BUSINESS IN THE COMMUNITY

Climate Northern Ireland

Financial Resilience and Climate-related Financial Disclosures

Helping organisations build confidence in navigating climate-related financial risks

February 2026

With you today

Megan McCamley
Environment Programme Manager
megan.mccamley@bitcni.org.uk

Amy Bell
Acting Climate NI Manager
amy@climatenorthernireland.org.uk

Business in the Community

- **Business in the Community NI** are Northern Ireland's only network for responsible business

- We provide members with dedicated support and expertise on their responsible business activities

BUSINESS IN THE COMMUNITY

Climate Northern Ireland

For queries regarding BITC membership contact: ryan.stockard@bitcni.org.uk

BITC Environment Team

- Business Action on Climate
- NI Environmental Benchmarking Survey
- Nature & Biodiversity

environment@bitcni.org.uk

Climate NI Programme Vision

> *Climate Northern Ireland is a cross-sectoral partnership devoted to understanding and enabling adaptation and mitigation actions in Northern Ireland that can address the climate emergency.*

Climate NI Programme Aims

- **Support development and implementation of climate policy** by enabling the exchange of expertise and advice between Government Departments, public bodies, and civil society.
- **Engage the research community** to help define and address evidence needs for climate policy and action.
- **Increase co-ordination and awareness on climate change** through partnership and clear communication.
- **Enable delivery of climate action in NI** by addressing barriers and building capacity at local, regional and national levels.

Funded via the Carrier Bag Levy by:

Department of Agriculture, Environment and Rural Affairs www.daera-ni.gov.uk | An Roinn Talmhaíochta, Comhshaoil agus Gnóthaí Tuaithe | Depairtment o' Fairmin, Environment an' Kintra Matthers

Climate Northern Ireland is funded by DAERA to raise awareness of and support climate change policy development through stakeholder engagement.

Housekeeping & agenda

- Mute microphone when not speaking
- Raise hand or use the chat to ask questions
- Fully focus – limit distractions around you and participate in activities
- Use your workbook
- Confidentiality
- **Recording today**

Part 1

- Intro and background
- Public vs private reporting
- Key reporting frameworks
  - TCFD / IFRS
  - UK SRS
  - CSRD

Part 2

- IFRS S2 in more detail
- Turning disclosures into action
- Disclosures and decision-making
- Resilience strategies

What does financial resilience mean to you or your organisation?

Do not edit
How to change the design

What does financial resilience mean to you or your organisation?

The Slido app must be installed on every computer you're presenting from

slido

How confident do you feel navigating climate-related financial disclosures?

(1 = not confident, 5 = very confident)

Do not edit
How to change the design

How confident do you feel navigating climate-related financial disclosures? (1=not confident, 5= very confident)

The Slido app must be installed on every computer you're presenting from

slido

BUSINESS IN THE COMMUNITY

CLIMATE CHANGE & BUSINESS RISK

Background and relevance of financial resilience

- Climate change is a threat to all businesses.
- The primary **physical** climate change risks across the UK and Ireland are storms, flooding and heatwaves. These can cause disruption, delay and frustration.
- **Transition** risks include policy changes, carbon pricing, customer expectations
- **Financially**, this can all impact Cash flow, operating costs, capital expenditure, insurance premiums, supply chain stability
- Living and working in a global market means that **global climate change impacts** can also affect your business – so we must consider risks other countries are facing too

In the past five years, have you observed any direct or indirect impacts of extreme weather or climate change on your business?

*Direct: eg damages, delays, shifts in customer preferences
**Indirect: eg supply chain disruptions, changes in standards or requirements, alterations in insurance policies

BUSINESS IN THE COMMUNITY

Climate Northern Ireland

Do not edit
How to change the design

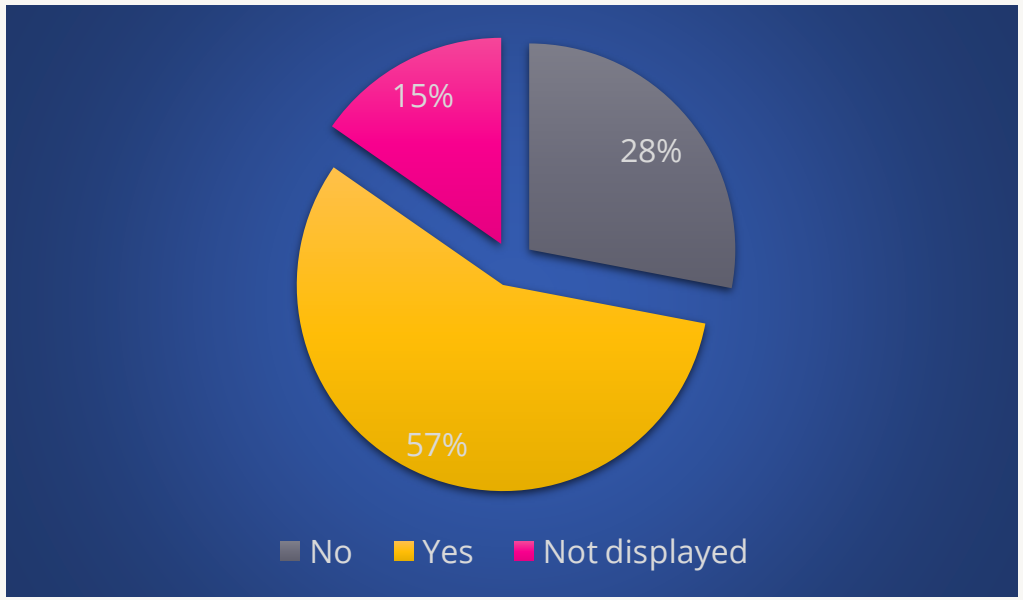
In the past five years, have you observed any direct or indirect impacts of extreme weather or climate change on your business?

The Slido app must be installed on every computer you're presenting from

slido

NI Environmental Benchmarking Survey

In the past five years, have you observed any direct (eg damages, delays, shifts in customer preferences) **or indirect** (eg supply chain disruptions, changes in standards or requirements, alterations in insurance policies) **impacts of extreme weather or climate change on your business?**



57% of respondents say yes, they have been impacted

BUSINESS IN THE COMMUNITY

Climate Northern Ireland

NI Environmental Benchmarking Survey

If you answered 'Yes' to the last question, please describe these impacts and, if possible, provide an estimate of the financial cost to your business due to these events

- *"We had to close the offices and stop all maintenance and install work on the day of the red alert storm in January 2025. As all 190 staff had to be paid this had a huge financial impact on the company"*
- *"Extreme weather event caused by red weather warning due to high winds caused closure of our construction projects in affected areas, with estimated loss of £170,000 (employee wages)."*
- *"Direct includes damage to property due to extreme weather (wind) events ~£40,000 + closure of business for a full working day ~£160,000. Have taken out an environmental insurance policy (~£36,000 year). Weather plays a critical role in many aspects of our business on a daily basis."*
- *"Thousands pounds of cost from climate related supply chain issues - huge fluctuations in raw materials - crop failure"*
- *"The impact on our insurance excess levels and premiums has been significant. There has also been a reduction in the number of Insurance providers who will actually provide cover especially as we are in a flood area. Our excesses for damage caused by weather have been increased significantly in April 2024 and again in 2025."*

Why is this climate related financial reporting important for you?

- **Future regulations –** a shift from voluntary to mandatory reporting in the coming years
- **Suppliers –** your suppliers or customers may require more data from you in coming years if they are under pressure to report
- **Reputation & leadership –** staying ahead of the curve is good for business reputation

BUSINESS IN THE COMMUNITY

Climate Northern Ireland

REPORTING FRAMEWORKS

IFRS®

UK Sustainability Reporting Standards

EU CSRD

Introduction to Climate-related Disclosure Expectations

- Why disclosure frameworks exist?
- The shift from voluntary to expected
- The pillars of climate disclosure
- Frameworks we will be looking at
    1. TCFD/IFRS S2
    2. UK SRS
    3. CSRD

You aren't expected to be perfect — but you are expected to start

Public vs private reporting

Private companies

- Private companies follow corporate sustainability and financial disclosure frameworks
- This is what we will be looking at today (eg IFRS S1/S2, UK SRS, etc.)
- Private = accountability to investors

Public bodies

- Public bodies follow public sector sustainability reporting guidance. For example:
  - UK Public Sector Sustainability Reporting (PSSR)
  - Greening Government Commitments (GGC)
  - NHS sustainability reporting guidance
- These focus on emissions, estates, procurement, and public value, not investor risk.
- Public = accountability to citizens

Financial reporting requirements at a glance…

	CSRD	IFRS (S1/S2)	UK SRS
Where	EU	Global	UK
Aim	Broad sustainability/ESG reporting	Investor-focused reporting	UK-endorsed version of IFRS
Scope	Large EU companies, listed SMEs, and non-EU companies with significant EU turnover	Voluntary unless adopted by a jurisdiction	UK-listed companies first; likely expanding to large UK companies and LLPs
Materiality	Double materiality (impact + financial)	Financial materiality only	Financial materiality only
Mandatory or voluntary	Mandatory in the EU	Voluntary, unless a country mandates it	Mandatory for in-scope UK entities once adopted

International Financial Reporting Standards (IRFS) S1 & S2

IFRS S1 and S2 set the global baseline for sustainability and climate-related financial disclosure

- The ISSB (International Sustainability Standards Board) was created in 2021 to consolidate and streamline global sustainability reporting.
- One of its first moves was to fully incorporate the TCFD framework into IFRS S1 and S2.
  - IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information; and
  - IFRS S2: Climate-related Disclosures.
- IFRS S2 uses the same four **TCFD pillars** but expands on them to include industry-specific metrics and clearer definition and structure

IFRS S1 & S2

IFRS S1

Sustainability-related financial risks and opportunities

Governance
Processes and procedures for the management, and prioritization of sustainability-related risks and opportunities.

Value chain risks and opportunities
Sustainability-related risks and opportunities stemming from areas such as workplace safety and labor rights in the value chain.

Materiality assessment
Identification and disclosure of material information concerning sustainability-related risks and opportunities.

IFRS S2

Climate-related risks and opportunities

Governance
Processes and procedures for the management and assessment of climate-related risks, opportunities, and resilience.

Carbon reduction
Strategies and plans to transition to a lower-carbon economy, including the metrics and targets for monitoring progress.

Greenhouse gas emissions
Transparent disclosure of the company's Scope 1, 2, and 3 GHG emissions, providing a clear view of its climate impact.

Good_Practice_Sustainability_Reporting_Guide_for_2023-24_-_Climate__Environmental_annd_Sustainability_Topics.pdf

Reporting Pillars (TCFD → IFRS S2)

Governance

Strategy

Risk Management

Metrics & Targets

Reporting Pillars (TCFD → IFRS S2)

1. **Governance – Who's in charge?**
   - *How the organisation's board and management oversee and manage climate-related risks and opportunities*

2. **Strategy – How does this affect the business long term?**
   - *How climate-related risks and opportunities affect the organisation's business model, strategy, and financial planning*

3. **Risk Management – How do we identify and manage risks?**
   - *How the organisation identifies, assesses, and manages climate-related risks*

4. **Metrics & Targets – How do we measure progress?**
   - *The metrics used to measure climate-related risks and opportunities, and the targets set to manage them*

International Financial Reporting Standards (IRFS) S1 & S2

- IFRS S1 and S2 are voluntary in the UK currently.
- The UK is still in the process if turning the IRFS S1 and S2 into UK-specific reporting framework – this will be the **UK Sustainability Reporting Standards (UK SRS)**
- Until the UK SRS are finalised and written into regulation IFRS S1 and S2 can be used voluntarily, but they are not required by UK law.

Department for Business & Trade

DRAFT UK SRS S1

General requirements for disclosure of sustainability-related financial information

This Standard is an exposure draft and is subject to public consultation. The amendments we are consulting on are in red text (with crossed out text and added text as required). In the final version of UK SRS S1, the mark-up will be removed and the final wording incorporated in a consistent format.

June 2025

UK Sustainability Reporting Standard (SRS)

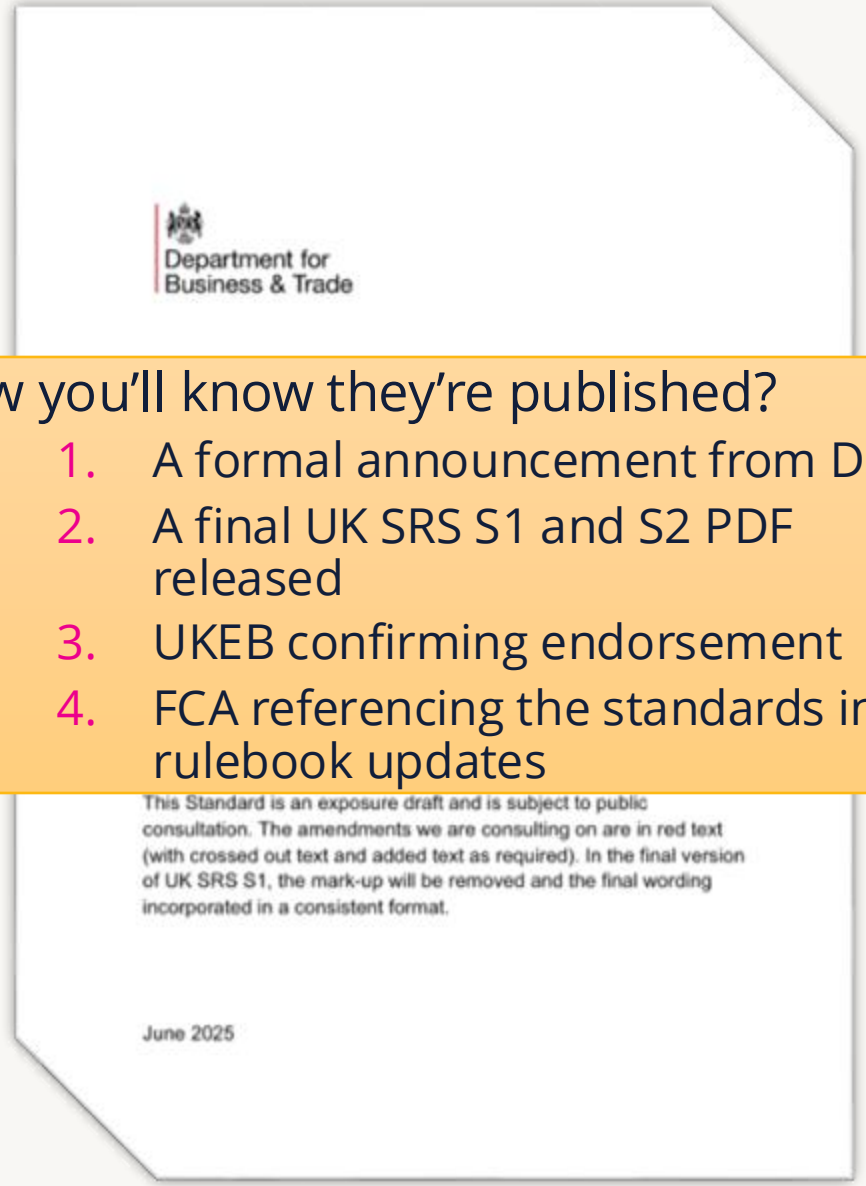
The UK SRS is the UK's official sustainability disclosure standards, based on and adapted from IFRS S1 and S2.

- Once the UK publishes the final UK SRS S1 and S2, the plan for implementation is:
  1. Voluntary use first: companies will be allowed to use the UK SRS immediately.
  2. Mandatory use later: the FCA will then phase in mandatory reporting for:
     - UK-listed companies first - the FCA consultation (January 2026) shows that mandatory adoption for listed companies will be phased in over several years.
     - Potentially large UK companies and LLPs later (subject to consultation)

- None of this is in force yet

UK SRS timelines

- **June 2025**: The Department for Business and Trade published exposure drafts of the UK Sustainability Reporting Standards (UK SRS)
- These are based on IFRS S1 & S2 but with certain amendments
- **Jan/Feb 2026**: UK government is still assessing and endorsing the IFRS Sustainability Disclosure Standards.
- No mandatory reporting under UK SRS because the final standards have not yet been published.
- Final UK SRS expected soon!


Department for Business & Trade

This Standard is an exposure draft and is subject to public consultation. The amendments we are consulting on are in red text (with crossed out text and added text as required). In the final version of UK SRS S1, the mark-up will be removed and the final wording incorporated in a consistent format.

June 2025

How you'll know they're published?

1. A formal announcement from DBT
2. A final UK SRS S1 and S2 PDF released
3. UKEB confirming endorsement
4. FCA referencing the standards in its rulebook updates

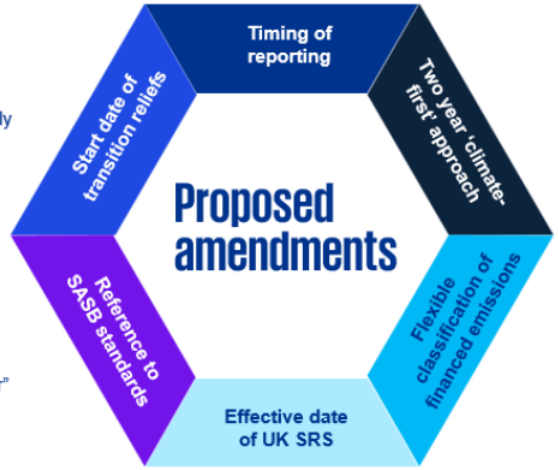
Amendments to IFRS → UK SRS

Timing of reporting

Reporting is required at the same time as the financial statements. The first-year transition relief in IFRS SDS allowing entities to publish sustainability disclosures after their financial statements is removed.

Start date of transition reliefs

Transition reliefs to apply from the start of mandatory UK SRS reporting. Under IFRS SDS transition reliefs apply from the date of initial application.



Two year 'climate-first' approach

Option to report only climate-related disclosures extended to the first two years of mandatory UK SRS reporting. IFRS SDS allows entities to defer disclosures on non-climate sustainability risks by one year.

Reference to SASB standards

Entities "may refer to and consider" SASB Standards. IFRS SDS requires that entities "shall refer to and consider" SASB Standards.

Flexible classification of financed emissions

Entities can use an internationally recognized industry classification system already embedded in reporting. IFRS SDS requires the use of the Global Industrial Classification Standard ('GIGS') for financed emissions disclosures.

Effective date of UK SRS

Removal of the IFRS SDS effective date (1 January 2024). The effective date for applying UK SRS will be set through UK legislation or regulation.

BUSINESS IN THE COMMUNITY

Climate Northern Ireland

[What amendments are being proposed?](#)

[UK SRS consultation | KPMG UK](#)

Corporate Sustainability Reporting Directive (CSRD)

- **CSRD** is the European Union's major sustainability-reporting law that significantly expands which companies must report on ESG topics and what they must disclose
- Relevant if you operate in or sell into the EU
- Mandatory for large EU companies and non-EU companies with significant EU turnover
- Much broader than IFRS S1/S2
- Double materiality
  - **Impact materiality**: how the company affects people and planet
  - **Financial materiality**: how sustainability issues affect the company's value

CSRD: timeline for implementation

Company type	Original first reporting year	New first reporting year
Large EU companies already under NFRD	2024	Unchanged
Other large EU companies	2025	2026
Listed SMEs	2026	2027 (with option to opt out until 2028)
Non-EU companies meeting EU turnover thresholds	2028	2029

- EU “Omnibus Directive” included a provision to push back the first CSRD reporting deadlines by two years
- Did not change the scope or requirements, only the timing.

Recap: key frameworks and definitions

- **IFRS S1** sets out the global baseline for reporting all sustainability-related financial risks and opportunities
- **IFRS S2** provides detailed, climate-specific disclosure requirements built on the TCFD framework
- **UK SRS** is the UK's endorsed version of IFRS S1/S2 for sustainability reporting
- **CSRD** is the EU law that requires companies to report clear, standardised information on their sustainability impacts, risks, and plans

BUSINESS IN THE COMMUNITY

UNDERSTANDING REPORTING REQUIREMENTS

(IFRS S2 – climate related risks)

IFRS S2 reporting framework

RISKS

Physical	Acute
	Chronic
Transition	Policy & Legal
	Technology
	Market
	Reputation

Risk Management

Strategic Planning

OPPORTUNITIES

Resource Efficiency
Energy Sourcing
Products & Services
Markets
Resilience

Good_Practice_Sustainability_Reporting_Guide_for_2023-24_-_Climate__Environmental_annd_Sustainability_Topics.pdf

Example: Business in the Community

Across 4 pillars:

- **Governance** – climate steering group and environment leadership team to steer our work
- **Strategy** – environmental strategy, carbon reduction plan
- **Risk Management** – climate risk assessment for organisation
- **Metrics** – we have a robust EMS, annual audit. We measure energy use, office emissions, travel emissions. We have scope 1, 2 and select scope 3 reduction targets

Risks and opportunities:

Risks

- Physical risks – extreme weather, storms and flooding, disruption to work-related travel, office safety
- Transition risks – technology and AI, political relationships, reputation risk, changing customer demand

Opportunities

- Supporting our members in responsible business
- Contributing to NI's net zero pathway,
- Closing information and education gaps and building resilience to climate change

Activity 1: lets look at IFRS S2 in more detail

For your organisation

1. Think about the risks and opportunities you will face as a result of climate change
2. Consider how you react to this under the headings of governance, strategy, risk management, metrics (this can be things you are already doing or plan to do)
3. What is one action you can take to improve the integration of climate in your organisation's overall strategy and business continuity planning?

*jot down a few point for each heading, don’t worry about detail for now!

BUSINESS IN THE COMMUNITY

TURNING CLIMATE-RELATED FINANCIAL DISCLOSURES INTO ACTION

Turning disclosures into action

How can climate related financial disclosures actually drive better decision-making rather than just add to admin?

CRFDs only drive better decisions when they shift from being a compliance exercise to being a strategic risk-and-opportunity tool.

How Climate-Related Financial Disclosures Improve Decision-Making

- **Quantify** what was previously vague – using the 4 pillars
- **Reveal financial risks** that traditional reporting misses
- **Highlight opportunities**, not just risks – eg new products or access to new green finance
- **Improve comparability and credibility** - benchmark performance, build investor confidence
- **Core governance** - climate risk is a governance issue, not an ESG side-project

Wider benefits of Climate-Related Financial Disclosures

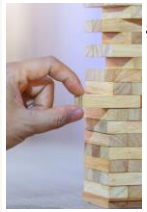
Reduce costs

Strengthen investor confidence

Improve long-term planning

Resilience

Leadership



Better insurance and asset-protection

More resilient supply-chain planning

Efficiency savings

Access to green finance

Competitive advantage in procurement and supply chains

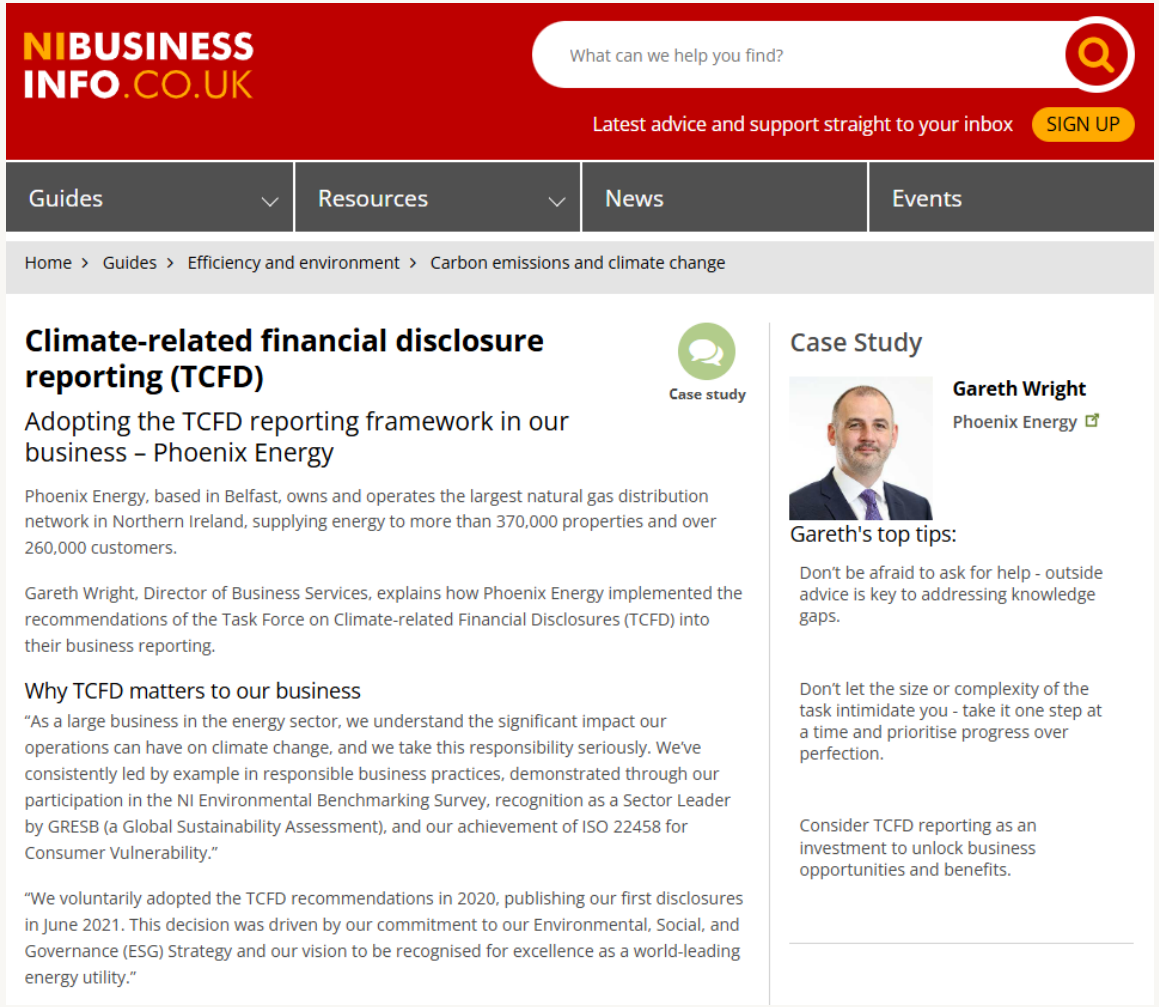
Reduce greenwashing risk

Accountability

BUSINESS IN THE COMMUNITY

Climate Northern Ireland

Integrating CRFDs into decision making: a case study



NIBUSINESS INFO.CO.UK

What can we help you find?

Latest advice and support straight to your inbox SIGN UP

Guides | Resources | News | Events

Home > Guides > Efficiency and environment > Carbon emissions and climate change

Climate-related financial disclosure reporting (TCFD)

Case study

Adopting the TCFD reporting framework in our business – Phoenix Energy

Phoenix Energy, based in Belfast, owns and operates the largest natural gas distribution network in Northern Ireland, supplying energy to more than 370,000 properties and over 260,000 customers.

Gareth Wright, Director of Business Services, explains how Phoenix Energy implemented the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) into their business reporting.

Why TCFD matters to our business

"As a large business in the energy sector, we understand the significant impact our operations can have on climate change, and we take this responsibility seriously. We've consistently led by example in responsible business practices, demonstrated through our participation in the NI Environmental Benchmarking Survey, recognition as a Sector Leader by GRESB (a Global Sustainability Assessment), and our achievement of ISO 22458 for Consumer Vulnerability."

"We voluntarily adopted the TCFD recommendations in 2020, publishing our first disclosures in June 2021. This decision was driven by our commitment to our Environmental, Social, and Governance (ESG) Strategy and our vision to be recognised for excellence as a world-leading energy utility."

Case Study

Gareth Wright

Phoenix Energy

Gareth's top tips:

Don't be afraid to ask for help - outside advice is key to addressing knowledge gaps.

Don't let the size or complexity of the task intimidate you - take it one step at a time and prioritise progress over perfection.

Consider TCFD reporting as an investment to unlock business opportunities and benefits.

"TCFD reporting has significantly enhanced our understanding of climate change and its potential impact on our business operations, enabling proactive planning and preparation. We've identified critical climate-related risks, including increased operating costs from extreme weather and potential network disruptions."

"TCFD reporting has enhanced climate-related intelligence across our leadership, operational, and technical teams, actively driving internal change and embedding climate considerations into decision-making at all levels. This approach strengthens our resilience and solidifies our position as a responsible business"

BUSINESS IN THE COMMUNITY

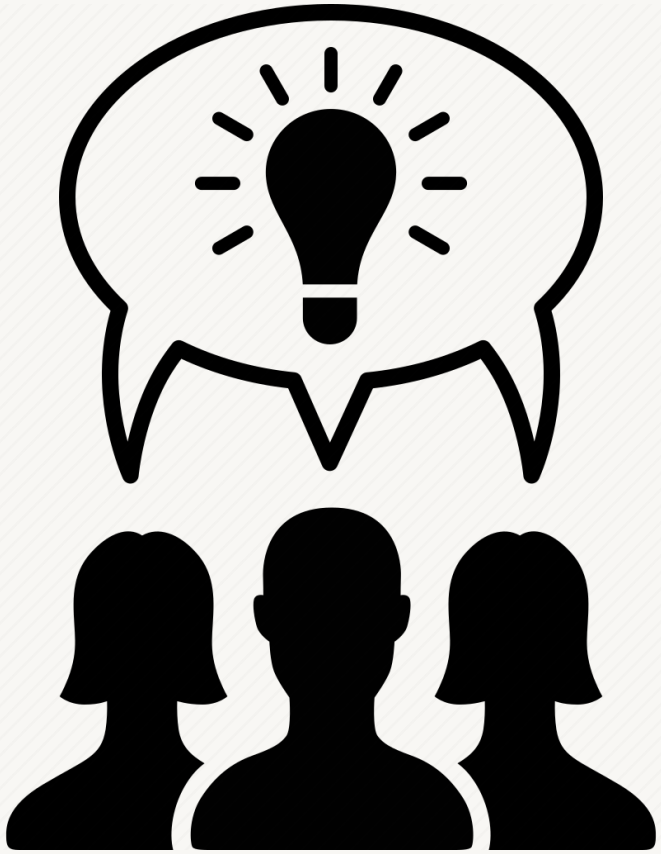
Climate Northern Ireland

[Adopting the TCFD reporting framework in our business – Phoenix Energy | nibusinessinfo.co.uk]

Activity 2: resilience strategies

Lets look at another activity:

- Identify **one** climate-related risk relevant to your organisation (from activity 1)
- Map its potential financial implications
- Discuss in groups: What actions could you take to mitigate against the financial impact of this risk?
- How will this improve your financial resilience?

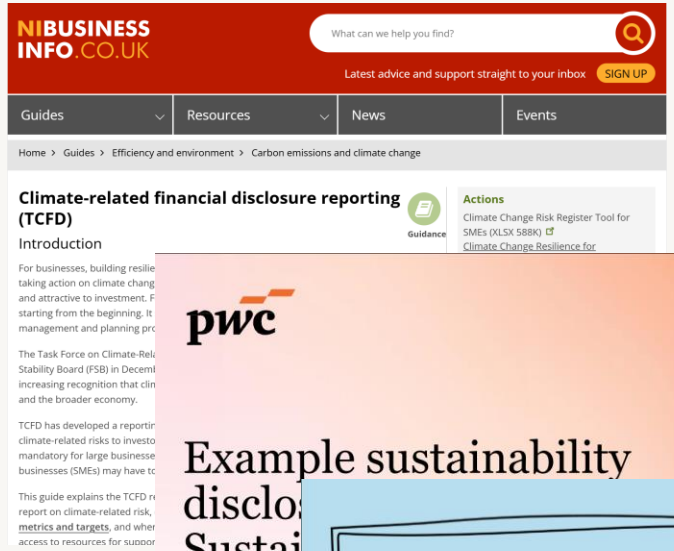


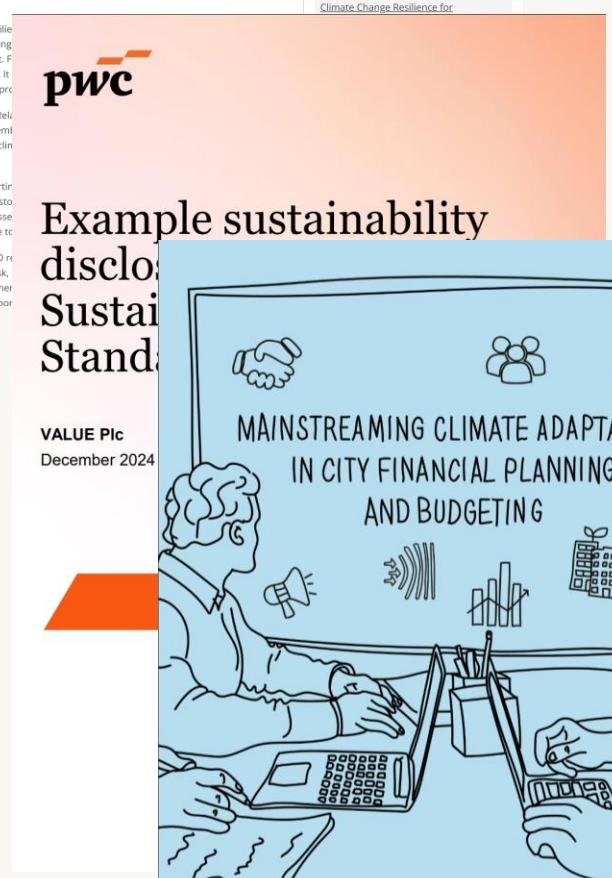
Building financial resilience

- Diversifying supply chains
- Adjusting maintenance budgets to account for more frequent weather-related repairs
- Stress-testing financial decisions against climate risks eg cashflow against potential energy price increases
- Factoring in insurance premium changes
- Prioritising investments that reduce long-term exposure to climate risks
- Embedding climate considerations into procurement and investment
- Utilising climate risk registers

Additional Resources

Resource (hyperlinked)	Type	Organisation / publisher
Financing Sustainability – Northern Ireland	Funding List	Chartered Accountants Ireland
Introduction to Green Finance for NI	Webinar	Invest NI
Climate-related financial disclosure reporting (TCFD) Adopting the TCFD reporting framework in our business – Phoenix Energy	Guidance Case Study	NI Business Info
IFRS Sustainability Disclosure Standards | ICAEW	Introductory overview	Institute of Chartered Accountants of England and Wales
IFRS S1 and IFRS S2 in the UK | ICAEW	FAQs	Institute of Chartered Accountants of England and Wales
UK Sustainability Reporting Standards - GOV.UK	Introductory overview	UK Government
Applying IFRS Sustainability Disclosure Standards	Guidance	Ernst & Young
Example sustainability disclosures under IFRS Sustainability Disclosure Standards	Guidance	PwC
Mainstreaming climate adaptation in city financial planning and budgeting	Guidance	Zurich Climate Resilience Alliance





BUSINESS IN THE COMMUNITY

Climate Northern Ireland

Key Takeaways

1. Climate risk = financial risk
2. Disclosure frameworks provide structure, not bureaucracy
3. You can start small and still make meaningful progress
4. Resilience is built through consistent, practical steps
5. Opportunities for follow-up engagement – fill in our survey and tell us what you'd like to see next!

Financial resilience workshop feedback

BUSINESS IN THE COMMUNITY

Climate Northern Ireland

Thank you!

Contact BITC:
environment@bitcni.org.uk

Contact Climate NI:

info@climatenorthernireland.org.uk