

## SPEAKING THE SAME LANGUAGE

# A glossary of supply chain and sustainability terms

Sustainability and Supply Chain teams often use different terminology to describe their work, which can add confusion to the collaboration process. This glossary is designed to bridge that gap by clarifying key terms used by each group.



### KEY SUPPLY CHAIN TERMS

**ASN**

*(Advance Ship Notice)  
(EDI 856)*

An electronic document sent by a supplier to a retailer in advance of a shipment, detailing its contents and expected delivery time.

**EDI**

*(Electronic Data  
Interchange)*

A standardized digital method for exchanging business documents between businesses and suppliers.

**Inventory turnover**

A measure of how many times inventory is sold and replaced over a period.

**Invoice**

*(EDI 810)*

A bill issued by a seller to a buyer requesting payment for products or services.

**Item data**

Detailed information about individual products, including attributes like size, color, and price. Item data is essential for inventory management, sales tracking, and is often facilitated by EDI.

**Lead time**

The time between placing an order and receiving the goods, crucial for planning and managing inventory.



## KEY SUPPLY CHAIN TERMS, CONTINUED

### **OTIF**

*(On-time in-full)*

A metric measuring the percentage of orders delivered to the customer or retailer at the agreed-upon time and with the correct quantity.

### **Purchase order**

*(PO)*

*(EDI 850)*

A commercial document issued by a buyer to a seller indicating the type, quantities, and agreed prices for products or services.

### **Purchase Order Acknowledgment**

*(EDI 855)*

A document sent by the seller to the buyer confirming receipt of a purchase order which is critical for shipment tracking and receiving and is heavily supported by EDI systems.

### **3PL**

*(Third-Party Logistics)*

A company that handles logistics, warehousing, and shipping for another business.



## KEY SUSTAINABILITY TERMS

### **CDP**

*(formerly known as Carbon Disclosure Project)*

A global platform where companies choose to disclose environmental data, including emissions and climate targets.

### **CSRD**

*(Corporate Sustainability Reporting Directive)*

A European Union regulation that requires detailed sustainability disclosures from qualifying companies.

### **Emissions inventory**

A complete accounting of the greenhouse gas emissions that a company is responsible for across their operations and value chain.

### **Emissions intensity**

Emissions per unit of business activity, often expressed as emissions per unit of revenue or product.



## KEY SUSTAINABILITY TERMS, CONTINUED

### **SBT**

*(Science-Based Target)*

A company-specific emissions reduction goal aligned with global climate science and targets. Companies can also set internal reduction targets that are not approved by SBTi.

### **SBTi**

*(Science Based Targets initiative)*

The organization that validates and approves science-based emissions targets.

### **Scope 1 emissions**

Direct greenhouse gas emissions from an organization's owned or controlled sources, such as company vehicles or onsite fuel combustion.

### **Scope 2 emissions**

Indirect emissions from the generation of purchased electricity, steam, heating, and cooling consumed by the company.

### **Scope 3 emissions**

All other indirect emissions that occur in a company's value chain, including upstream (supply chain) and downstream (post-sale) activities.

### **Scope 3, Category 1**

There are 15 categories of scope 3 emissions. Category 1 refers to emissions from purchased goods and services, or emissions generated by suppliers. This is often one of the largest sources of Scope 3 emissions and the primary focus of this ebook.

### **Verified data**

Emissions data that has been independently audited or reviewed by a third party to confirm its accuracy.

## Looking for more ways to strengthen collaboration?

Download the full [Playbook for Cross-Functional Collaboration on Supply Chain Sustainability](#) to access additional tools, templates, and practical guidance for building alignment between teams.