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STATUTORY INSTRUMENTS

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**2022 No. 46**

**The Limited Liability Partnerships (Climate-related Financial Disclosure) Regulations 2022**

**PART 2**

**AMENDMENT OF PART 5 OF THE LIMITED LIABILITY PARTNERSHIPS (ACCOUNTS AND AUDIT) (APPLICATION OF COMPANIES ACT 2006) REGULATIONS 2008**

**2.**—(1) The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008<sup>(1)</sup> (the “2008 Regulations”) are amended as set out below.

(2) The modified section 414C (contents of strategic report), provided for by regulation 12A, is amended as follows—

(a) For subsection (1), substitute—

“(1) The strategic report of a traded LLP and of a banking LLP—

- (a) must contain a fair review of the LLP’s business and a description of the principal risks and uncertainties facing the LLP; and
- (b) where subsection (1A) applies, must in addition to the information described in paragraph (a), contain climate-related financial disclosures.

(1A) This subsection applies to any traded LLP or banking LLP which, in the relevant year to which the strategic report relates, either—

- (a) has more than 500 employees; or
- (b) is a parent LLP and the aggregate number of employees for a group headed by the LLP is more than 500.

(1B) For the purposes of subsection (1A), the number of employees of an LLP or of a group headed by an LLP means the average number of persons employed by the LLP or the group headed by the LLP in the year, determined as follows—

- (a) find for each month in the financial year the number of persons employed under contracts of service by the LLP or the group headed by the LLP in that month (whether throughout the month or not);
- (b) add together the monthly totals; and
- (c) divide by the number of months in the financial year.”;

(b) After subsection (4), insert—

“(4A) In this section and section 416A, “climate-related financial disclosures” means—

- (a) a description of the LLP’s governance arrangements in relation to assessing and managing climate-related risks and opportunities;

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<sup>(1)</sup> [S.I. 2008/1911](#). Regulation 12A was inserted by [S.I. 2017/1164](#).

- (b) a description of how the LLP identifies, assesses, and manages climate-related risks and opportunities;
- (c) a description of how processes for identifying, assessing, and managing climate-related risks are integrated into the LLP's overall risk management process;
- (d) a description of—
  - (i) the principal climate-related risks and opportunities arising in connection with the LLP's operations, and
  - (ii) the time periods by reference to which those risks and opportunities are assessed;
- (e) a description of the actual and potential impacts of the principal climate-related risks and opportunities on the LLP's business model and strategy;
- (f) an analysis of the resilience of the LLP's business model and strategy, taking into consideration different climate-related scenarios;
- (g) a description of the targets used by the LLP to manage climate-related risks and to realise climate-related opportunities and of performance against those targets; and
- (h) a description of the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and of the calculations on which those key performance indicators are based.

(4B) Where the members of an LLP reasonably believe that, having regard to the nature of the LLP's business, and the manner in which it is carried on, the whole or a part of a climate-related financial disclosure required by subsection (4A)(e), (f), (g) or (h) is not necessary for an understanding of the LLP's business, the members may omit the whole or (as the case requires) the relevant part of that climate-related financial disclosure.

(4C) Where the members omit the whole or part of a climate-related financial disclosure in reliance on subsection (4B) the strategic report must provide a clear and reasoned explanation of the members' reasonable belief mentioned in that subsection.

(4D) The Secretary of State may issue guidance on the climate-related financial disclosures, which are described in subsection (4A), and otherwise in connection with the requirements of this section.”.