Terms and Definitions

Policy tools encompass both the voluntary and mandatory—or soft and hard—tools used by governments to achieve their objectives. There is a wide spectrum of policy tools, from government schemes, guidance, and recommendations to legislative and regulatory instruments. Our broad definition of policy tools aims to capture what instruments are meaningfully shaping efforts to reduce greenhouse gas emissions. Note that policy tools need not be specific to climate or net zero policy, provided they are considered relevant to the pursuit of climate change mitigation.

Policy tools must be *approved*. In practice, this can mean:

- *Approved and in force*
    - Example: A policy tool was approved in 2017 and came into force in 2022
- *Approved but not yet in force*
    - Example: A policy tool was approved in 2024 but does not come into force until 2026
- *Other*
    - As needed, firms could also respond "other"
    - This was a category typically used to identify cases where a parent policy might be approved and in force, but supplemental implementation policy is undergoing development
        - Example: The policy tool declaring the establishment of the India's ETS is approved and in force, but ETS will not be operational until additional institutions are established, and implementation regulation crafted and approved
    - However, this category is also used to identify rules which may be of an unclear legal status for political or legal reasons.
        - Example: A policy tool was approved in 2024 is currently stayed pending a challenge in the courts

Governance domains refer to specific spheres of policy and regulatory action. Table 1 describes six governance domains examined in the 2025 Oxford Climate Policy Monitor.

Table 1. 2025 Oxford Climate Policy Monitor Governance Domains	
AVIATION	Policy tools establishing rules for decarbonisation of the aviation sector, including through instruments such as sustainable aviation fuel (SAF) mandates, and implementation of carbon pricing and offsetting schemes such as CORSIA (Carbon Offsetting and Reduction Scheme for International Aviation).
BUILDINGS	Policy tools addressing: 1) the reduction of operational emissions from buildings; 2) the reduction of embodied emissions from buildings, and; 3) the disclosure and/or reduction of climate risk in buildings, related to fire, flood, wind, and heat. These can include building performance standards, embodied carbon provisions in building codes, building risk disclosure rules, or passive cooling building standards.
CARBON CREDITS*	Policy tools establishing rules for the generation, use, exchange, and/or governance of carbon credits in both voluntary and compliance markets.
CLIMATE-RELATED DISCLOSURE	Policy tools recommending or requiring entities provide information about emissions associated with their activities and/or climate risk exposure. Disclosure obligations or recommendations ask entities to report information but set no demands for action beyond reporting.
GREEN PRUDENTIAL RULES*	Policy tools issued by central banks and/or financial regulatory authorities that set rules or guidance regarding how financial-related risks emerging from climate change should be identified, assessed, mitigated, and/or monitored.
METHANE ABATEMENT*	Policies addressing the reduction of methane emissions from fossil fuels and agricultural sources.
PUBLIC PROCUREMENT	Policy tools recommending or requiring governments to consider climate and environmental objectives when purchasing goods, services, or works.

TRADE MEASURES	Policy tools related to: 1) positive or negative incentives related to the import of four clean technologies: batteries, electric vehicles, solar photovoltaics, and wind turbines, and 2) border carbon adjustment mechanisms.
TRANSITION PLANNING	Policy tools recommending or requiring that entities develop, disclose, and/or implement targets or pathways towards decarbonisation. Transition planning tools may also define 'credible' transition plans and/or set requirements for implementation.

One policy tool may in practice be relevant to more than one domain. For example, disclosure and transition planning requirements may exist side by side in a piece of regulation: in this case, the policy tool is *both* a disclosure and transition planning tool. Similarly, carbon credit rules may create a legal infrastructure through which methane abatement efforts can generate credits: such a tool would be both a carbon credits and a methane abatement tool. In such cases, respondents would indicate the tool's relevance to the multiple domains and answer supplemental questions targeted at understanding the each of the domain-specific elements of the policy tool.

Jurisdictions were surveyed only at the level of national/supranational rules**.** At present, only one subnational jurisdiction is surveyed (California, USA). Otherwise, the database excludes policy tools developed and approved by subnational levels of government (i.e. the survey of Canada includes only federal, not provincial policies; the survey of the United Kingdom excludes policies of devolved nations such as Northern Ireland, Scotland, and Wales).

Further definitions can be found in the Glossary at the end of this codebook.

3. Data Sources and Collection

There are two primary sources of data for the Oxford Climate Policy Monitor: the Legal Expert Network and the Hub.

The Legal Expert Network is the driving force behind the Monitor. The Network is comprised of leading law firms worldwide who have agreed to commit pro bono hours to survey one or more jurisdictions where they have expertise.

When recruiting participant law firms, the Hub contacted firms with notable climate-related and/or domain-specific expertise. Additionally, priority was placed on recruiting local law firms, given their contextual legal knowledge and (where relevant) language expertise.

In some cases, law firms surveyed only a subset of domains —e.g. surveying only public procurement or surveying only disclosure and transition planning. This was based on the interest and expertise of the responding law firm and was agreed prior to the firms' survey response.

Contributing law firms were not compensated for their contributions to the Monitor. All responses were completed on a pro bono basis. Firms were incentivised to contribute through an offer to join a law firm network (the Monitor's Legal Expert Network), through which they can access networking opportunities and exclusive webinars. As well, participating law firms are offered a 5% discount on the University of Oxford Sustainable Law Programme's executive education course "Navigating Climate-related Legal Risks and Opportunities."

A minimum of two law firms were sought out for each jurisdiction to enhance data validity. However, it was not possible to secure two responding law firms in all jurisdictions. In 2026, 34 out of the 39 surveyed jurisdictions had more than one responding law firm; 5 jurisdictions had only a single responding law firm (Denmark, Egypt, Republic of Korea, Russia, Thailand).

The Hub is the second data source for the Monitor. The Hub provides an independent response for each policy tool, based on the data review process illustrated below.

4. The Monitor's Annual Survey

Data for the Oxford Climate Policy Monitor is generated using the Hub's Survey, which asks a series of questions about the contents and qualities of a particular policy tool.
Firms are asked to identify the policy tools meaningfully shaping climate action in each domain, and then to answer a survey for each identified policy tool. What constitutes a "meaningful" policy tool is decided among the Hub and the responding law firms, as described in the following section (see

Section 5.1 Scoping). The advantage of this model is that it leverages the unique expertise of law firms. As both subject-matter experts and professionals with hands-on experience navigating the complexities of governance with their clients, we believe law firms are well placed to identify the policy tools that are material and/or important in a particular governance domain.

4.1. Survey Structure

The Survey is structured in two parts: 1) general questions, which are asked about all policy tools and 2) domain-specific questions, which relate to the specific domain each policy tool is associated with. Questions are primarily multiple-choice, with a limited number of open-text answers to enable firms to clarify responses or provide additional information or evidence where needed.

Surveys are completed in Word documents, allowing law firms to collaborate internally with ease. One Word document is completed for each policy tool. The Hub then intakes the surveys and uses a PHP script to automatically extract the data into our database.

4.2. Survey Development

The Survey is developed yearly by the Hub. Domain leads, with feedback from Knowledge Partners, develop domain specific questions with input welcomed from the Legal Expert Network.

The survey is developed to capture, in a given year, the state of policy and regulation in a set of governance domains in the mapped jurisdictions. Surveys include descriptive features of the policy tools—their state of development and implementation and technical characteristics — as well as analyses of their impacts and the state's capacity to implement and enforce them.

The Monitor Manager oversees the development of the Survey and its domain-specific questions, guaranteeing that they are developed to the same standards. The Hub's Directors supervise the process and take substantive responsibility for the Survey. The development of domain-specific questions is executed by a Domain Lead, a specialist in the respective governance domain who ensures that the questions are fit for purpose, relevant, and will collect the necessary data for research, without overburdening contributing law firms. The Knowledge Partners support the development of the Survey, reviewing drafts to increase its quality and practical usage by stakeholders.

Limited Additional Research Required

The survey has been designed to be completed with limited additional research. In other words, firms should be able to complete nearly all questions with only the text of the policy tool as the reference source.

Note that there are **limited exceptions to this rule**. In addition to questions about the design of, and duties contained within, the policy tool, the Survey also asks questions about the policy's implementation and the capacity of the public entity nominated to implement it. Because these questions go beyond the text of the policy tool, firms are encouraged to undertake supplemental research to understand the extent to which the policy tool is being implemented or enforced, or whether it has been cited in any litigation. Firms are also asked to reflect on the capacity of the implementing agency: while responses to this question can provide ***key contextual information*** important for understanding the policy tool, such information may be politically sensitive, and firms may opt out of responding.

5. Data Collection: Stages

Data collection occurs in four phases: 1) Scoping; 2) Surveying; 3) Matching; 4) Reconciliation. It is through this process that data is collected, analysed, and ultimately finalised into the outputs shared on the website. The Hub takes responsibility for deciding the final content of the Monitor dataset and outputs. Each of these stages is outlined below:

5.1. Scoping

Prior to the survey stage, law firms are invited to undertake a joint scoping process with the Hub. In this stage, participating law firms were provided definitions of all nine domains and asked to: 1) identify whether any policies previously surveyed required updating since July 2025 and 2) identify relevant policies in each domain in their respective jurisdictions through a scoping form. The policies identified by each firm were then reviewed by the Hub team to assess their suitability to domain definitions, match common policies across firms in a jurisdiction, or to plug the gaps where one firm identified more policies than the other. We also undertook supplementary research at this stage to suggest policies that were missed out by firms in a particular domain and jurisdiction, but that we found were incredibly pertinent to that domain.

This was done so that we arrive at a combined list of policy tools identified by two or more law firms covering a jurisdiction and the law firms only answer surveys (in the next stage) for those policy tools that we deem to be in-scope. This helped make the survey process more iterative, facilitated time savings for the law firms, and made the overall database more accurate and comprehensive.

5.2. Surveying

Once the scoping stage was concluded and we arrived at a consolidated list of in-scope policy tools for each domain and jurisdiction, we disseminated Word surveys to all law firms to record their responses for each identified policy. **Each survey corresponds to one policy tool, which may be relevant to one or more of the nine domains.**

5.3. Matching

In the next stage, we received completed survey responses from all law firms. Law firm responses for each policy tool were then reviewed and "matched" (i.e. linking two responses from firms which were about the same policy tool). Due to the scoping exercise done earlier, matching of policy tools was relatively straight-forward, since we were working off a consolidated list of policies per jurisdiction and domain. In those jurisdictions and/or for policies which were only surveyed by one firm, these were retained as "singles".

However, in some instances, the matching of policy tools required a closer read. For example, survey responses for Nigeria's Regulatory Guidance on Carbon Market Approach were matched with responses for another policy tool -- Nigeria Carbon Market Activation Policy -- since the former was a predecessor to the Carbon Market Activation Policy approved in 2025 and the Regulatory Guidance was a preliminary three-page document with not enough substantial provisions or details to be a standalone policy tool.

5.4. Reconciliation

In all cases, e.g. both matched and single policy tools, the Hub reviewed policy tool survey responses to create a single "Hub" response. For matched tools, this involved reconciling the two or more law firm responses about the same tool. In instances in which firm responses diverged, the Hub undertook supplemental reading to adjudicate the disagreement. In cases of single policy tools (e.g. those not matched with a second response from another firm), the Hub reviewed the response to ensure the clarity and coherence of the response.

In all cases, the reconciliation process enabled the Hub to provide light touch verification, though it should be noted that complete verification of all responses is not possible given resource constraints. Law firm responses were also triangulated, to the extent feasible, with publicly available sources such as the regulated entities' websites, or published documentation, press releases, or news coverage. All analysis and aggregated statistics are based on the Hub response, which serves as our official record. The Hub takes substantive responsibility for these responses.

5.5. Data Limitations

Although the Hub aims to showcase in-depth and comprehensiveness cross-country data on domain-specific climate mitigation policies, we recognise that our dataset is limited by several factors.

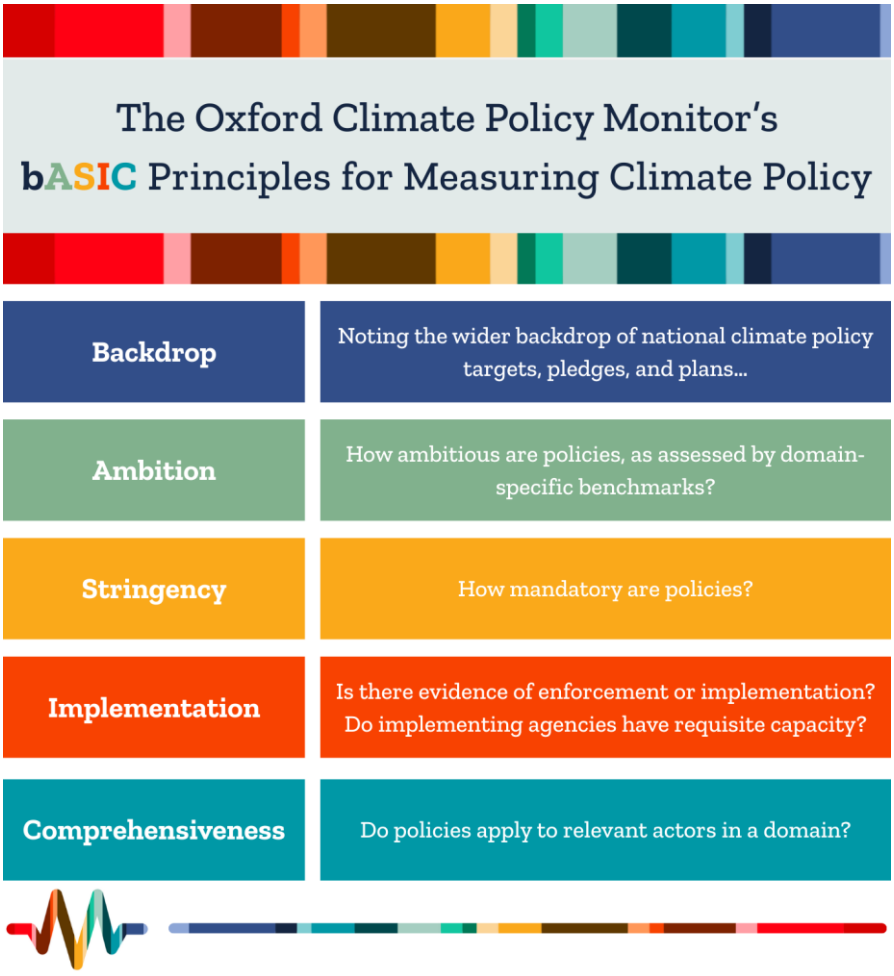
First, it is not globally comprehensive. The 2026 Monitor includes 39 jurisdictions, comprising G20 countries, plus a few other emerging and developed economies covering a range of geographical regions. However, the data captures a globally significant range of jurisdictions that account for most of the global emissions and global population, striving to be diverse regarding regions, income, and development.

Second, the policy tool data is only obtained through information available in the public domain and is predicated upon the identification and survey of relevant policy tools by the Legal Expert Network. Thus, this may not always reflect the most complete and current information about the number and status of policy tools in each jurisdiction. However, to the extent that this dataset provides a detailed deep dive into each of the identified policy tools, it can be considered as a rich contextual resource of the content and scope of such regulations, particularly as perceived by the legal community who are key users and interpreters of these policies from the demand side. Moreover, since the Oxford Climate Policy Monitor is an open-source dataset and all reporting and aggregation is transparent, we welcome feedback from users and continuously strive to keep our data as accurate as possible.

If you identify any inaccuracies or if you believe there is a policy tool missing from the Monitor, please reach out to us at netzerohub@bsg.ox.ac.uk.

6. Evaluative Framework

To close the implementation gap, it is vital not only to understand whether and where policies do and do not exist, but also to consider the details they contain. We also need to understand the extent to which the rules are binding or not on different actors, whether they have been or can be implemented, plus a host of other critical details. The rich, contextual, and expert-driven data gathered by the Monitor allows us to assess policy across a range of dimensions. Our assessment framework starts from the foundational question: what general features should policies have to close the implementation gap? We argue that four elements are critical: ambition, stringency, implementation, and comprehensiveness. Together these dimensions form the "bASIC Framework" we use to assess policies.



Ambition is the extent to which a policy aims to drive faster, deeper emissions cuts. Given the varieties of domains examines, ambition is defined differently for each domain. In some areas, it is

fairly trivial to define. For example, mandating 100% renewable energy is more ambitious than mandating 50%.

For other areas, however, the link between different policy attributes and emissions reductions is less direct. Here the Monitor relies on expert opinion to define what ambitious policy looks like, consulting with a wide range of stakeholders in the development of our survey questions. Where possible, these judgements are anchored to pertinent international standards. For example, in the disclosure domain, the Monitor considers policies that require the disclosure of Scope 3 emissions to be more ambitious than those that only require disclosure of Scopes 1 and 2, in line with the International Sustainability Standards Board. In domains where ambition is less clearly defined, the Monitor aims to capture a wide range of possible design features that could lead to faster, deeper emissions cuts, understanding that there may be alternative or even competing models. For example, in public procurement there are various ways in which climate goals can be successfully incorporated, so high ambition can take a number of different forms. A full summary of the Ambition variables for each domain can be found in Appendix 1.

Stringency is the extent to which the obligations in a policy are mandatory. Typically, defining a tool as simply mandatory or voluntary is too crude to capture the important variation in stringency we observe across tools. For example, a tool may include a mix of voluntary and mandatory obligations. Some obligations may be subject to strong enforcement provisions, such as financial or even criminal sanctions. Others may simply have minor consequences. Related, many tools contain various exceptions or opt-out provisions, such as “comply or explain” features common in financial regulations that qualify formally mandatory provisions.

Implementation considers whether there is evidence of the policy being enforced or implemented, or if the implementing agencies are perceived to have the capacity to enforce the rule. The Oxford Climate Policy Monitor records actual evidence of implementation and enforcement, or a lack thereof.

Comprehensiveness considers whether rules across a policy domain collectively cover the relevant actors (e.g. different kinds of companies or other actors, significant sectors, etc.). Rather than a policy-specific measure, this measure considers the combination of a government’s policies in a particular policy domain (i.e. across disclosure or methane) to consider whether, as a collective, policies are comprehensively targeting key actors.

Each of the four dimensions of the bASIC framework can be assessed by looking at whether a given policy tool, or the sum or average of policy tools across a domain, meets a number of different criteria captured by a range of questions in the Monitor survey instrument.

A full list of criteria and the questions used to measure them can be found in the Appendix.

To help summarise and compare policies, we translate the bASIC Framework into quantitative indices through a simple additive logic, also described in our Codebook. Put simply, the index counts how many desirable features a given policy or domain has or does not have across the four dimensions of the framework (ambition, stringency, implementation, and comprehensiveness). It then normalises this count of desirable features to a standard 0-100 scale.

Such numeric indices can be helpful for specific use cases, such as quick comparisons of broader trends across jurisdictions, across domains, or across time. The bASIC Framework, for example, helps to map broad trends like the overall ambition of African countries' carbon crediting policies in comparison to other regions.

However, numeric indices can also conflate and obscure meaningful differences. We recommend, therefore, that data users avoid using the quantitative index as a simplistic "score" and instead consider it alongside the Monitor's rich, detailed data to fully analyse a policy's strengths and weaknesses. For example, when comparing policies in two countries, it is more helpful to focus on exactly which features the two jurisdictions do or do not have (e.g. California requires disclosure of Scope 3 emissions but India does not) rather than referring to numeric indices that aggregate many features together.

6.1. Policy Tool and Domain-Level Assessment

The bASIC Framework is applied at the policy tool and domain level. At the policy tool level, the ambition, stringency, degree of implementation, and covered actors are examined and measured.

The four principles of the bASIC framework are described above, but three additional points are important to note for how the framework is applied at the policy tool level.

First, for **ambition**, it is notable that through the analysis of a range of domain-specific sub-variables (listed in the Appendix), variables scores are generated. So, for example, a disclosure policy is scored according to whether and how ambitiously it regulates the disclosure of emissions, risks, targets and plans, or offsets. *If* the policy is identified as regulating one of these four areas (e.g. emissions), a score for the degree of ambition for that variable is established. This is based on simple binary scoring for whether a policy does or does not have a particular duty. If a policy does not regulate one of those four areas, the variable is scored as *not applicable*. In this way, the evaluative framework examines the degree of ambition of a policy on the terms of the policy—it would not be effective to give a score of 0 to a policy that does not aim to regulate the disclosure of risk.

Second, for **stringency**, a policy tool is then evaluated to consider its degree of mandatoriness, whether there is an opt-out mechanism, and how strong the sanctions for non-compliance are. The degree of mandatoriness is a measure which draws on the same sub-variables for ambition, but considers *where a duty is present*, the degree to which is voluntary or mandatory (voluntary=1, mandatory=2).

Finally, **comprehensiveness** is a *domain-level* measure rather than a policy tool measure. So at the policy tool level, the framework analysis simply identifies which of the relevant actors is targeted and whether they are subject to mandatory or voluntary obligations overall (at the levels of the policy tool itself rather than the duty—so, for example, is this a form of voluntary guidance or is it a regulation).

To generate ***domain-level* evaluations**, a variable scores at the policy tool level are averaged to produce scores for the variables at the jurisdiction-domain level. So, for example, if a particular jurisdiction has four disclosure policies, the domain-level scoring would consider across all four policies the degree of ambition of the duties to disclose emissions, risk, targets and plans, and offsets. These averaged domain-variable scores are then used to produce the domain-principle scores—so the overall ambition, stringency, and implementation of policies in the domain. Similarly, the variable scores for implementation, enforcement, monitoring systems, and capacity to implement are also averaged across all policies in a domain, and the domain-level variable averages are then used to generate the domain-implementation scores.

The exception to this approach to domain-level aggregation is **domain-level ambition.** In 2026, we updated our domain-level aggregation of ambition. Domain ambition is now calculated by taking the max of each variable score across all policy tools in a domain. This change has been made to ensure that jurisdictions with large numbers of policy tools in a domain are not inadvertently penalised—as happens when ambition scores are averaged across larger numbers of policies with mixed functionality. For example, a jurisdiction may have a policy that meets all criteria, but also have four policies that provide soft implementation guidance and support for the high ambition policy. The net results of this, in a scenario where policy tool ambition scores are averaged, is that the domain score is artificially low. By taking the max score of each variable for the domain, the aim is to better reflect whether, across policies, particular characteristics or functions are present.

Finally, note that the **comprehensiveness** is calculated differently: the score for comprehensiveness considers whether the identified entities are targeted and whether they face mandatory or voluntary obligations. The max score across all policies for each targeted entity (e.g. 0, 50, 100) is then used to generate the overall comprehensiveness score. So, if there are four key targeted entities in a domain, the score would consider 1) whether *any* policy in that domain targets that entity and 2) the max score for that entity. Table 2 explains how the domain comprehensiveness scores are calculated in practice.

Table 2. Calculating Domain Comprehensiveness Score: Climate-related Disclosure Example

	Publicly-traded company	Private company	Financial institution	Small and medium enterprise (SME)	State-owned enterprise
Policy 1	0	0	0	0	100
Policy 2	100	50	100	0	0
Policy 3	100	0	0	0	0

Total	100	50	100	0	100
*Comprehensiveness score: ((100+50+100+0+100)/500)*100= 70*					

7. Downloading and Using the Data

On the Monitor's website, users are able to download 3 CSVs:

1) **Full Dataset:**
    a. a CSV with all reconciled policy tool data. This will include all answers to domain-level survey questions, where relevant. Note that while all domain-specific questions are asked for each policy tool, only questions relevant to the policy tool will be answered, meaning there may be many blank cells.
2) **Policy Tool Evaluation:**
    a. a CSV detailing the policy-tool level evaluations for all policies tracked. This includes policy tool *principle* scores, as well as the variable and sub-variable scores for each policy.
3) **Policy Domain Evaluation:**
    a. a CSV detailing each jurisdiction's domain-level scores for ambition, stringency, implementation, and comprehensiveness across all six domains. Note that contrary to the prior two CSVs, the unit of analysis in this download are *jurisdictions* rather than *policy tools*.

The Monitor's Codebook provides further detail on how to replicate the scoring using this data. The Monitor's team is also happy to support potential users to navigate and utilise the granular data

8. Glossary

Abandoned wells: A well that is no longer used for producing oil and gas.

Absolute Emissions Reduction Target: A fixed goal for reducing greenhouse gas emissions by a specified amount, typically measured in metric tons of CO_2e, within a set timeframe. Absolute targets are not relative to production levels or economic output, meaning they require actual reductions in total emissions produced.

Acidification: It refers to the process of making a substance or environment more acidic, often by adding acids or by increasing the concentration of hydrogen ions (H+). Acidification can be used as a mitigation strategy to reduce methane emissions from sources like manure storage. For example, adding sulfuric acid (H2SO4) to liquid dairy manure can decrease methane, nitrous oxide, and ammonia emissions.

Additionality: Criteria for carbon credits to ensure that the emissions reduction or removal that resulted from the carbon credit project would not have occurred in the absence of the (expected) revenues flowing from the sale of the credit. Additionality can be tested in the following ways:

- **Barrier Analysis**: The barrier analysis is used to show that there are barriers, most often expressed as risks, which prevent the project activity from going forward but do not prevent the implementation of alternatives. Under this analysis, the additional revenues generated by the sale of carbon credits offsets that risk.

- **Investment Analysis:** The investment analysis is used to determine that the proposed project activity is not economically or financially attractive or feasible, without the revenue from the sale of carbon credits. This analysis shows that the project's expected financial returns are below a benchmark for what is considered a good investment for that particular type of project.

- **Market Penetration/Common Practices Assessment:** The common practice analysis is a credibility check to complement the investment or barrier analysis. It is used to demonstrate that the project type is not already common practice in the relevant sector and region. If similar activities or technologies are already being used, the proposed credit-generating activity is deemed not to be additional.

- **Use of Dynamic Baselines:** Dynamic baselines are a method for determining additionality in carbon projects by continuously updating the reference scenario (baseline) over time, rather than using a static baseline established at the project's start. This approach aims to provide a more accurate measure of a project's actual impact on emissions reduction or removal, especially in situations where the "business-as-usual" scenario is changing.

Ad valorem: Latin for "according to value." Refers to a tariff or duty calculated as a percentage of the value of the imported goods (e.g., a 10% ad valorem tariff on a US$1,000 shipment yields US$100 in duty). Ad valorem tariffs are distinguished from specific tariffs (fixed amounts per physical unit, such as $5 per kilogram) and from compound or mixed tariffs (which combine the two).

Airplane operators: Entities responsible for managing, maintaining, and operating aircraft, including commercial airlines, cargo carriers, and private charter services.

American Carbon Registry (ACR): ACR is private voluntary GHG registry founded in 1996. It is also a leading carbon crediting program operating in global compliance and voluntary carbon markets.

Anti-dumping: A trade remedy used to address "dumping" — the practice of exporting goods to another country at a price below their normal value (typically the price in the exporter's home market, or below the cost of production) where this causes or threatens material injury to a domestic industry. Anti-dumping duties are additional tariffs imposed on the dumped imports to offset the price differential. The use of anti-dumping measures is governed by Article VI of the GATT and the WTO Anti-Dumping Agreement.

Article 6 Paris Agreement: Article 6 of the Paris Agreement provides a framework for international cooperation to tackle climate change and raise the ambition of countries to reach net-zero emissions through both market and non-market mechanisms. Specific sections of Article 6 outline various cooperative approaches:

- **Internationally Traded Mitigation Outcomes (ITMOs) (Article 6.2):** Article 6.2 provides a framework to trade "mitigation outcomes" (such as carbon credits) internationally. This can help countries to meet their Nationally Determined Contributions and the targets of the Paris Agreement, as well as for other purposes such as compliance by airlines with the CORSIA scheme.

- **Paris Agreement Crediting Mechanism (Article 6.4):** Article 6.4 establishes a centralized mechanism for trading carbon credits, overseen by the Article 6.4 Supervisory Body.

- **Non-Market Mechanisms (Article 6.8):** Article 6.8 provides opportunities for non-market-based cooperation between countries for enhancing climate action.

Associated Gas: Associated gas refers to the gas associated with oil deposits either as free gas or dissolved in solution.

Basel Regulatory Framework: The Basel framework is a set of international banking regulations established by the Basel Committee on Banking Supervision (BCBS), aiming to strengthen the global banking system and ensure a level playing field for banking regulation. It sets minimum requirements for bank capital adequacy, stress testing, and liquidity risk. The framework has evolved over time, with the most recent iteration, Basel III, introduced in response to the 2008 financial crisis.

BEVs (Battery Electric Vehicles): Vehicles powered exclusively by an electric motor drawing energy from a rechargeable battery pack, with no internal combustion engine. BEVs produce no direct tailpipe emissions during operation.

Bio-/geo- sourced materials: Renewable, low-carbon alternatives to conventional construction materials, including concrete and steel. Bio-sourced materials include timber and bamboo, while geo-sourced materials can include raw earth and clay, stone, or sand/gravel sourced from site material.

Biochar: It is a form of charcoal created by heating organic material, known as biomass, in an environment without oxygen at temperatures of 400C or higher. This process, called pyrolysis, produces energy-rich gases and liquids as well as a solid product – biochar. It is primarily used by farmers as an organic soil additive to improve soil health. It also plays a role in carbon sequestration and long-term storage.

Biogas Digesters: It is an airtight enclosed container designed to enhance the anaerobic digestion of biodegradable waste such as animal manure, domestic wastes, black water or sludge, and the collection of the produced biogas.

Biogas Production: Biogas is a renewable fuel that is produced when organic matter, such as food or animal waste, is broken down by micro-organisms in the absence of oxygen. This process is called anaerobic digestion. For this to take place, the waste material needs to be enclosed in an environment where there is no oxygen. Biogas can occur naturally or as part of an industrial process to intentionally create it as a fuel.

Biofuels: In the context of the Aviation sector survey, biofuel refers to a renewable jet fuel derived from biological sources like plant oils, agricultural waste, and animal fats. Biofuels can further be divided into 1G and 2g based on the feedstock used to produce the fuel:

- **1G Biofuel:** Derived from edible food and sugar crops like sugarcane, corn, palm oil, and soybean.
- **2G biofuels:** Derived from non-food biomass, including crop residues (like wheat straw and rice stubble), municipal and industrial waste, used cooking oils, and forestry trimmings.

Border Carbon Adjustment (BCA): A policy measure that applies a carbon price or equivalent charge on imported goods based on their embedded greenhouse gas emissions, typically designed to mirror a domestic carbon price (e.g., from an emissions trading scheme or carbon tax). BCAs aim to level the playing field between domestic producers facing a carbon cost and imports from jurisdictions with weaker or no carbon pricing, thereby reducing the risk of carbon leakage. Implementation requires rules for measuring, reporting, and verifying embedded emissions. BCAs are sometimes also referred to as Carbon Border Adjustment Mechanisms (CBAMs). The EU's CBAM, which entered its definitive (financial) phase on 1 January 2026, is the first fully operational example.

Building Energy/Environmental Labelling Programme: A standardised rating or label that provides transparent, comparable, and publicly-available information about a

building's energy or environmental performance. Examples include the UK's Energy Performance Certificate.

Building Energy Management Systems: Information technology-based systems that use sensing, control, and automation technologies to monitor and optimize building operations, improve energy efficiency, and reduce greenhouse gas emissions.

Building Performance Standards: Performance-based standards aimed at reducing energy use and operational costs in existing buildings and improving overall comfort, durability, and resilience for building occupants by setting targets for energy or other performance metrics.

Capital Requirements: Capital requirements are the rules set by financial regulators that dictate how much capital a bank or other financial institution must hold, expressed as a ratio of equity to risk-weighted assets. These requirements aim to ensure banks are financially sound and can absorb potential losses, protecting depositors and the financial system.

Carbon Credits: A carbon credit is a tradable instrument which represents 1 ton of CO2 or CO2 equivalent gases either avoided or removed from the atmosphere. The domain of carbon crediting rules covers all policy tools that establish rules for the generation, use, exchange, and/or governance of carbon credits in both voluntary and compliance markets

Carbon Exchange: Refers to a stock exchange where carbon credits can be traded among companies.

Carbon Tax: Refers to a tax imposed on carbon or other greenhouse gas emissions. It is typically levied on high-emitters or entities/sectors that emit greenhouse gases above a specified threshold.

Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA): Refers to a global market-based decarbonisation scheme for the aviation sector developed by the International Civil Aviation Organisation (ICAO) to cap the net CO2 emissions of international flights at 2020 levels. It requires airlines to buy carbon credits to offset emissions exceeding this baseline, ensuring "carbon-neutral growth" for the industry.

CDR-specific Registry: A carbon credit registry that is specifically meant to record the issuance, sale and retirement of credits resulting from carbon dioxide removal (CDR) activities.

Certificates / Allowances / Equivalent Units: Tradable instruments, each typically representing one tonne of CO_2 equivalent, that importers may be required to purchase, hold, and/or surrender under a border carbon adjustment to cover the embedded emissions of imported goods. These instruments are conceptually equivalent to allowances issued under a domestic emissions trading scheme. Under the EU CBAM, for example, importers must buy and surrender CBAM certificates whose price is linked to EU ETS allowance prices.

Climate Action Reserve (CAR): CAR establishes standards for quantifying and verifying GHG emissions reduction projects, provides oversight to independent third-party verification bodies, and issues and tracks carbon credits, called Climate Reserve Tonnes (CRTs).

Climate Adaptation: The process of adjusting to current or expected changes in climate and its effects. This involves making changes to social, economic, and environmental practices to minimize harm and exploit potential beneficial opportunities from climate change.

Climate-aligned Procurement: Procurement which takes into account, and aims to mitigate, greenhouse gas emissions. This may be either directly (e.g. by requiring or favouring alternative fuels or renewable energy sources), or indirectly by reducing energy consumption, material usage, promoting reforestation etc.

Climate Physical Risk: Refers to risks arising from the physical impacts of climate change, such as extreme weather events, or rising temperatures and sea levels.

Climate-related Criteria: Requirements or preferences specific to mitigating climate change which are applied as part of the evaluation of bidders or bids, or as part of contract management.

Climate-related Risk Management Framework: A climate-related risk management framework is a structured approach to identifying, assessing, and managing the risks and opportunities arising from climate change. It helps organizations integrate climate-related considerations into their overall risk management processes.

Climate Transition Risk: Refers to the risks arising from a societal and economic shift towards a low-carbon net-zero emissions future. These risks could result from regulatory changes, technological developments, or consumer beliefs and preferences in favour of energy-efficient renewable energy goods and services.

Coal Mine Methane (CMM) drainage systems: Also referred to as degasification systems, these are designed to extract methane gas from coal seams and surrounding rock before or during mining activities. These systems use wells, both vertical and horizontal, to recover methane and help maintain safe mine ventilation by keeping methane concentrations low.

Co-benefits: Carbon credit co-benefits are additional positive impacts, beyond the primary goal of reducing greenhouse gas (GHG) emissions, that carbon credit projects can deliver. These could include social and environmental benefits such as improvements to community employment, water and air quality, biodiversity, energy access, and community health and education.

Compliance Market: Refers to a carbon market created and regulated at the international, national, or sub-national levels. Also called a cap-and-trade or emissions trading scheme (ETS), it typically entails the regulatory body setting an overall cap on emissions that all entities covered by the compliance market must follow. Entities that emit more than the cap can purchase credits from others within the ETS which emit less than the specified cap. The overall emissions cap

successively reduces over time to enable mandatory emissions reductions by over covered entities.

Contract Award Criteria: Criteria, such as cost, quality, environmental or other characteristics which determine the outcome of a tender competition. These are normally weighted and scored.

Contract Performance: Requirements which apply during the delivery/execution of the contract, for example relating to performance or service levels, monitoring and reporting or conditions of payment.

Corresponding Adjustments: Corresponding adjustments are used by countries to ensure carbon offsets are not double counted when they are transferred or sold internationally. When carbon credits are transferred across borders to be used as a carbon offset, the country where the credit was produced gives up its right to use that credit towards its Nationally Determined Contribution (NDC).

CORSIA eligible fuel: Refers to a CORSIA sustainable aviation fuel (SAF) or a CORSIA lower carbon aviation fuel, which an airplane operator may use to reduce its offsetting requirements.

- **CORSIA Sustainable Aviation Fuel (SAF):** Renewable or waste-derived aviation fuel that meets sustainability criteria outlined by CORSIA for being deemed a Sustainable Aviation Fuel. The detailed criteria is laid out here.
- **CORSIA lower carbon aviation fuel (LCAF):** Defined in Annex 16 Vol IV of the CORSIA Implementation Document as a fossil-based aviation fuel that meets the CORSIA Sustainability Criteria under this Volume. According to the ICAO, these fuels can serve as a complementary measure alongside Sustainable Aviation Fuels (SAF) in helping to reduce aviation greenhouse gas (GHG) lifecycle emissions. An LCAF may be certified as a CORSIA eligible fuel if it meets the CORSIA Sustainability Criteria, including a 10% reduction in lifecycle emissions compared to the aviation fuel baseline of 89 gCO2e/MJ.

Countervailing Duty: A trade remedy in the form of an additional tariff imposed on imported goods to offset subsidies provided by foreign governments to their producers or exporters, where those subsidies cause or threaten material injury to a domestic industry. Countervailing duties are also referred to as "anti-subsidy" duties. Their use is governed by the WTO Agreement on Subsidies and Countervailing Measures (ASCM).

Crediting Standard or Methodology: A crediting standard provides the rules and requirements for issuing carbon credits, ensuring they are real, verifiable, and additional. A crediting methodology is a detailed, specific set of instructions for developing and implementing a carbon credit project, including how to establish a baseline, calculate emission reductions, and monitor the project.

De minimis Import Value: A monetary threshold below which imports are exempted from customs duties, taxes, and/or certain regulatory or reporting requirements, typically used to reduce administrative burden on low-value shipments. Thresholds vary by jurisdiction and may be set per consignment or in aggregate. In the Survey,

the de minimis import value refers to any such monetary threshold below which the relevant import restriction does not apply.

De-construction practices: The systematic dismantling, disassembly, or 'construction-in-reverse' of buildings, with the aim of salvaging reusable materials and components and diverting waste.

Default, Benchmark, or Deemed Emissions Values: Standardized emissions values used to quantify the embedded emissions of imported goods under a border carbon adjustment when actual, verified emissions data is unavailable or not provided by the importer. These values may be set on the basis of country averages, sector or product benchmarks, or worst-performing producer percentiles. They are typically designed to incentivize importers to provide verified actual-emissions data instead, for example by being set conservatively high.

Dependencies: Relationships or conditions in which one entity relies on another. In the context of environmental governance, dependencies often refer to the reliance on certain economic activities, natural resources, or policy frameworks, which can impact the ability to implement sustainability measures effectively.

Design-for-disassembly: The forward-looking practice of designing buildings with the intent to manage deconstruction more efficiently. This can include using mechanical joints rather than permanent fixings (i.e. welding or glue), emphasising recyclability of materials, and incorporating modular or adaptable designs which allow for flexibility across users.

Disclosure: Policy tools recommending or requiring entities provide information about emissions associated with their activities and/or climate risk exposure. Disclosure obligations or recommendations ask entities to report information but set no demands for action beyond reporting.

Double Counting: Double counting in the context of carbon credits refers to a situation where the same greenhouse gas (GHG) emission reduction or removal is counted more than once. This can occur in the form of double use (when a single carbon credit is used and/or retired more than once), double issuance (when multiple carbon credits are issued for the same GHG reduction or removal activity), or double claiming (when the same GHG reduction or removal is claimed by two different entities towards their mitigation targets or inventories).

E-Kerosene: A synthetic, fossil-free alternative to traditional aviation fuel, produced via a Power-to-Liquid (PtL) pathway using renewable electricity, water, and captured carbon dioxide.

Eligibility: Requirements or preferences which are applied either a) to select bidders to invite to tender in a two-stage procedure or b) to decide which bidders are eligible for award of contract in a single stage procedure. These differ from award criteria in that they do not determine the outcome of the competition. They may be assessed on either a pass/fail or scored basis.

Embedded/Embodied Emissions: Greenhouse gas emissions associated with the life cycle of a product, good, or asset. In the buildings sector, for example, embodied

emissions include emissions from raw material extraction, manufacturing, transportation, construction, maintenance, and eventual demolition and end-of-life treatments. In the context of border carbon adjustment mechanisms, embedded emissions are the basis on which the carbon charge applied to imported goods is calculated. Definitions of embedded emissions vary across jurisdictions and may include direct (process) emissions only, direct emissions plus indirect emissions from electricity used in production, or a wider scope of inputs.

Emissions Removal: Refers to the process of actively removing carbon dioxide from the atmosphere and storing it safely, either through nature-based solutions such as afforestation, or using technologies such as direct air capture (DAC) or bioenergy with carbon capture and storage (BECCS).

Emissions Trading Scheme (ETS): Forms a part of the compliance market, where a limit (or cap) is set on the total amount of emissions allowed within a sector and then permits (allowances to emit) are distributed among all entities within that sector. These allowances can be traded between firms (for example: a firm emitting more than the cap can purchase allowances from another firm within the sector emitting less than the cap). This creates a market for trading emissions and incentivizes the most cost-effective emissions reductions as the overall emissions limit is reduced over time.

Emissive Assets with Long Lifespans: Assets that produce significant greenhouse gas emissions and have long operational lifespans, such as coal-fired power plants or industrial machinery. These assets pose challenges for decarbonization due to their extended use and high emissions profile.

Enteric Methane: A by-product of the natural digestive process occurring in wild and domesticated ruminant animals such as cattle, goats, sheep, and buffalos.

ESG Risks (or E&S Risks): ESG risks are those arising from environmental, social and governance factors that a company must address and manage. E&S risks are the potential negative consequences to a business that result from its impacts (or perceived impacts) on the natural environment (i.e. air, water, soil) or communities of people (e.g. employees, customers).

Exclusion or Debarment Grounds: Requirements, usually based on legal compliance, which must be met by any entity under consideration for participation in a tender competition or award of contract.

Flaring: Flaring is the practice of burning gas that is deemed uneconomical to collect and sell. Flaring is also used to burn gases that would otherwise present a safety problem. It is common to flare natural gas that contains hydrogen sulphide (i.e., sour gas), in order to convert the highly toxic hydrogen sulphide gas into less toxic compounds.

Fluvial flooding: An event in which rivers, lakes, or streams overflow, often due to excessive rain or snowmelt.

Fossil Fuel Phase Down/Phase Out: The gradual reduction or complete elimination of fossil fuel use to mitigate climate change. A phase down involves reducing consumption over time, while a phase out aims for a total cessation of fossil fuel use, typically replaced with renewable energy sources.

Free Prior and Informed Consent (FPIC): Free, prior, and informed consent (FPIC) is a principle that recognizes the right of Indigenous Peoples to give or withhold their consent for any action that may affect their lands, territories, or rights. It ensures that Indigenous Peoples are not pressured or coerced into consenting to projects or policies that impact their lives.

Fugitive Emissions: They are defined as the unintentional and undesirable emission, leakage, or discharge of gases or vapours from pressure-containing equipment or facilities, and from components inside an industrial plant such as valves, piping flanges, pumps, storage tanks, compressors, etc. Fugitive emission is also known as leak or leakage.

GHG Emissions Avoidance or Reduction: Refer to strategies to reduce greenhouse gas emissions. Whereas emissions avoidance prevents the release of GHGs altogether, emissions reduction aims to decrease the amount of GHGs released from existing sources.

Gold Standard: The Gold Standard (GS) is an independent crediting program focused on progressing the United Nations Sustainable Development Goals (SDGs). The GS can be applied to independent crediting projects supplying the voluntary market and as an add-on standard for CDM projects.

Governance Domains: Refers to specific spheres of policy and regulatory action. The six net zero governance domains examined in the 2025 survey are disclosure, transition planning, public procurement, carbon crediting rules, prudential instruments, and methane abatement regulations.

Green Asset Ratio (GAR): The Green Asset Ratio (GAR) is a metric used by banks to measure the proportion of their assets that are aligned with the EU Taxonomy, a classification system for sustainable economic activities. It essentially shows what percentage of a bank's balance sheet is invested in or used to finance environmentally sustainable activities.

Green, Sustainable or Transition Taxonomies: Green, sustainable, and transition taxonomies are classification systems that categorize economic activities and assets based on their environmental and social impact, guiding investment decisions and promoting sustainable practices. They provide a framework for identifying which activities contribute to environmental objectives like climate change mitigation and can help prevent greenwashing by setting clear criteria for sustainability.

Harmonized System (HS) Codes: A globally standardized, 6-digit numerical code, developed by the World Customs Organization, used by customs authorities to classify physical goods shipped across international borders.

IETA Guidelines for High-Integrity Use of Carbon Markets: These guidelines were developed by and for companies who participate in the voluntary carbon market

to mobilize private sector climate finance and decarbonize their businesses. The most updated guidelines can be found here.

Industrial Policy or Strategic-Sector Promotion: A rationale for trade and other regulatory measures in which the stated purpose is to support, protect, or accelerate the development of specific industries or sectors considered strategically or economically important to the imposing jurisdiction. In the trade measures context, this rationale is often invoked to justify restrictions designed to build or protect domestic manufacturing capacity in climate tech sectors (e.g., EVs, batteries, solar, wind). Examples of policies invoking this rationale include the US Inflation Reduction Act, the EU Net-Zero Industry Act, and Japan's Economic Security Promotion Act.

Instrument-based LDAR: They are specialised instruments to identify and quantify leaks in equipment and processes, ultimately reducing emissions and improving safety.

Intensity-based Target: A goal for reducing greenhouse gas emissions relative to a unit of economic output or activity, such as emissions per unit of production or per dollar of GDP. Intensity-based targets allow emissions to grow with increased production but aim to make each unit of production less carbon-intensive.

Integrity Council for the Voluntary Carbon Market (ICVCM): A non-profit independent governance body that aims to set and maintain a global standard for high integrity in the voluntary carbon market. It has issued guidelines for both the demand and supply of carbon credits in the VCM under the Core Carbon Principles.

Internal Capital Adequacy Assessment Process (ICAAP): The Internal Capital Adequacy Assessment Process (ICAAP) is a regulatory requirement for financial institutions to assess and manage their capital adequacy, ensuring they can meet their liabilities. It involves identifying, measuring, monitoring, and managing the risks they face, and then determining the amount and type of capital needed to cover those risks. The ICAAP is a key part of a bank's risk management framework and helps ensure its resilience to various risks.

IPCC Scenarios: The Intergovernmental Panel on Climate Change (IPCC) uses scenarios to understand potential climate change impacts and outcomes. These scenarios have been widely used in the analysis of possible climate change, its impacts, and options to mitigate climate change.

IUCN Global Standard for Nature-based Solutions: Focuses specifically on outlining a standard for the verification, design and scaling up of nature-based solutions. The first edition of the standards can be found here.

Jurisdictional REDD+: Jurisdictional REDD+ (JREDD) is designed to fund regional transitions to forest-positive, socially inclusive rural development. It is fundamentally different than private or projects-based forest carbon projects, which have come under scrutiny for overstating their climate benefits. JREDD rewards forest carbon emissions reductions already achieved across entire jurisdictions – states and nations – and provides a platform for the full participation of Indigenous peoples, local

communities and farmers. It features a leadership role for governments that are becoming more transparent and inclusive in the process.

Just Transition: A framework for ensuring that the transition to a low-carbon economy is fair and inclusive, providing support to workers and communities affected by the shift away from high-carbon industries. It focuses on creating sustainable jobs, social protection, and rights at work to ensure no one is left behind.

Just Transition Indicators: Metrics used to measure and monitor the social and economic impacts of the transition to a low-carbon economy. These indicators might include employment rates in green jobs, levels of social protection, retraining program effectiveness, and equity in the distribution of benefits and burdens.

Leak Detection and Repairs (LDAR): It is a work practice designed to identify leaking equipment so that emissions can be reduced through repairs.

Life-cycle Costing: Life-cycle or whole-life costing is the process of assessing the total cost of ownership of an asset, which may include operational costs such as energy, fuel or maintenance, replacement or upgrades, and end-of-life costs or revenue. It may also include costs attributed to environmental externalities such as greenhouse gas emissions.

Lifecyle emissions intensity: Lifecycle emissions intensity of aviation fuel measures the total greenhouse gas (GHG) emissions released across the fuel's entire lifespan, from production to combustion.

Liquidity Requirements: Liquidity requirements refer to the rules and standards that mandate financial institutions, like banks, to hold sufficient liquid assets to meet short-term obligations without selling assets at a loss. These requirements aim to ensure the stability and resilience of the financial system by preventing liquidity crises.

Liquidity Risk Profile: A liquidity risk profile assesses an organization's ability to meet its financial obligations when they are due, highlighting its potential for short-term or long-term funding needs. It involves analysing both asset and liability cash flows to determine the organization's capacity to generate enough cash to meet its commitments.

Locked-in Emissions: Emissions that are expected to occur in the future due to existing investments in long-lived assets, such as power plants or industrial facilities. These emissions are "locked-in" because they result from current infrastructure that will continue to operate and emit greenhouse gases unless they are retired early or retrofitted.

Low-carbon fuel standard: Refers to a standard set by government policy or regulation for transportation fuels (in particular, aviation fuels relevant to the Monitor survey) to meet a certain energy-related greenhouse gas target within a specified jurisdiction and timeframe. For instance: A GHG-intensity target for aviation fuels based on lifecycle emissions assessment of the fuel.

Materiality Assessment: An evaluation process to identify and prioritize the environmental, social, and governance (ESG) issues that are most significant to an

organization and its stakeholders. This assessment helps determine which issues could impact the organization's performance and should be disclosed or addressed.

Materiality Standard: The criteria or guidelines used to determine which information is material and should be reported. This standard helps organizations decide what ESG information is relevant for decision-making and communication with stakeholders.

Methane Abatement: Methane abatement refers to measures taken to reduce methane emissions, a potent greenhouse gas, from various sources. These sources include oil and gas operations, coal mining, agriculture, and waste management. Abatement strategies focus on preventing emissions from leaking, venting, or flaring, as well as capturing and utilizing methane that would otherwise be released.

Methane Intensity Standard: It is a measure of methane emissions relative to natural gas throughput.

Nacelles: The housing mounted at the top of a wind turbine tower that contains the principal power-generating components, including the gearbox, generator, drivetrain, and control systems. For the purposes of the Survey, nacelles are considered immediate "pre-assembly" upstream components of wind turbines.

Nature: Refers to the physical world collectively, including plants, animals, landscapes, and other features and products of the earth, excluding humans and human creations. In environmental policy, nature is often used to emphasize the conservation and sustainable management of natural resources and ecosystems.

Nature and Biodiversity: The variety of living organisms and ecosystems, including plants, animals, and microorganisms, and the ecological processes they form. Protecting nature and biodiversity involves conserving habitats, preventing species extinction, and maintaining ecosystem services.

Nature-related Financial Risks: Nature-related financial risks are the risks to economies, financial institutions, and financial systems arising from the degradation of nature, including biodiversity loss and the loss of ecosystem services. These risks are broadly categorized into physical risks (direct impacts of nature's decline) and transition/liability risks (resulting from policies and market changes aimed at protecting nature).

Nature-related Impacts: The effects of an organization's activities on natural ecosystems, biodiversity, and natural resources. These impacts can include habitat destruction, pollution, and resource depletion, which can harm ecological balance and biodiversity.

Net Emissions: The total greenhouse gas emissions produced by an entity after subtracting any offsets or removals. Net emissions aim to reflect the actual impact on the atmosphere, accounting for any actions taken to mitigate or neutralize emissions.

NGFS scenarios: The NGFS climate scenarios explore a range of plausible outcomes for understanding how climate change (*physical risk*) and climate policy and technology trends (*transition risk*) could evolve in different futures. Each scenario was

chosen to show a range of higher and lower risk outcomes. The 2024 version (Version 5) of the NGFS scenarios can be found here.

Non-tariff Market Access Conditions: Regulatory requirements or restrictions (other than tariffs) affecting the ability of imported goods to enter or be sold in a market. These include: local content or origin requirements; technical regulations or performance standards; certification, testing, labelling, or conformity assessment requirements; import licensing, registration, or prior authorization requirements; and quantitative restrictions, quotas, or import bans. Non-tariff conditions may be applied alongside or as an alternative to tariff measures.

Offsets/Offsetting: The process of compensating for greenhouse gas emissions by investing in projects that reduce or remove emissions elsewhere, such as reforestation or renewable energy projects. Offsetting allows entities to balance their emissions by supporting equivalent reductions or removals outside their direct operations.

Operational Building Emissions: Greenhouse gas emissions associated with the energy used to operate a building or in the operation of infrastructure, including from heating, hot water, cooling, ventilation, lighting systems, equipment and lifts.

Oxford Principles for Net Zero Carbon Alignment: These principles, revised recently in 2024, outline how offsetting by private entities should be approached to help achieve a net-zero society. The most updated principles can be found here.

Passive cooling measures: A building design approach that aims to regulate indoor temperatures through the use of low- or no-energy measures. These measures aim to maximise natural ventilation, shading, thermal mass, and insulation in order to minimise the need for conventinal air-conditioning systems.

Pasture-based Systems: In the context of reducing agriculture-related methane emissions, it refers to systems in which there is minimal manure storage and cattle recycle nutrients from urine and feces back to the fields.

Permanence: In the context of carbon credits, permanence refers to the amount of time that the emissions reduced or removed through the carbon credit-generating project will remain sequestered rather than being released back into the atmosphere through natural processes or human activities.

PHEVs (Plug-in Hybrid Electric Vehicles): Vehicles that combine an internal combustion engine with an electric motor and a rechargeable battery pack that can be charged from an external power source. PHEVs can operate on electric power alone for a limited range before drawing on, or being supplemented by, the combustion engine.

Pluvial flooding: An event in which extreme rainfall causes flooding independent of river or lake overflow. This can include surface water floods, in which water pools in

streets and buildings, or acute, flash floods, which are high-velocity torrents of water caused by rainfall or dam failure.

Policy Tool: Policy tools encompass both the voluntary and mandatory—or soft and hard—tools used by governments to achieve their objectives. There is a wide spectrum of policy tools, from government guidance and recommendations to legislative and regulatory instruments. Our broad definition of policy tools aims to capture what instruments are most meaningfully shaping national efforts to align the economy with net zero ambitions—whether those take the form of voluntary guidance or legally-enforceable rules and standards. Note that policy tools need not be specific to climate or net zero policy, provided they are relevant to climate mitigation.

Pre-procurement: The period prior to the commencement of a tender procedure, when planning, market consultation/engagement and preparation of tender documents takes place.

Procurement: The process of soliciting and evaluating requests for qualification, quotations, tenders, or other submissions/offers made by market actors in response to a defined requirement.

Prudential (Policy) Tools: Policy tools issued by central banks and/or financial regulatory authorities that set rules or guidance regarding how financial risks emerging from climate change should be identified, assessed, mitigated, and/or monitored.

Public Procurement: Policy tools recommending or requiring governments to consider climate objectives when purchasing goods, services, or works.

Reclamation and/or Rehabilitation of Mines: It is the process of restoring and rehabilitating land that has been disturbed by mining activities, returning it to stable and productive uses.

Registry: A carbon credit registry is a system for reporting and tracking crediting project information including project status, project documents, credits generated, ownership, sale, and retirement. Registries can be either public or private. While a public registry is created and operated by a public entity such as national governments or an international body, private registries are operated by private entities such as the American Carbon Registry (ACR) and Climate Action Reserve (CAR).

Renewable Energy Procurement: The process of acquiring energy from renewable sources, such as solar, wind, and hydropower, to meet an organization's energy needs. This procurement supports the transition to a low-carbon economy by reducing reliance on fossil fuels and lowering greenhouse gas emissions.

Repealed: Refers to a policy that is no longer in force and has been officially cancelled or or made invalid.

Retired: Refers to a policy that has reached its end date and is thus no longer in force.

Retroactive Duty Assessment: The imposition or recalculation of customs duties on goods after they have already been imported, typically applied as a sanction for non-compliance with import requirements such as misdeclaration, misclassification, undervaluation, or evasion of duties. Customs authorities may demand payment of additional duties (often with interest and penalties) covering a defined look-back period.

Reversal Risk: Reversal refers to instances in which carbon stored by a project is later emitted, resulting in no cumulative change in atmospheric carbon over time. Remedial measures could include requirements to maintain a buffer pool of reserves or emphasis on the durability of credits.

Rice Straw and Stubble: Rice straw is produced as a by-product of rice production at harvest. Rice straw is removed with the rice grains during harvest, and it ends up being

piled or spread out in the field depending on if it was harvested manually or using machines. Stubble refers to the straw and crown of rice plants that remain on the soil surface after harvest - essentially the leftover plant material, including the stems, leaves, and other parts that are not harvested for grain.

Risk Management and Governance of Climate Risks: Effective risk management and governance of climate risks involve integrating climate-related considerations into a company's overall risk management framework and governance structure, ensuring that the board and management are aware of and actively managing these risks.

Safeguard: A temporary trade restriction (such as an additional tariff or import quota) imposed when a surge in imports of a particular product causes or threatens serious injury to a domestic industry producing similar or directly competitive products. Unlike anti-dumping and countervailing duties, safeguards do not require a finding of unfair trade practices by foreign producers and apply to imports from all sources rather than specific countries. Their use is governed by the WTO Agreement on Safeguards.

Scenario Analysis: Climate scenario analysis is a tool used to understand the potential impacts of climate change on various aspects, including financial portfolios, business strategies, and broader societal systems. It involves creating different future scenarios based on varying levels of greenhouse gas emissions and other factors, and then assessing the potential consequences of those scenarios.

Science Based Targets: In line with 1.5 C temperature goals with no or limited overshoot according to the IPCC or the IEA.

Scope of Emissions (Scope 1, 2, 3):

- **Scope 1 Emissions:** Direct greenhouse gas emissions from sources owned or controlled by the entity, such as emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc.
- **Scope 2 Emissions:** Indirect greenhouse gas emissions from the generation of purchased electricity, steam, heating, and cooling consumed by the reporting entity.

- **Scope 3 Emissions:** All other indirect emissions that occur in the value chain of the reporting entity, including both upstream and downstream emissions. This can include emissions from purchased goods and services, business travel, waste disposal, and use of sold products.

Sectoral Decarbonization Approach: A method for setting greenhouse gas reduction targets that align with the specific characteristics and potential of different economic sectors. This approach recognizes that each sector has unique challenges and opportunities for reducing emissions and tailors strategies accordingly.

Selection Criteria: See *Eligibility*

Solid-liquid Separation: It refers to the process of separating solid particles from a liquid phase. In the context of agricultural anaerobic digester systems, it is used to treat digestate and reduce air pollution by decreasing NH3 emissions.

Stress-testing: Climate stress testing is a financial risk assessment tool that evaluates how financial institutions might be impacted by various climate-related scenarios, including physical risks like extreme weather events and transition risks related to climate policies and economic shifts. It builds upon traditional stress testing by incorporating climate-related risks, helping institutions understand and manage these challenges.

Superseded: Refers to an existing policy that has been replaced with a newer policy. This new policy may contain the same provisions as the prior policy, or it may add or amend provisions in the previous policy.

Sustainable Aviation Fuels (SAF): Refers to renewable or waste-derived aviation fuel that meets certain specified sustainability criteria. SAFs are often classified into different 'generations' based on their method of production or input used for generating the fuel.

- **SAF derived from waste-based Hydroprocessed Esters and Fatty Acids (HEFA):** Refers to SAF produced from converting used cooking oil (vegetable oil, cooking oil), fats, and greases into aviation fuel using hydrogenation.
- **1st generation SAF:** Refers to SAF made from food-based feedstocks such as vegetable oils, sugar, or starch crops.
- **2nd generation SAF:** Refers to SAF produced from non-food, cellulosic materials such as agricultural residues, woody biomass, or municipal solid waste.
- **3rd generation SAF or synthetic fuel:** Refers to advanced, non-biological jet fuels created using captured carbon dioxide and renewable electricity (often called power-to-liquid or PtL). Unlike 1st generation fuels (food-based) or 2nd generation fuels (waste-based), these synthetic fuels (e-fuels or e-kerosene) are designed to produce near-zero lifecycle emissions and are not dependent on land use or agricultural residues.

Sustainable Aviation Fuel (SAF) mandate: Refers to a government policy or regulation that requires airplane operators or aviation fuel suppliers to blend a

certain (minimum) percentage of low-carbon renewable fuel (such as biofuel or e-fuel) into aviation turbine fuel.

Targeted Entity: An organization, company, or institution that is subject to a policy tool captured by this survey.

Technical Specifications: Requirements which relate to the goods, services or works being purchased and which set minimum performance levels or outcomes, technical, functional or aesthetic characteristics, production processes or methods.

The 7 Cancun Safeguards for REDD+: Represent measures designed to ensure that REDD+ (Reducing Emissions from Deforestation and Forest Degradation) initiatives are implemented in a way that promotes sustainable forest management, respects local communities and indigenous peoples, and minimizes risks of unintended negative impacts.

Transition Plan(ning): Policy tools recommending or requiring that entities develop, disclose, and/or implement targets or pathways towards decarbonization. Transition planning obligations or recommendations ask entities to act. At a minimum, this can mean asking regulated entities to develop and disclose targets. Transition planning tools may also define 'credible' transition plans and/or set requirements for implementation.

Tropical Forest Credit Integrity Guide: The Tropical Forest Credit Integrity (TFCI) Guide has been developed for companies interested in purchasing carbon credits in the voluntary carbon market to differentiate among forest carbon credits by impact, quality, and scale.

Upstream Components: In a manufacturing supply chain, the parts, sub-assemblies, or materials used to produce a finished good, located earlier in the production process. In the Survey, "immediate pre-assembly upstream components" refers specifically to inputs that are directly assembled into the final product (e.g., cells, cathodes, anodes, separators, and battery management systems for batteries; cells, wafers, panels, and inverters for solar; blades, towers, nacelles, generators, and gearboxes for wind turbines). It excludes inputs further upstream such as raw materials or finished metals.

Venting: Venting is the direct release of methane gas to the atmosphere. Venting occurs at a number of points in the oil and gas development process (well completion; well maintenance; pipeline maintenance; tank maintenance; etc.)

Verra: Verra is a non-profit organization and a certifier of voluntary carbon offsets. It administers the Verified Carbon Standard (VCS), a leading standard for certifying carbon credits to offset emissions.

Voluntary Carbon Market: Refers to the unregulated part of the carbon market which operates in the absence of government rules. It is typically tapped by companies or organizations that decide to purchase carbon credits, whether in anticipation of future policy obligations, or, more often, as part of a corporate social responsibility and/or public relations plan.

Voluntary Carbon Market Integrity (VCMI) Initiative: An international non-profit organization which focuses on enhancing demand-side integrity in the voluntary carbon market.

Web Archived Link: A URL that directs users to a stored version of a web page as it appeared at a specific point in time. Web archiving is used to preserve digital content for future reference, ensuring that information remains accessible even if the original page is changed or deleted.

Whole-life Costing: *See Life-Cycle Costing*

9. Appendix

Domain	Ambition Variables	Weight	Ambition Sub-Variables
Aviation	**SAF Mandate**	**50%**	Type of target Targeted flights SAF type SAF reward Financial incentives
	CORSIA Implementation	**25%**	CORSIA signatory Targeted flights MRV flights TPV of carbon credits Penalties for non-compliance
	Aviation-sector Carbon Pricing	**25%**	ETS or carbon tax
Buildings	**Reducing operational emissions**	**40%**	Insulation Targets for operational emissions reductions Energy management systems Electrification
	Reducing embodied emissions	**40%**	Disclosure, embodied emissions National target, embodied emissions Limit, embodied emissions

	Reducing risk	**20%**	Disclosure of risk Mitigation of risk Passive cooling
Carbon Crediting Rules	Registry/Double Counting	25%	Duty to use a Registry Other measures to tackle Double-counting
	Additionality, Permanence and Third-Party Verification	25%	Use of a crediting standard (creating own public/govt/national standard or using a private standard) Criteria for additionality Criteria for permanence Third-party verification
	Reversal	25%	Remedial measures in case of reversal of credits
	Social Integrity	25%	Social integrity criteria in the generation and/or use of credits Benefit-sharing arrangements with impacted communities Grievance redressal/dispute resolution mechanisms
Climate-related disclosure	Disclosure of Emissions	30%	Duty to disclose emissions Duty to disclose emissions scope Duty to disclose GHG emissions accounting methodologies Third-party verification of GHG emissions
	Disclosure of Risk	30%	Disclose physical risk Double materiality Scenarios/methodologies for physical risk Disclose transition risk Double materiality Scenarios/methodologies for transition risk
	Disclosure of Targets and Plans	30%	Duty to disclose targets Net-zero target Duty to disclose progress in achieving targets Scope of emissions targeted Other climate targets Duty to disclose transition plans Duty to disclose progress in implementing transition plans Disclose methodologies

	Disclosure of Offsets	10%	Duty to disclose GHG emissions offsets or removals Disclose offsetting purchases Disclose whether purchased offset are verified Disclose certifications and/or standards for the use of GHG offsetting or removals
Green Prudential Tools	Risk and transition governance	20%	Setting accountability and affecting remuneration of senior management Improving data quality and identifying short- and long-run impact of climate risks Due diligence in new client and transaction approval Use of metrics to assess portfolio exposure
	Disclosure and transition planning	20%	Disclose climate-related risk management and governance practices Developing a transition plan Implementing a transition plan Third-party verification
	Stress-testing	20%	Duty to conduct climate stress tests or scenario analysis Use of scenarios Frequency of stress-testing Use of stress-testing results and their disclosure
	Capital requirement	40%	Use of stress-testing to adjust capital/liquidity requirements Use of Internal Capital Adequacy Assessment Process (ICAAP) Differentiated capital requirements for green or brown lending Preferential lending to green sectors
Methane Abatement	National targets	25%	Setting national methane emissions reduction target Target reduction in emissions Year for meeting target
	Fugitive Emissions, Leak Detection, and Repair	25%	LDAR for oil and gas LDRA for coal LDAR target for oil and gas LDAR measures for oil and gas
	Venting and flaring	25%	Reduction of venting and flaring -- oil and gas, coal
	Agriculture	25%	Agriculture source rule Measurement of emissions

			Pricing agricultural emissions
Public Procurement	Green Procurement Target	25%	
	Life-cycle Costing	25%	
	Green Product Criteria	25%	Technical specifications
	Green Supplier Criteria	25%	
Trade Measures	*Ambition not applicable*		
Transition Planning	Disclosure of Plans and Targets	20%	
	Development of Targets	40%	Duty to have or develop targets Duty to report progress Scope of emissions targeted Interim targets Other targets
	Development of Transition Plan	40%	Duty to have or develop plan Plan qualities (timeframe, KPIs, updates, TPV, methodologies) Monitor progress in implementation Alignment of engagement, lobbying and governance practices