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UK Financial Conduct Authority (FCA) consultation on aligning listed issuers' sustainability disclosures with international standards: Response by the TPI Global Climate Transition Centre at the London School of Economics and Political Science

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About the consultation

On 30 January 2026, the Financial Conduct Authority (FCA) released a [consultation paper](#) titled "Aligning listed issuers' sustainability disclosures with international standards". The FCA aims to replace its current rules for listed companies' climate disclosures to align reporting with international standards, with an implementation approach that reflects the readiness of listed companies.

About the TPI Global Climate Transition Centre

The TPI Global Climate Transition Centre (TPI Centre) is a research centre dedicated to producing independent research and data on the progress of corporate and sovereign entities in addressing climate change. The TPI Centre's resources equip investors with the insights needed to support the transition to a low-carbon economy. The Centre is part of the Global School of Sustainability at the London School of Economics and Political Science (LSE). It is the academic partner of the Transition Pathway Initiative (TPI), a global investor-led initiative backed by asset owners and supported by asset managers. More than 155 investors globally, representing¹ US\$92 trillion combined Assets Under Management and Advice, have pledged support for TPI. The Centre also acts as the academic research expert for the Assessing Sovereign Climate-related Opportunities and Risks (ASCOR) project.

¹ This figure is subject to market-price and foreign-exchange fluctuations and, as the sum of self-reported data by TPI supporters, may double-count some assets.

The TPI Centre's feedback on the FCA consultation

Consultation questions for which we do not have a response are not included.

Question 2: Do you agree that we should replace our TCFD-aligned rule (which has not been updated since 2023 due to TCFD being disbanded) and guidance with requirements to report against UK SRS S2 (and relevant aspects of UK SRS S1)? This would be for companies with a listing in the commercial companies, non-equity shares and non-voting equity shares, and transition categories. If not, what alternative approach would you suggest and why?

TPI Centre Response: Broadly agree.

We have conducted internal research comparing IFRS S2 and TCFD and found a high degree of alignment. IFRS S2 fully encompasses TCFD reporting requirements, while also encouraging companies to provide more detailed disclosures across the four pillars of governance, strategy, risk management and metrics and targets, which provides more granular data for investors. As the UK SRS S2 is built on the IFRS S2 framework, mandatory UK SRS S2 reporting is unlikely to be a significant change in disclosure rules for companies.

The TPI Centre has found that TCFD reporting is well understood and reported against among the world's largest corporates in high-emitting sectors, so disclosure against the UK SRS S2 would be a logical step up in reporting requirements. The TPI Centre provides data for the Climate Action 100+ Benchmark Disclosure Framework, which currently assesses 164 of the world's largest corporate greenhouse gas emitters on their transition to net zero. Indicator 10 in the framework assesses climate-related disclosure by examining evidence of TCFD-aligned or IFRS S2-aligned disclosure in companies' annual reporting.

Question 3: Do you agree that the UK SRS S2 reporting requirements should apply on a mandatory basis (with the exception of Scope 3 emissions, as addressed in Q4)? If not, what alternative approach would you suggest and why?

TPI Centre Response: Broadly agree.

The TPI Centre supports SRS S2 reporting requirements becoming mandatory in the UK, as they build on the previous TCFD reporting requirements (see our response to Question 2 for further detail).

Question 4: Do you agree that UK SRS S2 Scope 3 reporting should apply on a ‘comply or explain’ basis, for companies with a listing in the commercial companies, non-equity shares and non-voting equity shares, or transition categories? If not, what alternative approach would you suggest and why?

TPI Centre Response: Broadly agree.

Although we agree that Scope 3 reporting could initially be optional, we urge the FCA to consider the future introduction of mandatory Scope 3 emissions disclosure, once companies have had sufficient time to adapt to the new UK SRS S2 disclosure requirements.

Disclosure of Scope 3 emissions is essential for providing transparency on a company’s full carbon footprint, particularly in sectors with significant upstream or downstream emissions from activities in their value chains. In the context of our Climate Action 100+ assessments, our [methodology](#) lists the sectors for which Scope 3 reporting is most important in understanding a company’s transition. These include sectors such as oil and gas, auto manufacturing, mining, food production, chemicals production and the retail sector. Scope 3 reporting is material for investors as it allows for a clearer understanding of a company’s overall emissions profile and transition risk exposure.

While we support the long-term objective of making Scope 3 disclosure mandatory alongside Scope 1 and Scope 2, we recognise the practical challenges associated with measuring supply chain emissions. The FCA should consider sector-specific applicability and the ongoing difficulties companies face in obtaining reliable emissions data from across their supply chains.

Question 8: Do you agree with our proposals for listed companies to disclose whether and where they have published a climate-related transition plan, if they have one, or stating why they have not published one? If not, what alternative approach would you suggest and why?

TPI Centre Response: We support mandatory disclosure of transition plans.

The TPI Centre strongly encourages the mandatory disclosure of climate transition plans, regardless of the form the plans take. We cannot comment on whether the Government or the FCA is more appropriately placed to implement mandatory transition plan disclosure.

The TPI Centre, in collaboration with the Centre for Economic Transition Expertise (CETEx) and the Grantham Research Institute on Climate Change and the Environment, provided [feedback](#) to the consultation on climate-related transition plans launched by the Department of Energy Security and Net Zero (DESNZ). In our submission, we supported the move towards mandatory disclosure and implementation of transition plans.² A selection of the most relevant recommendations from our DESNZ consultation response are provided below.

Recommendation 1: The Government and financial regulators should take a ‘building blocks approach’, supplementing mandatory climate-related disclosures in line with UK Sustainability Reporting Standard S2 (UK SRS S2) with a legal obligation to develop, disclose and implement transition plans in line with the Transition Plan Taskforce’s (TPT) Disclosure Framework. This approach provides the best path forward to unlocking the economic benefits of transition planning, while minimising the reporting burden for companies and maintaining international connectivity.

Recommendation 2: The Government and financial regulators should specify that material information about companies’ transition plans be disclosed annually as part of mandatory climate-related disclosures in accordance with UK SRS S2. The Government should point companies to the IFRS Foundation’s guidance on transition plan disclosure which can support those preparing transition plans to integrate TPT-aligned plans into their UK SRS-aligned disclosures.

Recommendation 3: The Government and financial regulators should additionally encourage companies to periodically publish a formal standalone transition plan, presented in accordance with the TPT structure and recommendations.

Recommendation 4: The Government and financial regulators should support and expand capacity-building efforts to promote effective and credible transition planning. In doing so, the Government and financial regulators should draw on recent work to better understand the stumbling blocks for integrating adaptation into transition planning, identify appropriate steps for addressing these, and assess where further market engagement is needed to close knowledge gaps.

Recommendation 9: In introducing requirements to develop, disclose and implement transition plans, the Government and relevant regulators should retain the TPT’s emphasis on the importance that firms need to integrate adaptation and resilience into their transition plans. This should be emphasised in public communications and market

² Centre for Economic Transition Expertise, TPI Global Climate Transition Centre and Grantham Research Institute on Climate Change and the Environment (2025) [Submission to the UK Government consultation ‘Climate-related transition plan requirements’](#). London: London School of Economics and Political Science

engagement, inform initiatives to support skills and capacity development and be promoted in international engagements on the UK's approach to sustainable finance.

Recommendation 11: The Government and financial regulators should accelerate the development of resources required to enable companies to consider the climate-nature nexus in transition planning.

Question 15: Do you agree with our proposals for companies in the secondary listing category and the depositary receipts category not to disclose against the UK SRS, but instead to disclose which overseas climate and sustainability standard they are subject to, or which they voluntarily adopt? If not, what alternative approach would you suggest and why?

TPI Centre Response: Alternative approach.

The TPI Centre broadly agrees with this approach as it will help ease the burden on companies by reducing duplicative reporting. However, we suggest an additional condition that companies in the secondary listing category should have to adopt UK SRS in the case where there are no other overseas climate and sustainability standards that they are subject to, or which they voluntarily adopt. This approach would ensure that every company is reporting against a form of the IFRS standards, which would facilitate the standardisation of sustainability disclosure.