

LCP's response to FCA consultation CP26/5

Aligning listed issuers' sustainability disclosures with international standards

Submitted on 20 March 2026

This document sets out LCP's response to the [Financial Conduct Authority's consultation](#) on aligning listed issuers' sustainability disclosures with international standards, published on 30 January 2026.

Who we are

LCP is a firm of financial, actuarial, and business consultants, specialising in pensions, investment, insurance, energy, health and business analytics. We have over 1,200 people in the UK, including over 190 partners and around 250 qualified actuaries. The provision of actuarial, investment, covenant, governance, pensions administration and benefits advice, and directly related services, is our core business.

About 80% of our work is advising trustees and employers on all aspects of their pension arrangements, including investment strategy. The remaining 20% relates to insurance consulting, energy, health and business analytics. LCP is authorised and regulated by the Financial Conduct Authority for some insurance mediation activities only and is licensed by the Institute and Faculty of Actuaries for a range of investment business activities.

Our response

We welcome the opportunity to respond to the FCA's consultation on aligning listed issuers' sustainability disclosures with international standards through the UK Sustainability Reporting Standards (UK SRS), following the government's publication of the final SRS S1 and S2 in February 2026.

Investors rely on comparable sustainability information to assess long-term climate risks and opportunities. **The transition from the current Taskforce on Climate-related Financial Disclosures (TCFD)-aligned regime for listed issuers to UK SRS S1 and S2 will enhance comparability across markets and increase the usefulness of sustainability disclosures via greater international alignment.**

Based on the International Sustainability Standards Board (ISSB) standards and building on the TCFD framework, the UK SRS can help to establish a more comprehensive reporting regime. **The UK SRS will enhance global comparability and provide more granular disclosures, improving the decision-usefulness of sustainability information for investors.** By strengthening the quality of sustainability data across the economy, the SRS will help investors to allocate capital toward sustainable and low-carbon activities, supporting the UK's transition to net zero and driving sustainable, long-term economic growth.

Critically, **the adoption of UK SRS for listed issuers supports the UK's position as a leading international centre for sustainable finance.** Around 40 jurisdictions covering roughly 40% of global capital markets [are planning](#) to adopt or use the ISSB Standards, or have already done so. Ensuring interoperability with other major reporting frameworks and jurisdictions is key to unlocking these benefits for investors and boosting sustainable growth.

We welcome the proposed mandatory implementation of UK SRS S2, which will provide investors with robust and decision-useful climate-related information. We acknowledge the challenges of Scope 3 reporting highlighted in the consultation and support the initial "comply or explain" approach.

However, **given that Scope 3 greenhouse gas emissions account for approximately [80% of companies' emissions](#) and are critical for evaluating a company's carbon footprint, we encourage a phased move toward their mandatory disclosure.** Allowing companies to use reasonable estimations and proxy data – consistent with the ISSB's pragmatic approach – will make reporting more feasible and accurate over time. Disclosures are unlikely to improve sufficiently until we move to mandatory reporting.

Mandatory Scope 3 disclosures are essential to improve investor decision-making and ensure the reporting framework is comprehensive, capturing the full spectrum of material emissions. They are

particularly important for issuers, supporting any ongoing engagement they may be undertaking with supply chains to measure emissions.

We also understand the rationale for applying wider sustainability reporting on non-climate sustainability-related risks and opportunities on a “comply or explain” basis in the initial phase to allow businesses to familiarise themselves with wider sustainability disclosures. But material sustainability risks and opportunities, including those linked to nature and biodiversity, can affect financial performance. The growing adoption of voluntary frameworks such as the Taskforce on Nature-related Financial Disclosures (TNFD) reflects investor demand for data in these areas and highlights that they are closely intertwined with the climate change agenda. The ISSB’s incorporation of nature-related standards in its current work programme also signals that nature disclosures will soon form part of the global baseline. Thus, **over time we would encourage the incorporation of these disclosures into a comprehensive reporting framework to reduce gaps in the information available to investors.**

Beyond listed issuers, we call for a consistent application of the UK SRS across UK companies. **Additional clarity from the FCA on how and when these requirements may interact with disclosure expectations for FCA-regulated asset owners and asset managers is needed** to ensure alignment across the investment chain and reduce instances of duplicative reporting.

Overall, we are supportive of the FCA’s ambition to align listed issuers’ sustainability disclosures with international standards and call for imminent implementation of them to unlock long-term sustainable growth.

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