



## UK SUSTAINABILITY REPORTING STANDARDS: UK SRS S1 AND UK SRS S2

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ICAEW welcomes the opportunity to comment on the Exposure draft of UK Sustainability Reporting Standards: UK SRS S1 and UK SRS S2 published by the Department for Business and Trade on 25 June 2025, a copy of which is available from this [link](#).

We strongly support the endorsement of UK SRS S1 General requirements for disclosure of sustainability-related financial information and UK SRS S2 Climate-related disclosures as a crucial step in restoring the UK's leadership in corporate reporting and aligning with the global baseline established by the International Sustainability Standards Board's (ISSB's) Standards. While we support the proposed amendments judged to be necessary in the UK context, subject to the clarifications in our response, we emphasise that any deviations from the ISSB Standards should be minimal and well-justified to maintain international consistency and comparability. We view the implementation process as a journey and advocate for a proportionate approach that considers the varying readiness of entities. As part of this, we encourage the government to ensure that information requested of SMEs as part of supply chain requirements is proportionate. Clarity on scope and timing of implementation is essential to help entities plan effectively and prioritise their efforts and resources.

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## FOREWORD

1. We are delighted to see the UK Government publish its three highly-anticipated consultations relating to transition planning requirements, UK Sustainability Reporting Standards and assurance oversight. While we are commenting on each of the consultations individually, we offer below a number of overarching remarks.

## FINANCIAL RESILIENCE AND LONGER-TERM PROSPERITY: WHERE IT ALL STARTED

2. In his 2015 speech *Breaking the Tragedy of the Horizon – Climate Change and Financial Stability*, the then-Governor of the Bank of England and Chair of the Financial Stability Board (FSB) Mark Carney spoke of how climate change poses a unique challenge to financial stability due to the long-term nature of risks falling outside typical decision-making horizons. Carney's speech was a catalyst for financial conversations around climate risk.
3. A decade on, with provisional statistics confirming the summer of 2025 as the warmest on record in the UK, it is important to refocus on the fundamental issues behind these consultations: the threat of financial instability if climate-related, and broader sustainability-related risks are not addressed. As Carney said:
 

*"The combination of the weight of scientific evidence and the dynamics of the financial system suggest that, in the fullness of time, climate change will threaten financial resilience and longer-term prosperity."*

*This warning is reiterated in the Office for Budget Responsibility's July 2025 *Fiscal risks and sustainability* report:*

*"Climate change poses significant risks to economic and fiscal outcomes in the UK."*
4. Transparency on the risks and opportunities faced by businesses is essential. The right information leads to better pricing of assets and avoids sudden, major collapse. The consultations, relating directly to the provision of the right information to financial markets, are critical to the resilience of businesses and the growth of the wider economy.

## TIME FOR THE UK TO LEAD WITH CONVICTION

5. Shortly after, the FSB established the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD's 2017 recommendations formed the basis for the architecture of the inaugural IFRS Sustainability Disclosure Standards (ISSB Standards) published by the International Sustainability Standards Board (ISSB) in 2023. In July 2023, the FSB announced that the work of the TCFD had been completed, with the ISSB Standards marking the "culmination of the work of the TCFD". Having fulfilled its remit, TCFD disbanded in October 2023. The ISSB Standards provide a global baseline in sustainability reporting, including transition planning, with scope for jurisdictions to build on the baseline to meet their specific requirements. Transition planning is key to making the most of opportunities available from the transition to a low-carbon economy.
6. Momentum in the adoption of the ISSB's Standards is growing, with 17 jurisdictions, including Australia, Hong Kong SAR, Malaysia and Turkey having either formally announced or finalised their approach on the use of ISSB Standards; the UK is not yet one of them.
7. As well as risking the UK's position as a global leader in sustainable finance, this lack of progress is hindering inward investment and creating a barrier to growth in the UK's Professional and Business Services sector (PBS). Identified in the UK Government's Industrial Strategy as one of the eight sectors that have the greatest growth potential over the next decade, as stated in its Sector Plan "the PBS sector is central to driving climate transition and adaptation... The net zero transition is creating new demand for a wide range of climate, clean energy, and environmental services, and the UK is well placed to capitalise on this demand due to its strong services sector and world-leading environmental and net zero commitments."

8. While acknowledging that some reporting requirements are in place through climate-related disclosure obligations introduced in 2022, a UK-endorsed version of the ISSB's Standards remains unavailable for use, despite the previous government's commitment to complete the endorsement process within 12 months of the issuance of the Standards. We urge the UK Government to act with conviction and proceed at pace to ensure globally comparable, sustainability-related financial information is delivered to the financial markets. To quote Carney:  
*"The right information allows investors to assess which companies and assets are most exposed to climate-related risks and which are best placed to seize the opportunities from a low-carbon economy."*
9. Appropriate assurance is vital to ensuring markets are provided with reliable information. The integrity and credibility of those providing sustainability assurance is a critical ingredient. With the market for voluntary assurance of sustainability-related information growing at pace and mandatory assurance already required in the European Union, the need for a proportionate and robust regulatory framework for sustainability assurance is increasingly urgent. As Carney concluded:  
*"With better information as a foundation, we can build a virtuous circle of better understanding of tomorrow's risks, better pricing for investors, better decisions by policymakers, and a smoother transition to a lower-carbon economy. By managing what gets measured, we can break the Tragedy of the Horizon."*
10. It is in this context that we have commented on the government's package of consultations.

## KEY POINTS

### SUPPORT FOR UK SUSTAINABILITY REPORTING STANDARDS

11. We welcome the opportunity to comment on the draft UK Sustainability Reporting Standards draft (UK SRS). We support the ambition to establish a high-quality, globally aligned sustainability disclosure framework and commend the government's commitment to adopting IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures* as the basis for UK SRS.
12. With momentum in the adoption of the International Sustainability Standards Board (ISSB) Standards growing globally, endorsement of the draft UK SRS is a vital step in restoring the UK's position as a global leader in corporate reporting. It reinforces the UK's role as a leading international financial centre and its ambition to be at the forefront of the global response to climate change. Endorsing UK SRS will help increase the flow of capital to those businesses disclosing sustainability-related risks and opportunities and ensure that UK markets remain attractive to investors.

### IMPORTANCE OF CLARITY ON SCOPE AND TIMING

13. We strongly encourage the government to endorse UK SRS and make the standards available for voluntary use without delay. This will enable timely consultation on scope and timing. Some businesses are subject to sustainability disclosure requirements in other jurisdictions, many of which have already implemented or are expected to implement standards ahead of the UK. As a result, these frameworks are being prioritised. Lack of visibility on the timing of implementation contributes to concern that the UK is falling behind its international peers, undermining its position as a global leader in sustainable finance.
14. Many entities anticipating being in scope of both UK SRS and the Corporate Sustainability Reporting Directive (CSRD) are currently focusing efforts on CSRD, which is expected to apply to some entities relatively soon. We encourage the Financial Conduct Authority (FCA) and government to set out clear plans and timelines for UK SRS endorsement and implementation, to establish baseline reporting. Early and transparent communication will enable entities to plan ahead and to consider voluntary adoption of UK SRS, supporting preparedness for mandatory reporting requirements. Without a clear timeline and a confirmed mandatory date, many businesses are unable to prioritise investment in preparing for the standards, including system upgrades, staff training and assurance readiness.

### PROPORTIONATE AND EFFECTIVE IMPLEMENTATION

15. We support a proportionate approach to implementation, beginning with the largest businesses and the phasing in of other entities over time. This should be subject to ongoing review to ensure that implementation remains effective and proportionate, as experience is gained. Existing UK reporting requirements, mean that many large UK entities are already reporting against a significant proportion of the draft UK SRS requirements and are well positioned to build on this experience.
16. While supporting an implementation approach that begins with the largest businesses, we recognise that SMEs may be asked to provide sustainability-related data by larger entities in their value chains. Many SMEs already supply climate-related information to meet existing reporting requirements, and they should be encouraged to continue. However, we also recognise that these requests can be challenging for some SMEs, and the challenge may increase when it comes to data requests relating to wider sustainability disclosures beyond climate. This may place a disproportionate burden on SMEs, especially where they lack the resources, systems, or expertise to respond effectively and therefore investment in these areas may be needed. We have suggested possible mechanisms to relieve this in our response to question 17.
17. Implementation of UK SRS will be a journey. A phased approach will allow preparers to build capability, improve data quality, and embed processes over time. We do not expect reporting to be perfect from the outset and encourage regulators and assurance providers to adopt a

proportionate approach during the early stages of implementation. We note the pragmatic approach taken by the Financial Reporting Council (FRC) in its review of the Climate-related Financial Disclosure (CFD) regulations by AIM and large private companies, following the first cycle of mandatory reporting.

18. The successful implementation of UK SRS will require the broader corporate reporting and assurance ecosystem to rise to the challenge. This includes preparers, auditors, regulators, investors, and other stakeholders. Time will be needed to build the necessary infrastructure, but with phased and proportionate implementation, supported by appropriate training and upskilling, the challenge can be met.

## APPROACH TO AMENDMENTS

19. We believe that the UK should maintain a high threshold for divergence from the ISSB Standards, which provide a credible global baseline. Alignment is essential to ensure comparability, reduce complexity and support market efficiency. From an investor perspective, experience with international financial reporting standards has shown that significant local variations can undermine trust and transparency. Any departure from the ISSB Standards should be clearly justified, limited in scope, and subject to regular review.
20. Minimising amendments will also reduce the workload on international businesses operating across jurisdictions with different reporting requirements. These entities are already navigating a complex and evolving regulatory landscape. Maintaining consistency with the global baseline ensures that UK SRS do not introduce further divergence.
21. We recommend that any divergence from the ISSB standards be guided by clear principles, as outlined in our [response](#) to the UK Sustainability Disclosure Technical Advisory Committee's (TAC) Call for Evidence. We suggest the following principles:
  - a. The issue, if unamended, would make the standard unsuitable for UK legislation due to either:
    - i. a fundamental lack of clarity or specificity; or
    - ii. inclusion of external references that are outside of UK legislative control.
  - b. The issue, if unamended, would contradict or clash with existing UK legislation.
  - c. The issue, if unamended, would be considered detrimental to the long-term public good in the UK.
22. We suggest that any variation from the disclosure requirements in the ISSB standards be kept under regular review, with a view to aligning with the standards where appropriate as practice matures and as the ISSB standards themselves develop.

## PROPOSED AMENDMENTS

23. We welcome the government's efforts to ensure that the standards are both operable and proportionate for UK preparers, while maintaining alignment with the ISSB Standards. Overall, we support the proposed amendments with some suggestions and clarifications.

### Amendment three – removal of the requirement to use the Global Industry Classification Standard (GICS) in IFRS S2

24. We support the proposed amendment to remove the mandatory requirement for entities to use GICS, as an immediate and pragmatic step. Mandating the use of GICS could introduce unnecessary complexity and cost, particularly for smaller entities. The proposed amendment offers a more proportionate approach and gives entities the flexibility to present disclosures in a manner that is appropriate to their business model and operations.
25. We note that the ISSB is currently consulting on the use of GICS as part of its proposed amendments to greenhouse gas disclosures. We welcome the government's intent to stay connected with the ISSB's developments. If the ISSB's final amendments address the government and TAC's concerns, we would support reverting to full alignment and recommend UK SRS include a mechanism to unwind temporary divergence. Endorsement of UK SRS should not be delayed waiting for finalisation of the ISSB's proposed amendments.

## **Amendment five – references to the Sustainability Accounting Standards Board (SASB) materials in IFRS S1 and IFRS S2**

26. We support the proposed change from ‘shall consider’ to ‘may consider’ the SASB Standards. While we recognise the value of the SASB Standards as a source of industry-specific guidance, particularly for investors seeking comparability, they have not been subject to the IFRS Foundation’s full due process. We view this as an important consideration when determining whether they should be treated as a mandatory element of UK SRS. We encourage the government to monitor the ISSB’s ongoing project to enhance the SASB Standards and to consider mechanisms for aligning the wording of UK SRS with the ISSB Standards in the future, once the ISSB’s project is complete, as reporting practises mature and subject to appropriate due process.

### **Remaining amendments**

27. We are broadly supportive of the remaining proposed amendments (amendments one, two, four, and six), with some points of clarification detailed in our responses below.
28. We support the intention behind amendment 6 to avoid penalising entities that have voluntarily adopted the standards early. We understand that the government does not intend to exclude voluntary reporters from accessing transitional reliefs. However, referring to the reliefs as being available in the periods in which an entity is ‘required’ to apply UK SRS may have the unintended consequence of suggesting that voluntary reporters are not eligible, on the basis that they are not yet required to apply the standards. We recommend revising the relevant paragraphs to clarify that voluntary adopters are equally eligible for transitional reliefs.

### **FINANCED EMISSIONS**

29. We believe financed emissions disclosures should focus on transparency, with entities clearly outlining the methodology used, the limitations of the underlying data and the level of estimation uncertainty. Calculating and disclosing financed emissions presents significant practical challenges. Given the inherent timing challenges in Scope 3 data collection, financed emissions figures are likely to always involve a high degree of estimation. We encourage a strong focus on narrative disclosures, which will provide decision-useful information that supports users in understanding the emissions figure and how it has been derived, given the level of estimation involved.
30. We are concerned about the requirement in paragraph B50 of UK SRS S1 to restate prior year disclosures when new information becomes available if it results in a material change. In particular, we are concerned about the implications for Scope 3 greenhouse gas emissions. This requirement risks creating confusion for users and imposes a significant burden on preparers, as detailed in our response to question 2. It also diverges from the approach taken in financial reporting, where estimates are typically not revised retrospectively. As an interim measure to ease implementation, we recommend consideration is given to the introduction of a temporary relief from the requirement to restate comparatives for Scope 3 emissions, while the government works with the ISSB to develop a longer-term resolution. That said, such consideration should not delay or prevent endorsement.

### **SMALL AND MEDIUM SIZED ENTITIES**

31. We believe there will be particular challenges faced by SMEs in the context of sustainability reporting and think implementation progress should be monitored before considering any expansion of scope to include SMEs. We recommend that targeted support and guidance be developed to help SMEs engage with the standards, including practical help with materiality assessments, understanding technical requirements and evaluating financial statement impacts. In the longer term, we support efforts to develop a simplified sustainability reporting framework, equivalent to the IFRS for SMEs, to ensure proportionality for smaller entities.

## ANSWERS TO SPECIFIC QUESTIONS

### ***Question 1 - Do you agree or disagree with the UK government's 4 amendments based on the TAC's recommendations? Provide your rationale.***

32. We broadly support the UK Government's four proposed amendments based on the Technical Advisory Committee's (TAC) recommendations. We support the intention behind these amendments to improve the operability of UK SRS while maintaining alignment with the global baseline set by the ISSB Standards wherever possible. The amendments reflect a pragmatic and proportionate approach to implementation. That said, we believe there are some points of clarification that require refinement.

#### **Amendment one – removal of the transition relief in IFRS S1 that permits delayed reporting in the first year**

33. We support the removal of the transition relief that would have permitted entities to delay reporting in the first year of applying UK SRS. Requiring entities to report their sustainability disclosures at the same time as their financial statements enhances connectivity, comparability and usefulness of the information. It also supports assurance readiness and reduces the risk of fragmented reporting cycles. However, we note that the reporting landscape varies across sectors, particularly in financial services. We recommend that the FCA perform a review to ensure all entities within its scope will be capable of meeting the revised timing requirements under UK SRS.

#### **Amendment two – extension of the transition relief in IFRS S1 that permits a 'climate-first' approach**

34. We welcome the extension of the 'climate-first' transition relief and agree that phased implementation will be helpful for entities needing to understand their value chain and familiarise themselves with the concepts in both standards.
35. We believe reinforcing the 'climate-first' approach to be a key strength of the UK's approach to sustainability reporting and one that will ultimately contribute to the successful implementation of broader sustainability reporting in the long-term. Existing UK reporting requirements, namely the Task Force on Climate-related Financial Disclosures (TCFD) aligned disclosures under the FCA UK Listing Rules, Streamlined Energy and Carbon Reporting (SECR) regulations and the CFD regulations, mean that many large UK entities are already reporting against a significant proportion of the draft UK SRS S2 requirements and are well positioned to build on this experience. This experience will aid companies as they apply reporting requirements to broader sustainability topics over time. In the meantime, UK SRS S1 adequately facilitates disclosure of material sustainability-related risks and opportunities beyond climate.

#### **Amendment three – removal of the requirement to use GICS in IFRS S2**

36. As an immediate and pragmatic step, we support the proposed amendment to remove the mandatory requirement for entities to use GICs in IFRS S2. While we have a strong preference for alignment with the ISSB Standards, we recognise that mandating the use of GICS could introduce unnecessary complexity and cost, particularly for smaller entities and groups with subsidiaries that already apply alternative classification systems. The proposed amendment offers a more proportionate and operable approach, giving entities the flexibility to present disclosures in a manner that is appropriate to their business model and operations. Importantly, we welcome that this amendment does not prevent an entity from using GICs and complying with the ISSB requirements if that is preferred.
37. Noting that the ISSB is currently consulting on the use of GICS as part of its proposed amendments to greenhouse gas disclosures, we welcome the government's intent to stay connected with developments, as referenced in paragraph 2.9 of the UK SRS exposure draft (HTML version). We do not support all the proposals in the ISSB's exposure draft. In particular, as outlined in our [consultation response](#), the suggestion that a subsidiary using



GICS should trigger a requirement for the entire group to adopt GICS. We encourage the government to monitor the progress of this consultation closely and remain engaged with the ISSB on this topic.

38. If, when finalised, the ISSB's amendments sufficiently address the concerns raised by the government and TAC, we would strongly support reverting to full alignment. We therefore recommend that UK SRS include a mechanism to unwind any temporary divergence, with a view to returning to alignment with IFRS S2 if, and when, the standard is updated in a way that better reflects UK market needs. We do not believe endorsement of UK SRS should be delayed while awaiting the finalisation of the ISSB's proposed amendments. The current approach offers a pragmatic solution, and endorsement now will support preparer readiness and market clarity.

#### **Amendment four – removal of the 'effective date' clauses in IFRS S1 and IFRS S2**

39. We agree with the removal of the 'effective date' clauses, which are no longer necessary in the context of UK endorsement. However, we do not believe it is necessary to remove the wording that states "earlier application is permitted" from paragraphs E1 and C1 of UK SRS 1 and UK SRS 2 respectively. Retaining this language would provide helpful clarity for entities considering voluntary early adoption.

#### ***Question 2 - Industry practice is to use the balance sheet for loans and investments from a previous period to calculate financed emissions (where it is impracticable to provide the information for the current reporting period end). Do you agree or disagree that this results in decision-useful information, and what additional guidance might be useful?***

40. We have answered questions two and three together, as we believe the topics are intrinsically linked. Both relate to the practical challenges of calculating and disclosing financed emissions, and the role of estimation in producing decision-useful information.
41. For Scope 3 emissions, including financed emissions, we understand it is often very difficult for an entity to obtain data from the various entities in its value chain in time for its own reporting. It can also be challenging to finalise the entity's own balance sheet position in time to perform financed emissions calculations ahead of its reporting deadline. This is particularly the case for banks, which typically have short reporting deadlines and large volumes of originated loans and mortgages. As a result, it is common practice to use prior-year balance sheet data when calculating financed emissions for an entity's current year reporting.
42. While we support efforts to move toward current year data where feasible, we recognise that this will take time. We believe the use of prior-year data can still result in decision-useful information when current-year data is not available; it is a pragmatic solution that reflects the best available information at the time of reporting. We support the TAC's recommendation that the ISSB should clarify whether the use of prior-year data, rather than developing an estimate of current-year data, is consistent with the requirements of IFRS S1 and S2.
43. As acknowledged in the exposure draft, entities commonly calculate financed emissions using the latest available emissions data for their investees as this is the best information available. This means additional data may become available after the reporting date, which can trigger the need for restatement of comparatives under the requirements of paragraph B50 of UK SRS S1/IFRS S1, if there is a material change. Requiring entities to restate prior year disclosures each time updated data becomes available risks creating confusion for users and imposing a significant burden on preparers. It seems particularly unhelpful that the same data is then used to calculate both current and prior year figures, as noted in paragraph 2.16 of the exposure draft, since any difference between the two reflects only changes in portfolio composition or fair value movements (where assets are valued at fair value) and is not particularly useful information for users.
44. We also note that restating prior year estimates due to new information being available is not aligned with the approach taken in financial reporting, where estimates are typically not revised retrospectively. Estimates are based on the best information available at the time, and reflect the information and assumptions used for decision making internally at that time.

45. Given the inherent timing challenges in Scope 3 data collection, we expect it is unlikely an entity will be able to obtain real-time emissions data from its value chain in the foreseeable future. This challenge applies across all categories of Scope 3 emissions, where data availability, quality, and timeliness are often outside the reporting entity's control. Financed emissions, in particular, are a prominent and material category for many financial institutions and are likely to involve estimation. In light of these challenges, our view is that it would be more helpful if disclosures focused on transparency around how the numbers have been determined. We encourage an emphasis on entities making clear disclosures about the methodology used in their calculations, the limitations of the data, the level of estimation uncertainty and what steps are being taken to improve data quality over time. This allows users to make informed decisions based on the disclosures, even if the underlying data is imperfect. This narrative will provide decision-useful information that supports users in understanding the emissions figure and how it has been derived, given the level of estimation involved.
46. As an interim measure, we recommend consideration of the introduction of a temporary relief from the requirement to restate comparative data for Scope 3 emissions. This relief should be accompanied by a clear disclosure requirement, so that users are aware when it has been applied. We do not want to delay the implementation of UK SRS, and believe a temporary exemption is the most appropriate solution in the short term while the government work with the ISSB on a longer term solution. Importantly, this relief will not preclude entities from choosing to restate comparatives if they prefer to do so and wish to remain fully aligned with the ISSB Standards.
47. We intend for this suggested relief to apply only to updates arising from new information that is not related to corrections of errors or methodological changes. We note that in some cases, estimates may need to be updated due to a change in methodology that results in a material change to the total. In such instances, we do not believe the relief should apply, as presenting prior and current year disclosures on a like-for-like basis is more meaningful. Similarly, our view is that this relief should not apply to restatements arising from errors in the prior year disclosure.
48. We believe the government needs to work closely with the ISSB at a senior level to clearly communicate the challenges with the current requirements around the restatement of comparatives and achieve a workable position that better reflects the practical realities of emissions data availability and focuses more on transparent disclosures around the estimation.
49. While the draft UK SRS S2 includes a one-year transitional relief from disclosing Scope 3 emissions, in practice, some entities may be unable to make use of this relief. This is particularly the case where entities already disclose Scope 3 emissions in connection with existing targets or commitments, or where such disclosures are required under other frameworks, such as the FCA's listing rules.

***Question 3 - For entities subject to financed disclosure requirements, what is the impact of revising comparative data for financed emissions calculations and what additional guidance might be useful?***

50. See response to question two.

***Question four - Do you have any other comments on the TAC's final report and recommendations? Include any supporting evidence.***

51. No further comments.

***Question five - Do you agree or disagree that 'shall' should be amended to 'may' in "shall refer to and consider the applicability of... [SASB materials]"? Provide your rationale, including any views you have on the timing of the review of the amendment.***

52. We agree with the proposed amendment to change 'shall' to 'may' in the reference to SASB materials within UK SRS S1 and S2.
53. While we recognise the value of the SASB Standards as a source of industry-specific guidance, we note that they have not been subject to the IFRS Foundation's full due process. We understand that there is an ongoing process to enhance the SASB Standards. However, in our view, this does not negate the need for them to be properly exposed to the IFRS Foundation's due process if they are to be considered a mandatory element of the final Standard. Our position remains consistent with that shared in our [response to the consultation](#) on the draft IFRS S2, where we raised similar concerns about the mandatory reference to SASB materials.
54. In our response to [TAC's Call for Evidence](#) we noted that mandatory reference to external materials may present legal challenges for UK endorsement. This relates directly to the principle of avoiding references that fall outside UK legislative control, which we consider a key criterion for assessing any proposed divergence. We recommend that the government clarify whether a legal analysis has been undertaken regarding the reference to SASB materials, particularly given the high bar for divergence from the ISSB Standards. This may be an important consideration in justifying the change in wording.
55. We also note that the use of 'shall' could introduce assurance challenges, particularly for entities seeking voluntary assurance or preparing for mandatory assurance. In such cases, entities may be expected to demonstrate and document how they have considered the SASB Standards, even if they ultimately choose not to apply them. That said, we acknowledge that the SASB Standards are a valuable resource that many entities use to support industry-specific disclosures. A 'shall' requirement provides clarity for both preparers and assurance providers on what needs to be considered and therefore helps support comparability across entities. We encourage the government to monitor developments and assess the appropriateness of alignment as reporting practices mature and experience is gained.
56. We expect that many entities will continue to consider the SASB Standards in practice, particularly where they provide useful guidance on identifying sustainability-related risks and opportunities. The proposed change from 'shall' consider to 'may' consider does not prevent entities from using the SASB Standards and remaining compliant with the requirement in the ISSB Standards.
57. On balance, we therefore believe that allowing flexibility at this stage is appropriate. In our view, the amendment should be subject to ongoing review and assessed against a clear set of principles for divergence from the ISSB Standards. While such principles are not currently established by the government, we have recommended some in our response to the TAC's Call for Evidence, reiterated in paragraph 21 of this response, which we believe could serve as a useful framework for this assessment. If those conditions are no longer met, we would support restoring full alignment. We encourage the UK Government to monitor the ISSB's project to enhance the SASB Standards closely and to consider mechanisms for aligning the wording of UK SRS with the ISSB Standards in the future, subject to appropriate due process.

***Question six - Do you agree or disagree with the proposal to link the reporting periods in which a transition relief can be used to the date of any reporting requirements coming into force? Provide your rationale.***

58. We agree with the intention behind amendment six, which seeks to ensure that entities subject to mandatory reporting can access the relevant transitional reliefs and also to avoid penalising those that have voluntarily adopted the standards early. Ensuring that early adopters are not disadvantaged when the standards subsequently become mandatory is an important principle that we support.
59. We understand that the government does not intend to exclude voluntary reporters from accessing reliefs. However, we believe that the current drafting may have unintended consequences for voluntary reporters and that clarification is needed to ensure that the standards operate as intended. Specifically, paragraphs E3, E4, and E5 of UK SRS S1 refer

to reliefs being available in the periods in which an entity is 'required' to apply the standards. This language could be interpreted to mean that entities voluntarily applying UK SRS are not eligible for the reliefs, on the basis that they are not yet required to apply them.

60. This ambiguity creates uncertainty for preparers and risks discouraging early adoption. It also raises questions about how voluntary application interacts with the compliance statement required under UK SRS S1, which states that an entity must comply with all requirements to be able to make such a statement. For example, if transitional reliefs are interpreted by voluntary reporters as not being available, it is unclear how they can assert compliance while making use of the reliefs.
61. We recommend that the government revise the relevant paragraphs to make clear that entities voluntarily applying UK SRS are eligible to access the same reliefs as those applying the standards from the mandatory date. To avoid unintended consequences, this may be best dealt with through a separate paragraph specifically addressing how transition works for voluntary adopters, rather than through changes to the existing wording to the ISSB Standards. Additional guidance may also be useful to clarify how voluntary reporters can demonstrate compliance with UK SRS, including the use of transitional reliefs. This would help ensure that the standards are applied consistently and give preparers confidence in their reporting approach.

**Question 7 - Explain your views on:**

***a) whether disclosure of the purchase and use of carbon credits in the current period would be useful information***

***b) what the barriers to companies being able to produce this information are (including the availability of the information required for reporting and the associated costs)***

***c) whether (and how) any further disclosures would be useful***

62. While paragraph 36 of UK SRS S2 requires disclosure on the planned use of carbon credits to meet emissions targets, we believe that information on the actual use, quality, and current holdings would also be useful. This would provide a more complete picture of how entities are managing their emissions and whether they are on track to meet their stated goals.
63. Many entities use third party providers to manage their carbon credit portfolios, which can result in a delay in getting access to information. These arrangements often involve offtake agreements, where the buyer commits in advance to purchase a specified volume of credits. However, there is typically a time lag between the signing of these agreements and the retirement of the credits which can result in delays in accessing up-to-date information, including retirement status. We also acknowledge that the landscape of carbon credit schemes is complex and evolving.
64. That said, we agree with the UK Sustainability Disclosure Policy and Implementation Committee's (PIC) conclusion that there is not a compelling reason to deviate from the ISSB Standards on the topic at this point in time. We have included further detail on our view of useful disclosures around carbon credits in our response to the Department for Energy Security and Net Zero's consultation on climate-related transition plan requirements.

**Question 8 - What are your views on the potential amendments to IFRS S2 proposed by the ISSB at this time?**

65. ICAEW submitted a [response to the ISSB's recent consultation](#) on the proposed amendments to IFRS S2 regarding greenhouse gas emissions disclosures. In this, we:
  - supported the proposed relief allowing financial institutions to exclude derivatives, facilitated emissions, and insurance-associated emissions from their Scope 3 Category 15 disclosures.

- supported the ISSB's proposals to allow flexibility in industry classification systems. We did not support the proposal that the use of GICS by a subsidiary should trigger a requirement for the entire group to adopt GICS.
- supported the clarification relating to the jurisdictional relief from using the GHG Protocol.
- supported allowing entities to use Global Warming Potential (GWP) values other than those based on the latest Intergovernmental Panel on Climate Change (IPCC).

66. We consider that the amendments to IFRS S2 outlined above address fundamental challenges that entities face in applying the standards. We do not believe endorsement of UK SRS should be delayed pending finalisation of these amendments, but encourage the establishment of an efficient mechanism to integrate these updates into UK SRS once the ISSB has concluded its project.

**Question 9 - Do you have any other comments (including any supporting evidence you would like to share) on the UK government's 2 amendments based on the PIC's conclusions? Explain them here.**

67. No further comments.

**Question 10 - Overall, do you agree that the UK government should endorse the standards, subject to the amendments described? Explain any other amendments that you judge to be necessary for endorsement and why.**

68. We strongly encourage the government to endorse UK SRS as a priority. Endorsing these standards represents a critical step in restoring the UK's leadership in corporate reporting and sustainable finance and we encourage consultation on scope and timing as soon as possible to enable entities to plan and prepare.
69. We do not believe the finalisation of UK SRS should be delayed by the outcome of the ISSB's consultation on the proposed amendments to IFRS S2 proposed by the ISSB. While we do not support all of the ISSB's proposals, such as the requirement for a subsidiary's use of GICS to trigger group-wide adoption, we believe these issues can be resolved through ongoing engagement with the ISSB. We prefer the full flexibility of the TAC's proposal to remove the requirement to use GICS entirely, and we welcome the government's statement that it will continue to monitor the progress of these amendments.
70. While we support endorsement of UK SRS irrespective of whether an additional temporary relief from the requirement to restate comparative information for Scope 3 emissions is implemented (as noted in our response to question 2), we believe such a relief would ease implementation and improve usability. The current requirement to restate comparatives annually, when material, using updated emissions data presents practical challenges and does not necessarily provide decision-useful information for users. As outlined in our response to question six, we also recommend clarification on how voluntary reporters can demonstrate compliance with UK SRS, including the use of transitional reliefs. However, again, we support endorsement of UK SRS irrespective of this clarification being made.
71. We note that subsidiary-level reporting does not deliver the same level of value as group-wide disclosures. When considering scoping requirements, we therefore encourage the government to consider allowing group-level reporting to satisfy UK SRS requirements. Longer term, we support the ambition of achieving equivalence with other jurisdictions where possible, which would make exemptions for subsidiaries more straightforward where the group is subject to comparable standards elsewhere.

**Question 11 - Explain the direct and indirect benefits that you are expecting to result from the use of UK SRS S1 and UK SRS S2 (which may or may not be included in paragraphs 4.2 to 4.5). Include an assessment of those benefits which are additional to benefits arising from current reporting practices.**

72. We expect UK SRS S1 and UK SRS S2 to deliver a range of direct and indirect benefits, with the net benefit potentially greater for larger entities compared to smaller ones. This reflects the fact that, for many larger entities, UK SRS will represent less of a step change from existing reporting practices. That said, we recognise that reporting maturity varies significantly even among larger organisations.
73. One of the most significant benefits for entities is the potential for improved access to capital. The standards will facilitate the production of decision-useful, reliable and comparable information across entities and jurisdictions, supporting global consistency and responsible business practices. We expect the standards to help shift the narrative around sustainability, moving it away from being perceived as a corporate social responsibility activity and towards recognition of how climate and other sustainability risks and opportunities that businesses face influences pricing in capital markets. With investors and lenders favouring entities that demonstrate robust, resilient governance and risk management, entities that can evidence this through high-quality disclosures are likely to benefit from a lower cost of capital.
74. We also believe the standards offer a valuable opportunity to enhance internal decision-making. By requiring entities to identify and assess sustainability-related risks and opportunities, UK SRS encourages a more holistic and forward-looking approach to strategy. This process will result in better quality information reaching leadership teams, enabling more informed decision-making that connects sustainability-related risks and opportunities with financial ones. The structured nature of the standards will also improve internal visibility over activities and resource allocation, supporting more effective oversight and helping leadership evaluate whether current approaches are aligned with strategic objectives.
75. The broader scope of UK SRS S1 allows entities to focus on the material risks and opportunities that could reasonably be expected to affect businesses prospects, beyond the disclosure of climate-related information. In our view, this flexibility supports more meaningful and decision-useful reporting specific to the entity. This approach also mitigates the potential of overburdening entities by requiring disclosures on a wide range of topics, which has the risk of turning the reporting into a compliance exercise.
76. We recognise that sustainability data is still in its infancy. Public disclosures under UK SRS should help improve the quality and availability of data, reduce reliance on proxies, and highlight current limitations and gaps. This will support better reporting not only within individual entities but also across the wider value chain.
77. Finally, we expect UK SRS to contribute to the streamlining of sustainability reporting requirements, both in the UK and globally. By aligning with the ISSB Standards, the UK will be well positioned to advocate for a common baseline and support the development of a 'passport system' to global capital markets based on equivalence. This would help reduce costs and risks associated with regulatory and policy fragmentation, benefiting not only businesses but also capital markets and the broader corporate reporting ecosystem.

***Question 12 – Explain the direct and indirect costs that you are expecting to result from the use of UK SRS S1 and UK SRS S2 (which may or may not be included in paragraphs 4.7 to 4.8). Include an assessment of those costs which are additional to costs arising from existing reporting practices.***

78. While we expect the benefits to outweigh the costs in the long term, implementing UK SRS S1 and UK SRS S2 will result in both direct and indirect costs for preparers. As we noted in response to question 11, these costs will vary significantly depending on the maturity of existing reporting practices. Even among large entities, the extent of current sustainability reporting differs considerably, making it difficult to generalise the uplift in cost.
79. Entities may need to invest in systems and processes to collect the required data for UK SRS disclosures. This will likely require dedicated resource and may involve significant operational change, particularly for entities with limited existing infrastructure for sustainability reporting.
80. We believe that assurance of UK SRS is desirable in the long term and support mandatory, limited assurance in the first instance, with a view to progressing to reasonable assurance

when feasible and on an informed, phased and proportionate basis. We recognise there will be costs to entities related to assurance and assurance readiness and that such costs will extend beyond the fees charged by assurance providers including, for example, internal resource allocation, system upgrades and often external advisory support. We also expect there will be time pressures associated with preparing for assurance, particularly given sustainability assurance is expected to align with the financial audit cycle. However high-quality assurance of sustainability information is crucial for a trustworthy sustainability reporting ecosystem. It fosters confidence in the reliability of corporate disclosures, combats greenwashing, and ensures efficient capital allocation. Ultimately, this promotes sustainable business practices, driving economic growth and resilience.

81. We acknowledge that UK entities in international groups may face practical challenges in complying with UK SRS while navigating expectations or sensitivities in other jurisdictions, for example in areas such as net zero commitments. Due to its growing preference for lighter-touch regulation, entities that are also subject to reporting requirements in the US may particularly need to navigate jurisdictional sensitivities. We also note that, pending developments in the European Union, some entities applying UK SRS are likely to fall within scope of CSRD. Ensuring compliance with both frameworks will be complex and resource-intensive if there is not a common passporting system in place. We therefore consider it important that jurisdictions work towards agreements on equivalence between sustainability reporting standards. This will help minimise regulatory burdens for businesses operating across borders and support the efficient flow of capital.
82. While these costs are not insignificant, we believe that with careful scoping and proportionate implementation, the benefits of UK SRS will ultimately outweigh the costs.

***Question 13 - What are your views on the merits of economically-significant private companies reporting against UK SRS? Explain your assessment of direct and indirect benefits and costs.***

83. We recognise the importance of transparency and comparability in sustainability disclosures across the economy and support the ambition for economically-significant private companies to report against UK SRS. However, it is difficult to comment definitively without a clear definition of what constitutes 'economically significant.' We recommend that the government consider carefully the needs of users when determining this threshold. For example, private equity investors may have different expectations and use cases compared to other stakeholders, which should be reflected in the definition.
84. The benefits of applying UK SRS to private companies will vary depending on their financing structures and stakeholder engagement. For example, entities that source finance internally may see fewer benefits in terms of reduced cost of capital, as they are not reliant on external lenders or investors who might use sustainability disclosures to inform their decision making. However, we note the increasing importance of private capital in supporting UK growth. In this context, the application of UK SRS by private companies has the potential to provide decision useful information to lenders, creditors, and investors who are seeking greater transparency on sustainability risks and opportunities. The application of UK SRS could strengthen trust in private markets and drive investment in the UK economy.
85. In addition, some private companies may not experience the same feedback loop as listed entities, where investor input and market expectations can drive improvements in disclosure quality over time. Without this dynamic, the pace of improvement in reporting practices may be slower and the incentive to invest in sustainability reporting may be less immediate.
86. As not all entities will be in scope of UK SRS, the government should consider the implications for those in-scope who may require data from those not in scope. This includes the constraints the reporting entity may face with data collection and the potential burden placed on out-of-scope entities to provide information.

***Question 14 - For non-listed entities, what are your views on your readiness to report against UK SRS – particularly UK SRS S1, which covers non-climate reporting? Explain***

***whether you require additional resources to report on UK SRS, beyond resources used for existing climate or sustainability-related reporting, and what these resources would be.***

87. We understand that many non-listed entities are not yet ready to report against UK SRS, particularly in more complex areas such as Scope 3 emission disclosures. While progress is being made, particularly among the largest non-listed entities, sustainability reporting remains relatively new for many and may present a degree of challenge.
88. A clearer roadmap for implementation would help entities plan and allocate resources appropriately. This includes clarity on timing and scope. Even if this is some years away, early visibility would allow entities to prepare and invest in the necessary resources and skills. We recognise that decisions around scope must be considered in separate consultations and in conjunction with the government's ongoing review of the UK's non-financial reporting framework. However, we encourage the government to provide as much clarity as possible as early as possible. Even if implementation is several years away for some types of entities, this information would support preparers in planning and help build internal momentum.
89. Many non-listed entities are not yet reporting on Scope 3 emissions, often because they are not required to and do not necessarily have a clear audience for such disclosures. Expanding reporting requirements will therefore require investment in systems and processes to collect, validate, and present data that is not currently being captured.
90. These expanded requirements will also place demands on SMEs, who may not be in scope themselves but will be asked to provide data to entities further up the value chain. This will require investment in systems and processes to capture and share relevant information, even where SMEs are not subject to direct reporting obligations.
91. We recognise that reporting quality will evolve over time. Sustainability reporting should be viewed as a journey, and expectations should be managed accordingly, particularly in the first year of application. This should be reflected in regulatory oversight and assurance expectations.
92. We believe proportionality will be key in the successful roll-out of sustainability reporting across the UK economy. Held in high regard globally, the proportionality evident in the UK's financial reporting approach helps to encourage growth and reduce regulatory burden. In the longer term, we support the development of a simplified framework for different sizes of entities, similar to FRS 101 *Reduced Disclosure Framework* and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* in financial reporting. We encourage the government to consider the possibility of developing a sustainability reporting framework for SMEs, potentially led by the Audit, Reporting and Governance Authority (ARGA). This would help ensure requirements remain proportionate, reflecting the size and complexity of the reporting entities while also maintaining international alignment.
93. Finally, we believe there are steps the government could take to encourage broader reporting without necessarily embedding requirements in regulation. This includes providing guidance and education to help non-listed companies get started with sustainability reporting. Many are still navigating the fundamentals, and targeted support could accelerate readiness and improve the quality of disclosures over time.

***Question 15 - What (if any) would be the opportunities to simplify or rationalise existing UK climate-related disclosures requirements, including emissions reporting, if economically-significant private companies are required to disclose against UK SRS? Consider how duplication in reporting can be avoided. Responses to this question will support the government's review of the UK's non-financial reporting framework.***

94. We see this as a significant opportunity to rationalise and streamline the UK's climate-related disclosure landscape. The current framework has developed incrementally, resulting in overlapping requirements that risk turning reporting into a box-ticking exercise rather than a coherent narrative. Mandatory reporting under UK SRS provides a chance to reset and



enable preparers to tell a cohesive story about climate-related and other sustainability-related risks and opportunities, improving the quality and usefulness of its disclosures.

95. There are a number of non-financial matters currently required to be reported in a strategic report that we believe will be duplicative and unnecessary if reporting against UK SRS. This includes reporting under the Climate-related Financial Disclosure (CFD) Regulations 2022 and elements of section 172(1) reporting and the non-financial and sustainability information statement required under the Companies Act 2006 (CA 2006).
96. We would also encourage the government to consider removing the Streamlined Energy and Carbon Reporting (SECR) requirements from the annual report, if the scope of UK SRS extends to entities currently in scope of the SECR requirements. This is on the basis that an entity reporting under UK SRS would be required to include relevant metrics where material. In our view, the annual report should provide material information that is useful to existing and potential investors, creditors and other lenders in making decisions relating to the provision of resources to the entity. The SECR requirements are designed to meet a broader public policy objective and so, in our view, should be presented outside of the annual report.
97. We suggest that DBT establishes organising principles to guide its work on streamlining and simplifying the UK's non-financial reporting framework. This should lead to a more coherent and comprehensible approach to climate-related reporting and should reduce the likelihood of current complexity, inconsistency and duplication recurring as the framework develops in the future. Where non-financial information serves broader public policy objectives rather than providing material information to the primary users, that information should be presented outside of the annual report, allowing the annual report to focus on its intended audience.

***Question 16 - Explain which other sustainability-related disclosure requirements your organisation currently reports against or expects to report against. How does this affect your assessment of associated costs and benefits for any UK SRS reporting?***

98. Businesses represented by our members commonly report under the SECR framework, the UK's CFD and the TCFD recommendations. Some UK companies also expect to report under CSRD if they fall within the relevant thresholds.
99. Without a mandatory implementation date for UK SRS, and with CSRD expected to apply relatively soon for some, many entities in scope of both are focusing their efforts and resources on preparing for CSRD. This is making it difficult for some entities to secure leadership buy-in and investment in UK SRS, particularly while the scope and timing remain uncertain. We therefore encourage DBT to act as swiftly as possible to provide timelines and certainty to the market.
100. For those already reporting under TCFD or preparing for CSRD, the incremental cost of UK SRS may be lower, as they will likely already be investing to some degree in systems, resources and assurance readiness. However, for others, particularly those outside the listed environment or new to sustainability reporting, the costs may be more significant, especially in the short term.

***Question 17 - What support from UK government or regulators may be useful for SMEs and what support is already available within the market? Explain which costs could be mitigated and/or which benefits could be realised through this support.***

101. It is likely SMEs will be asked to provide sustainability-related data by larger entities in their value chains, even if they themselves are not in scope of UK SRS. While many SMEs already provide climate-related data to enable larger entities in their value chain to meet existing requirements, broader sustainability disclosures may present additional challenges. This may place a disproportionate burden on SMEs, particularly where they lack the resources, systems, or expertise to respond effectively. We encourage the government to engage with SMEs and consider mechanisms to minimise the impact of these data requests. Examples of such mechanisms might include:

- implementing a ‘comply or explain’ approach where an entity is required to explain if it is unable to supply data requested of it;
  - allowing SMEs to provide data based on standardised industry benchmarks; or
  - in limited circumstances, exempting certain SMEs from having to fulfil data requests.
- Alongside this, we recommend providing guidance to help SMEs understand and respond to data requests.

102. We believe that targeted support from government and regulators could play a valuable role in helping SMEs engage meaningfully with sustainability reporting. Many SMEs are keen to get started but lack the resources or technical understanding to do so effectively.
103. Our understanding is that many SMEs use external consultants to calculate Scope 1, 2, and 3 emissions. While outsourcing can be helpful, a reliance on consultants may result in SMEs not fully understanding the underlying methodologies, estimation risks or data sources involved. As a result, they may not be in control of the numbers or able to use them effectively for internal decision-making. Educational resources that explain how emissions data is compiled, and how it can be improved over time, would be particularly helpful, especially for Scope 3 emissions where data quality and availability are often limited.
104. We also hear that SMEs lack confidence in knowing when and how estimates can be used. Clear guidance on the appropriate use of estimation in sustainability reporting would help reduce uncertainty and support more consistent disclosures. This would likely be useful for entities of all sizes.
105. Beyond emissions, many smaller businesses are looking for practical ways to begin their sustainability journey. A simple, accessible guide to conducting a materiality assessment, tailored to SMEs, could help them identify relevant topics and begin building internal capability.
106. Support of this kind could help mitigate costs associated with external advisory services, reduce the risk of misreporting and unlock the benefits of sustainability reporting by improving data quality and internal engagement. It would also help SMEs prepare for future regulatory developments and align with evolving market expectations.

***Question 18 - Explain your assessment of the legal implications of using UK SRS and your assessment of the existing provisions in section 463 of the Companies Act.***

107. It is difficult to comment definitively on the legal implications of using UK SRS at this stage, as this may depend on the outcome of the government’s review of non-financial reporting requirements and decisions around the location of disclosures. We understand that these factors will influence how sustainability information interacts with existing legal frameworks, including section 463 of the CA 2006.
108. While we would not expect UK SRS to introduce new legal implications compared to existing reporting requirements, we note that sustainability disclosures, particularly those relating to transition planning, are inherently more forward-looking than traditional financial reporting, often projecting several years into the future. This raises questions about how legal liability should be treated in relation to targets and projections, especially where outcomes are influenced by factors beyond an entity’s direct control, such as Scope 3 emissions. We understand that some preparers are concerned about the legal implications of forward-looking sustainability disclosures, particularly in relation to targets and transition plans. These types of disclosures often involve a degree of uncertainty, and entities can only report based on what is known at the time. For example, a net zero target may be considered decision-useful by an investor, but the entity may later fail to meet that target due to unforeseen developments. In such cases, preparers have expressed concern about how liability might be interpreted, and whether this could discourage ambition or transparency in reporting.
109. Further guidance on how terms such as ‘untrue or misleading’ in section 463 of the CA 2006 apply to forward-looking sustainability disclosures may help preparers feel more confident in their reporting. We note that the [FCA’s anti-greenwashing guidance](#) reinforces the importance of clear, fair and non-misleading sustainability-related claims. While not directly

linked to section 463 of the CA 2006, it provides useful context for how regulators are approaching considerations around sustainability references and claims.

**Question 19 - If you have any other comments (including any supporting evidence) on the potential costs and benefits of UK SRS for any stakeholder, including any comments on sector-specific impacts, explain them here.**

110. No further comments.

**Question 20 - What are your views on the quality and availability of existing guidance for the topics listed in paragraph 5.4? Explain what additional guidance – particularly on a global basis – would be helpful and why.**

111. We agree that climate scenarios and conversion factors are areas where additional guidance would be particularly helpful. We encourage the TAC and the PIC to engage with the ISSB with a view to developing globally applicable guidance in these areas. In terms of timing, it is important that entities are given time to apply the standards and that any guidance is informed or updated based on practical implementation experience.
112. Scenario analysis is a particularly important area. The FRC has previously encouraged companies to provide more detailed disclosures; further guidance on what constitutes minimum disclosure expectations would be beneficial. This would help drive consistency and comparability across entities.
113. In terms of conversion factors, guidance on the principles for selecting an appropriate factor would be useful. We do not support mandating the use of specific conversion factors, as has been the case in some jurisdictions. Such an approach risks creating unnecessary complexity, particularly for entities with global footprints. In particular, educational material addressing practical challenges would be helpful. For example, how to handle updates to conversion factors, whether recalculations of base years or targets are required, and what to do if updates occur after the balance sheet date but before the financial statements are finalised.
114. As stated in our [response](#) to TAC's Call for Evidence, there are particular areas of the standards that we believe are likely to lead to implementation challenges and therefore would benefit from ongoing monitoring and additional practical guidance. These areas are as follows:
  - a. financial impact requirements – in particular the need to distinguish one type of risk from another in this context when these risks are likely to interact with one another;
  - b. financed emissions – the Partnership for Carbon Accounting Financials (PCAF) materials may serve as useful guidance to reference; and
  - c. climate resilience and scenario analysis.
115. We also consider that further guidance might be helpful on the boundary of what constitutes a sustainability-related risk or opportunity under UK SRS S1. For instance, it is not always clear whether topics such as geopolitical instability or cybersecurity would be considered sustainability-related and fall within scope. We recognise that this is an inherently judgemental area, however guidance that helps entities consider these areas would support high quality and comparable disclosures.