

Governance Institute policy position on climate change and net zero

Governance Institute's mission is to drive better governance in all organisations, which will in turn create a stronger, better society.

We note the increasing scientific evidence around the pressing need to take steps to reduce greenhouse gas emissions globally to address the impact of climate change and to work towards achieving net zero carbon emissions. Climate change and the transition to net zero will impact organisations in almost all sectors of all sizes directly or indirectly. We also note the increasing global and local demand from investors, regulators, consumers and other stakeholders for high quality disclosure and information about these issues. We are a strong advocate for appropriate climate-related disclosures and reporting and support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), particularly those relating to governance.

Governments in Australia have signalled their commitment to achieving net zero carbon emissions by 2050. Following this year's United Nations Climate Change Conference — COP 26 — there is a clear need for all involved in governance and risk management to take concrete steps to address the risks and realise the opportunities posed by climate change and the transition to net zero, issues with which many of our members are currently grappling in their organisations. Australian regulators ASIC, APRA and the RBA have also all indicated the importance of these issues and their support for the TCFD Framework. It is also clear from recent legal advice that directors have a duty to consider these issues and should consider the risks attached to 'greenwashing'.

Governance Institute considers climate change and achieving net zero through a governance and risk lens and sees it has an important role to play in assisting its members with advocacy, resources and education. Governance and risk professionals also have an important role to play in supporting their organisations as they meet the challenges and realise the benefits created by climate change and achieving net zero emissions.

Governance Institute's actions and commitment

Governance Institute will:

- Provide members and other stakeholders in all sectors, recognising that organisations are at differing stages of maturity on these issues, with events and resources about climate change, sustainable business practices and the transition to net zero
- Support the global and local debate on these issues by collaborating with like-minded domestic and international organisations to speak with a unified voice to, and with, professional bodies, governments and the broader community
- Advocate to all levels of government about the need for policy certainty on these issues
- Advocate for the role and representation of governance and risk professionals in implementing climate policy
- Encourage and assist members to promote our values of accountability and transparency when contributing in their workplaces to net zero targets and climate risk disclosures that are credible and substantiated
- Support a 'just transition' to net zero carbon emissions, and
- Avoid, reduce and offset our green-house gas emissions wherever feasible.