Video Segment 2: The Language of Climate Change

“The challenge comes from the fact that there is no generally agreed-upon methodology for how an entity can legitimately achieve net zero emissions.” – Dr. Sarah Light

NOTE-TAKING GUIDE

Explain, with examples from the video:

Net Zero:

Carbon Negative:

Carbon Offsets:

Greenwashing:

Professor Sarah Light addresses the important role of government in the actions that businesses take on behalf of the environment. Name three ways that governments can (and possibly already are) ensure companies are meeting their carbon commitments and representing themselves accurately in the market?

1.

2.

3.

NASCAR's commitment to carbon neutrality by 2050, as well as news of the first shipment of carbon-neutral oil, are two examples that Prof. Light mentions in her discussion of the buzz around net-zero emissions. She also talks about companies' overall "greenness." What examples have you observed of companies, even locally, embracing a green mindset and investing in the environment, either in significant ways or small ways? Now, turn the lens inwards. Do you have specific goals around your personal carbon footprint? What steps are you taking to achieve them, as a consumer, a driver, or otherwise?

THE LANGUAGE OF BUSINESS

Asset Manager	Marketing
Consumer	Product
Consumer Product Safety Commission	Regulations
European Union	Sustainable Business

Accountability: Accountability refers to taking ownership of your decisions. When it comes to environmental issues, businesses need to be accountable for their actions; they need to accept responsibility for their decisions and the impact those decisions have on the planet.

Advertising: Creating promotional advertisements in the media to sell more products or services.

Carbon Capture and Storage: The process of trapping carbon dioxide produced by burning fossil fuels and storing it so it can't harm the environment.

Carbon Credits: Permits that allow countries or companies to produce a certain amount of carbon emissions.

Carbon Emissions: Carbon dioxide and other heat-trapping gases that are emitted from factories, vehicles and other sources of fossil fuels and are thought to be damaging the planet.

Carbon Negative: When a company, nation, university or other entity removes more carbon emissions than they release into the atmosphere.

Carbon Neutrality: Net zero carbon dioxide emissions (see Net Zero).

Carbon Offset: An action meant to compensate for the emission of carbon dioxide into the atmosphere. A company might purchase carbon offset credits to balance out its emissions and improve its environmental impact. Carbon offsets are generated through positive environmental activities, such as planting trees and carbon capture and storage or destruction.

Consumer Products Firm: A company that sells products (or consumer goods) to the buying public.

Disclosure: When a business is completely honest and open with what it reports to the public, like full disclosure of its factory emissions and its environmental impact. Disclosure in documents like annual reports and 10Ks allow investors to make informed decisions about their investment decisions because they know a company's authentic story.

Dr. Seuss's The Lorax: A children's book written by Dr. Seuss in 1971 that playfully addresses the plight of the environment through the experiences of The Lorax, who "speaks for the trees."

ESG: ESG stands for Environmental, Social and Governance and refers to a system for how to measure the sustainability of a company. It is an evaluation of a firm's beliefs and attitudes about social and environmental factors. Companies are thinking hard about how to incorporate ESG factors into their business strategies to appeal to investors, customers and other stakeholders. And investors are turning to ESG rating firms to screen their investments on these various factors.

Federal Trade Commission (FTC): A U.S. government agency that promotes consumer protection.

Fossil Fuel-dependent: Many businesses and people still rely upon fossil fuels, including coal, crude oil and natural gas, to operate and travel. These carbon-rich fuels are burned for energy and release large amounts of carbon dioxide into the air.

Global Markets: Markets around the world that accommodate buying, selling, servicing and other business activities.

Greenhouse Gas Emissions: The rising levels of carbon dioxide and other heat-trapping gases that are emitted from factories, vehicles and other sources of fossil fuels and are thought to be damaging the planet.

Greenness: In business, this refers to a company's environmental sensitivity, awareness and proactivity. Authentically green businesses are very tuned into their impact on the environment.

Greenwashing: A set of deceptive marketing practices in which an entity exaggerates environmental attributes of a product, service or itself in a way that is not supported by the evidence

Net Zero: Net zero or net zero emissions refers to the balance between the amount of greenhouse gas produced and the amount removed from the atmosphere. Companies reach net zero when their emissions are equal to the amount of carbon they take away. A coalition of countries have committed to being net zero by 2050.

Net Zero Asset Managers: A group of international asset managers who support the goal of net zero greenhouse gas emissions by 2050 or sooner.

Private Standard-setting Organizations: An organization that works to create uniformity or standards across producers, consumers and other entities to help them all work toward a common goal, which in this case might be reaching net zero by 2050.

Recycled Material: Material like plastic drinking bottles and cardboard that, rather than being thrown away, can be used to make new products.

Regulatory Uncertainty: When companies are unclear on the regulations or rules set forth by the government.

Science-based Targets Initiative: An initiative that defines and promotes best practices in reducing emissions and reaching net-zero targets and provides resources and assistance to companies that set climate action-related goals.

Transparency: You'll hear this term a lot, especially related to ESG. Transparency in business is the basis for trust between a company and its customers, investors – all stakeholders. When a company is transparent, it is open and honest about communicating what happens behind the scenes with its operations, management and other business functions.

Sustainable Finance and Investments: A set of financial products and approaches that pursue an environmental objective.

Zero Carbon: The same as net zero, zero carbon means no net release of carbon dioxide into the atmosphere.

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