CONSULTATION RESPONSE · DEPARTMENT FOR BUSINESS, INNOVATION, SCIENCE AND TRADE

Modernising corporate reporting to support long-term economic growth: response from Robert J. Park (Northern Ireland)

Response to the Department for Business, Innovation, Science and Trade consultation, sent by email to mcr.review@businessandtrade.gov.uk on 27 November 2026. The text below is the email exactly as sent.

Dear Modernising Corporate Reporting team,

Please find below my response to the consultation *Modernising corporate reporting to support long-term economic growth*. It is set out in the body of this email so it can be read without an attachment.

Respondent: Robert J. Park, independent environmental, carbon and public-affairs consultant, Larne, Northern Ireland. Responding as an individual. I agree to publication of my name and response.

About this response

I advise small and mid-sized manufacturers in Northern Ireland on carbon reporting, energy and the UK and EU carbon border mechanisms. I answer only the questions where that work gives me evidence: Q13, Q22, Q23, Q26, Q27 and Q28, plus points on timing and territorial extent.

Timing: sequence the energy, carbon and sustainability changes

I strongly recommend that the Government does not bring changes to energy, carbon and sustainability reporting into force while the UK–EU carbon framework is still settling.

- UK CBAM starts on 1 January 2027 under Part 5 of the Finance Act 2026.
- The UK and EU concluded an agreement to link their emissions trading systems on 20 November 2026; the link is due to operate from 1 January 2028. The UK intends to exempt EU-origin goods from UK CBAM from 1 January 2027, and the EU exemption for UK goods is expected from 1 January 2028. Neither exemption is yet law.
- EU member states must bring the Omnibus I changes to CSRD into national law by 19 March 2027.

For a Northern Ireland manufacturer this means three different positions in three years. In 2026 the rules are known. In 2027 we know what is changing but not the final detail. 2028 is unknown for both CBAM and carbon reporting. It depends on decisions not yet taken: whether the EU exemption for UK goods takes effect, how a linked emissions trading system operates in practice, and what each member state's version of the amended CSRD asks of suppliers. Changing Companies Act reporting in the same window adds a fourth moving part, and smaller suppliers would have to rebuild their data systems twice.

I ask the Department to publish its conclusions and draft regulations, but to commence the energy, carbon and sustainability provisions no earlier than the first financial year beginning after the linking agreement and both CBAM exemptions are in force, and in any case not before financial years beginning on or after 1 January 2029. Simplifications that only remove burden, and can be separated from these provisions, need not wait. If either exemption is delayed, I ask the Department to review the commencement date in 2028.

Territorial extent and Northern Ireland

The consultation notes that business entity regulation is transferred in Northern Ireland, and that both administrations have agreed to amend the Companies Act 2006 in the same terms across the UK. I support that.

I ask the Department to say, in the consultation outcome, how many responses came from Northern Ireland. Northern Ireland companies report under UK company law but many also sell into the EU single market for goods under the Windsor Framework. Their customers ask for data under both UK and EU rules. A reform tested mainly on GB companies may miss that.

Q13 and Q23: a 'very large' threshold

On Q23 I support option (b): baseline reporting set at the 'very large' threshold proposed in chapter 3, rather than extended down the size bands. Most of the companies I work with are small or medium under the current bands (Table 2). They do not report under the Companies Act on energy or carbon, but they still receive detailed requests for that information from larger customers.

If the Government narrows mandatory reporting, it should say plainly that this does not reduce the data that larger companies will ask of their suppliers. Otherwise smaller firms will believe they are out of scope when, commercially, they are not.

Q22: removing topic-specific disclosures where not financially material

I agree in part. For most companies, a list of topics reported whether or not they matter produces boilerplate. But for manufacturers exposed to carbon pricing, energy and carbon are financially material and will become more so: UK CBAM starts on 1 January 2027 for aluminium, cement, fertilisers, hydrogen, and iron and steel. The test should be financial materiality judged by directors, with guidance that names carbon-price exposure (UK ETS, UK CBAM, and EU CBAM through EU customers) as a likely material matter for manufacturers. If these disclosures are removed before the energy and carbon changes commence, that guidance should be issued at the same time.

Q26: energy and carbon reporting areas DESNZ should prioritise

1. **One data set, many uses.** A supplier is asked for the same emissions data by customers, lenders, public buyers (PPN 006 carbon reduction plans) and carbon border regimes (EU CBAM already; UK CBAM from 1 January 2027). SECR, ESOS, carbon reduction plans and CBAM should share definitions, boundaries and emission factors so a company collects the data once.
2. **Northern Ireland electricity factors.** The UK Government conversion factors used for SECR give a single UK grid electricity factor. Northern Ireland is part of the Single Electricity Market with Ireland, and its grid mix differs from Great Britain's. Guidance should say which factor an NI company should use for location-based Scope 2, and allow a supplier-specific market-based figure.
3. **Fuel consumed, not bought.** Guidance should make clear that fuel use is measured from consumption (opening and closing stock plus deliveries), not purchases. Bulk-stored oil and LPG are common in NI because much of it is off the gas grid.
4. **ESOS and SECR alignment.** ESOS turns on large-undertaking status. Companies near the boundary should be able to see from one set of tests whether SECR, ESOS or neither applies.

Q27: where sustainability and climate information should sit

In the strategic report, alongside the risk and business model sections, where it is financially material. For SECR, a fixed location matters less than a consistent one: let companies choose, but require a cross-reference from the strategic report so a reader can find it.

Q28: further comments

- **Smaller suppliers need a safe harbour, not a new duty.** The EU's Omnibus I Directive ((EU) 2026/470, in force since 18 March 2026) adds a 'value-chain cap' to CSRD: firms with up to 1,000 employees may decline information requests that go beyond the EU's voluntary SME standard. The UK has no equivalent signal. A short statement that a proportionate, voluntary disclosure (for example a VSME-style set) is a reasonable answer to a customer's request would reduce duplicated effort. The EU cap is also narrow. It is set by Commission Delegated Regulation (EU) 2026/1560 and applies from financial years beginning on or after 1 January 2027. The Commission's explanatory memorandum says it covers only information gathered for sustainability reporting under the Accounting Directive, so it does not limit requests made under other EU rules, such as CBAM. A UK safe harbour would help most if it reached across regimes.
- **Reporting Gateway.** I support a gateway that tests new reporting requirements for coherence and cost. It should cover requirements from all departments, including DESNZ and HMRC carbon regimes, not only company law.

Kind regards,

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Sources

Added for publication; not part of the email. All checked 27 November 2026.

- Department for Business, Innovation, Science and Trade, Modernising corporate reporting (consultation, 7 September 2026, closes 30 November 2026)
- Finance Act 2026, Part 5 (UK CBAM policy summary, HMRC) and The Carbon Border Adjustment Mechanism (Administrative Provisions) Regulations 2026, in force 1 January 2027
- DESNZ, UK-EU ETS linking agreement: explainer (20 November 2026) and UK ETS: a policy overview
- Directive (EU) 2026/470 (Omnibus I), OJ 26 February 2026; transposition, Article 5(1)
- Commission Delegated Regulation (EU) 2026/1560 (voluntary standard and value-chain cap), OJ 21 September 2026, and its explanatory memorandum, C(2026) 5011

AI was used to lay out this document and to generate leads from the consultant's research, knowledge and questioning; figures were checked against the official sources listed. Not legal or tax advice. Regulatory statements are as at 27 November 2026.