

Beyond ISSB: What the UK Sustainability Reporting Standards (UK SRS) Signal for Organisations Now

Richard Betts | RZB Advisory

March, 2026

1. Executive Summary

The UK's finalisation of the **UK Sustainability Reporting Standards (UK SRS)** marks a decisive step in embedding sustainability within mainstream corporate reporting in the UK. The two **UK SRS – UK SRS S1: General Requirements for Disclosure of Sustainability-related Financial Information** and **UK SRS S2: Climate-related Disclosures** – are closely aligned with the respective standards issued by the International Sustainability Standards Board (ISSB). The UK move reinforces an accelerating trend toward international convergence in sustainability-related financial disclosures and the launch of the UK SRS is an important milestone in facilitating the provision of comparable and robust sustainability-related information.

This perspective outlines:

- What has now happened in the UK
- How this fits into the global reporting landscape
- What organisations should prioritise next

2. What has happened in the UK?

On 26 February, 2026, the UK Government released the finalised UK Sustainability Reporting Standards, aligned with the ISSB's IFRS S1 (General Requirements) and IFRS S2 (Climate) with only minor UK-specific adjustments such as on transition reliefs and scope 3 emissions. As discussed in our earlier RZB perspective on ISSB implementation and global convergence¹, the emergence of a global baseline is reshaping expectations around sustainability disclosure architecture.

Key points:

- The UK SRS provides a domestic implementation of the ISSB baseline, allowing UK reporters to also benefit from international guidance and examples when interpreting and applying the UK SRS.
- The UK standards are now available for voluntary use.
- Mandatory UK SRS application for listed issuers is expected following the FCA consultation, with proposals targeting accounting periods beginning 1 January 2027, subject to final approval and scope decisions.
- Further consultations are expected regarding large private companies, likely through amendments to the UK Companies Act.
- The direction of travel signals deeper integration of sustainability disclosures into core corporate reporting requirements in the UK.

3. The UK Move in Global Context

The UK's decision sits within a broader wave of global alignment around the ISSB baseline.

While jurisdictions differ in speed and scope, the direction of travel is converging. The following discussion focuses on examples from across the globe.

European Union

- The EU has implemented the Corporate Sustainability Reporting Directive (CSRD), supported by the European Sustainability Reporting Standards (ESRS). Due to harmonisation initiatives, there is a high-level of 'interoperability' between the ESRS and the ISSB Standards, though important to note there are also some important differences such as on materiality.

¹ <https://rzbadvisory.com/#insightspectives>

- Furthermore, recent simplification efforts under the Omnibus I Directive (February 2026) aim to reduce administrative burden while maintaining core disclosure requirements.
- Despite political recalibration, sustainability disclosure remains embedded within and central to EU corporate reporting.

Türkiye

- Türkiye implemented ISSB-aligned sustainability reporting standards in late 2023 via its national standard-setter (KGK).
- Mandatory reporting and limited assurance now apply to many public interest entities, banks and listed entities from 2024.
- Türkiye represents one of the earliest full-scale implementations of ISSB-aligned reporting in an emerging market context.

MENA

- Several Middle Eastern jurisdictions are actively integrating or consulting on ISSB-aligned standards.
- Capital markets regulators across the region are aligning sustainability disclosures with transition finance strategies and net zero commitments.

Examples include:

- **Qatar:** Adoption of IFRS S1 and S2 in 2025, with mandatory reporting for large entities from 1 January 2026 and limited assurance requirements.
- **Jordan:** Climate-related requirements under IFRS S1 and S2 to apply to listed entities from 1 January 2027.

The regional direction in MENA is clear: alignment with global capital markets standards.

Americas

In North America and Latin America, approaches vary but convergence around decision-useful climate and sustainability disclosures continues.

Examples include:

- **Canada:** Canadian Sustainability Disclosure Standards (CSDS) issued in 2024 based on IFRS S1/S2 for voluntary use.
- **Mexico:** Adoption of IFRS S1/S2 in 2025; reporting required from 2026 with assurance from 2027.
- **Brazil:** Sustainability reporting standards based on IFRS S1/S2 effective from 2026; first reports due in 2027.

While implementation timelines differ, investor expectations increasingly reflect ISSB-style disclosures.

Asia-Pacific

Many countries in APAC have also either already adopted the IFRS Sustainability Disclosure Standards, or transposed locally, with others currently undertaking consultations. Examples include:

Singapore

- Singapore has adopted local standards based on IFRS S1/S2 with a reporting timeline that started with a first phase of mandatory reporting in 2025 and is being followed by further phases of expanded scope over the next few years and with limited assurance from the 2029 reporting year.
- In Singapore, climate-related disclosures aligned with IFRS S2 were already mandatory, with broader ISSB-aligned sustainability disclosure requirements progressing from 2025.
- For multinational organisations operating in Asia-Pacific, Singapore's direction signals that ISSB-style disclosures are becoming embedded in mainstream capital market expectations. In addition, given Singapore's role as a regional capital hub for Southeast Asia, the ISSB alignment there reinforces the ISSB baseline as the reference point for international investors.

Australia

- Australia adopted local standards based on IFRS S1/S2 that are effective for the first wave of entities from reporting periods commencing 1 January 2025. External assurance is also mandatory for in-scope entities, initially at limited assurance level. This is being followed by further expansion via a phased implementation across entity sizes.

4. Convergence with complexity

The emerging picture is one of:

- Global baseline convergence (ISSB)
- Regional augmentation (EU ESRS)
- Jurisdictional transposition (UK and many others globally including the examples above)
- Phased implementation across markets

For internationally active organisations, the challenge is not in understanding a single framework - but designing efficient alignment across multiple regulatory layers without duplication or re-work.

By taking a proactive, strategic approach, organizations can benefit by designing a coherent sustainability reporting system anchored to the global ISSB standards, with scalable local overlays to meet the requirements of national jurisdictions such as in the UK and elsewhere.

5. What this means for the finance function

The UK SRS reinforces a broader structural shift. Sustainability reporting is now core finance territory. This has implications not only for disclosure teams, but for CFOs, audit committees and enterprise risk functions.

Implications include:

- Governance structures requiring clearer board and executive ownership
- Strengthened internal controls over non-financial data
- Alignment between sustainability metrics and financial planning
- Increased assurance scrutiny
- Integration of sustainability risks into enterprise risk management

This is less about ESG communications - and more about reporting alignment and systems, control environments and strategic alignment.

6. Where most organisations currently stand

Based on my work and discussions across the UK, EU, MENA and other regions, some key themes emerge:

- **Sustainability reporting maturity remains uneven** between geographies, sectors and types of organization. *Benchmarking peers remains important, but cross-sector and cross-geography insight often provides transferable and scalable lessons.*
- **Governance structures are often fragmented** – *undertaking a high-level mapping between the requirements of SRS in UK, or other relevant jurisdictions, and an organization’s functions can help show whether the current governance mechanisms are complete or whether there are gaps to fill.*
- **Data infrastructure and control environments are underdeveloped** – *understanding the current state of these and then developing an action plan and timeline to address identified gaps and improvement opportunities will help ensure an organization can meet reporting requirements, broader stakeholder expectations and obtain strategic value from reporting beyond compliance.*
- **Cross-border alignment is limited** – *undertaking a scan of the current and upcoming ESG reporting requirements across an organisation’s global reporting can help facilitate an efficient approach globally and locally.*
- **Assurance readiness is in early stages** – *assessing current assurance coverage and identifying gaps enables timely and cost-effective preparation for expanding assurance requirements.*

7. What organisations should be doing in 2026: 5 priority actions

The shift to UK SRS and global ISSB alignment should not be limited to a reporting exercise. Rather, it also impacts business strategy, transformation and integration. Organisations that approach UK SRS solely as a compliance exercise may meet minimum requirements, but are unlikely to fully meet investor or other key stakeholder expectations over time or to create new business value. We recommend focus on the following 5 priorities:

1. Materiality

Materiality sits at the core of the UK SRS, consistent with the ISSB’s investor-focused framework.

Organisations should:

- Clearly define sustainability-related risks and opportunities that could reasonably be expected to affect enterprise value.
- Revisit existing materiality assessments to ensure alignment with the UK SRS lens - particularly the linkage between sustainability topics and financial impact.
- Refresh assessments where necessary to reflect recent strategic, regulatory or market developments.
- Ensure governance oversight of materiality judgements and documentation of their rationale.

Key question: *Do you have a materiality assessment that is current, financially grounded and aligned with UK SRS requirements?*

2. Governance & Accountability Architecture

Sustainability disclosure is increasingly a board-level responsibility.

Organisations should:

- Clarify board oversight responsibilities for sustainability-related risks and opportunities.
- Align audit committee responsibilities with sustainability controls and assurance readiness.
- Define clear executive accountability (e.g. CFO, CRO, CSO integration).
- Embed sustainability within enterprise risk management frameworks.

Key question: *Is sustainability reporting governed with the same rigour as financial reporting?*

3. Financial Integration & Strategic Coherence

IFRS S1 and S2 reinforce the linkage between sustainability risks and financial impact.

Organisations should:

- Map climate and sustainability risks into financial planning and scenario analysis.
- Integrate transition plans into capital allocation frameworks.
- Align sustainability strategy with enterprise value narrative.
- Ensure consistency between sustainability disclosures and investor communications.

Key question: *Does the sustainability story align with the financial story?*

4. Data, Controls & Assurance Readiness

The move towards limited (and eventually reasonable) assurance is accelerating globally.

Organisations should:

- Develop financial-grade data governance structures.
- Implement internal controls over sustainability reporting.
- Clarify data ownership and validation processes.
- Conduct assurance readiness assessments in advance of external assurance..

Key question: *Could your disclosures withstand assurance-level scrutiny?*

5. Cross-Jurisdictional Harmonisation

For multinational organisations, regulatory fragmentation remains a risk.

Organisations should:

- Conduct structured gap analyses between UK SRS, ESRS, ISSB, and other local regimes.
- Avoid duplicative reporting structures.
- Build modular reporting systems capable of jurisdictional tailoring.
- Monitor evolving regulatory changes and recalibration (e.g. EU Omnibus changes).

Key question: *Are you building one coherent architecture - or multiple parallel systems?*

8. Where RZB Advisory² helps

RZB Advisory supports organisations in moving beyond surface-level ESG alignment towards credible, decision-useful sustainability reporting and integration, including:

- UK SRS readiness and cross-jurisdictional alignment across ISSB, ESRS and other regulatory regimes
- Financial and Double Materiality Assessments
- Governance and operating model design
- Scenario analysis and strategic integration, including challenge and interpretation of key assumptions

² <https://rzbadvisory.com>

- Linking sustainability risks and opportunities to financial and risk frameworks
- Advising boards and executive teams on judgement-heavy disclosures
- Preparing disclosures that stand up to regulatory and assurance scrutiny

Our focus is on helping organisations meet regulatory requirements in a pragmatic way that also protects and creates long-term business value.

Organisations that respond proactively - treating sustainability reporting as a transformation programme aligned to global convergence – will be best positioned to manage risk, attract capital and operate internationally with efficiency and confidence.

This paper reflects emerging practice and regulatory direction as of March 2026 and is intended to support discussion rather than provide exhaustive technical guidance.

© 2026 RZB Advisory. All rights reserved.

This paper is provided for general information purposes only and does not constitute legal, regulatory or professional advice. No part of this publication may be reproduced without prior permission.