

GRI 201: Economic Performance - Topic Standard - Cross-sectoral
Disclosure GRI 201-2

Financial implications and other risks and opportunities due to climate change

Framework: GRI Standards

Type: Metrics + narrative

Regime: Voluntary

Effective: 2018-07-01

ESRS: ESRS E1 Climate Change

Datapoints & assurance

Datapoint	What to capture	Owner	Risk an assurer probes	Evidence to check
Financial modelling system	Whether a process or tool exists that can turn the climate issue into money terms, including cost estimates or revenue forecasts.	Finance	Does not reconcile to the finance model or planning tool used to produce cost and revenue estimates.	Model documentation, calculation workbook, system screenshots, or finance methodology note.
Model build plan	The plan and timetable for putting in place the system that will calculate costs or revenue effects, including key milestones and delivery dates.	Finance	Scope and timing are mixed up, so the plan does not match the approved implementation schedule.	Project plan, implementation roadmap, budget approval, or IT/finance delivery tracker.
Climate financial exposure	The money value of climate-related risks and opportunities that could materially change operations, turnover, or spending.	Risk	A definition mismatch means the figure includes items outside the climate-related risk and opportunity set.	Risk register, scenario analysis, business case, or finance impact assessment.
Risk type and description	A plain description of the issue and whether it is a physical, regulatory, or other type of climate-related risk or opportunity.	Risk	Categories are not aligned with the organisation's risk taxonomy, so the item is misclassified.	Risk register entry, taxonomy mapping, or assessment note showing the classification used.
Business impact description	A description of how the risk or opportunity affects the business in practice, such as operations, sales, costs, or assets.	Risk	The impact statement is written at the issue level but never mapped to the actual business effect.	Impact assessment, scenario analysis output, or risk committee paper.
Pre-action financial effect	The expected financial effect before any response or mitigation is applied, stated separately from the effect after action.	Finance	Gross and net amounts are mixed, so the pre-action figure is understated.	Baseline scenario, sensitivity analysis, or finance memo showing gross impact before mitigation.
Risk response methods	The methods the organisation uses to deal with the risk or opportunity, such as avoidance, reduction, transfer, adaptation, or other response measures.	Risk	The response description is taken from a generic policy and does not match the actual controls or actions in place.	Risk treatment plan, control register, adaptation plan, or management action log.
Response costs	The money spent on the actions used to manage the risk or opportunity, with the relevant period and scope clearly identified.	Finance	Period and scope are mixed, so the spend does not tie to the actions actually taken in the reporting year.	Capex/opex records, project spend report, purchase orders, or cost centre extracts.

How to prepare

- 1 Set the reporting boundary first.** Decide which business units, sites, time periods and climate-related matters you will include, so the same scope is used for every figure and narrative in this disclosure.
- 2 Agree the definitions you will use for each item.** Make clear what counts as a climate-related risk or opportunity, how you will classify it, and what you will treat as the related impact, before-action financial effect, response method and action cost.

- 3 Gather the source material behind each entry.** Pull together finance papers, risk registers, project files, budgets, forecasts and management papers that support the amounts, descriptions and classifications you plan to report.
- 4 Build the disclosure from the evidence.** Provide the required amounts where a number is needed, and write concise supporting text for the nature of the issue, the effect on the business, the pre-action financial effect and the way it is being managed.
- 5 Record any gaps, exclusions or changes in approach.** If you are not yet able to calculate the financial effect or revenue outlook, note the development plan and timing, and explain any boundary or method changes so the reader can follow the basis of preparation.
- 6 Check the final draft against the source material.** Confirm that each required item is covered, the figures tie back to evidence, the wording matches the underlying records, and the completed disclosure aligns with the official reporting source before sign-off.

This LRA assistance tool is designed for educational and internal data-collection purposes. It is not an official interpretation of the GRI Standards, IFRS Sustainability Disclosure Standards or EU CSRD/ESRS requirements. When applying these frameworks in professional practice, users should consult and double-check the official standards, guidance and applicable regulatory sources.

For users who may require additional expert guidance or consultancy support on sustainability reporting, the application of reporting standards, data collection processes or disclosure preparation, the London Reporting Academy team would be pleased to assist. Please contact us at hello@reporting.academy or submit an enquiry through the contact form: <https://reporting.academy/en/contacts/>

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