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## UK Publishes Sustainability Reporting Standards (UK SRS)

On 25 February 2026, the Department for Business and Trade published two new sustainability reporting standards: UK SRS S1 (covering general sustainability related financial disclosures) and UK SRS S2 (covering climate related disclosures). These standards are closely modelled on the IFRS S1 and S2 frameworks. The Financial Conduct Authority (FCA) has opened a consultation on making UK SRS mandatory for listed companies under the Listing Rules. The UK government is also expected to consult on extending reporting requirements to large private companies through amendments to the Companies Act.

## SFDR 2.0: The Case for Stewardship

In February 2026, ShareAction published a policy briefing regarding the European Commission's proposed revision of the Sustainable Finance Disclosure Regulation (SFDR), commonly referred to as SFDR 2.0. The briefing raises concerns about the direction of the proposal and outlines recommendations intended to enhance existing stewardship elements and introduce new ones. The briefing finds that important stewardship elements have been omitted or reduced across the various requirements under the proposal. Engagement with investee companies is not emphasized. ShareAction argues that without mandatory engagement requirements, claims of transition credentials for products would likely be asserted even in the absence of meaningful steps to drive corporate change. Also, room for engagement efforts would be limited due to the proposed removal of entity-level disclosures (e.g., principal adverse impact (PAI) reporting at the entity level). To this end, ShareAction calls for restoring entity-level stewardship and engagement disclosures and making disclosure of engagement strategies mandatory for all sustainable product categories.

## First Major Business and Biodiversity Assessment

On 9 February 2026, at the 12th Plenary of the Intergovernmental Science Policy Platform on Biodiversity and Ecosystem Services (IPBES), over 150 member governments approved the IPBES Methodological Assessment Report on the Impact and Dependence of Business on Biodiversity and Nature's Contributions to People (Business and Biodiversity Report). This assessment represents a first comprehensive evaluation of how business activities affect biodiversity globally and how businesses in turn depend on ecosystem services for their operations and supply chains. The Business and Biodiversity Report estimates that approximately \$7.3 trillion per year in financial flows actively drive biodiversity loss and roughly \$220 billion is invested globally in conservation and restoration. Accordingly, the assessment identifies biodiversity loss as a systemic economic risk. To support improvement and management of biodiversity loss, the assessment identifies over 100 specific actions for businesses, governments, financial actors and civil society.