



Department for
Business & Trade

Exposure draft of UK Sustainability Reporting Standards: UK SRS S1 and UK SRS S2

Consultation Response

25 February 2025

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Overview

- 1.1 The government aims for the UK to be a world leader for sustainable finance. This includes supporting the availability of high-quality, decision-useful information for investors and other users of financial statements.
- 1.2 The UK was an early mover in requiring entities to report on financially-material climate-related risks, introducing requirements in 2022 for the largest privately held entities and between 2020 and 2021 for listed entities. Since then, the IFRS Foundation® established the International Sustainability Standards Board (ISSB)™, which published its first corporate sustainability reporting standards in June 2023. The government is a strong supporter of the ISSB's work, as it provides a mechanism to bring greater international consistency to disclosures on sustainability-related risks and opportunities. This facilitates investor decision-making and helps contribute to economic growth.
- 1.3 Recognising the ISSB's work, the government published a consultation to seek views on exposure drafts of UK Sustainability Reporting Standards (UK SRS), based on the first 2 IFRS Sustainability Disclosure Standards, in June 2025. As explained in the consultation, UK SRS will facilitate the provision of comparable and robust information regarding an entity's sustainability-related risks and opportunities. In that spirit, the government prioritised international alignment when finalising UK SRS. This should mean that comparability for users is maximised and unnecessary costs for preparers are minimised.
- 1.4 The government has decided to endorse the 2 IFRS Sustainability Disclosure Standards and therefore issue UK SRS S1 and UK SRS S2 for voluntary use in the UK, following its consultation. The final standards include certain amendments, which were considered against the criteria outlined in the ['Framework and Terms of Reference for the Development of UK Sustainability Reporting Standards'](#). This process included analysis by the UK Sustainability Disclosure Technical Advisory Committee (TAC) and UK Sustainability Disclosure Policy and Implementation Committee (PIC). Some of these amendments have been developed since the government's consultation in response to feedback received during the consultation, recommendations from the TAC (including on amendments issued by the ISSB in December 2025), and matters raised during PIC meetings. These are explained in this consultation response document.
- 1.5 The [final UK SRS have now been published online](#) and are available for any entity to use, in whole or in part, as they see fit.

Summary of the respondents to the consultation

- 1.6 The government received 209 responses to the consultation. 170 responses were submitted through an online survey platform and the other 39 were sent directly to DBT by email. 199 respondents were organisations and the remaining 10 were individuals.
- 1.7 Demographic information is available for the 170 online survey respondents but not for those who contacted DBT directly. Respondents who selected an organisation type were most likely to describe themselves as listed companies or representative bodies, followed by unlisted companies or investors. Some pension schemes, providers of

accounting or audit or assurance services, and academic or research organisations also responded.

1.8 Respondents were more likely to class themselves as preparers of reports or as both preparers and users. Companies, both listed and unlisted, were more likely to be preparers only. Those who only use reports were the least common group, and tended to include a mix of organisation types. Table 1 (below) shows the number of respondents from each group for this question.

Table 1: Respondents according to whether they classed themselves as a preparer of reports, a user, both, or neither

	Number of respondents	Percentage
Preparer of reports	49	29%
User of reports	27	16%
Both	53	31%
Neither	41	24%
Total	170	100%

1.9 Online survey respondents represented a wide range of sectors. The single largest sector represented was financial and insurance services (25%, 42 of 170 respondents). The next-largest single sector was professional, scientific and technical activities (11%, 18 of 170 respondents). The government also received responses from organisations in real economy sectors such as manufacturing, utilities, and retail.

1.10 Online survey respondents reported that they already undertake a significant amount of sustainability reporting. Table 2 below shows the most common reporting – entities may undertake reporting in line with multiple frameworks. In addition to this, some respondents also report information in line with voluntary reporting initiatives, such as the Global Reporting Initiative and CDP, formerly known as the Carbon Disclosure Project.

Table 2: Extent of self-reported current sustainability reporting practices

	Number of respondents	Percentage
Streamlined Energy and Carbon Reporting (SECR)	76	45%
Task Force on Climate-related Financial Disclosures (TCFD)-aligned rules through the Companies Act	59	35%

Financial Conduct Authority's (FCA's) TCFD-aligned Listing Rules	31	18%
Requirements from other jurisdictions	18	11%

Structure of this document

1.11 This document provides a summary of responses to the government's consultation. It also marks the completion of the endorsement process, resulting in the issuance of UK SRS S1 and UK SRS S2. In particular, the government encourages stakeholders to take note of the final amendments that the government has made.

1.12 Chapter 1 provides an overview of responses to consultation questions on the TAC's recommendations, which were provided to DBT and cover the endorsement of the standards for voluntary use. As such, it explains the government's next steps and final policy position on those questions.

1.13 Chapter 2 provides an overview of responses to consultation questions on the PIC's advice in relation to the endorsement of the standards. This section also provides the government's final decisions regarding the overall endorsement of the standards. A mapping between the standards as issued by the ISSB and the final UK SRS is provided in Annex A.

1.14 Chapter 3 provides a summary of responses to the questions in the consultation that look ahead to the possible future implementation of the standards. These were the questions in Chapters 3 and 4 of the government consultation, which covered, among other things:

- benefits and costs
- the merits of potential mandatory reporting obligations for private companies
- the impact of UK SRS on small and medium-sized enterprises (SMEs)
- the need for future guidance

Related publications and next steps

1.15 In January 2026, the FCA published [a consultation on whether and how to update its Listing Rules to refer to UK SRS](#). The FCA's consultation proposes that in-scope listed entities will disclose information about their climate-related risks and opportunities in accordance with UK SRS S2 and must apply the specific provisions in UK SRS S1 as relevant to those disclosures. UK SRS S2 (excluding Scope 3 greenhouse gas (GHG) emissions reporting) would be mandatory. Scope 3 GHG emissions and information about sustainability-related risks and opportunities beyond climate would be captured under a 'comply or explain' approach. The FCA proposes a phased implementation approach, taking effect from 1 January 2027. The government encourages stakeholders to respond to the FCA's consultation to support the FCA's decisions in finalising its rules.

1.16 The government's work on UK SRS is set within the context of the [Modernising Corporate Reporting \(MCR\)](#) programme, announced in October 2025, which will streamline corporate reporting requirements and re-establish the purpose of the annual

report and accounts as providing decision-useful information for investors and creditors. As part of this, the MCR programme will include consideration of the need for requirements within the Companies Act for private entities to report against UK SRS. Further information will be included in a consultation on MCR later this year.

Chapter 1: proposed amendments to IFRS S1 and IFRS S2 – recommendations from the UK Sustainability Disclosure Technical Advisory Committee

Summary of Responses to Q1

Question 1 (184 responses) – Do you agree or disagree with the UK government's 4 amendments based on the TAC's recommendations? Provide your rationale.

- 1.17 The majority of respondents to this question (68%, 125 of 184) agreed with the 4 UK amendments recommended by the TAC. The level of support for individual amendments varied a little, but each amendment was supported by the majority of respondents.
- 1.18 **Amendment 1** was the removal of the transitional relief in IFRS S1 that allowed reporting entities to publish their sustainability-related information at a different time to the financial statements in the first year of reporting. A small number of respondents disagreed with this amendment, because they valued the additional flexibility and time to prepare for UK SRS reporting. However, most agreed with the amendment on the basis that users value integrated reporting and on the basis that UK entities have experience in reporting climate information. The connectivity and integration of UK SRS reporting with financial reporting is widely cited as a benefit of UK SRS in general (see question 11 in Chapter 3).
- 1.19 **Amendment 2** was the proposed extension to the relief in IFRS S1 which permits the delay of reporting sustainability-related risks and opportunities beyond climate. The amendment extended the relief to 2 years, rather than 1. This relief, like other transitional reliefs, is optional. This amendment has a similar level of support as Amendment One. The majority of respondents agree with allowing additional time to prepare for reporting beyond climate. Of those who disagreed, many suggested that this would be an unnecessary delay to reporting, while some said that reporting entities should focus on the most financially-material matters, which may or may not be climate-related.
- 1.20 **Amendment 3** is the proposed removal of the requirement to use the Global Industry Classification Standard (GICS) from UK SRS S2. A very small number of respondents disagreed with this amendment, some of whom were concerned about potential impacts on comparability of disclosures. Of those that agreed, some commented that UK SRS S2 should be consistent with IFRS S2 and that the government should attempt to align its final approach with the ISSB's efforts to amend the requirement, which was ongoing at the time of consultation. The ISSB finalised this amendment in December 2025¹, and its final approach was broadly consistent with the intention behind the UK's proposed amendment.

¹ See question 8 in Chapter 2 for respondents' views on the amendments as proposed at the time of our consultation, and the government's decision on how to reflect these in final UK SRS S2.

- 1.21 Amendment 4** is the removal of the ‘effective date’ clauses from UK SRS to avoid any confusion with the introduction of any reporting requirements. Instead, the effective date for UK SRS will be set out in any regulation or legislation if and when any reporting requirements are introduced. For voluntary reporters, UK SRS is available to use immediately. Almost no respondents disagreed with this amendment.
- 1.22** Importantly, in PIC discussions following the closure of the consultation, a question was raised on how reliefs described in UK SRS would interact with similar provisions in the FCA’s Listing Rules. This is a functional question on how drafting of UK SRS and the rules that refer to them would work. In particular, the PIC has discussed how to maintain the spirit of the reliefs while facilitating regulatory or legislative authority over their application. In January 2026, the government published a [letter to the FCA](#) explaining its proposed approach to resolving this issue. The contents of that letter are reflected in the summary of the proposed next steps below.

Government response

Amendments 1 and 4:

The government has made Amendments 1 and 4 as set out in the consultation.

Amendment 2:

The government believes that reporting entities would benefit from a pragmatic approach, giving them flexibility to report on non-climate matters as capacity and capabilities develop. At the same time, we have discussed the ways that the in-built reliefs within the standards might interact with the implementation of the standards by government and the FCA, recognising that this could create confusion for preparers and users of reports.

To resolve this, the government has made amendments to the reliefs within UK SRS S1 and UK SRS S2 which concern reporting on non-climate matters and Scope 3 GHG emissions. The government has also made an amendment to UK SRS S1 regarding the statement of compliance.

See Chapter 2 of this document for details of this amendment and for further information on how the reliefs will apply in practice, including for voluntary users of the standards. Also refer to the [FCA’s consultation on whether and how to update its Listing Rules](#).

Amendment 3:

The government has incorporated the amendment that was issued by the ISSB in December into UK SRS S2. The TAC has revised its initial endorsement recommendation and no longer recommends any further amendments to IFRS S2 regarding GICS beyond that issued by the ISSB. See Chapter 2 for more information.

Summary of Responses to Q2 and Q3

Question 2 (146 responses) – 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?

Question 3 (82 responses) – 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?

- 1.23 Of those who responded to question 2, 50% (73 of 146 respondents) agreed that the practice described resulted in decision-useful information. 43% (63 of 146 respondents) neither agreed nor disagreed. In general, the current approach was recognised as a pragmatic and realistic method, which provides useful information to users. One reason for this was that the time series of data is most useful (rather than one single data point), which is supported by using the same approach each year. This means that the timeliness of the most recent data is a less pressing issue. More broadly, the current approach reflects the best information that is available at that point in time, and can also highlight data gaps.
- 1.24 However, several respondents noted that using data from a different reporting period does not support the principle of connectivity, and some respondents noted that the data lag means that the most recent changes in exposure to financed emissions risks are not reflected. Some respondents asked for additional transparency from reporting entities, so that they disclose the approach taken when reporting.
- 1.25 Question 3 received a range of views from 82 respondents. Some respondents commented generally on the challenges of restating comparative data, with some judging that this could be costly or complex with limited benefit. Other respondents focused on financed emissions, with some detailed suggestions for potential amendments, additional guidance, and emphasising the materiality threshold as a means to manage reporting burden. Some respondents asked that the ISSB addresses this, rather than the UK government alone, as this is not a UK-specific issue.
- 1.26 To help respond to this feedback, the government asked the TAC to provide updated recommendations on financed emissions. These refer back to the TAC's previous endorsement recommendations (from December 2024), on the provision to allow the use of prior-year data for estimating financed emissions, and the general requirements on revising comparative amounts. On the Financial Reporting Council's website, [the TAC's papers for its public meetings in December 2025 and January 2026](#) discuss these topics in more detail, including summarising feedback from the government's consultation and from other sources.
- 1.27 The TAC provided recommendations on these topics on 26 January, as seen in the [Letter to Secretary of State for Business and Trade: Supplementary analysis for the UK](#)

[endorsement of IFRS S1 and IFRS S2, published on the FRC's website](#). On using the balance sheet for a prior period, the TAC recommended that financial institutions that have not been able to disclose in line with financed emissions requirements (as set out in paragraph B59 of the standard) should be required to explain why. This includes explaining the measurement approach taken (which would include the use of the balance sheet for the prior period) and the entity's plan to be able to meet the requirements in full.

- 1.28 On revising comparative information, TAC recommended that the ISSB should provide a statement to emphasise that the revision of comparatives is subject to the revision providing material, decision-useful information for users of the reports. The TAC also recognised that this statement may not be available before UK SRS are published, and therefore recommended that the government should provide a similar statement.

Government response

The government has accepted the TAC's recommendation to add a mechanism for financial institutions to explain why they have not been able to comply with the financed emissions disclosure requirements in paragraph B59 of UK SRS S2 (if that is the case). This includes an explanation of their approach to measuring financed emissions, which would include use of the prior balance sheet, and how they plan to meet the full requirements in future.

The amendment has been inserted as paragraph B59A in UK SRS S2. In line with the TAC recommendation, the government will consider the effectiveness of this provision as part of a post implementation review in due course.

The government also agrees in principle with the TAC's recommendations regarding the revision of comparative information. Accordingly, we emphasise that the requirements set out in UK SRS are subject to a financial materiality test, including those requirements to revise comparative information. As a result, we recommend that companies apply the materiality test and exercise judgment on whether the disclosure of comparative information in line with paragraph B50 in UK SRS S1 is material in their specific context. Paragraphs B51 to B54 of UK SRS S1 also explain that an entity does not need to revise a comparative amount if it is impracticable to do so. We encourage reporting entities to strongly consider both the practicability and materiality of revising comparatives. We also encourage further statements from the ISSB on this issue.

Summary of Responses to Q4

Question 4 (60 responses) – Do you have any other comments on the TAC's final report and recommendations? Include any supporting evidence.

- 1.29 Many of the comments made in response to this question overlapped with other questions in the consultation – for example, comments on guidance, timings of any reporting requirements, and links to streamlining corporate reporting. Several

respondents provided more detail on their position on financed emissions or otherwise reiterated their support for the TAC's work on this topic.

1.30 Several respondents commented on the location of reporting, asking for flexibility. The provisions in UK SRS S1 state that an entity must report against UK SRS as part of its general-purpose annual reports. The TAC recommended that the PIC consider the location of reporting as an implementation issue. Lastly, several other respondents commented on the importance of interoperability, recognising the TAC's view that UK government engage with the ISSB and the European Financial Reporting Advisory Group (EFRAG).

Chapter 2: proposed amendments to IFRS S1 and IFRS S2 – recommendations from the UK Sustainability Disclosure Policy and Implementation Committee

Summary of Responses to Q5

Question 5 (175 responses) – 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.

- 1.31** 70% (122 of 175) of respondents to this question agreed with this amendment, particularly companies (both listed and unlisted). 17% (30 of 175 respondents) did not agree. Of those who agreed, many supported the rationale set out in the consultation, including acknowledging or agreeing with the possibility that the original wording could set an expectation for reporting entities to demonstrate proof of consideration for audit or assurance purposes.² Others agreed that the Sustainability Accounting Standards Board (SASB) materials³ had not received full due process in the same way that the IFRS Sustainability Disclosure Standards have.
- 1.32** Some agreed that the use of SASB materials should be a business choice, with several respondents expecting many reporters to choose to use them in any case. Several others suggested that the use of SASB materials should be encouraged alongside making the amendment.
- 1.33** Of those who disagreed with the amendment, a commonly given reason was the potential loss of consistency and comparability. Others noted that the pre-ISSB development of the SASB Standards followed its own due process, including public consultation. Others noted that the ISSB has developed a specific public due process mechanism for the SASB materials.
- 1.34** Finally, many respondents agreed that this amendment should be reviewed once the ISSB has completed its internationalisation of and/or enhancements to the SASB materials. [The ISSB concluded its internationalisation project in December 2023](#), which primarily addressed references to jurisdictional laws and regulations which might have limited the SASB Standards’ suitability for international application. The ISSB is currently considering feedback to exposure drafts of certain SASB materials issued in July 2025, as part of [its current project](#) to enhance these materials.

² Several respondents cited guidance [published by the ISSB in July 2025](#), judging that this meant that there is less likely to be an expectation to provide evidence of considering SASB materials for audit or assurance purposes.

³ As explained in the consultation, ‘SASB materials’ refers to the standards published by the Sustainability Accounting Standards Board (SASB) and the ‘Industry-based Guidance on Implementing IFRS S2’ (which is based on the SASB Standards).

Government response

Following stakeholder responses, and noting the majority support received, the government has decided to maintain the proposed amendment. This amendment has been made to paragraphs 55(a) and 58(a) in UK SRS S1 and paragraphs 12, 23, and 32 in UK SRS S2.

When providing feedback, some stakeholders also requested a final check for consistency in the use of “shall” and “may” in reference to industry-based metrics and the industry-based guidance across both UK SRS. The government has now conducted this check and wishes to clarify the position on paragraphs 37 and B65(d) in UK SRS S2. In the exposure draft of UK SRS S2, the government added a “may” formulation to paragraph 37 as follows: “... [the entity] may refer to and consider the applicability of industry-based metrics (see paragraph 32), including those described in an applicable UK Sustainability Reporting Standard, or metrics that otherwise satisfy the requirements in UK SRS S1”.

The government has re-considered this instance of the amendment and no longer considers it necessary. Within paragraph 37, the word 'shall' refers to industry-based metrics in general terms rather than specifically referring to the 'Industry-based Guidance on Implementing IFRS S2'. As a result, the government's view is that the final drafting within paragraph 37 does not place a “shall” requirement for reporting entities to refer to and consider the SASB-based guidance. Paragraph 37 refers back to paragraph 32, which itself includes a reference to the 'Industry-based Guidance on Implementing IFRS S2' specifically – here, the “shall” has been changed to a “may”.

Similarly, paragraph B65(d) states that an entity shall consider whether industry-based metrics could be used to satisfy requirements. It does not refer specifically to the 'Industry-based Guidance on Implementing IFRS S2'. It also refers back to paragraph 32, where the “shall” has been changed to a “may”.

This is consistent with the government's view that entities should be required to provide metrics that are relevant to their business (including those specific to their industry), although they are not required to use the 'Industry-based Guidance on Implementing IFRS S2'.

The government will review this amendment through the PIC at an appropriate time.

Summary of Responses to Q6

Question 6 (166 responses) – 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.

- 1.35 In the consultation, the government proposed to link the reporting periods in which a transition relief can be used to the date of any reporting requirements coming into force. This amendment was widely supported – 83% of respondents (138 of 166) agreed and only 2% (4 of 166) disagreed. Many respondents agreed that it would encourage voluntary reporting, including the observation that it would allow reporting entities to

improve their reporting over time. Many respondents described this approach as pragmatic and flexible.

- 1.36 In the consultation, the government also explained that it believes that, for entities that are not subject to disclosure obligations, it should be a business choice to decide whether to report against some, or all, of UK SRS. Therefore, the amendment was silent on provisions for voluntary adopters, so that voluntary reporters can choose the approach that is most appropriate in the context of their business.
- 1.37 Although respondents agreed with this sentiment, some responses raised questions on the specific wording of this amendment as drafted in the draft UK SRS. These views were generally provided by providers of audit and assurance services and professional membership bodies.
- 1.38 Specifically, some respondents noted that it was not sufficiently clear whether and how a voluntary adopter could use the transitional reliefs. To that end, some respondents suggested drafting to clarify this question. In addition, some respondents also noted that the standard was unclear whether an entity could issue a statement of compliance with UK SRS if reporting on a voluntary basis while making use of one or more reliefs. Other respondents also commented that the use of any reliefs should be clearly disclosed by the reporting entity.

Government response

The government remains of the view that it is appropriate to link the application of reliefs to any future rules that would require companies to report in accordance with the standards. At the same time, **the government has decided to make amendments to provide clarity on the application of the reliefs which relate to non-climate reporting and Scope 3 GHG emissions reporting.**

Firstly, the government has removed specific time references within UK SRS S1 and UK SRS S2 and, as a result, **the standards no longer specify how long the reliefs for non-climate reporting and Scope 3 reporting may be applied.** For clarity, this change does not apply to the relief concerning the use of the Greenhouse Gas Protocol.

For reporters who use the standards on a **voluntary** basis, the government's decision to remove the specific time periods means that they can use the reliefs indefinitely, with no time limit. We have now also made changes to specify that the application of the reliefs will be determined by the Companies Act, by the FCA's Listing Rules, and/or by any regulatory authority that has the ability to mandate the use of the standard. In practice, this means that these authorities have the ability to either remove the relief, apply time-limits to the application of the relief, or to apply other conditions to entities that may wish to apply the reliefs.

Secondly, the government acknowledges some respondents' views that the previous amendments did not provide sufficient clarity about the use of the reliefs by voluntary users of the standards. To resolve this, amendments have been made to the relevant section of UK SRS S1 to clarify that:

- an entity may assert compliance with UK SRS S2 so long as it discloses its use of the reliefs as referred to in the text
- if an entity uses the relief to report exclusively on climate-related risks and opportunities, it may not assert compliance with UK SRS S1. This relief reflects the fact that an entity is not reporting on the other sustainability-related matters required by UK SRS S1

This approach has been incorporated into the final UK SRS through amending the last sections of both UK SRS S1 and UK SRS S2, which are now called "Application and transition". On the statement of compliance, the amendment has been made in the form of additional paragraphs – paragraphs 73A and 73B – in UK SRS S1.

We consider these amendments to be necessary for the effective application of UK SRS (see paragraph 13 of the [Framework and Terms of Reference for the Development of UK Sustainability Reporting Standards](#)), given the role of government and the FCA in the setting of reporting requirements in the UK.

Question 7 (154 responses to at least one sub-question) – 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

- 1.39 Overall, there was positive sentiment around the prospect of requiring more disclosure about carbon credits. At the same time, respondents often supported carbon credit reporting in general and did not comment specifically on the disclosure of the purchase and use of carbon credits in the current period (as a means to build on the current requirement in IFRS S2). There is continuing work on, and interest in, the evolving carbon credits market. [The Department for Energy Security and Net Zero has also recently consulted on raising integrity in voluntary carbon and nature markets](#). Some respondents to the UK SRS consultation commented on the need for more guidance or understanding of what constitutes a good-quality credit.
- 1.40 Considering this wider context, many respondents said that reporting on carbon credits supports transparency. There were many comments linking the availability of this information to better understanding the credibility of an entity's transition plan, including understanding the balance between decarbonisation activities and offsetting activities.
- 1.41 The barriers to reporting the stated information on carbon credits were often considered to be low, as an entity which uses credits should have readily available information about them in existing records. However, the verification of the quality of credits can impose costs, and the lag between the purchase and use (retirement) of credits could complicate reporting. There are also some challenges from the variable pricing and complexity of the market. Finally, there could be commercial sensitivity around pricing and/or inventories of credits.
- 1.42 In the context of the specific wording in UK SRS S2, some respondents said that this does not merit divergence from IFRS S2 (or at least not at this time). Some suggested that it might be useful to reconsider the requirements in the standards once the credits market has evolved. Other respondents suggested a wide range of specific, different potential disclosures that they could find helpful.

Government response

The government recognises the high levels of interest in carbon credits, an area which continues to evolve.

The government will consider this feedback in line with feedback to recent consultations on raising integrity in voluntary carbon and nature markets and on climate-related transition plans. Generally, it is the government's preference that amendments should be issued by the ISSB, rather than making UK specific changes, to support and maintain international consistency. Therefore, we encourage the ISSB to continue to monitor the use of carbon credits and consider further standard setting activities in due course.

Summary of Responses to Q8

Question 8 (114 responses) – What are your views on the potential amendments to IFRS S2 proposed by the ISSB at this time?

- 1.43 The UK SRS consultation ran from June to September 2025. The ISSB was, at the same time, developing a set of potential amendments to IFRS S2. The government took the opportunity to ask for views on these amendments, to inform whether and how the ISSB's amendments should be incorporated into the final UK SRS S2.
- 1.44 The ISSB finalised its amendments to IFRS S2 in December 2025. They are similar to the draft amendments issued for ISSB consultation, although the final version of the GICS amendment is less prescriptive than the version that the ISSB consulted on. The ISSB's amendments, which are available at [IFRS - Amendments to Greenhouse Gas Emissions Disclosures \(Amendments to IFRS S2\)](#), can be summarised as:
- removing the requirement to use GICS, and permit the use of alternative classification systems, when disclosing financed emissions
 - excluding Scope 3 emissions associated with derivatives, facilitated emissions, and insurance-associated emissions, from Scope 3 reporting requirements
 - extending the jurisdictional relief regarding the required use of certain Global Warming Potential (GWP) Values
 - clarifying the jurisdictional relief regarding the required use of a methodology other than the GHG Protocol
- 1.45 Many respondents supported the ISSB amendments as proposed at the time of consultation and asked for them to be incorporated into UK SRS. There were mixed views from some respondents on specific ISSB amendments, or elements of an amendment. For example, some respondents suggested that the relief regarding category 15 Scope 3 GHG emissions should be time limited and some respondents suggested that the GHG Protocol should be used by all entities reporting against IFRS S2. The ISSB has conducted its usual due process on its amendments, including public consultation.

- 1.46 As explained in Chapter 2, the TAC’s proposed amendment to UK SRS S2 regarding the requirement to use GICS was widely accepted. The ISSB’s final amendment on GICS was similar to the spirit of the TAC’s proposal, compared to the amendment that the ISSB originally proposed. The final amendment permits the reporting entity to select a suitable classification system, prioritising a commonly used classification system if all else is equal.
- 1.47 Following on from the UK SRS consultation, and the subsequent finalisation of the amendments by the ISSB, the government asked the TAC to provide its recommendations on incorporating these amendments into the final UK SRS S2.
- 1.48 In the TAC’s meeting in January 2026, it concluded that the amendments were appropriate for inclusion in UK SRS S2, with the exception of the amendments to the effective date and transition (adjusting comparatives), because UK SRS already do not contain an effective date and UK SRS S2 is being issued subsequent to the ISSB’s amendments. The TAC’s written recommendations were sent to DBT on 26 January 2026.

Government response

Given the general support for the ISSB’s amendments, and the recommendation from the TAC received in January 2026, the government has incorporated them into UK SRS S2 (with the exception of the ISSB’s new content on the effective date and transitional provisions, as we agree with the TAC’s view that these are not necessary for UK SRS S2).

The amendments have been made to the paragraphs in UK SRS S2 in accordance with the ISSB’s [Amendments to Greenhouse Gas Emissions Disclosures](#).

Summary of Responses to Q9

Question 9 (33 responses) – 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.

- 1.49 Respondents offered a wide range of comments in response to this question, with many expanding upon their responses to other questions. Others discussed topics covered later in the consultation, such as:
- the need for more clarity on any reporting requirements
 - legal protection provisions
 - EU reporting requirements
 - guidance and other support
- 1.50 Some additional technical points were made, including on the development of digital reporting tools and infrastructure.

Summary of Responses to Q10

Question 10 (180 responses) – Overall, do you agree that the UK government should endorse the standards, subject to the amendments proposed? Explain any other amendments that you judge to be necessary for endorsement and why.

- 1.51 The majority of respondents – 88% (159 of 180 respondents) – agreed that the government should endorse UK SRS S1 and UK SRS S2. Only 4% (8 of 180) disagreed. Many respondents supported their position by expressing general support for the ISSB and/or UK SRS.
- 1.52 Some respondents discussed the signal that the endorsement of UK SRS would provide and how it may support the UK’s leadership in sustainable finance. A few respondents discussed the role of UK SRS S1 in supporting nature-related disclosures, and a few others suggested further technical amendments – for example, on the GHG Protocol or Scope 3 GHG emissions. Some others discussed climate transition plans – here, there were mixed comments, with some respondents suggesting that UK SRS S2 was a suitable foundation for transition plans, with potential amendments. Others suggested that UK SRS S2 should be complementary or aligned with any transition plan requirements. There were also a small number of comments on transition plans in response to other questions, such as the question on the benefits on UK SRS.

Government response

Considering the extensive feedback in favour of making UK SRS available for voluntary use and in favour of the proposed amendments, [final versions of UK SRS S1 and UK SRS S2 have been published](#) alongside this government response document.

The government [consulted on transition plan requirements](#) at the same time as consulting on draft UK SRS. DESNZ will provide a summary of feedback received in due course.

Chapter 3: responses relating to benefits, cost, and guidance

Summary of Responses to Q11

Question 11 (148 responses) – Explain the direct and indirect benefits that you are expecting to result from the use of UK SRS S1 and UK SRS S2. Include an assessment of those benefits which are additional to benefits arising from current reporting practices.

- 1.53 There were 3 primary benefits cited by respondents. The first was the development of the global baseline of reporting and the resulting consistency. The second was transparency and the provision of information for investors and other users. Several respondents commented on how this allows for benchmarking and the identification of relative leaders in climate or sustainability matters. The third was the integration of reporting on sustainability matters with reporting on financial risk – or in other words, the increased connectivity of reporting.
- 1.54 Some other respondents orientated their responses around the potential for UK SRS to streamline existing reporting and reduce duplication – see the summary of responses to questions 15 and 16 for more on this theme. Other comments included the observation that benefits may be experienced over a different timeframe than costs. Another articulation of the balance between costs and benefits was that benefits could outweigh costs if the entity was able to focus on high-quality, comparable reporting, rather than being required to follow a prescriptive approach. Several respondents commented on specific elements of UK SRS, namely the ability to better manage risks. Several other respondents said that they expected no additional benefits due to existing reporting.

Summary of Responses to Q12

Question 12 (136 responses) – Explain the direct and indirect costs that you are expecting to result from the use of UK SRS S1 and UK SRS S2. Include an assessment of those costs which are additional to costs arising from existing reporting practices.

- 1.55 Respondents provided multiple examples of their specific costs. Primary costs include implementation of and updates to data systems, as well as sourcing and providing data. More costly data exercises include those related to disclosing Scope 3 GHG emissions. Materiality assessments also incur costs.
- 1.56 Internal training and staffing are other primary cost areas, with potential increases in the necessary headcount of internal staff and/or hiring external support, as well as the potential involvement of more teams across the business. There may be a need for board training or upskilling.

1.57 The costs of assurance may also be substantial, especially if assurance could become mandatory in future. Assurance costs were often expected to include the costs of hiring third-party assurance service providers and undertaking the necessary internal preparation.⁴ Some respondents discussed the importance of interoperability and how UK SRS would work in the current UK and wider reporting landscape. Some respondents noted the importance of proportionality to manage costs, with several discussing the potential burden on SMEs specifically.

1.58 Several respondents noted that they see the overall costs as proportionate, or that benefits were expected to outweigh costs. For several other respondents, this would only be the case if some mitigations were carried out (for example, taking a phased approach to reporting and managing assurance expectations).

Summary of Responses to Q13

Question 13 (140 responses) – 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.

1.59 Several respondents to this question referenced the increasing role of private capital in UK growth (including the direction set by the [Mansion House Accord](#)) and investors' growing involvement in this space.

1.60 On the whole, while respondents had a positive sentiment around reporting by economically-significant private companies, they asked that any requirements were proportionate, phased, and considered opportunities for streamlining existing reporting. We also note that of the 170 online survey respondents (for whom we have self-classified organisation type), of those who responded to this question, fewer than 20 classed themselves as unlisted companies.

1.61 A notable number of respondents asked that the phrase 'economically-significant private entities' (or companies) be clearly defined, with several caveating their answer in the absence of this definition. Respondents also noted that simplification should be considered when defining the scope of any future requirements and that this work should be clearly joined up with the MCR programme (see paragraph 1.16). Another piece of feedback was that entities reporting against FCA Listing Rules should be exempt from Companies Act reporting, learning from the implementation of TCFD-aligned requirements in the UK.

1.62 One commonly cited reason to support reporting by private entities, in principle, is that it supports reporting by other entities – for example, by financial service providers – by

⁴ The government consulted on [Developing an oversight regime for assurance of sustainability-related financial disclosures](#), at the same time as the consultation on the exposure drafts of UK SRS S1 and UK SRS S2. Our response to the feedback received was published on 30 January; we and the FRC will take forward the development of a voluntary registration regime of sustainability assurance providers.

increasing data availability across the value chain. Mandatory reporting requirements could also reduce stakeholder requests for information, which can be duplicative and time-intensive.

- 1.63 Often, respondents discussed the risk of introducing significantly different reporting expectations between listed and non-listed entities, which could create a disincentive against listing, or could lead to restructuring. Some respondents used the terminology of ‘levelling the playing field’.
- 1.64 Many respondents also commented that reporting against UK SRS still provides useful information for holders of debt in private entities. Lastly, private entities can have significant impacts on sustainability-related matters – for example, they are an important part of UK decarbonisation as a whole. Some respondents suggested that reporting should be based on the scale of an entity’s operations, not whether it is listed or not.
- 1.65 There were some comments about the structure and operation of private entities and how they manage relationships with their investors. In the private investment market, investors and investees engage in different ways (for example, bilateral engagements). Therefore the value of UK SRS reporting requirements may depend on individual entities and the information that their specific investors are asking for. A blanket requirement may not be considered an effective way to facilitate the provision of decision-useful information.
- 1.66 Several respondents said that the government may wish to explore ways to raise private entities’ awareness of the strategic value that reporting against UK SRS can bring, as this positioning is currently lacking in the market.
- 1.67 A sizeable number of respondents advocated that, if a parent company reports against other sustainability standards of some appropriate form, any UK subsidiary of that parent should be exempted from any UK SRS reporting requirements. This is because sustainability-related strategy is most likely to be set at the group level, meaning that subsidiary-level reporting is unlikely to add value and could simply be a compliance exercise. Some respondents commented that parent companies of some UK entities are already preparing to report against European Sustainability Reporting Standards (ESRS), which should facilitate the exemption of any subsidiaries from UK SRS reporting.
- 1.68 Beyond all, it is clear that proportionality is the priority for consultation respondents. A phased approach was commonly cited to help balance the benefits of reporting with the costs (many of which were identified through questions 11 and 12), with some respondents noting that any entities that are not currently in scope of similar requirements will face greater implementation costs. Many supporting actions for the introduction of any requirements were discussed, including a longer preparation period for private entities and the provision of guidance for first-time reporters.

Question 14 (89 responses) – 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.

- 1.69 Many respondents to this question⁵ judged that UK non-listed entities (or market participants more generally) are not ready for UK SRS S1. Various reasons were cited – for example, there are gaps in skills or knowledge, and a lack of the required data systems. Some respondents said that extra business areas would need to provide input in order to report against UK SRS S1. There was also a comment that until an extensive materiality assessment was conducted, it isn't possible to know the details of the gaps between existing reporting and reporting against UK SRS S1, which makes it difficult to know the full extent of the step change.
- 1.70 Other respondents said that, due to existing reporting (which could be mandatory or voluntary), they were personally prepared – or expected others to be prepared – for UK SRS S1. This included UK reporting, such as narrative reporting requirements in the Companies Act, or in some cases a parent company reporting against the EU's Corporate Sustainability Reporting Directive (CSRD). However, other entities may be unlikely to have looked at matters beyond climate in much detail, especially if they are smaller; some respondents judged that it was more likely that current reporting prepared entities for UK SRS S2 (rather than UK SRS S1) due to the existing focus on climate.
- 1.71 Overall, private entities (and listed entities) are likely to need more time to report against UK SRS S1. For the necessary investment into – for example – skills and systems development, the market needs clarity and certainty that this investment will be worthwhile. Some respondents asked for a period of voluntary disclosure to allow the market to develop good practice.
- 1.72 On support or resources, guidance for private entities on UK SRS S1 topics would be welcome. Many other suggestions for guidance applied to UK SRS S2 too, or could be useful for listed entities (see the general feedback on guidance via question 20). There were some suggestions to provide support for entities to enable them to understand how to apply materiality criteria to sustainability matters. Lastly, there was some support for producing simplified frameworks for smaller entities to use, often to help them manage data requests. This could follow the model of FRS 101 'Reduced Disclosure Framework' and FRS 102 'The Financial Reporting Standard' applicable in the UK and Republic of Ireland, as produced by the Financial Reporting Council for financial reporting. See question 17 for more feedback on support for SMEs.

⁵ As was the case for the previous question, of the 170 online survey respondents (for whom we have self-classified organisation type), of those who responded to this question, fewer than 20 classed themselves as unlisted companies.

Summary of Responses to Q15

Question 15 (123 responses) – 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.

- 1.73 The most commonly cited existing reporting requirements were SECR and TCFD-aligned reporting, as well as some mentions of the Energy Savings Opportunity Scheme (ESOS). Some respondents suggested that the development of UK SRS was an opportunity to review SECR, and others commented that TCFD-aligned reporting should or could be superseded by UK SRS S2.
- 1.74 Several respondents discussed parent company reporting as a means to fulfil reporting requirements, adding to feedback received to question 13. There were some suggestions on mapping or cross-referencing information. Several respondents provided detailed lists of suggestions for streamlining or discussed other, more specific related reporting.

Summary of Responses to Q16

Question 16 (113 responses) – Explain which other sustainability-related 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?

- 1.75 The most commonly discussed requirements were TCFD-aligned requirements (which may be enforced through the Companies Act or the FCA’s rules), the EU’s CSRD, or SECR. The ESOS was also referenced, as well as a few mentions of Carbon Reduction Plans (required for the procurement of UK government major contracts). There were extensive examples of voluntary reporting, including reporting in line with the CDP (formerly known as the Carbon Disclosure Project), the Global Reporting Initiative, the Science Based Targets Initiative, and the International Organization for Standardisation. Several respondents voluntarily report against the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD).
- 1.76 Internationally, as well as the CSRD, some respondents discussed requirements from Australia and Canada, with several mentions of requirements from other jurisdictions such as India, Japan, and Brazil. All other jurisdictions are discussed in the context of ISSB adoption, except India, which has its own Business Responsibility and Sustainability Reporting requirements. Some respondents also commented on Californian requirements (the California Climate Corporate Data Accountability Act and the California Climate-Related Financial Risk Act).
- 1.77 Considering this varied landscape, some respondents described how reporting currently works at different levels (for example, group or entity level) and how different

requirements overlap with each other. Some respondents expect that standardisation from the widespread adoption of ISSB will help manage fragmentation, especially if parent level reporting is permissible. Entities already reporting through related requirements or voluntary schemes are expecting to see a more incremental and manageable shift to UK SRS.

1.78 The introduction of the CSRD has affected a notable number of respondents. Several respondents opined that preparation for the CSRD has supported preparation for UK SRS, and others noted the importance of interoperability – or, to go further, equivalence – to minimise costs for entities that might report against both. There were several comments on timings and alignment with the new reporting dates of the CSRD, following the recent ‘Omnibus’ process to review it.

1.79 Lastly, some other responses discussed – among other things – the sequencing of introducing TCFD-aligned requirements in the UK, and their current production of (or intentions to produce) climate-related transition plans.

Summary of Responses to 17

Question 17 (107 responses) – 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.

1.80 Many respondents discussed the provision of training and capacity building, templates, and/or worked examples. There was also support for placing boundaries on the amount of data requests that could be made to smaller entities. Guidance for specific sectors could be produced, as could a central source of data and/or resources. Some entities referred to the SME Climate Hub or the B4NZ UK SME Voluntary Emissions Standard. The possibility of a testing phase was also raised by multiple respondents.

1.81 Several respondents suggested that SME-specific standards could be developed, possibly reflecting on the EU’s development of the voluntary standard for SMEs, and/or possibly developed with the ISSB. There were several suggestions to develop guidance for SMEs to conduct their own materiality assessment. Reiteration of proportionality mechanisms in UK SRS could also help.

Summary of Responses to Q18

Question 18 (84 responses) – 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.

1.82 Of those that commented on this question, the majority said that the existing provisions in section 463 of the Companies Act are sufficient for reporting against UK SRS –

provided that the government clarifies that the provisions will be applicable to this reporting. As discussed in the consultation document, this will be particularly helpful for forward-looking disclosures and those which rely on estimates and/or third-party data. There was also some recognition of the FCA's updated provisions for forward-looking statements, which took effect from January 2026.

- 1.83 Several respondents noted that sustainability reporting is on a longer timeframe than financial reporting, and elements of reporting are affected by factors outside of the entity's control.

Summary of Responses to Q19

Question 19 (51 responses) – 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.

- 1.84 Some respondents provided more detail on sectoral impacts. Some of the sectors discussed included technology, retail, housing or real estate, and financial services. There were also some additional views on the positions of SMEs, including start-ups, and potential support. Other comments discussed the importance of a coherent approach between government and regulators, and the role of wider measures to support climate or sustainability objectives.

Summary of Responses to Q20

Question 20 (121 responses) – What are your views on the quality and availability of existing guidance for the topics listed in paragraph 5.4 [climate scenarios and conversion factors (and any other UK government data)]? Explain what additional guidance – particularly on a global basis – would be helpful and why.

- 1.85 The government asked about climate scenarios and conversion factors (and any other UK government data), and referred to the TAC's list of matters⁶ that require clarification or more information from the ISSB. Most comments on this question discussed one or more of these topics, with some respondents supporting the TAC's list. However, there were a wide range of suggestions across multiple topics or themes.
- 1.86 Scenario analysis was commonly raised; details across the responses were variable, but guidance on scenario selection was commonly requested (and often on a global basis). Some respondents suggested that the provision of baseline scenarios would be helpful, while others asked for sector-specific scenarios. Some asked for guidance on

⁶ The TAC sent the ISSB the letter on 27 January 2025. The ISSB replied on 7 March 2025, noting that the ISSB will carefully consider the matters raised. Both letters are online at [Financial Reporting Council: UK Sustainability Disclosure TAC Projects](#).

whether scenarios needed to be qualitative or quantitative, and how to ensure they are meaningful for assessing financial impacts.

1.87 On conversion factors, respondents often explained that they used one or more UK government datasets, and noted that these datasets are widely used in the market. Some commented that the use of conversion factors should be principles-based, rather than the government or any other authority prescribing the use of a certain dataset. Fewer respondents asked for specific guidance on conversion factors.

1.88 Otherwise, there were some requests to provide guidance on materiality, including for private companies. This includes such matters as applying materiality to Scope 3 GHG emissions, making judgements, and accessing comprehensive examples. Sector-specific guidance was also commonly suggested.

1.89 Other suggestions included themes of mapping and interoperability, including:

- updated interoperability guidance for IFRS Sustainability Disclosure Standards and ESRS
- a mapping between UK SRS S1 and topics in ESRS
- guidance on interoperability between IFRS Sustainability Disclosure Standards as adopted in other jurisdictions and UK SRS
- and mapping the overlap with other UK requirements such as SECR

1.90 Respondents often raised the lack of general worked examples, case studies, and illustrative disclosures. More guidance is needed on integrating sustainability risks with financial impacts – on this, the ISSB published [Disclosing information about anticipated financial effects applying IFRS Sustainability Disclosure Standards](#) in August 2025.

1.91 Finally, respondents typically thought that the ISSB should produce guidance, with the government and the TAC engaging as necessary. There were some comments on consolidating existing guidance for accessibility. Others suggested that guidance is not a priority for the time being (as there is already sufficient material), and that guidance needs to clearly be described as voluntary. Several respondents suggested that guidance should be available at least 12 months before any reporting requirements come into force.

Government response (to all implementation-related questions)

The government plans to consult shortly on a programme of work to modernise the UK's corporate reporting requirements. This consultation will consider how to modernise and consolidate requirements to effectively deliver decision-useful information to capital markets.

The government will consider whether to require private companies to report information in accordance with UK SRS as part of that exercise, as we wish to ensure that regulatory changes are considered holistically.

In the meantime, the government wants to make several legal clarifications in responses to stakeholder feedback to this consultation.

Firstly, the government can confirm that UK SRS S2 is a national reporting framework for the purposes of section 414CB(6) of the Companies Act. Companies reporting in accordance with UK SRS S2 should therefore proceed with confidence that they do not need to duplicate their disclosures in order to meet their obligations under section 414CB(2A) so long as the relevant requirements under section 414CB (1) to (5) are met and the use of UK SRS S2 is clearly referenced in the relevant statement. This applies whether they are applying UK SRS S2 on a mandatory basis, including under the proposed FCA Listing Rules, or using UK SRS S2 voluntarily. We will update the [guidance on climate-related financial disclosures for companies and LLPs](#) to reflect this. We will consider the future of the section 414CB(2A) obligations when we consider the merits of reporting requirements against UK SRS.

The Department for Energy Security and Net Zero will consider how energy and emissions data reported by an entity using UK SRS interacts with the SECR requirements, with a view to reducing unnecessary duplication where possible.

Secondly, we can confirm that, if entities include UK SRS disclosure within their Strategic Report, this will ensure that the protective provisions in section 463 of the Companies Act automatically apply. Specifically, section 463 includes provisions about the compensation that a director must provide to a company as a result of an untrue or misleading statement or an omission. In particular, it states that directors will only be considered to compensate the company for any losses if any of the following are true. They:

- 'knew a statement to be untrue or misleading'
- 'was reckless as to whether it was untrue or misleading'
- 'knew the omission to be dishonest concealment of a material fact'

We believe that these tests remain appropriate in the context of UK SRS disclosures, just as they apply to forward-looking or estimated data that is disclosed within the Strategic Report at present.

Annex A: mapping showing differences between IFRS S1 and UK SRS S1, and IFRS S2 and UK SRS S2

UK SRS S1 and UK SRS S2 are closely based on the respective Standards issued by the ISSB. We have amended references to IFRS Sustainability Disclosure Standards to become references to UK Sustainability Reporting Standards. Additional paragraphs in UK SRS follow the structure used by the ISSB in its amendments to IFRS S2 as issued in December 2025, to avoid discrepancies in overall paragraph numbering.

The tables below map the differences between IFRS S1 and UK SRS S1, and IFRS S2 and UK SRS S2. Where requirements in the standards are not included in the table, there are no differences between the two.

Summary of differences between IFRS S1 and UK SRS S1

Paragraph(s) and text in IFRS S1	Paragraph(s) and text in UK SRS S1	Summary of amendment
55(a) 58(a)	55(a) 58(a)	Each of these paragraphs in IFRS S1 says that entities "...shall refer to and consider..." the applicability of the SASB Standards. In each corresponding paragraph in UK SRS S1, "shall" has been amended to "may", so that entities "...may refer to and consider..." the applicability of the SASB Standards.
Not applicable	73A and 73B	<p>Additional paragraphs have been added to UK SRS S1. Paragraph 73A explains that an entity using the relief within paragraph E3 of UK SRS S1 may not assert compliance with UK SRS S1 and must disclose its use of the relief. (E3 permits entities to exclusively disclose information regarding climate-related risks and opportunities, and to apply the requirements in UK SRS S1 insofar as required to be able to report on climate-related risks and opportunities, as required by UK SRS S2.)</p> <p>Paragraph 73A also explains that an entity using one or more of the 3 reliefs that are set out in paragraph E3 in UK SRS S1 and paragraphs C3 and C4 in UK SRS S2 is not prevented from asserting compliance with UK SRS S2, so long as they disclose the use of the relief/s. The relief in paragraph C3 of UK SRS S2 is related to the use of a method other than the 'Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)' in the first year of reporting. The relief in paragraph C4 of UK SRS S2 is related to the disclosure of Scope 3 greenhouse gas emissions.</p> <p>Paragraph 73B explains that the application of UK SRS S1, including the provisions on the statement of compliance, is subject to any regulation or legislation set out in the Companies Act, by the Financial Conduct Authority, or by any other UK regulatory or government entity with the means to enact reporting requirements.</p>

Appendix E, (“Effective date and transition” in IFRS S1 and “Application and transition” in UK SRS S1)		
E1 and E2	E2	<p>IFRS S1 included, in paragraph E1, an effective date of 1 January 2024 for the use of the Standard, with earlier application permitted. This paragraph also stated that IFRS S1 and IFRS S2 should be applied at the same time.</p> <p>Paragraph E2 of IFRS S1 explained the date of initial application for the purpose of applying the provisions in Appendix E.</p> <p>The effective date has been removed from UK SRS S1, meaning that entities can apply the Standard when they choose to do so, unless required by UK law or regulations to apply it from a specific reporting period. However, the fact that entities should apply UK SRS S2 at the same time as UK SRS S1 has been retained in UK SRS S1, in paragraph E2.</p>
E3	E1	<p>Paragraph E3 of IFRS S1 states that an entity is not required to provide the disclosures specified in the Standard for any period before the date of initial application. It also stated that the entity is not required to disclose comparative information in the first annual reporting period in which it applies the Standard.</p> <p>The reference to the date of initial application has been removed from UK SRS S1, as the Standard does not contain an effective date, which was used as the basis for the text on initial application in IFRS S1. The second part has been retained as paragraph E1 of UK SRS S1.</p>
E4	Not applicable	<p>Paragraph E4 of IFRS S1 permitted an entity to report its sustainability-related financial disclosures after it publishes its related financial statements in the first year of applying the Standard. This has been removed from UK SRS S1.</p>
E5	E3, E5, and 73A	<p>Paragraph E5 of IFRS S1 states that an entity is permitted to disclose information on only climate-related risks and opportunities in the first annual reporting period in which it uses the Standard and consequently only apply IFRS S1 insofar as it relates to the disclosure of climate-related risks and opportunities.</p> <p>Paragraph E3 of UK SRS S1 states that an entity is permitted to only disclose information on climate-related risks and opportunities, as set out in IFRS S1, but the reference to the first annual reporting period has been removed. The availability of this relief will, instead, be specified in legislation or regulation.</p> <p>Paragraph E5 of UK SRS S1, which is specific to the UK, states that the application of this relief is subject to UK law or regulations as determined by the Companies Act, by the Financial Conduct Authority, or by any other UK regulatory or government entity with the means to enact reporting requirements.</p> <p>Paragraph E5 of IFRS S1 also states that the reporting entity shall disclose its use of this provision; this has been moved to paragraph 73A of UK SRS S1, which states that an entity must</p>

		disclose use of the provision (and that it is not able to state compliance with UK SRS S1 if it is used).
E6	E4	<p>Paragraph E6(a) of IFRS S1 states that no comparative information about climate risks or opportunities needs to be disclosed in the first annual reporting period. E6(b) then states that comparative information about wider sustainability matters is not required in the second annual reporting period.</p> <p>Paragraph E4(a) of UK SRS S1 is consistent with paragraph E6(a) of IFRS S1. Paragraph E4(b) of UK SRS S1 has been amended regarding the publication of comparative information related to wider sustainability matters. This comparative information is only required in the second annual reporting period in which it no longer applies the relief set out in paragraph E3.</p>

Summary of differences between IFRS S2 and UK SRS S2

Paragraph(s) and text in IFRS S2	Paragraph(s) and text in UK SRS S2	Summary of amendment
12, 23, and 32	12, 23, and 32	<p>Paragraphs 12, 23, and 32 of IFRS S2 state that entities "...shall refer to and consider..." the applicability of the 'Industry-based Guidance on Implementing IFRS S2'. In each corresponding paragraph in UK SRS S2, "shall" has been amended to "may", so that entities "...may refer to and consider..." the applicability of the 'Industry-based Guidance on Implementing IFRS S2'.</p> <p>To note: in paragraphs 37 and B65(d), in both IFRS S2 and UK SRS S2, entities shall consider industry-based metrics. These references have been retained as "shall", on the basis that paragraphs 37 and B65(d) refer to industry-based metrics in general terms rather than referring to the 'Industry-based Guidance on Implementing IFRS S2' specifically. Both paragraphs also refer back to paragraph 32, which – in UK SRS S2 – specifies that the entity "may" refer to and consider applicability of the 'Industry-based Guidance on Implementing IFRS S2', when determining the industry-based metrics to disclose.</p> <p>As a consequence of the formulation of these paragraphs, the government is confident that the standards do not inadvertently impose a requirement for entities to refer to and consider the applicability of the 'Industry-based Guidance on Implementing IFRS S2' specifically.</p>
Not applicable	B59A	UK SRS S2 paragraph B59A has been added to require entities to explain why they have not been able to disclose in line with the financed emissions requirements as set out in paragraph B59, if they have determined that it is impracticable to reliably estimate financed emissions for the same reporting period as the related financial statements.
<i>Appendix C, ("Effective date and transition" in IFRS S2 and "Application and transition" in UK SRS S2)</i>		
C1 and C2, excluding C1A and C1B	C2	<p>IFRS S2 included, in paragraph C1, an effective date of 1 January 2024 for the use of the Standard, with earlier application permitted. This paragraph also stated that IFRS S1 and IFRS S2 should be applied at the same time. Paragraph C2 of IFRS S2 explained the date of initial application for the purpose of applying the provisions in Appendix C.</p> <p>The effective date has been removed from UK SRS S2, meaning that entities can apply the Standard when they choose to do so, unless required by UK law or regulations to apply it from a specific reporting period. However, the requirement for entities to apply UK SRS S1 at the same time as UK SRS S2 has been retained in UK SRS S2, in paragraph C2.</p>
C1A, C1B, and C6	Not applicable	In December 2025, the ISSB issued targeted amendments to IFRS S2. Paragraph C1A of IFRS S2 includes the paragraph references for these amendments. Paragraph C1B sets out

		<p>requirements regarding the effective date for the targeted amendments. Paragraph C6 in IFRS S2 sets out transitional provisions for entities that have already applied the previous version of IFRS S2.</p> <p>As UK SRS S2 is being issued – for the first time – after these amendments were issued by the ISSB, the additional provisions in paragraphs C1A, C1B, and C6 are not needed for UK SRS S2.</p> <p>The amendments issued by the ISSB have themselves been included in UK SRS S2 and are fully consistent. For clarity these are as follows: amended paragraphs 29(a)(ii), 29(a)(vi)(2), B21–B22, B24, B28, B37, B59, B62(a), and B63(a); and added paragraphs 29A–29C, B62A, and B63A.</p>
C3	C1	<p>Paragraph C3 of IFRS S2 states that an entity is not required to provide the disclosures specified in the Standard for any period before the date of initial application. It also stated that the entity is not required to disclose comparative information in the first annual reporting period in which it applies the Standard.</p> <p>The reference to the date of initial application has been removed from UK SRS S2, as the Standard does not contain an effective date, which was used as the basis for the text on initial application in IFRS S2. The second part has been retained as paragraph C1 of UK SRS S2.</p>
C4	C3, C4, and C6	<p>Paragraph C4 of IFRS S2 describes the 2 transitional reliefs in this Standard, on using a method other than the ‘Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)’, and on disclosing Scope 3 greenhouse gas emissions. It also states that the reliefs are available in the first annual reporting period in which IFRS S2 is applied.</p> <p>The relief regarding the ‘Greenhouse Gas Protocol’ permits an entity to use a different method for measuring its greenhouse gas emissions in the first year of applying the Standard, if it already used the other method in the immediately-preceding period. The relief regarding Scope 3 greenhouse gas emissions permits an entity to not disclose information on these emissions, including any of the information on financed emissions for those entities that participate in asset management, commercial banking, or insurance activities.</p> <p>The relief regarding the ‘Greenhouse Gas Protocol’ is described in paragraph C4(a) of IFRS S2 and paragraph C3 of UK SRS S2. This includes limiting the relief to the first annual reporting period in which the Standard is applied.</p> <p>The relief regarding Scope 3 greenhouse gas emissions is described in paragraph C4(b) of IFRS S2 and paragraph C4 of UK SRS S2. In UK SRS S2, the reference to the first annual reporting period has been removed for this relief. The availability of this relief will, instead, be specified in legislation or regulation.</p> <p>Paragraph C6 of UK SRS S2, which is specific to the UK, states that the application of the reliefs described in paragraphs C3 and</p>

		C4 is subject to UK law or regulations as determined by the Companies Act, by the Financial Conduct Authority, or by any other UK regulatory or government entity with the means to enact reporting requirements.
C5	C5	Both IFRS S2 and UK SRS S2 state, in paragraph C5, that continued use of the 2 transitional reliefs for the purposes of presenting that information as comparative information in subsequent reporting periods is permitted. Paragraph C5 in UK SRS S2 uses slightly different language to reflect the different structure of this section, and adds that, in accordance with paragraph 73A of UK SRS S1, an entity shall disclose its use of these provisions alongside its statement of compliance.

Annex B: list of consultation respondents (excluding individuals)

Organisations that responded to the consultation include:

- Abbott Laboratories
- ACCA (Association of Chartered Certified Accountants)
- Accenture PLC
- AFB (Association of Foreign Banks)
- AG Barr PLC
- AIC (Agricultural Industries Confederation)
- AICPA & CIMA
- Dr A.K. Kirkpatrick (*Individual, name included upon request*)
- Aldersgate Group
- Ancoram
- ASOS PLC
- Associated British Foods PLC
- Association of Corporate Treasurers
- AtkinsRealis
- Aviva PLC
- B Lab UK
- Babcock International Group PLC
- BC Investment Management Corporation (BCI)
- BDO LLP
- Beazley
- Beijer Ref
- Beyondly
- BeZero Carbon
- BHP
- Boeing United Kingdom
- Border to Coast Pensions Partnership
- Boston Trust Walden
- BRC (British Retail Consortium)
- BRE (Building Research Establishment)
- British Airways
- British Standards Institution (BSI)
- British Vehicle Rental and Leasing Association (BVRLA)
- Brunel Pension Partnership
- Building Societies Association
- Bureau Veritas UK Ltd
- Business in the Community
- BVCA (British Private Equity and Venture Capital Association), now known as UK Private Capital

- Bytes Technology Group
- CalSTRS
- CDP Worldwide
- Centre for Economic Transition Expertise - London School of Economics & Political Science
- Centrica PLC
- Ceres
- CFA Society UK
- CFGI UK Ltd.
- Chartered Governance Institute
- Chemical Business Association
- Chemical Industries Association
- City of London Law Society
- Clarion Housing Group
- Climate Bonds Initiative
- Coca-Cola Europacific Partners
- CPP Investments
- Currys PLC
- Deloitte LLP
- Diageo PLC
- Drax
- Dunelm Group PLC
- DXC Technology
- E3G
- Ecologi Action Ltd
- EDF Energy
- Endeavour Mining PLC
- Energise
- Energy & Environment Alliance
- Energy Managers Association
- Environmental Defense Fund
- ESG Book
- Esso Petroleum Company, Limited
- European Association for Investors in Non-Listed Real Estate Vehicles (INREV)
- Exponential Roadmap Initiative
- EY
- FCA Listing Authority Advisory Panel
- Federated Hermes Limited
- Fidelity International
- FK Group
- Food and Drink Federation
- Food Foundation as secretariat to the Investor Coalition on Food Policy
- Forvis Mazars
- Fuels Industry UK

- Generation Investment Management
- Grant Thornton UK LLP
- Green Finance Institute
- Green Govern Advisors
- GS1 UK
- Haleon PLC
- Heineken UK
- HSBC Holdings PLC
- Hymans Robertson LLP
- IAG Loyalty (Avios Group Limited)
- ICAEW
- ICAS
- IFM Investors
- Informa
- Institute and Faculty of Actuaries
- Institute for Energy Economics and Financial Analysis
- Institute of Sustainability and Environmental Professionals
- Institutional Investors Group on Climate Change (IIGCC)
- Intercontinental Exchange, Inc.
- International Corporate Governance Network
- International Regulatory Strategy Group
- Investment Association
- ISEAL
- Jupiter Asset Management
- Kier Group PLC
- KPMG LLP
- Kreston Reeves LLP
- Legal & General
- Lloyds Banking Group
- LMA (Lloyd's Market Association)
- Los Angeles County Employees Retirement Association
- LPPI
- LSEG
- M&G PLC
- Mercia Group Limited
- MFG
- MHA
- Mighty Earth
- Mineral Products Association
- Ministry of Defence
- Morelli Consulting
- Mott MacDonald
- MSCI ESG Research (UK) Limited
- National Grid

- National Housing Federation
- Nationwide Group (comprising Nationwide Building Society and Virgin Money)
- NatWest Group
- NEDonBoard
- Nest Corporation
- Neuberger Berman
- Newbridge Advisors LLP
- Norges Bank Investment Management
- NTT DATA Inc
- Nvalue AG
- Orbis Advisory
- Oxford Sustainable Law Programme
- Pensions UK
- People's Partnership
- PIRC
- Planet Mark
- PricewaterhouseCoopers LLP
- Principles for Responsible Investment
- Quilter PLC
- Quoted Companies Alliance
- Railpen
- Rathbones Group PLC
- Redington, Ltd.
- Renishaw
- Royal Institution of Chartered Surveyors (RICS)
- RSM
- RSPB
- Sage
- Savannah Energy
- Schroders
- SEGRO PLC
- Serica Energy PLC
- Severn Trent PLC
- SGN
- ShareAction
- Shell PLC
- Sizewell C Limited
- Society of Motor Manufacturers and Traders (SMMT)
- Spirax Group PLC
- SSE PLC
- Stantec
- St James's Place
- Standard Chartered
- Startup Coalition

- SUEZ recycling and recovery UK
- Sustainability for Housing
- Sustainable Advantage
- Sustainable Food Trust and CLEAR consortium
- Sustainable Games Alliance; European Games Developer Federation
- Sylvera
- techUK
- Thames Water Utilities Limited
- The 100 Group
- The ABI (Association of British Insurers)
- The Association of Real Estate Funds (AREF)
- The Berkeley Group Holdings PLC
- The Global Reporting Initiative
- The IR Society
- The Soil Association
- Tony Gee and Partners LLP
- Transport for London
- UCL Institute for Sustainable Resources
- UK Chamber of Shipping
- UK Finance
- UK Sustainable Investment and Finance Association (UKSIF)
- Unilever PLC
- United Utilities PLC
- Universities Superannuation Scheme Ltd.
- University Pension Plan Ontario
- Verco Advisory Services
- Victrex
- WeeFin ESG UK LTD
- Weir Group PLC
- Wise
- WWF UK
- Zurich Insurance

Annex C: summary of methodology

This consultation ran for approximately 8 weeks, from 25 June to 17 September 2025.

As explained in the introduction to this document, the government received 209 responses to the consultation. 170 responses were submitted through an online survey platform and the other 39 were sent directly to DBT. 199 respondents were organisations and the remaining 10 were individuals. Of the 39 responses sent directly to DBT (as email attachments), 25 of these followed the online survey structure. This meant that the responses could be copied, question by question, into the central analysis document. The other 14 did not follow the survey structure and so they have been read separately, with feedback considered in relation to the consultation questions to which they best fit, as well as a holistic overview. All responses were read and considered in their entirety.

Respondents were asked whether they agreed, disagreed, or neither agreed nor disagreed with each of the 6 amendments proposed to the IFRS Sustainability Disclosure Standards (to form the draft UK SRS), including an explanation of the reasons behind their position. Respondents were also asked for qualitative views on other topics related to the endorsement and implementation of UK SRS. Work on implementation continues as part of the MCR programme. Respondents did not have to answer every question, so response rates were different for each one. Respondents also had the opportunity to provide any other comments or feedback related to UK SRS.

The core themes and ideas from the responses were identified and summarised, to provide a narrative account of respondents' views and reasoning. Rounded percentage rates of agreement were provided for the questions on the proposed amendments, as these were quantitative.

For question 1, the question asked whether respondents agreed with all 4 amendments proposed by the TAC. Many respondents explained their answer by differentiating between the amendments, for example by listing all 4 out and stating their view on each one. Here, further analysis was conducted to calculate rates of agreement (or disagreement) with each of the 4 amendments. An answer was considered to agree, disagree, or neither agree nor disagree if this was explicit. If one or more of the 4 amendments was not referenced, this was recorded as No comment (similarly to any other question where a respondent did not answer).

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**Published by
Department for Business and
Trade**

25 February 2026