
**Intergovernmental Working Group of Experts on International
Standards of Accounting and Reporting
(ISAR)**

**42nd SESSION
12 – 14 November 2025**

Thursday, 13 November 2025

**Agenda item 3. Review of developments in harmonization of
sustainability reporting requirements and their practical
implementation**

Presented by

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Department for
Business & Trade

UK Sustainability Reporting and assurance

Mike Ashby, Head of Sustainability Disclosure Frameworks

Overview

The UK government is committed to showing **leadership in sustainable finance** by:

- Providing consistent, comparable information for investors – to support **economic growth** through better informed investment decisions and efficient allocation of capital.
- Supporting an **orderly transition** to climate goals.
- Designing a sustainability reporting regime that is **proportionate and coherent** for businesses, taking into account the Prime Minister's ambition to reduce compliance costs of regulation by 25%.
- Pushing for **international interoperability**.

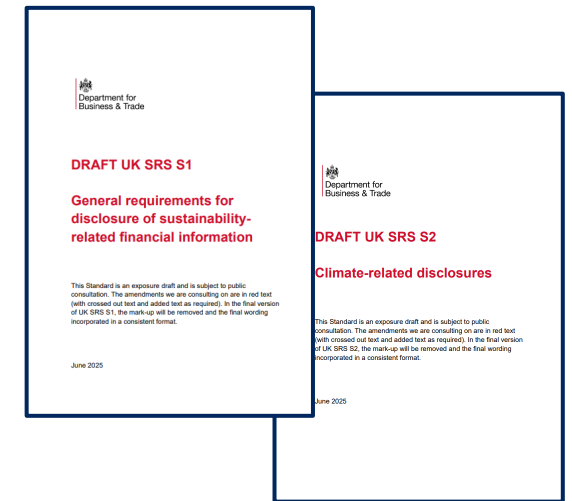
Recent consultations – closed on 17 September 2025

To support meeting the policy aims, we consulted on:

1. Draft **UK Sustainability Reporting Standards**.
2. A registration regime for providers of **assurance of sustainability reporting**.
3. Taking forward **climate-related transition plan requirements** to provide the market with credible and decision-useful information.

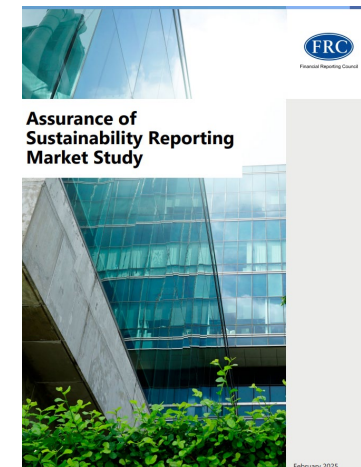
1. UK Sustainability Reporting Standards (UK SRS)

- Based on the International Sustainability Standards Board (ISSB) standards IFRS S1 and S2.
- The consultation proposed **six minor amendments** to the ISSB Standards:
 - 4 based on recommendations from the UK Sustainability Disclosure Technical Advisory Committee (TAC)
 - 2 based on recommendations from the UK Sustainability Disclosure Policy and Implementation Committee (PIC)



2. Assurance of sustainability reporting

- Proposal for a **voluntary registration regime** for third party providers of assurance of annual sustainability disclosures.
 - Profession agnostic – aims to promote competition and new entrants, recognising sustainability assurance requires a broad range of skills and expertise
 - Regulator to be given responsibility for registering providers, setting eligibility and qualification criteria, and oversight.
 - To operate on an ‘opt-in’ basis, in the short-to-medium term.



3. Transition Planning

- The consultation delivered on the UK government's commitment to consult on how to best **take forward the UK Government's manifesto commitment** to mandate UK-regulated financial institutions, pension funds and large companies to **develop and implement transition plans** that align with the 1.5°C goal of the Paris Agreement.
- This consultation **sought views your views on each element** of this commitment:
 - designing a transition plan;
 - disclosing the plan;
 - having a plan aligned with climate ambition; and
 - implementing a plan.
- The consultation was open about the design of any future requirements, to ensure appropriate consideration is given to the practicalities of implementing these.
- It also considered the interaction with UK SRS, given that UK SRS S2 includes a number of disclosures that would also be included within a transition plan.

Next steps

- UK SRS S1 and S2 will be finalised and made available for voluntary use in 2026.
- The Financial Conduct Authority (FCA) will consult on updating its disclosure listing rules to reference UK SRS.

Modernising Corporate Reporting

- The UK Government has announced that it will streamline existing corporate reporting requirements to reduce bureaucracy and admin burdens.
- Legislative changes to existing non-financial reporting requirements are ongoing.
- An ambitious consultation setting out further proposals will also be published in 2026.
- The UK Government will consider whether to introduce requirements for non-listed companies to report against UK SRS in the context of this broader work.