

Glossary of climate-related terms

Term	Definition
Physical risk	The impact of climate hazards, both shocks such as flooding, extreme heat and bushfires, and stresses such as drought and habitat loss.
Transition risk	The disruptive changes that will occur in the transition to the low carbon economy, e.g. stranded assets, changes to regulations, obtaining insurance.
Interdependent risks	Risks (and solutions) that are dependent on other organisations, systems and infrastructure
Mitigation	Reducing and soon eliminating emissions that contribute to climate change
Adaptation	Adjustment which moderates harm or exploits opportunities
Shocks	Acute events with direct impacts, such as extreme heat, bushfires and floods.
Stresses	Chronic phenomenon with longer-term and drawn-out impact, such as drought and changes in habitat.
Greenhouse gas (GHG)	Greenhouse gases are those gaseous constituents of the atmosphere, both natural and anthropogenic, that absorb and emit radiation at specific wavelengths within the spectrum of terrestrial radiation emitted by the Earth's surface, the atmosphere itself, and by clouds. Water vapour (H ₂ O), carbon dioxide (CO ₂), nitrous oxide (N ₂ O), methane (CH ₄) and ozone (O ₃) are the primary greenhouse gases in the Earth's atmosphere.
Scope 1 emissions	Direct emissions from owned or controlled sources, i.e. fuels burnt on site and manufacturing process emission
Scope 2 emissions	Indirect emissions from the generation of purchased energy, i.e. emission shipped in via electricity
Scope 3 emissions	All indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions, supply chain and embodied carbon

A further, more detailed glossary of climate change terms is available from the CSIRO at:
<https://www.climatechangeinaustralia.gov.au/en/learning-support/glossary/>