



HM Treasury

Sustainability Reporting Guidance

Government Sustainability Reporting for
Annual Reports and Accounts

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Changes to reporting landscape in the private sector and across government

Public sector and Government policy changes:

1. COP26 will be held in Glasgow in November 2021 and the UK government has announced more ambitious targets under The Paris Agreement. More policy and programme announcements are expected in advance of and at COP26.
2. The UK Joint Regulator and Government TCFD Taskforce remains on track with its roadmap for the private sector adoption by 2025 (including the development of Sustainable Disclosure Reporting, resilience statement).

Standard setters:

1. The International Sustainability Standards Board (ISSB) has been established by the IFRS Foundation. ISSB are continuing stakeholder consultation for development of sustainability standards.
2. FRAB has set-up a working group to consider climate and sustainability factors on public sector financial reporting. More details are included in the [FRAB 144 \(10\) paper](#).

Main updates to the GGCs for 2021-25

Updated GGC targets have been set for 2021-25, superseding the targets for 2016-20. Key changes include:

1. Changing the target baseline year from 2009-10 to 2017-18, to more accurately reflect the current government estate and ensure government builds on the progress it has already achieved.
2. Setting more stretching targets on the core areas of emissions, water, waste and domestic flights, and introducing new measures on biodiversity, climate adaptation and food waste.
3. Integrating the transparent reporting requirements into the core GGC targets for biodiversity and climate adaptation.
4. Reorganising the targets into headline commitments and sub-commitments, so that departments can commit to common overall objectives, with sub-commitments which contribute to the overall aims.



Draft changes for SRG 2021-22 (1)

Structural changes:

1. Chapter 1 combined the first two chapters of the previous SRG version ('Introduction' and 'Reporting Requirements - overview').
2. New template which incorporates:
 - Foreword section – introducing the guidance, identifying the applicable reporting period and summarising the key changes to the guidance
 - Annex A – D – which will improve navigation of the paper and provide further information to users (team contacts, further reading and links)
3. Aligning SRG chapters (to limited extent) with government commitments and incorporated Government GGC into the guidance via red text boxes in each chapter
4. General updates to the text and format:
 - Removed unnecessary, repeated and out-of-date content
 - Added an introduction to each chapter covering a purpose
5. Financial Reporting Impact - The IFRS Foundation has offered a view and their interpretation on climate related disclosure for financial reporting.

Draft changes for SRG 2021-22 (2)

Other new requirements:

1. Self Audit - Entities must reconcile and explain material difference between the GGC figures disclosed within the GGC annual report published by DEFRA and the published ARA for the prior period.
2. Policy Objectives and Targets – the reporting entity must describe other significant policies pursued with respect to climate change and sustainability
3. Sustainable construction – Moved to a new sub-section as *a separate requirement*.
4. Rural Proofing – moved from mandatory reporting table to underlying guidance. *RP is only relevant for certain entities and the SRG is moving away from generic statements.*

Voluntary reporting:

1. TCFD - Certain regulated public sector entities are likely to come into scope of new TCFD requirements from 2022-23. The SRG has more details and will be developed further.
2. Green Finance – Issuance and reporting on first green gilts for green public sector projects.



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Questions