

MEDIA RELEASE

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AICD welcomes move towards standardised climate reporting

The Australian Institute of Company Directors (AICD) has welcomed today's announcement of the Federal Government's consultation on proposed mandatory climate reporting standards.

As host of the Australian chapter of the Climate Governance Initiative, the AICD strongly supports the goal of implementing high quality, comparable climate related reporting that will help drive national emissions reduction targets.

AICD Managing Director and CEO Mark Rigotti said the director community has been awaiting greater policy certainty on climate reporting for some time now.

"Today's announcement takes us one step closer to standardised, internationally-aligned climate reporting requirements for Australian organisations, providing much needed clarity for directors, companies, investors and the broader stakeholder community."

The AICD welcomes the Government's intention for a phased approach to rolling out mandatory climate reporting.

"We recommend any mandatory requirements allow for a reasonable transition timeframe to accommodate the skills and capability uplift required. A balance needs to be struck between not rushing implementation, while recognising the importance of what is at stake," Mr Rigotti said.

Notably, the AICD welcomes the consultation's acknowledgement that liability settings will need be proportionate in order to incentivise the right kind of disclosure.

"Directors and companies do have legitimate concerns around making the kinds of disclosures expected by the market under current legal settings. We need to make sure that policy settings encourage high quality reporting, rather than bare bones disclosures that do little to aid investment decision-making."

We look forward to contributing further to the consultation on an Australian climate disclosure standard.

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The Australian Institute of Company Directors is committed to strengthening society through world-class governance. We aim to be the independent and trusted voice of governance, building the capability of a community of leaders for the benefit of society. Our membership of more than 50,000 includes directors and senior leaders from business, government and the not-for-profit sectors