In ACCORD

SEND: cp26-5@fca.org.uk by 20/03/2026

Feedback CP26/5 Aligning listed issuers' sustainability disclosures with international standards**

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INTRODUCTION:

In Accord (trading name of ESG Accord) welcomes the opportunity to comment on the CP26/5 and offer views on what CP26/5 delivers for end consumers, bearing in mind this is a listed-company disclosure reform, not a retail rulebook change and how it feeds through to Consumer Duty outcomes. Although the consultation relates to listed issuers, the usability of issuer disclosures is critical for the functioning of the investment distribution chain.

In Accord is a technical compliance firm specialising in sustainability. In Accord offer a range of services;

Support for advisers, DFMs, networks, platforms, product providers and educators through four connected areas of work:

- Accord Consulting. Practical and strategic support for advice firms, DFMs and fund groups
- Accord Initiative. Partnered by the industry, free, open-access tools and templates for the advice community
- Accord Academy. CPD-accredited courses for the modern advice landscape
- Accord Talks. Industry conversations and thought leadership

Relevant groups and panels:

- Member of the FCA Disclosures and Labels Advisory Group (DLAG)
- Member of the Association of Professional Compliance Consultants
- Member of the UK Sustainable Investment and Finance Association
- Elly Dowding and Lee Coates OBE of In Accord are PFS Sustainable Financial Advice Panel members
- Lee Coates OBE of In Accord is a member of the FCA's industry-led working group: Advisers' Sustainability Group
- Elly Dowding is a member of the FCA Sustainable Finance Advisory Committee

In Accord (Accord Initiative) has a wide range of industry partners, sponsors and consultancy clients - as well as advice firm contacts - and holds a high number of discussions based on and around the Consumer Duty, sustainability and distribution chain.

CP26/5 COMMENTS:

Question 1: Do you agree with the proposed scope for our rules? If not, what alternative scope would you suggest and why?

Response to Question 1:
We broadly agree with the FCA's proposed approach to evolving the Listing Rules to reflect the transition from TCFD-aligned disclosures to reporting aligned with the UK Sustainability Reporting Standards.

We consider that alignment with UK SRS, derived from the ISSB Standards, is an appropriate and proportionate response to developments in international sustainability reporting and the disbanding of the TCFD. The proposals should improve the consistency, comparability and decision-usefulness of sustainability-related financial disclosures by listed companies, while supporting international alignment and UK market competitiveness.

Although the proposals apply directly to listed companies, we note that issuer-level sustainability disclosures form a critical input into investment analysis and risk assessment across the investment chain. The effectiveness of UK SRS will depend not only on issuer disclosure but also on the accessibility and standardisation of that data for downstream users such as asset managers, data providers and advisers. Improvements at this level therefore have important downstream benefits for investors, including retail investors, and support the FCA's objectives relating to market integrity and consumer protection.

Many downstream users of issuer sustainability disclosures rely on third-party data providers, aggregation tools and investment analytics platforms. The effectiveness of UK SRS will therefore depend not only on the quality of issuer disclosures, but also on the consistency and accessibility of that information for use across the investment chain. Ensuring that disclosures are structured and presented in ways that support effective data extraction and comparability will help maximise the usefulness of the framework for investment decision-making.

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?

Response to Question 4:
We agree with the FCA's proposals relating to climate-related disclosures as a starting point. It represents a step up from a disclosure regime where issuers determined whether reporting was "appropriate", towards a framework where non-disclosure must be explicitly justified. It also drives accountability, and the explanation becomes data. This is more decision-useful.

The move to UK SRS S2 addresses challenges associated with fragmented methodologies, inconsistent assumptions and limited comparability across issuers.

Improved issuer-level climate disclosures are particularly important for enabling more robust assessment of climate-related risks and opportunities at portfolio level. Investment managers rely heavily on listed-company disclosures when integrating climate considerations into investment decision-making, stewardship and risk management processes. Strengthening these disclosures therefore supports better-informed investment decisions and contributes to improved outcomes for end investors, including retail investors.

Question 6: Do you agree that UK SRS S1 non-climate reporting requirements 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?

Response to Question 6:
We agree that UK SRS S1 non-climate reporting requirements should apply on a 'comply or explain' basis - again as a starting point. A 'comply or explain' approach represents a clear step up from voluntary or discretion-based disclosure, where decisions about whether information is "appropriate" sit with the issuer. For many non-climate topics, materiality assessments are still developing and may evolve over time. A comply-or-explain approach provides flexibility while maintaining accountability.

Requiring an explanation where disclosures are not provided drives accountability, and the explanation itself becomes decision-useful information for investors. This is particularly important for non-climate sustainability topics, where data maturity and materiality can vary significantly across issuers.

Applying 'comply or explain' to UK SRS S1 improves transparency and comparability while remaining proportionate. Improved issuer-level non-climate disclosures support a more robust assessment of sustainability-related risks and opportunities at the portfolio level, enabling investment managers to integrate these considerations more consistently into investment decision-making and stewardship, with positive downstream effects for end investors, including retail investors.

Question 17: Do you agree with our consequential amendments to enable asset managers, life insurers and FCA-regulated pension providers in scope of UKLR to cross refer to UK SRS S2 disclosures in their TCFD entity report, where applicable? If not, what alternative approach do you suggest, and why?

Response to Question 17:
We agree with the FCA's proposed consequential changes to other parts of the Handbook. In particular, we support the amendments that enable firms subject to existing ESG reporting requirements to cross-refer to disclosures prepared in accordance with UK SRS S2, where relevant. This approach helps to avoid unnecessary duplication while recognising the increasing availability and importance of UK SRS-aligned disclosures.

We note that asset managers and other investment firms remain significant downstream users of UK SRS-aligned disclosures, even where they are not directly in scope of the Listing Rules. As reliance on UK SRS information increases, the proposed consequential changes provide a helpful transitional mechanism. To support effective implementation, clear and timely communication on the FCA's longer-term approach to the application of UK SRS across the investment chain - including the expected transition from existing TCFD-aligned requirements for asset managers - would be beneficial. This would help firms plan system, governance and data changes in an orderly and proportionate manner.