

New climate change reporting requirements fundamentally.

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The [FT has reported this morning](#) that:

The UK is to explore introducing a mandatory requirement for listed companies and pension funds to disclose climate-related risks from 2022, as part of a wide-ranging strategy to harness the City of London in efforts to curb carbon emissions.

The government has until now been reluctant to make reporting of climate risks mandatory, despite pressure from MPs and green campaign groups.

But efforts to develop [“green finance”](#) is becoming a rare area of cross-party consensus, with ministers committed to cutting carbon emissions to [“net zero” by 2050](#) – and keen to promote London as the “go-to hub for green investment”.

I am, of course, pleased that an awareness of the need for action exists. It is vital that it does. However, I am also aware that what is being discussed is wholly inadequate.

The call comes on the same day that [reports are being made](#) that global heating is advancing much more quickly, with potentially more devastating consequences, than previously appreciated. This is the reality we are facing,

In the light of that reality a little greenwash around the edge of corporate UK is not going to achieve anything. As I have argued when making the case for [sustainable cost accounting](#), retaining a business model that focuses on exploiting natural resources without consideration of or payment for the consequences in pursuit of ring-fenced private current gains is not possible in the face of the climate crisis that we face.

Using a few more electric cars, cutting air miles by a small amount a year and recycling the office waste is not the change we need now. Nothing less than a fundamental change to the whole business model of society is required. Tackling global heating has to be at the heart of that, and much of what UK business does increases the risk of catastrophe, rather than prevents it.

In that case a change in the purpose of all companies, imposed by law so that

adaptation to the constraints of the climate crisis is their number one objective rather than profit, matched by the introduction of sustainable cost accounting so that we can appraise who is likely to be able to succeed at that process of adaptation and who will not, and so allocate capital appropriately as a consequence, which is what is essential now if the economy, the country, we and the planet are all to have any chance of survival.

The new rules that are being proposed have a fundamental flaw within them. They presume that the climate crisis is a constraint on business as normal. But that is not true. The climate crisis says what was normal cannot be the case ever again, because it is killing us, quite literally. And for that reason they miss the point as to what is needed. But at least the issue is up for debate.