

UK to force more than 1,300 of its biggest companies to reveal climate risks

Over 1,300 of the biggest UK-registered companies and financial institutions will soon have to make various climate-related disclosures.

The disclosure standards on climate-related risks were voluntary but, following a recommendation in March, they will become mandatory from 6 April next year, subject to parliamentary approval.

Those affected will include many of the UK's largest traded companies, banks, and insurers, as well as private companies with more than 500 employees and £500m turnover.

The recommendation is based on work by the Taskforce on Climate-related Financial Disclosures (TCFD) which was launched at the Paris COP21 in 2015.



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The requirements will “ensure businesses consider the risks and opportunities they face as a result of climate change and encourage them to set out their emissions reduction plans and sustainability credentials”, according to the Department for Business, Energy and Industrial Strategy (BEIS).

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“The new requirements will help investors and businesses to better understand the financial impacts of their exposure to climate change, and price climate-related risks more accurately, while supporting the greening of the UK economy,” it added.

Billions of pounds are invested in companies boasting of their green credentials but there have been concerns that investors could be misled due to the lack of common disclosure rules.

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Economic secretary to the Treasury, John Glen, said: "These TCFD requirements will not only help tackle greenwashing but also enable investors and businesses to align their long-term

strategies with the UK's net zero commitments.”

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BEIS said that Tesco, Aviva, and Unilever are among the companies already providing TCFD-aligned disclosures.

Energy and climate change minister, Greg Hands, said: “If the UK is to meet our ambitious net-zero commitments by 2050, we need our thriving financial system, including our largest businesses and investors, to put climate change at the heart of their activities and decision making.

“By mandating large businesses to disclose their climate risks and opportunities – the first G20 country to do so – we are showing global leadership by making our financial system the greenest in the world.”

Flora Hamilton, director of financial services for the Confederation of British Industry (CBI) said: “Increased transparency and more comparability on corporate sustainability performance will be key for directing more money to sustainable projects across the whole economy.”

Watch the Daily Climate Show at 6.30pm Monday to Friday on Sky News, the Sky News website and app, on YouTube and Twitter.

The show investigates how global warming is changing our landscape and highlights solutions to the crisis.