



Directors and investors join forces to strengthen climate transition planning

The Australian Council of Superannuation Investors (ACSI) and Australian Institute of Company Directors (AICD) have today launched first of its kind guidance to support boards and investors in navigating the complexities of climate transition planning.

With mandatory climate reporting underway in Australia the release of *Governing for Net Zero: The Board's Role in Organisational Transition Planning* provides timely guidance for organisations navigating the transition to a low-carbon economy. The resource reflects insights from directors and investors who have practical experience preparing and analysing company transition plans and provides an overview of directors' legal obligations.

The guide comes at a time when companies and investors are recognising there is a clear commercial case to address climate risks and prepare for transition opportunities. The guide aims to support company boards in overseeing the development and implementation of transition plans, including articulating investors' key priorities.

The guidance includes a foreword from **Treasurer The Hon Dr Jim Chalmers MP** where he says: "This director's guide incorporates insights from leading businesses and asset owners, highlighting the important role of board leadership in transition planning. This practical and pragmatic resource will complement Treasury's forthcoming guidance. The guide will help Australian businesses deliver on their climate targets, create long-term value in a rapidly shifting global economy and support Australia's transition to net zero."

ACSI CEO Louise Davidson said company transition plans are an important tool for long-term investors seeking to assess companies' resilience and value as the economy evolves in response to climate change.

"As universal owners, superannuation funds cannot easily diversify away from the impact of climate change and investments are increasingly expected to be affected over time. Company transition plans help investors to understand and respond to the climate-related financial risks and opportunities that will impact the value of their investments over the long-term," Ms Davidson said.

"ACSI's collaboration with the AICD on this work highlights investors' and company directors' shared interest in tackling the challenges of the climate transition."

Davidson emphasised that building on baseline climate-related financial disclosures, by developing and disclosing transition plans, will position materially exposed companies for long-term profitability and resilience.

"A well-structured, clearly communicated and effective transition plan supports investor capacity to respond to climate risks and opportunities. For superannuation funds, this supports their duty to act in the best financial interests of their members."



AICD Managing Director and CEO Mark Rigotti said the guide reflects the growing importance of transition planning as a governance and business capability.

“Climate transition planning has evolved from an early mover initiative to become a business imperative,” Mr Rigotti said.

“These plans bridge climate commitments with business strategy in the net zero transition. For directors, they represent essential governance tools for overseeing climate risk and guiding strategic decisions.”

Rigotti noted that while transition plans remain voluntary, they have become valuable for investors supporting organisations navigating transition journeys while seeking sustainable returns.

“This collaboration with the AICD and ACSI arms directors with clear guidance on how to oversee transition planning that will win investor support.”

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Download resource: [Governing for net zero](#)

About the Guide

Governing for Net Zero: The Board's Role in Organisational Transition Planning provides practical guidance for boards overseeing climate-related risks and opportunities. It includes case studies, red flags, and director questions, and outlines the key areas for effective board oversight.

About ACSI

ACSI exists to provide a strong voice on sustainability and corporate governance issues. Our members include Australian and international asset owners and institutional investors with more than \$2 trillion in funds under management. Through our research, engagement, advocacy and voting recommendations, ACSI supports members in exercising active ownership, which enhances the long-term value of the retirement savings entrusted to them to manage. ACSI members can achieve value for their beneficiaries through genuine and permanent improvements to the ESG practices of the companies in which they invest.

About AICD

The Australian Institute of Company Directors (AICD) is a not-for-profit organisation committed to strengthening society through world-class governance. A trusted voice in national policy creation and roll-out, the AICD advocates for, informs and empowers those leading, influencing and shaping the future of contemporary governance. Its flagship Company Directors Course™ has been the gold standard in practical, real-world governance education for over 50 years—equipping leaders across all sectors with the skills and confidence to navigate complex boardroom challenges and lead their organisations with impact. The AICD is also home to the world's largest community of professionals committed to better governance for a better future. To learn more, visit aicd.com.au