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Rt Hon Rachel Reeves MP  
Chancellor of the Exchequer  
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25th March 2026

To:

Rt Hon Rachel Reeves MP, Chancellor of the Exchequer  
Rt Hon Ed Miliband MP, Secretary of State for Energy Security and Net Zero  
Rt Hon Peter Kyle MP, Secretary of State for Business and Trade

CC:

Rt Hon Pat McFadden MP, Secretary of State for Work and Pensions  
Lucy Rigby KC MP, Economic Secretary to the Treasury and City Minister  
Katie White OBE MP, Parliamentary Under-Secretary of State for Climate  
James Murray MP, Chief Secretary to the Treasury  
Emma Reynolds MP, Secretary of State for Environment, Food and Rural Affairs

Dear Chancellor and Secretaries of State,

We welcome the government's continued progress on the UK Sustainability Reporting Standards (UK SRS). To unlock private capital and provide investors with the information they need to allocate capital confidently, the UK must complement the UK SRS rollout by swiftly taking forward the government's manifesto commitment and implement a requirement for large companies to develop and disclose credible transition plans.

This is not simply a disclosure issue - it is a significant economic opportunity. Decisive delivery of a credible, interoperable UK transition plan regime will deliver economic growth and energy security, help align private capital with national climate and nature priorities, crowd in investment, and secure the UK's position as a world-leading hub for green and transition finance.

Cornering the global transition finance market is a huge macroeconomic opportunity for the UK. Global clean technology investment now exceeds \$2 trillion annually.<sup>i</sup> Securing a share of this rapidly expanding market would boost competitiveness, increase inward investment and support economic growth across the UK.<sup>ii</sup> Investors, and the government commissioned Transition Finance Market Review, are clear that transition plans are a critical component for seizing this opportunity as well as managing the physical and transition risks that threaten our economy.<sup>iii</sup>

For companies there are further benefits. Transition planning is an essential strategic exercise, allowing firms to better manage the risks and opportunities associated with the transition as well as delivering a wealth of other benefits for stakeholder management and investor relations.<sup>iv</sup> From a

legal perspective, transition planning can be introduced without materially heightening risk for companies or directors, and can help directors fulfil their existing duties to the company and substantiate green claims.<sup>v</sup> As a result, and highlighting that the benefits of transition planning outweigh the costs, 70% of FTSE 100 companies are already disclosing a plan.<sup>vi</sup>

Unlocking these benefits at scale requires action. The UK is competing in a global race to attract the capital and investment associated with the transition to a cleaner economy. Other economies, notably in the Asia-Pacific region, are moving further, faster on technology and manufacturing and now threatening the UK's status as finance leader. Nine G20 countries already have policies in place to encourage or require the disclosure of transition plans,<sup>vii</sup> with Asia-Pacific, Latin America and China regions all moving at pace. Additionally, 37 jurisdictions are going part of the way by adopting ISSB standards.<sup>viii</sup> Just this month the Monetary Authority of Singapore set out supervisory expectations on transition planning.<sup>ix</sup> Maintaining London's position as a world-leading sustainable finance centre will therefore require regulatory upgrades that keep pace with global best practice.

The UK has a narrow window of opportunity to demonstrate leadership. Unlocking London's potential as a global sustainable finance hub will require the government to bring the UK's regulatory landscape into the 21st century, including delivery of its manifesto commitment on transition plans. This will build market confidence in the credibility of the UK transition finance market and embed interoperability with international frameworks, reducing barriers to global capital flows. It is essential that the government acts now to send a strong signal to global investors and corporations that the UK intends to remain at the forefront of sustainable and transition finance, before the opportunity is lost to our competitors.

Swift and credible delivery of regulated transition plans will strengthen the UK's economic future. To deliver on the Manifesto pledge, ministers should ensure that the requirement includes the following core elements:

- **Develop:** All large listed and private companies should be required to develop credible climate transition plans. Best practice should expand to further develop adaptation and nature considerations.
- **Disclose:** To ensure global interoperability and the availability of relevant information for decision-making, all developed plans should be disclosed in line with the TPT Disclosure Framework. Requirements should come alongside the continuing ISSB roll out in the UK.
- **Align (with the temperature goal of the Paris Agreement):** Companies must be required to set entity-level targets that align with a credible, science-based pathway.
- **Implement:** Companies should be required to make best efforts to implement their plan. The government must work with regulators and the market to develop mechanisms to penalise failure to do so.

As leading organisations on green and transition finance, we see every day both the opportunities for entities and economies, but also the risks associated with falling behind. The conflict in the Middle East is a reminder of the risk of reliance on a fossil fuel-based energy system. The faster finance can be mobilised to decarbonise the energy system, the greater the protection for the UK economy. We urge the government to accelerate implementation of an ambitious policy and set out a clear timetable for delivery.

Yours sincerely,

Kate Levick, Associate Director, Finance & Resilience, **E3G** and Founding Director, **International Transition Plan Taskforce**

Brendan Costelloe, Director of Policy and Strategy, **Soil Association**

Karen Ellis, Chief Economist, **WWF UK**

Richard Folland, Head of Policy, **Carbon Tracker Initiative**

Jesse Griffiths, CEO, **Finance Innovation Lab**

Areeba Hamid, Co-Executive Director, **Greenpeace UK**

Alison Heppenstall, CEO, **Climate Action for Associations**

Faye Holder, Director of Policy Engagement, **InfluenceMap**

Catherine Howarth OBE, Chief Executive, **ShareAction**

Kyle Lischak, Head of ClientEarth UK, **ClientEarth**

Dr Danny Sriskandarajah, CEO, **New Economics Foundation**

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<sup>i</sup> IEA, 2024, [Investment in clean energy this year is set to be twice the amount going to fossil fuels](#)

<sup>ii</sup> CBI, 2025, [The Future is Green: The economic opportunities brought by the UK's net zero economy](#)

<sup>iii</sup> See TMFR, 2025, [Scaling Transition Finance: Findings of the Transition Finance Market Review](#) & E3G, 2025, [Investors to UK – help us invest for growth by managing climate risks](#)

<sup>iv</sup> See Grant Thornton, 2025, [Demystifying transition planning](#)

<sup>v</sup> See Erskine Chambers, 2025, [Opinion on Potential Liability for Climate-Related Transition Plan Disclosures](#) and Erskine Chambers, 2026, [Supplementary Opinion on Potential Liability for Climate-Related Transition Plan Disclosures](#)

<sup>vi</sup> DESNZ, 2025, [Transition plan requirements: implementation routes](#)

<sup>vii</sup> TNZP, 2025, [COP30 Report](#)

<sup>viii</sup> IFRS, 2025, [IFRS Foundation publishes jurisdictional profiles providing transparency and evidencing progress towards adoption of ISSB Standards](#)

<sup>ix</sup> MAS, 2026, [MAS Sets Supervisory Expectations on Financial Institutions for Transition Planning Practices in addressing Environmental Risk](#)