Nature enters the boardroom

Australia's first study of the rise of nature as a boardroom priority

A joint publication

Climate Governance Initiative Australia

Australian Institute of Company Directors

The University of Sydney Business School

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About CGI Australia

The AICD hosts the Australian chapter of the Climate Governance Initiative (CGI) – a global network active in 70+ countries promoting the World Economic Forum's Climate Governance Principles.

CGI Australia helps directors embed climate considerations into board decision-making, drawing on leading expertise and adapting the WEF principles for the Australian context.

Since 2021, the AICD and partners have delivered practical resources, education programs, the Climate in Focus newsletter, annual forums, and topical webinars, guided by an Advisory Council of directors and partner organisations.

CGI Australia Resources

Governing for Net Zero: The board's role in organisational transition planning (2025)

Climate Change Science Snapshot (2025)

Opportunities in the Circular Economy (2025)

A Director's Guide to Mandatory Climate Reporting V2 (2024)

Principles for Setting Climate Targets (2024)

Climate Governance Study 2024 (2024)

Biodiversity as a Material Financial Risk (2023)

Climate Governance for NFP Directors (2023)

Climate Change and Organisational Strategy (2023)

Bringing Together ESG (2022)

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Foreword

Nature and environmental risks, including biodiversity loss and ecosystem degradation, are accelerating at an unprecedented pace.

While closely connected to climate change, these risks are distinct, multifaceted, and increasingly material. They manifest as physical, transition, and systemic risks, with far-reaching implications for organisations and economies.

Nature is fundamental to Australia's economy. The Australian Government's *Strategy for Nature 2024–2030* notes around half of Australia's GDP depends on nature and its services, either directly or indirectly through supply chains.[1] This reliance means that the health of our ecosystems is inseparable from the resilience of our economy.

For Australia, the stakes are particularly high with at least 17 ecosystems showing signs of collapse or near collapse.[2] Our unique and diverse natural systems not only support economic activity but also heighten our exposure to nature-related vulnerabilities. This reinforces the imperative for directors to integrate nature into governance and decision-making.

It also highlights the necessity for Australian directors to understand and manage their organisations' dependencies and impacts on nature. It is in this context that the AICD and University of Sydney Business School have undertaken this important study of directors' current perspectives on nature governance. It comes at a time when directors are already navigating a demanding landscape with mandatory climate reporting, global uncertainty, cyber risk, and productivity challenges, as reflected in the AICD's 2025 Director Sentiment Index.[3]

Yet addressing nature is not a competing priority; it is an enabler. Protecting and restoring natural systems is increasingly recognised as a pathway to mitigating climate change. Boards that engage early on nature-related risks will not only be better placed to meet future disclosure requirements but will also strengthen organisational resilience.

Framing nature as a financial and governance issue is critical. Nature is, in many ways, business's most essential supplier – providing the water, air, soil and biodiversity on which economic activity depends. Ignoring these dependency risks undermines the most basic principle of value creation.

Nature must therefore be considered through the language of governance, resilience, and commercial reality. In doing so, boards can lead meaningful conversations in the boardroom, equip their organisations to adapt, and play their part in safeguarding Australia's unique natural heritage. This is the essence of stewardship: governing not just for present compliance, but for long-term resilience and the wellbeing of future generations.

This study establishes a baseline of nature governance practices through a survey of Australian non-executive directors and chairs, complemented by interviews with directors leading in this field. It also provides practical insights and case studies for those who wish to strengthen their organisations' approach to nature-related risks and opportunities. As regulators, investors and broader stakeholders place increasing focus on nature, this guide will support directors in sharpening their awareness and responses.

I commend this study to directors as a valuable guide to embedding nature-related governance into board practice.

David Thodey AO FAICD
Chancellor, University of Sydney

> "Addressing nature is not a competing priority; it is an enabler."

1 Australia's Strategy for Nature 2024–2030, Commonwealth of Australia 2024; EY, Creating a nature positive advantage: Assessing the outlook for Australia in a net-zero world. 2023, p11.

2 Bergstrom et al (2021), Combating ecosystem collapse from the tropics to the Antarctic. Global. Change Biology, 27: 1692-1703.

3 Confidence in the Australian economy and in business conditions has rebounded in the first half of the year - Director Sentiment Index 1H 2025

Executive summary

This is Australia's first study examining how directors are responding to the rise of nature as a governance priority.

Recognising nature as an emerging area of governance, the AICD and the University of Sydney Business School have undertaken this research to establish a baseline of current board practice. The study provides an evidence-based foundation to inform director education, policy and boardroom discussion. It highlights how Australian boards are beginning to integrate nature-related risks and opportunities into governance, strategy and oversight.

The study draws on insights from more than 250 directors through surveys and interviews. It focuses on non-executive directors and chairs to capture independent board oversight, excluding broader management or market perspectives. While the sample is relatively small, it provides a statistically significant snapshot of board-level practice and early trends in how directors are beginning to govern for nature.

Directors recognise nature as a material governance issue. In our survey, more than four in five directors agree nature-related risks are important. Governance, however, remains at an early stage. Issues such as pollution, waste, land-use change and water are being discussed, but not always consistently described as 'nature-related'. For most boards, nature-related topics arise through discussions on climate, resilience, adaptation, and First Nations cultural heritage, rather than biodiversity, ecosystems or threatened species.

However, oversight of nature-related risks remains fragmented, and disclosure uneven – with four in 10 respondents saying their organisations have no formal arrangements in place. Many boards are updating risk frameworks and consulting external experts, but relatively few have developed strategies, set targets, or invested in capability building. Disclosure practices also vary significantly, with one in three boards reporting none at all. More active boards are using frameworks such as the Taskforce on Nature-related Financial Disclosures (TNFD) and Australia's Sustainability Standards (AASB) to strengthen decision-making and align incentives, rather than treating them purely as compliance tools.

Nevertheless, practice is beginning to take shape. This study finds boards that are integrating nature within climate oversight, recognising their interdependence. In several organisations, nature governance is already informing capital expenditure, underwriting and investment choices. Interviews highlight perspectives less visible in the survey results, underscoring that nature governance is inseparable from stewardship, culture, and long-term accountability.

These approaches mirror how climate-related issues matured into a core governance priority: starting with a material dependency or site, scenario analysis and targeted action, then building confidence.

This study provides a baseline for future progress. It represents the first comprehensive examination of how Australian boards are beginning to govern for nature. It should, however, be seen as a first step, not a final word – further research will be needed as practice evolves.

Key findings

Nature is emerging as a governance concern

1. Boards recognise nature, even if they don't explicitly use that term

- 81 per cent of surveyed directors agree nature-related risks are important; 49 per cent strongly agree
- Recognition is highest among directors in Primary Industries (95 per cent); it is also higher among those with humanities or STEM backgrounds
- Agreement is lowest among listed director respondents, and those from small organisations (under $25 million)

2. Nature shifts from a reputational concern to a financial risk for boards

- Directors increasingly recognise nature risks as financial – driving supply chain disruption, higher costs and litigation risk
- Reputation and social license remains the strongest standalone organisational driver (26 per cent) for boards engaging with nature
- Four in five directors are influenced by multiple stakeholder groups in their approach to nature-related issues

3. Policy barriers and competing pressures hold boards back

- 51 per cent cite unclear Australian policy – especially the lack of national environmental standards – as a barrier
- One third report limited financial resources as a barrier
- Around a quarter note internal barriers – such as skills gaps, risk appetite and competing priorities
- Younger directors are more likely to cite internal constraints as holding boards back

What nature-related governance looks like in practice

4. Boards adapt climate governance practices to nature

- Among listed respondents, 24 per cent have integrated nature into climate strategy and 53 per cent plan to
- 52 per cent of all respondents report their boards have updated risk frameworks to include nature-related risks
- 36 per cent have consulted external experts, and 30 per cent intend to
- One third report no actions; one quarter have no plans to act

5. Oversight is varied and disclosure remains patchy

- 41 per cent report oversight by the full board; 20 per cent report no oversight
- 22 per cent assign oversight to committees – 88 per cent citing Audit and/or Risk Committees
- 13 per cent report aligning with TNFD; seven per cent with the Corporate Sustainability Reporting Directive (CSRD)
- Two thirds of study respondents engage in some nature-related disclosures; one third none

6. Active boards highlight how risks become opportunity

- Formal, integrated oversight structures are linked to broader engagement and stronger governance measures
- Around 20 per cent of boards in this study stand out as 'active' on nature governance
- These boards more often request a strategy, recruit expertise, set targets and report disclosure readiness – and the most mature address climate and nature in tandem

About this study

Defining nature governance

Nature-related governance is the board's oversight of an organisation's dependencies and impacts on natural systems – such as water, land, biodiversity, and ecosystems – and how these translate into financial, operational, and strategic risks and opportunities.

It is closely linked to, but broader than, climate governance. While climate governance focuses on reducing emissions and managing climate-related risks, nature governance addresses the wider ecological systems that underpin economic activity. It is place-based and multidimensional, covering issues like ecosystem degradation, water and land use, biodiversity loss and supply chain disruption.

How to read this report

This study provides a baseline snapshot of how Australian boards are beginning to approach the governance of nature-related risks and opportunities. It offers evidence-based insights and trends that directors can use for reflection and benchmarking. However, it is not a definitive account of all practice across the economy. Findings are statistically significant at the board level but subject to the usual limits of voluntary participation and sample size.

Approach

An online survey of AICD members was conducted in June 2025, complemented by consultations with directors and nature governance experts in September 2025 (see Appendix A). To ensure results reflect independent board oversight, participation was limited to chairs and non-executive directors, excluding management perspectives.

The survey received 248 valid responses. The sample is broadly representative of AICD membership by gender and region, but respondents were on average older and more experienced than the broader membership. The sample includes a somewhat higher representation of not-for-profit directors than in other recent AICD studies, which should be considered when interpreting the findings.

For a more detailed review of survey results, see the full survey findings presented in the materials supporting this resource.

Interpretation

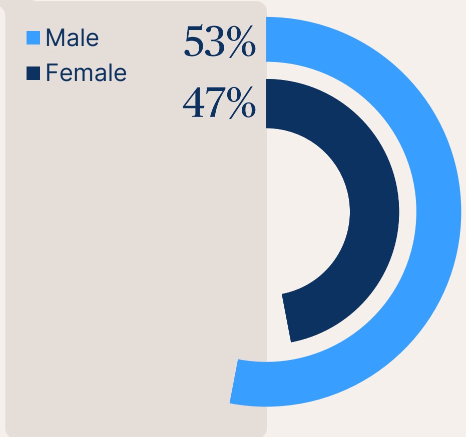
The results highlight early governance practices and emerging trends, offering a baseline view of board-level practice rather than a full representation of all Australian organisations. They should be used to guide board discussion and identify areas for further attention, rather than as prescriptive standards.

Survey demographics

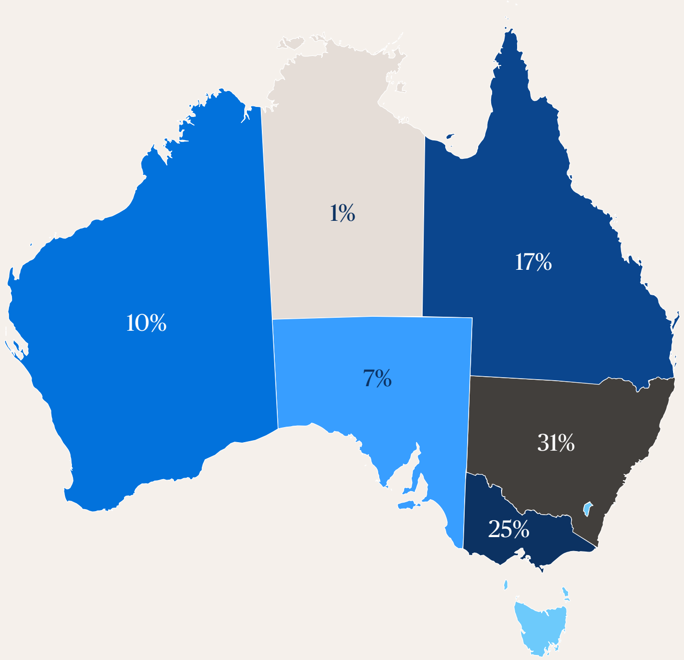
248

Respondents

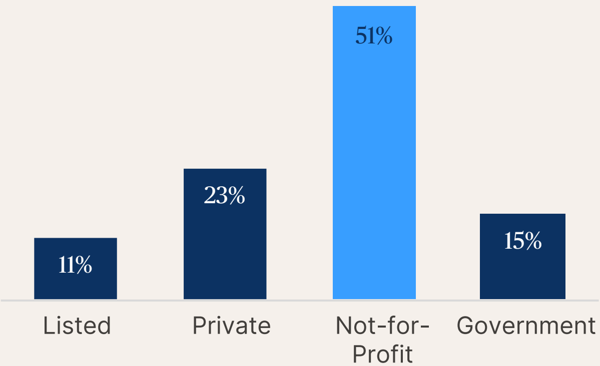
Gender



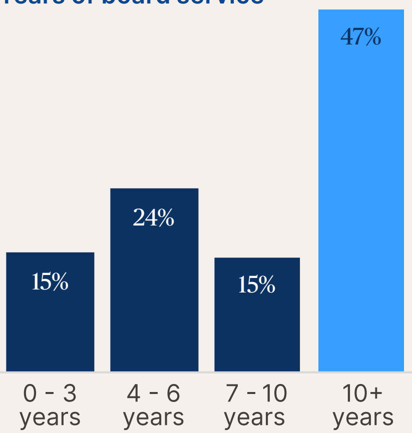
Location



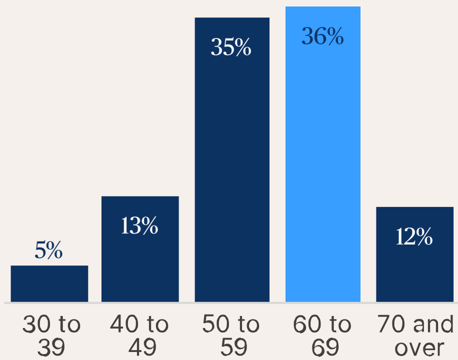
Sector



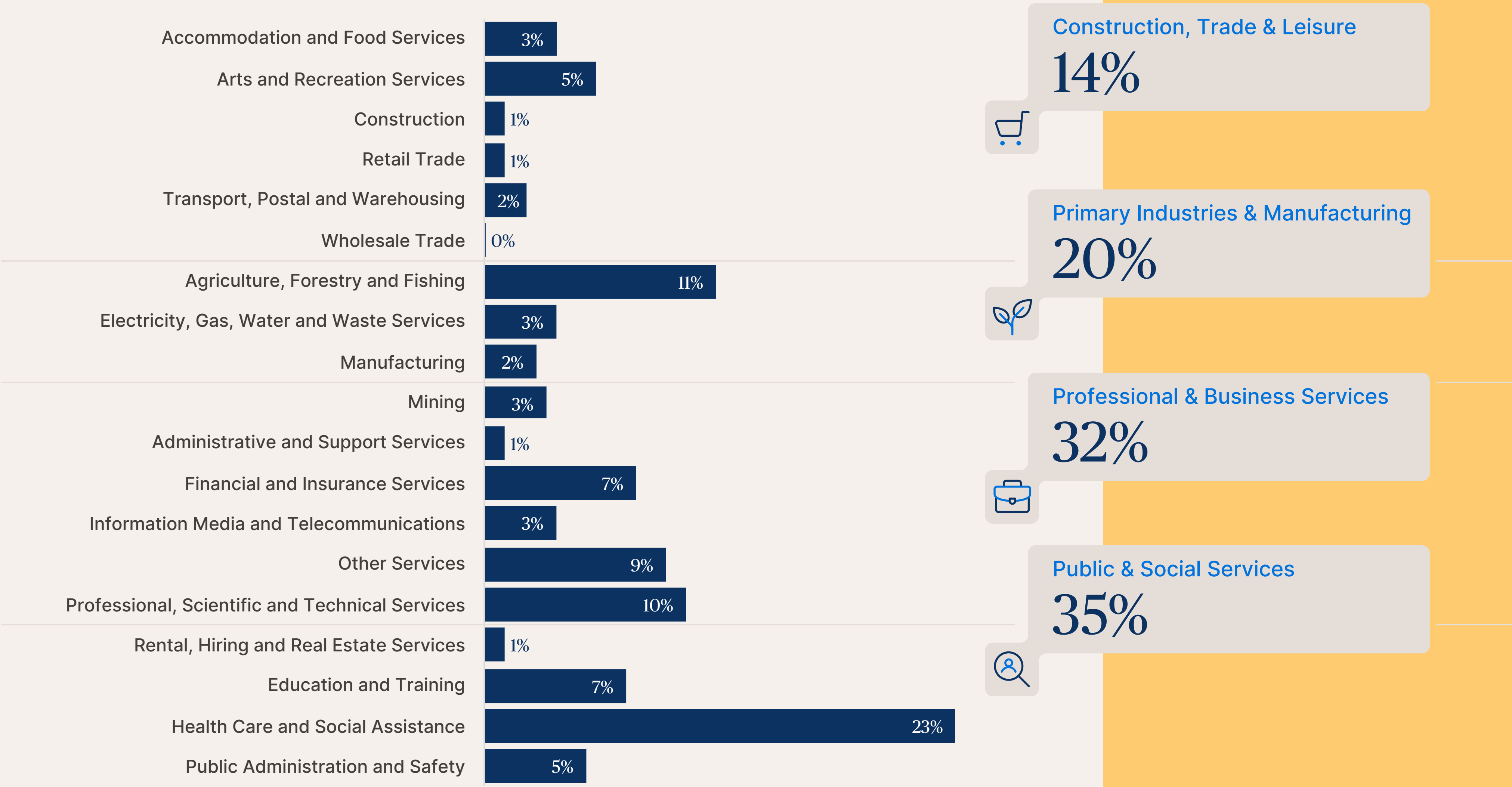
Years of board service



Director age group



Survey demographics by industry



Nature is emerging as a governance concern

1. Boards recognise nature, even if they don't explicitly use that term

What this means for boards

Name it and build common language. Water, waste, land use and supply chains are core nature dependencies, not just operational details. A shared taxonomy helps boards and management link these issues to risk, resilience and strategy.

Broaden the lens. Climate is only one environmental risk. Extend board discussions to biodiversity, ecosystems and natural capital, recognising that nature's stability underpins long-term value.

Anchor in duties. Directors have duties of care and diligence, and to act in the best interests of the organisation. Foreseeable material nature-related risks fall within those obligations. Treating them as such helps avoid blind spots and potential liabilities.

Focus by sector. Dependencies on nature vary by industry – identify exposure, and prioritise the most material for your organisation.

Build capability. Lasting practice depends on directors and management developing the capability to govern nature-related risks and opportunities.

Awareness of nature as a boardroom issue is becoming more established.

This study finds strong and growing recognition of nature-related risks as a material governance concern. More than four in five participating directors agree these risks are important to their organisations, with nearly half strongly agreeing (Figure 1).

For comparison, the 2024 Climate Governance Study asked a narrower question on the financial materiality of nature and biodiversity. Then, one in three directors strongly agreed and one in two agreed. Taken together, the results point to a shift toward greater recognition of nature as a boardroom priority.

Recognition of nature-related risks in this study varies across contexts:

- **Industry:** Primary Industries and Manufacturing show the highest recognition of 95 per cent, reflecting direct exposure to environmental dependencies.
- **Sector:** Strong majorities are also seen in the government sector, while listed companies report the lowest levels of recognition (75 per cent) despite significant disclosure expectations. (Box 1 provides information about business dependency on nature).
- **Organisation size:** Large entities (>$200 million in revenue), report the highest agreement; smaller entities are less likely to agree, pointing to the potential influence of capacity and resources.
- **Director profile:** Recognition is stronger among those with humanities or STEM backgrounds, while those with legal training are less aligned. Women are more likely to strongly agree than men. Higher recognition was also found among the most and least experienced directors (Figure 2).

Box 1: How do businesses depend on nature?

Businesses are deeply dependent on nature in ways that are often invisible yet critical to their long-term success. Ecosystems supply essential inputs such as clean water, fertile soils, timber, fisheries and minerals, while regulating environmental stability through carbon storage, flood control, pest management and climate moderation. Without these natural services, companies face rising costs to replace or replicate what nature provides – if substitution is even possible.

Agriculture relies on pollination and healthy soils, manufacturing depends on steady flows of water and energy, and finance depends on the resilience of these real-economy sectors. As ecosystems degrade, risks intensify, positioning nature as a strategic business imperative.

Agreement with importance of nature-related risks

To what extent do you agree that nature-related risks are an important consideration for your organisation?

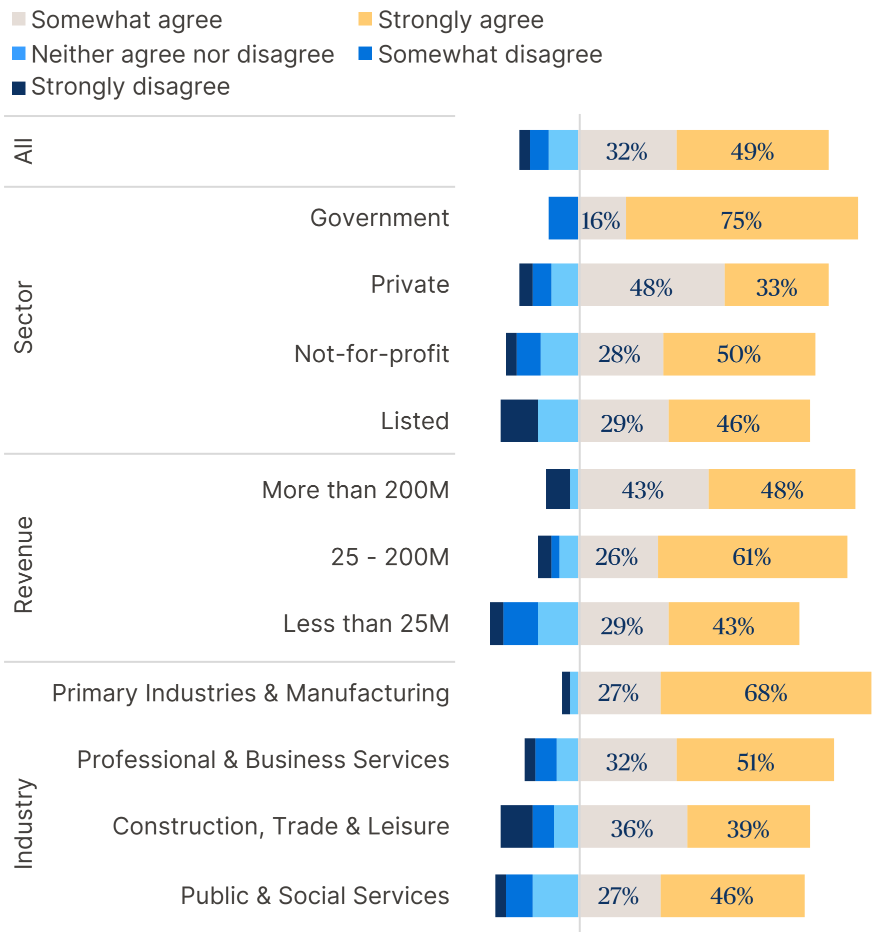


Figure 1: Recognition of nature-related risks by sector and company revenue

Strong agreement with importance of nature-related risks

To what extent do you agree that nature-related risks are an important consideration for your organisation?

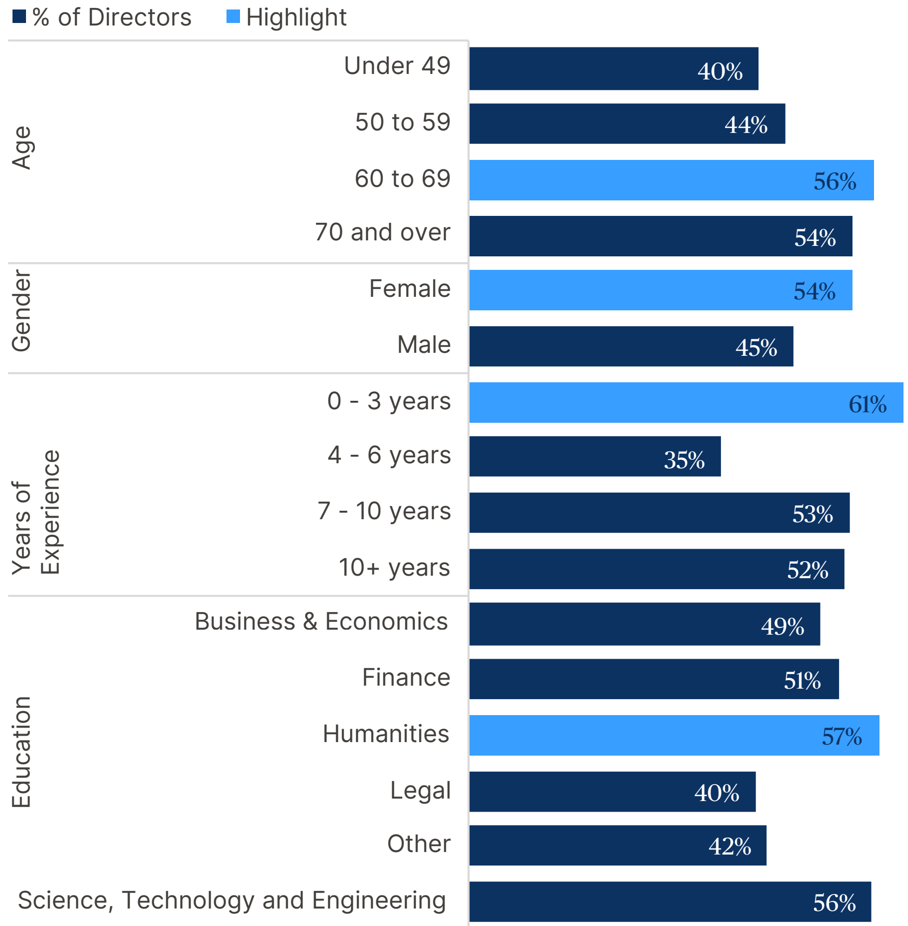


Figure 2: Recognition of nature-related risk across director profiles

Interview insights

Many boards already address nature-related risks under other labels: water security, pollution, land disturbance, supply chain resilience and regulatory approvals. In interviews, some directors suggested plain, operational framing resonated more with their boards than ecological terms such as 'ecosystems' or 'biodiversity'. Plain language, supported by a shared taxonomy, can help lower barriers to engagement and build board literacy.

During consultations, directors emphasised the importance of treating nature as infrastructure underpinning economic activity and the mitigation or transfer of risk through insurance and investment mechanisms.

Legal commentary is reinforcing this trend. If nature-related risks are material and foreseeable, directors who fail to consider nature-related risks material to their organisations could be found liable for breaching their duty of care and diligence (Box 2).

Two-thirds of directors in the survey said their boards have discussed nature through the lens of climate, resilience and adaptation (Figure 3). One in five report direct consideration of issues such as invasive species, threatened species or deforestation. Other themes included natural disasters, offsets and biodiversity credits, and First Nations heritage.

> "Nature-based solutions require thinking that is outside of the box."
>
> **– AICD member, survey open-text response**

Box 2: Directors' duties and nature

There is no express directors' duty to consider nature in particular. However, existing directors' duties to act in the best interests of the company,[4] and with appropriate standards of care and diligence,[5] will require directors to consider nature-related risks if material. What this requires of directors will depend on the circumstances of the relevant company.

'Best interests' duty

In an opinion for the AICD, senior barrister Bret Walker SC confirmed that the 'best interests' of a company can extend beyond shareholders to allow board consideration of stakeholders such as employees, the community, and the environment. Nature may present foreseeable financial risks and opportunities which directors may be required to consider.

Duty of care and diligence

Directors must act with due care and diligence, which involves taking steps to mitigate against reasonably foreseeable risks for the relevant company. A 2023 legal opinion concluded that there are risks arising from dependencies and impacts on nature that would be regarded by a court as being foreseeable at the present time.

A 2024 legal opinion commissioned by the AICD (Michael Hodge KC and Sonia Tame) confirmed directors are not guarantors of compliance, but must take reasonable steps to oversee management, remain alert to red flags, and challenge where appropriate. This lens can be applied to the oversight of nature-related dependencies and impacts.

In practice, directors should:

- Ask management or independent experts to identify the company's nature-related dependencies and impacts
- Assess the financial and operational risks and opportunities arising from the identified nature-related dependencies and impacts, if relevant
- Evaluate implications for the company's strategy, governance and risk management oversight, and disclosure, applying independent judgment
- Recognise that inaction may expose the company, and the directors, to legal and reputational risks
- Anticipate rising investor and stakeholder expectations

4 Under a directors' duty to act in good faith in the best interests of the corporation, and for a proper purpose, s 181 of the *Corporations Act 2001* (Cth).

5 Under a director's duty of care and diligence, s 180 of the Corporations Act.

A recurring message from consultations with directors is the need to treat climate and nature as one system. Boards often become alert to climate because nature revealed its impacts – e.g. ocean heat, fires, and water stress. Considering them separately risks partial responses; integration supports alignment of risk, resilience, and strategy. Box 3 outlines key linkages between nature-related and climate-related risks.

Board discussion topics were grouped into four categories: biodiversity risks, ecosystem dependencies, pressures/drivers, and boardroom responses. Figure 4 shows directors in Primary Industries and Manufacturing are far more engaged with biodiversity and ecosystem issues than other sectors, while larger entities tend to prioritise environmental drivers like pollution due to higher regulatory and financial exposure.

Similarly, S&P Corporate Sustainability Assessment data show that sectors comparable to Primary Industries and Manufacturing have begun assessing biodiversity impacts, while assessments focused on nature-related dependencies are still at an early stage of development (see Data insert).

> “[Our organisation] is driving nature as its core theme for community impact, working in collaboration with civil society, business, First Nations and research communities.”
>
> **– AICD member, survey open-text response**

Which nature topics has your board discussed?

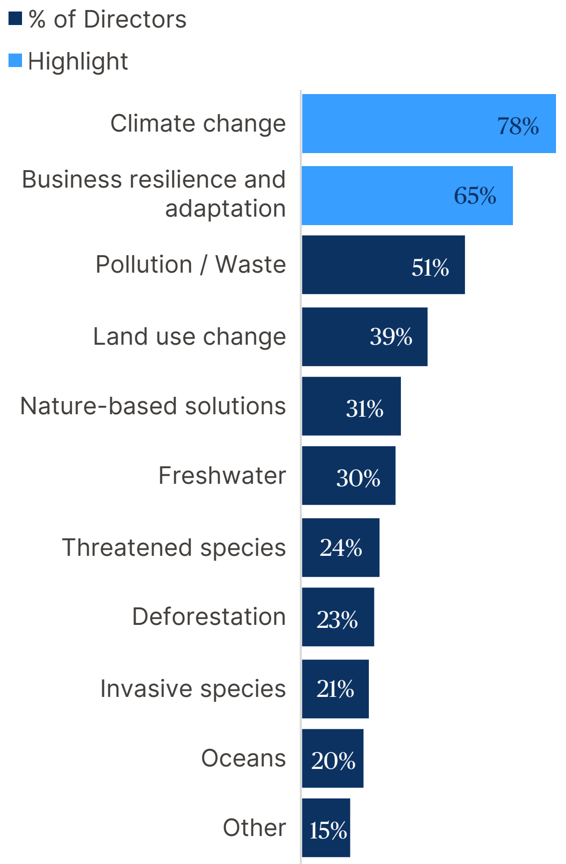


Figure 3: Nature topics discussed in boardrooms

> “We now assess risk with nature explicitly in our models - treating nature as either a contributor to risk or a moderator that mitigates it.”
>
> **– Geoff Summerhayes GAICD**

Box 3: Nature–climate linkages and overlaps

Nature loss and climate change are closely connected. Climate change can accelerate ecosystem degradation, while healthy ecosystems can regulate climate by storing carbon, moderating temperature, and buffering against extreme events.

Nature and climate risks share many pathways and impacts. Physical climate risks such as heat stress and water scarcity can accelerate biodiversity loss and ecosystem decline. Transition risks from policy, regulation and markets affect both domains, from carbon pricing to habitat protection. Firms that harm ecosystems face scrutiny comparable to those with high emissions.

There are also key differences. Nature risks are spatially specific and multidimensional, reflecting diverse ecosystem services – pollination, soil fertility, water purification – that are harder to measure than greenhouse gas emissions. While climate policy and disclosure are more advanced, governance of nature risk is emerging, with voluntary frameworks introduced in 2023.

> “Boards shouldn’t see nature or climate as only a compliance burden. These are issues fundamental to the security and long-term success of the business. The better mindset is: what’s in the interest of my business? What opportunities exist here to do things differently or create new value? The compliance mindset is a trap.”
>
> **– Dr Ken Henry AC**

Nature topics discussed in boardrooms

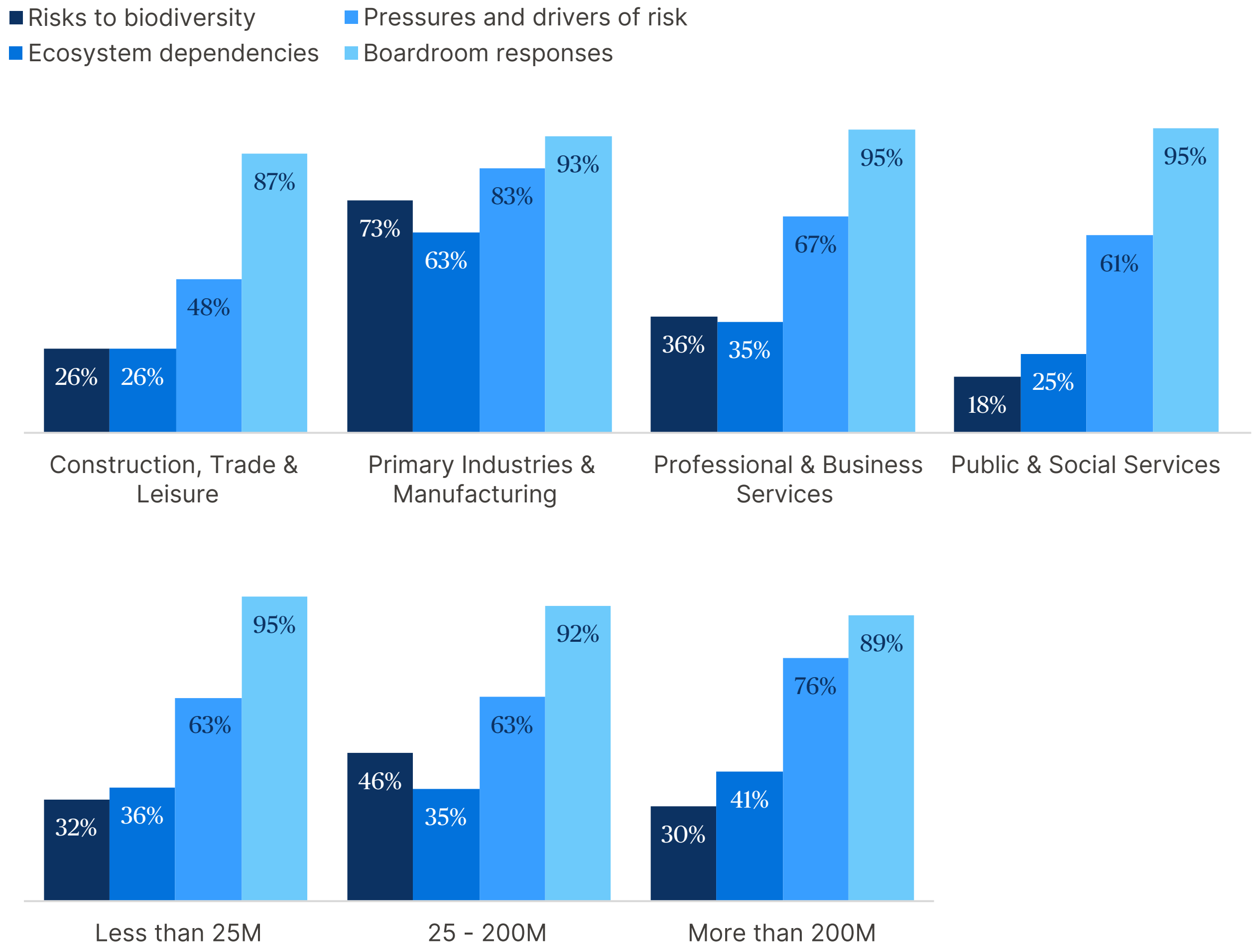


Figure 4: Nature topics discussed in boardrooms by industry

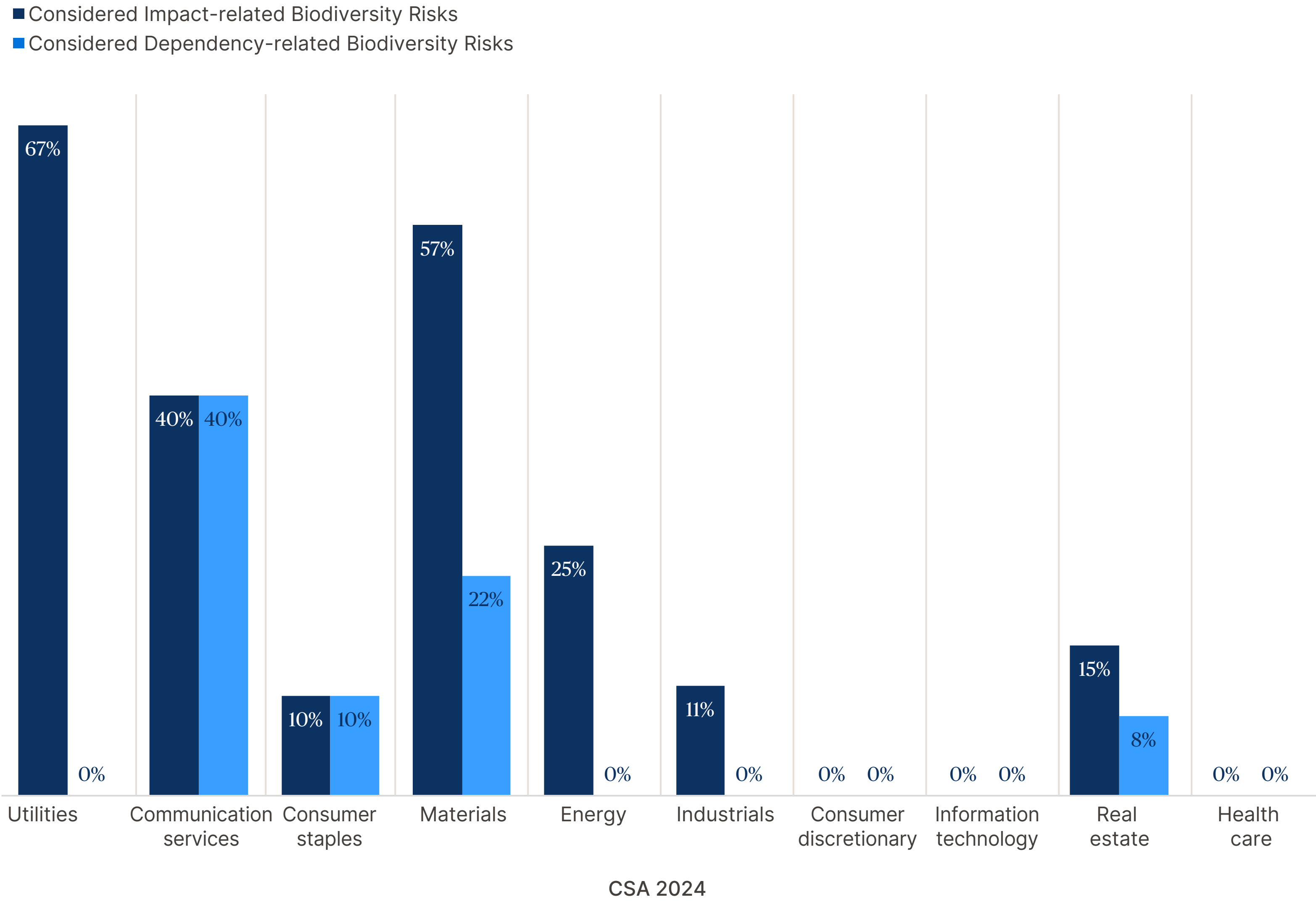
Proportion of ASX 200 companies

The Corporate Sustainability Assessment (CSA) by S&P Global is an annual, industry-specific evaluation of how companies manage financially material ESG issues.

Within CSA, the Biodiversity section examines how companies assess risks, make commitments, and take action to protect ecosystems and natural habitats.

Across the ASX 200, Utilities and Materials lead in assessing biodiversity impacts, whereas consideration of nature dependencies remains limited, indicating that this aspect of biodiversity governance is still in early stages of development across most sectors.

Source: S&P Global Sustainable



Data insert: S&P Global Corporate Sustainability Assessment (CSA) 2024 – Biodiversity Impact and Dependency Consideration Across the ASX 200

Case study: AirTrunk - Understanding nature dependencies in data centre operations

As part of its [FY25 Climate and Nature-Related Risk Report], AirTrunk, a data centre operator across the Asia Pacific and Middle East region, presented its third integrated assessment of nature-related dependencies, impacts and risks. The analysis followed the TNFD LEAP approach (Locate, Evaluate, Assess, Prepare) and was cross-referenced to AASB S2 Climate-related Disclosures, aligning climate risk management with financial reporting expectations.

Nature dependencies and impacts

AirTrunk's key nature-related dependencies include land use, energy infrastructure, and materials sourcing during construction. Across its value chain, the company relies on secure access to water and energy networks, and on the supply of metals and minerals used in data centre development and renewable energy systems. These upstream activities can place pressure on water resources and terrestrial ecosystems. Understanding these dependencies enables AirTrunk to assess exposure to resource constraints, inform site planning, and integrate environmental considerations into capital allocation and supply chain management.

Assessment process

In FY25, AirTrunk strengthened its application of the LEAP framework by expanding its location-based analysis of nature interactions. Using spatial datasets, including the World Database on Protected Areas, each data centre site was mapped for proximity to protected areas and waterways, and hydrological pathways were assessed to identify potential downstream receptors. This analysis showed that careful site selection is critical to avoiding on-site risks and identified four sites located near waterways that required enhanced monitoring and mitigation measures.

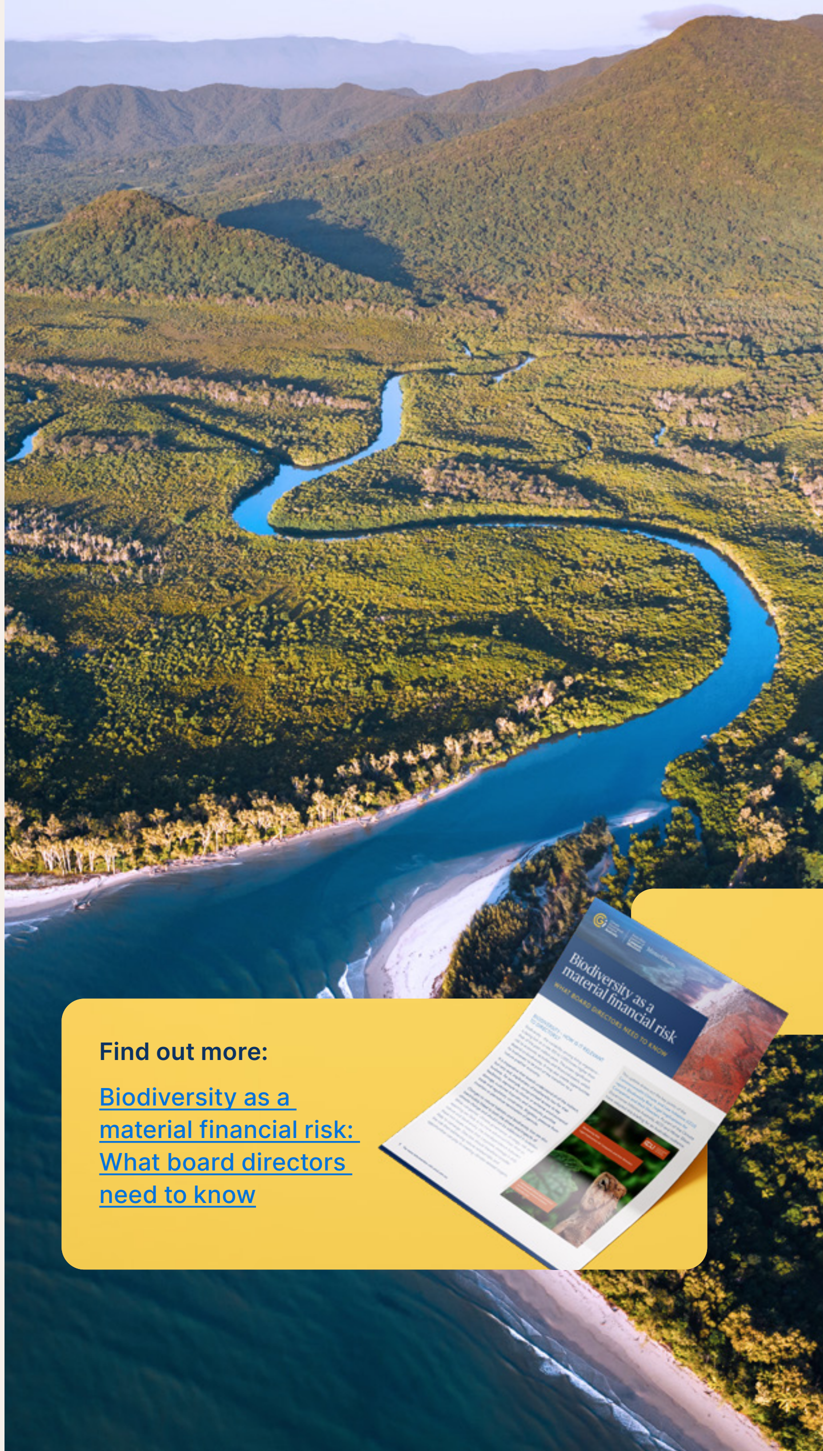
Governance and assurance

AirTrunk's approach to climate- and nature-related risk is overseen by the board, supported by the Safety, Sustainability and Construction Committee and the Executive and Strategic Risk Committee.

Strategic outcomes and next steps

AirTrunk's [FY25 Sustainability Report] outlines several forward-looking commitments:

- Continued alignment with TNFD and AASB S2 frameworks.
- Further quantification of material nature-related risks.
- Ongoing biodiversity risk mitigation.
- Deeper assessment of water and energy dependencies across its portfolio.



Find out more:

[Biodiversity as a material financial risk: What board directors need to know]

2. Nature shifts from a reputational concern to a financial risk for boards

What this means for boards

Recognise the financial shift. Nature risks already affect costs, asset values and access to capital. Boards should ask management, especially finance teams, to quantify these impacts and integrate them into planning and reporting.

Track stakeholder sentiment. Investor, regulator, customer, and community expectations are rising. Boards need to anticipate these shifts and guide responses.

Consider supply chain exposures. Even for organisations with a low direct footprint, boards must account for nature risks in their supply chains – from water and fertiliser to heat and land use – and assess how supplier practices may drive biodiversity loss or damage.

Go beyond compliance. Guide organisations to treat nature as a driver of competitiveness, innovation, and long-term value creation.

Four in five directors and chairs in the survey report their engagement with nature is influenced by a mix of stakeholder groups as well as other organisational drivers.

When a single motivator is nominated, reputation and social license emerge most strongly, identified by 26 per cent – ahead of compliance or financial imperatives (Figure 5). This pattern suggests directors view nature as a systemic issue, drawing urgency and legitimacy from across the stakeholder spectrum.

Consultations reveal directors see value in pricing nature into operational and capital expenditure, as well as long-term planning. Treating nature as a capital asset allows impacts to be modelled across profit and loss, balance sheets and planning horizons. In interviews, directors also noted that CFO involvement and framing nature as 'natural capital' help translate ecological dependencies into financial terms that resonate with boards and investors. This financial framing is a powerful lever for engagement, positioning nature alongside other material risks and opportunities.

Ultimately, integrating nature into financial decision-making is about recognising both the risks of inaction and the benefits of embedding nature into strategy.

Supply chain focus

Materiality is also emerging through the value chain. Even organisations with a low direct footprint face risks via suppliers, including exposure to biodiversity loss, water scarcity, land degradation, and deforestation.[6] Supply chain assessments are therefore a critical lens for evaluating these risks and responsibilities. Expectations are growing for organisations to assess whether supplier activities contribute to biodiversity loss or environmental damage, even where they have no direct ecosystem impact.[7]

For a more detailed review of survey results on stakeholder influence and organisational drivers, see the full survey findings presented in the materials supporting this report.

6 Panwar, R. (2023). Business and biodiversity: Achieving the 2050 vision for biodiversity conservation through transformative business practices. Biodiversity and Conservation, 32, 3607–3613.

7 University of Cambridge Institute for Sustainability Leadership (CISL). (2020, April). Measuring business impacts on nature: A framework to support better stewardship of biodiversity in global supply chains. Cambridge, UK: University of Cambridge Institute for Sustainability Leadership.

“Nature capital matters - a lot. You need to understand how your business affects nature, whether that’s through your supply chain or directly, in delivering your products and services. Once you grasp that impact, it’s crucial to price the risks and opportunities of nature capital, as you would any other relevant business risk, into your financial planning process, including capital management and therefore the impact on the firm’s financial statements.”

– Christine Holman GAICD

“This is not about being socially responsible towards nature. It’s about productivity, resilience, and value protection.”

– Rayne van den Berg GAICD

Stakeholder influence and organisational drivers

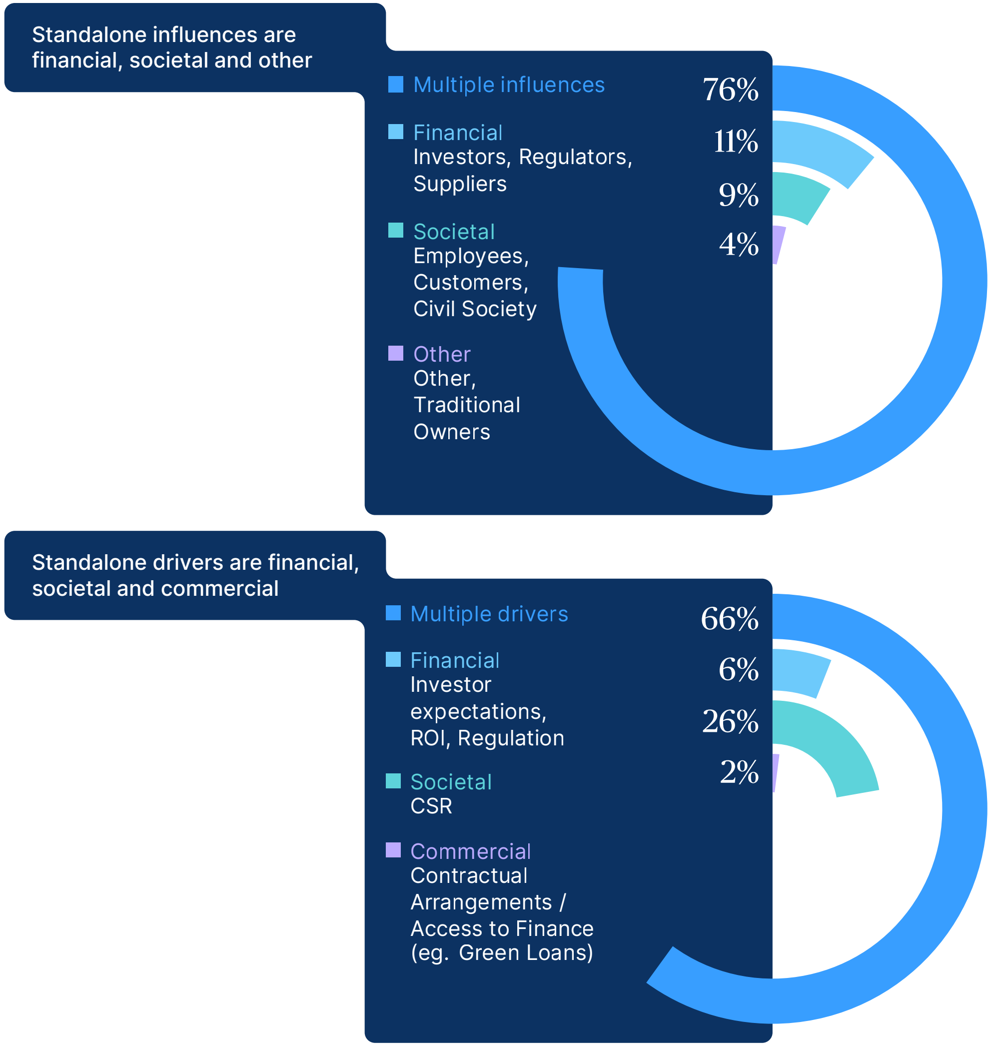


Figure 5: Exploring stakeholder influence and organisational drivers of engagement with nature

Case study: Telstra - When nature risks become business risks

Telstra recognises that the health of its business is intrinsically linked to, and dependent on, the health of the environment and the communities it serves. Its approach to nature extends beyond minimising impacts across operations and the supply chain, to identifying opportunities to create shared value – for the environment and for the business – through the data, connectivity and technology solutions that enable more effective or scalable nature action.

Nature governance is embedded within Telstra's sustainability approach, which from 2023 includes a dedicated focus on nature and biodiversity. Their report titled Our Approach to Nature Action, sets out Telstra's ambition and the areas where it can have the greatest impact.

As a telecommunications company, Telstra operates across a wide range of ecosystems – from remote, ecologically significant regions to urban centres – and depends on natural resources and a stable climate. Its teams interact with the natural environment daily while maintaining infrastructure and delivering services to customers.

To strengthen governance of nature-related risks and opportunities, Telstra has:

- Improved transparency – Telstra's 2025 annual report includes its second nature-related disclosure guided by the TNFD, integrated with its climate reporting.
- Worked with partners and suppliers to increase impact – including nature-related considerations into Telstra's supplier governance framework, alongside other key risks such as emissions and labour practices. The company also collaborates with environmental and cultural heritage experts and delivery partners to build and maintain its network in ways that consider impacts on nature, especially in environmentally sensitive areas.
- Leveraged technology to support nature action – exploring how connectivity, digital tools and data solutions can enable action at scale to protect and restore nature.

Case study: Brambles - Making nature a strategic priority

Brambles, a global provider of logistics solutions, has set out to integrate nature as a strategic priority, recognising it as a material business issue. The company is embedding ecological considerations into governance, disclosure and supply chain oversight.

Brambles' board oversees the executive leadership team's delivery of Brambles' strategy, including the 2030 Sustainability Program and endorsed its vision to create regenerative supply networks. The vision seeks to deliver tangible value for nature and communities while aiming to drive a future of sustained prosperity for the company.

Brambles identifies material sustainability topics through structured stakeholder engagement and oversight by its Sustainability Risk Committee (SRC). In its 2025 Sustainability Review, the company identified climate change, nature and biodiversity, sustainable business growth and zero harm among its most material topics. Applying a double-materiality approach, it assesses both business impacts and broader societal impacts.

To strengthen its understanding of nature-related risks and opportunities, Brambles used TNFD framework to:

- Assess dependencies, impacts, risks and opportunities (DIROs) using the Locate, Evaluate, Assess and Prepare (LEAP) approach.
- Identify key focus areas and develop a register of nature-related risks and opportunities.
- Build an evidence-based view across operations, suppliers and customers, by sector and location.

Brambles' circular business model underpins this approach, reducing its dependence on virgin materials and minimising ecosystem impacts, while embedding environmental considerations across strategy, risk management and reporting.

3. Policy barriers and competing pressures hold boards back

What this means for boards

Plan for uncertainty. Act early with flexible approaches that adapt as regulations and policy evolves, rather than waiting for certainty.

Localise oversight. Address state, sectoral and local obligations alongside national ones to avoid gaps in compliance and risk.

Link to finance. Connect policy gaps to impacts on productivity, insurance, underwriting and access to credit.

Systemic policy gaps remain the greatest challenge for boards in advancing nature governance.

In this study, 51 per cent of directors and chairs responding to the survey nominated unclear Australian government policy as their most significant barrier (Figure 6). Within this, the absence of national environmental standards was most prominent, with 76 per cent identifying it as a critical gap (Figure 7).

Directors identified several internal organisational constraints as barriers to progressing nature-related governance. One in four cited limited board appetite, bandwidth, or skills gaps. At the organisational level, a third noted funding pressures that limit investment in nature governance.

The survey also highlighted director uncertainty with regards to the Nature Repair Market and delays in environmental approvals, with a third saying current processes can produce perverse outcomes (Figure 7). International frameworks added further complexity, with one in four directors identifying global standards as a source of uncertainty.

These results echo broader AICD research. In the Director Sentiment Index 1H 2025, 'compliance and regulation' remained the top factor influencing boards' risk appetite (59 per cent). Similarly, in the 2024 Climate Governance Study, 42 per cent cited Australian policy uncertainty as the leading barrier – a consistent finding since 2021.

Challenges experienced by boards

Which of these challenges has your board encountered?

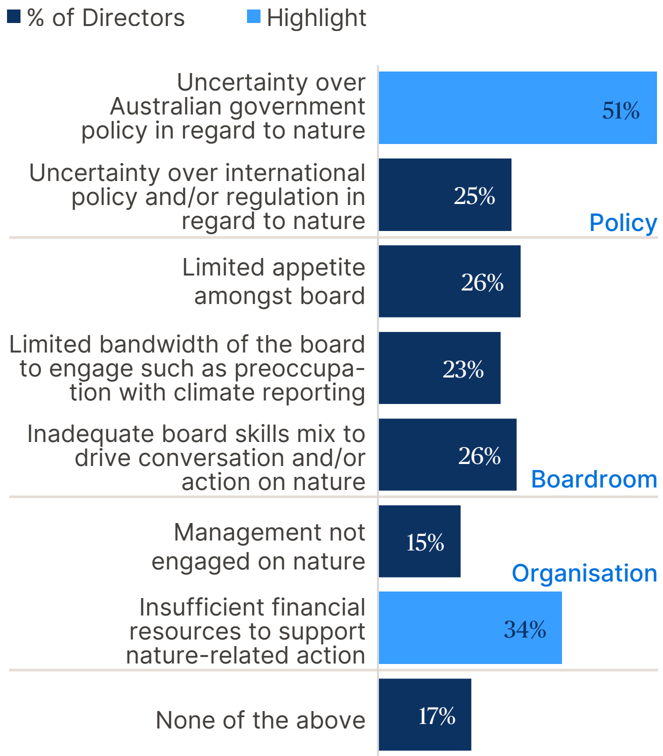


Figure 6: Challenges experienced by directors when engaging with nature

Challenges experienced with domestic policy

What are the key challenges you have experienced with uncertainty over Australian government policy?

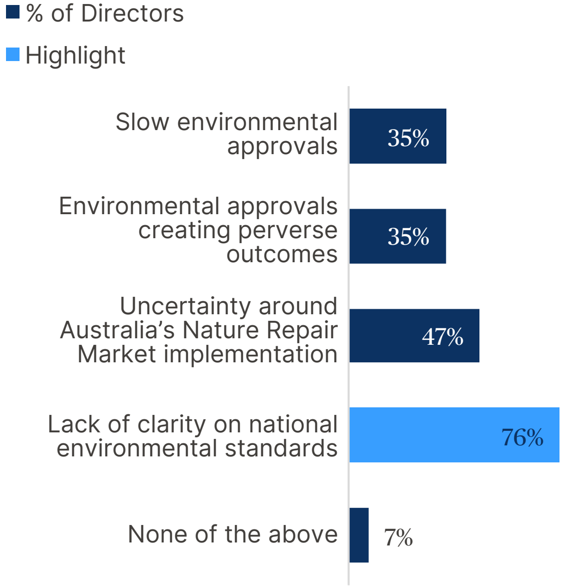


Figure 7: Specific challenges experienced by directors over Australian government policy

> Without alignment between government, business and science, we will continue to keep talking past each other on nature."
>
> **– Jas Chambers GAICD**

Challenges experienced by boards

Which of these challenges has your board encountered?

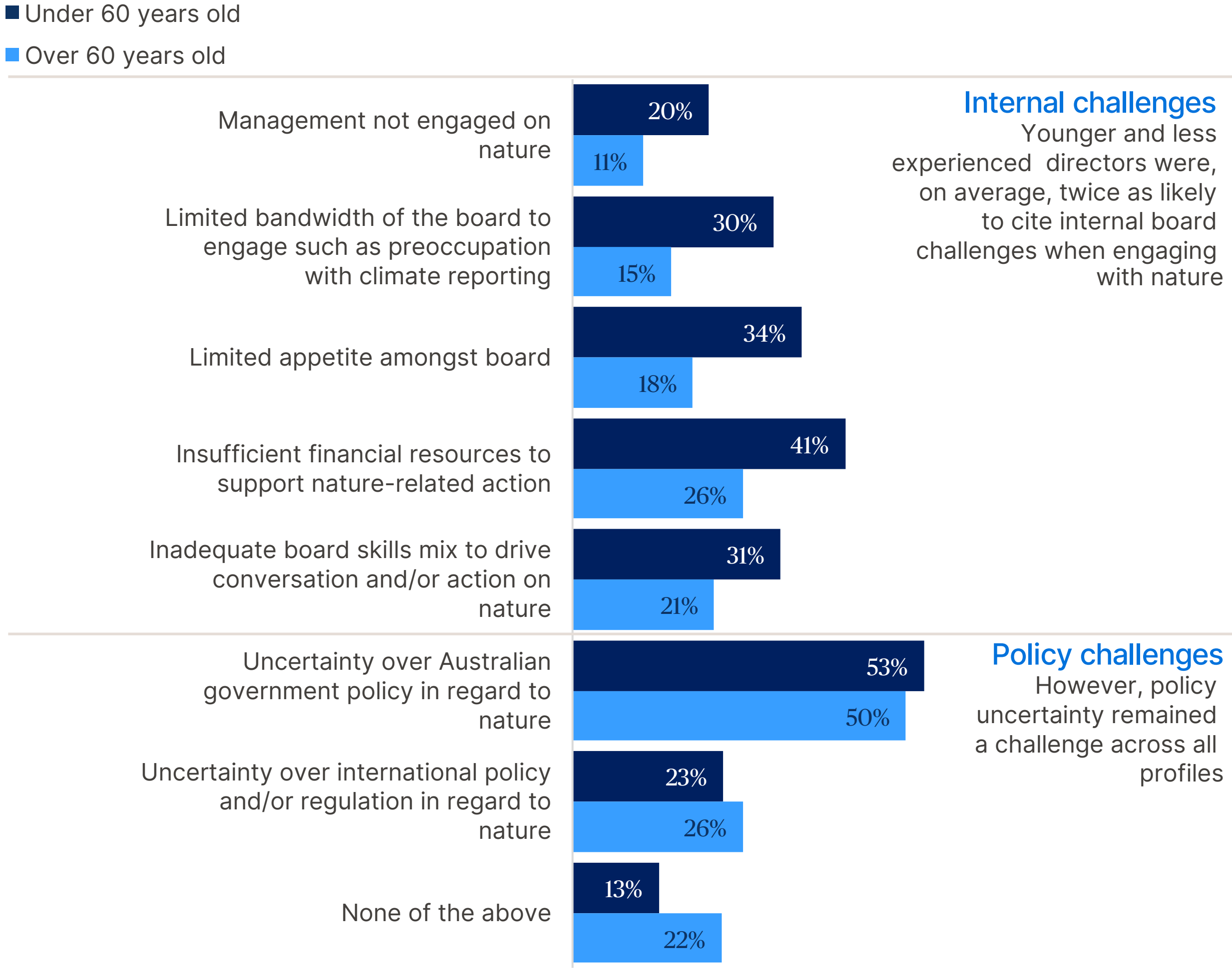


Figure 8: Challenges experienced by directors when engaging with nature analysed by age

> "There are a lot of projects [across Australia] that haven't met approval timelines, and that's played out in the media, because there just wasn't the capability in government to make informed decisions. Industry knows the cost of change management. That mismatch is why you see backlash."
>
> **– Vanessa Elliott AM**

> "Policy is lagging business in some respects - companies are already acting because they see the risks, while government frameworks are still catching up."
>
> **– Dominique Hes GAICD**

Generational patterns are also evident (Figure 8). Younger directors (under 60) were more likely to cite internal barriers such as appetite, bandwidth, and resourcing. Older directors mentioned these less often, but both groups highlighted domestic policy uncertainty as the dominant challenge.

Interviews offered two pragmatic lessons. First, directors should not wait for perfect rules: pilot, adapt and act within their sphere of control. Second, cross-sector collaboration is essential to present practical proposals to policymakers. Box 4 outlines the current Australian Government policy agenda for nature.

Box 4: The Australian Government's nature agenda

Nature policy in Australia is still taking shape. Reforms are progressing, but uncertainty remains about impacts on project approvals and ecological outcomes. The first National Climate Risk Assessment highlights rising risks to natural systems, underscoring the need for stronger responses.

- **Environmental law reforms.** The Government introduced legislation in 2025 to implement the Samuel Review and interim Productivity Commission recommendations, including stronger national environmental standards and new oversight bodies.[8]
- **Nature Strategy and 'Nature Positive'.** Released in 2023, Australia's first Strategy for Nature 2024–2030 commits to halting and reversing biodiversity loss by 2030. Implementation planning is currently underway.
- **Nature Repair Market.** A voluntary biodiversity credit scheme designed to mobilise private investment in conservation, with related reforms to environmental offsets under review.
- **Disclosure and markets.** The Government has endorsed TNFD and linked nature to its broader sustainable finance roadmap, signalling alignment with international standards (refer Box 5 and Box 6).
- **Treasury support for reporting.** As part of the Sustainable Finance Roadmap, Treasury has allocated $4.1m over two years to develop tools and guidance that encourage the voluntary uptake of nature-related financial reporting by businesses and investors.
- **Ecosystem data.** In 2025, the Government launched National Ecosystem Accounts initiative via CSIRO, ABS and DCCEEW to underpin the Nature Repair Market and track ecosystem change.

Launching the data initiative, Assistant Minister for Competition, Charities and Treasury, and Assistant Minister for Employment, The Hon Dr Andrew Leigh, said: "Australia's natural environment isn't just scenery – it's a workhorse, underpinning industries, livelihoods, and entire ecosystems. Our forests bank billions in carbon, our mangroves stand between coastal homes and disaster, and our landscapes sustain communities in ways we're only beginning to quantify."

8 Environment Protection Reform Bill 2025 – Parliament of Australia

What nature-related governance looks like in practice

4. Boards adapt climate governance practices to nature

What this means for boards

Leverage climate governance. Use existing risk, disclosure and investor frameworks as entry points for nature, rather than starting from scratch.

Move beyond risk registers. Recording risks is only the beginning. Advance to strategies, measurable targets and long-term planning that embed nature into core decision-making.

Begin with material dependencies. Start with the most material dependency or site. Assign accountability and report outcomes, apply scenario analysis, then scale across the organisation.

Connect the story. Nature risks often differ from climate risks – they are more localised and ecosystem-specific. Ask management to explain nature-related issues in ways the board can readily connect to business value.

This study finds that many boards are embedding nature considerations within existing climate strategies rather than developing standalone approaches.

This is particularly evident among listed sectors, where Figure 9 shows that a quarter (24 per cent) of respondents have integrated nature into climate strategy. Figure 10 indicates that 43 per cent of boards have discussed this approach, while Figure 11 and Figure 12 show it is an emerging area, with 53 per cent of listed boards intending to integrate nature within climate strategy. This reflects the practical reality that many boards are building on established climate governance systems, particularly in listed entities subject to mandatory reporting.

Current governance practice

Climate is only one part of the picture. As boardroom discussions on nature increase, the governance measures in place offer the clearest view of current practice.

The most common is integration of nature into risk management frameworks. In the survey, 52 per cent of listed company directors reported their boards had updated systems to capture nature-related risks, rising to 54 per cent for not-for-profit boards and 62 per cent for government boards.

Consulting external experts is also widespread: 48 per cent of those on listed boards reported doing so, compared to 28 per cent of private companies, 33 per cent of not-for-profit boards and 45 per cent in government sectors (Figure 9). Directors saw this as a practical first step where internal expertise is limited.

Evolving practices

When boardroom discussions are grouped into three categories – awareness, risk management and strategic integration – the most common focus is risk management. Risk mitigation strategies and actions were reported by 51 per cent of survey respondents (Figure 10). Almost a third (30 per cent) are on boards that have considered how nature-related risks translate into financial impacts, signaling a gap between recognising risks and integrating them into core financial decision-making. Eighteen per cent indicated their boards were not discussing nature at all, suggesting that for many organisations awareness and engagement remain at an early stage.

> “Most nature outcomes are, by definition, more local and more visible than the results of climate action. That should make sensible nature governance less political, and much more widely understood and supported at community and national levels.”
>
> **– Ken Dean FAICD**

Actioned nature-related governance measures

Which of these activities has your board undertaken?

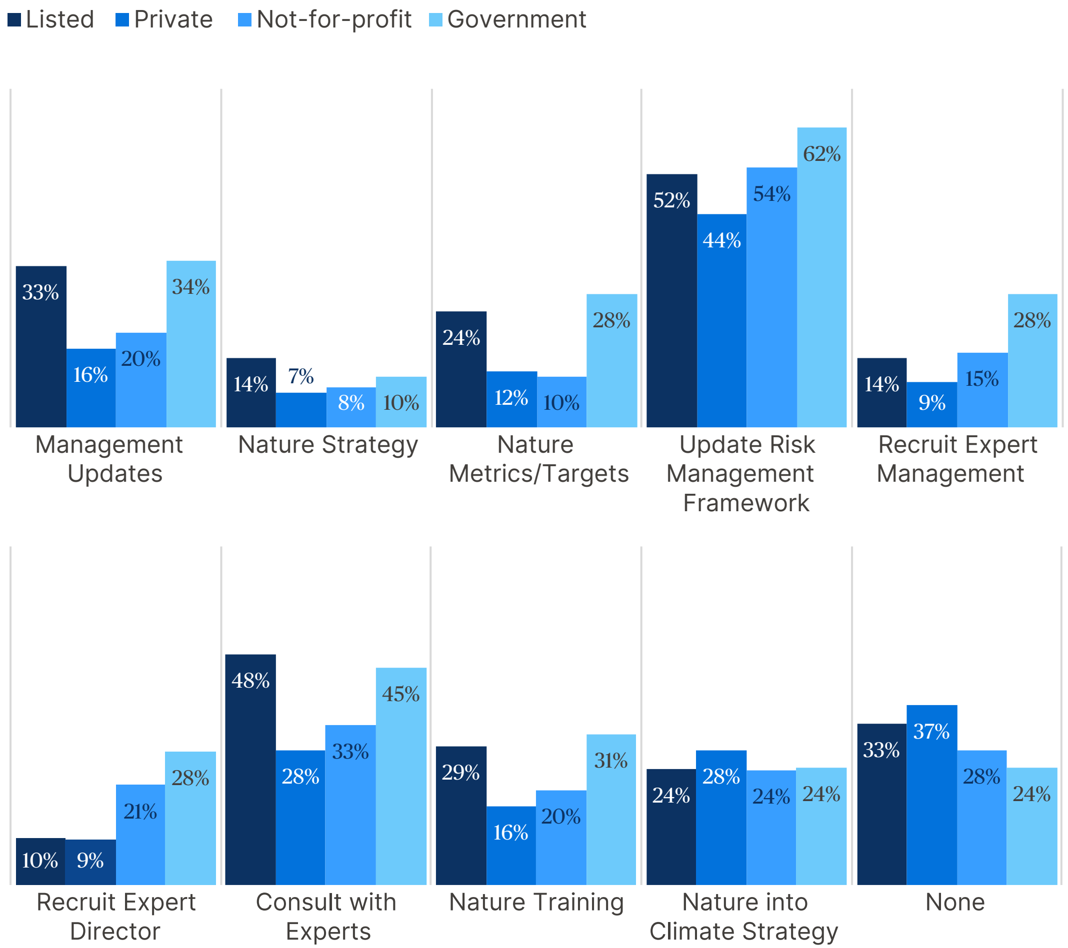


Figure 9: Director awareness of governance measures undertaken

Nature-related discussions in the boardroom

Which of these nature-related discussions has your board engaged in?

Figure 10: Nature-related discussions in the boardroom

Boards are starting to ask management to bring forward nature-related risks in the same way as they do climate, so it becomes a standing agenda item."

– Sarah Barker MAICD

Nature-related governance measures

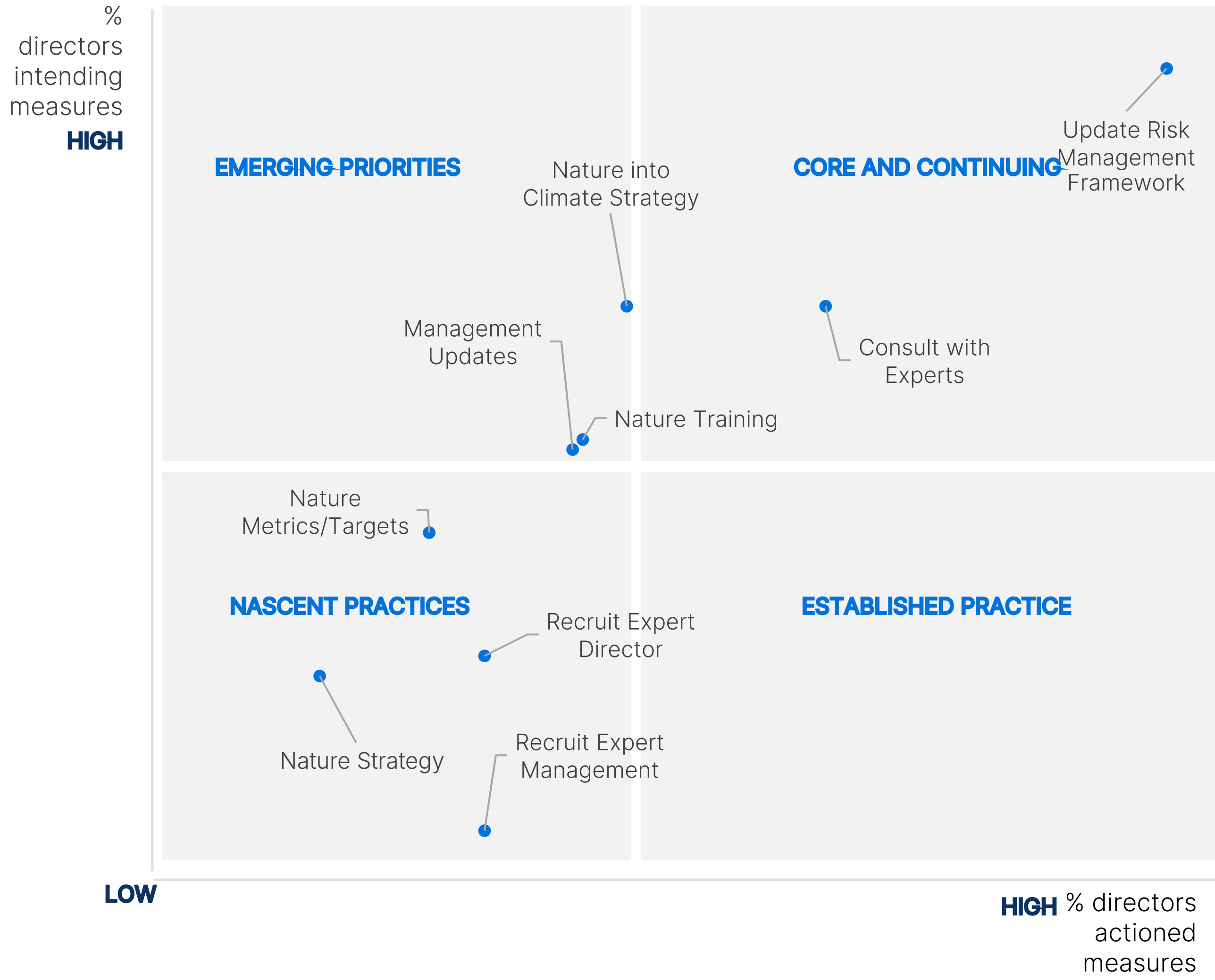


Figure 11: Looking at actioned and intended nature governance measures

By mapping actions already undertaken with those intended, Figure 11 shows that updating risk systems emerges as both the most common current step and the most frequently nominated future priority, identified by four in 10 respondents.

Consulting external experts also spans both current and intended actions, reflecting a continuing practice. Overall, no single action yet qualifies as established practice, and recruitment of nature expertise to boards remains rare (Figure 11).

Emerging priorities include management updates and director training, while more structural measures remain limited: 15 per cent of boards have set nature-specific targets and nine per cent have requested a dedicated strategy. A third of directors reported taking none of the listed steps, and nearly a quarter have no plans, underscoring the wide divergence in maturity (Figure 12).

Interviewees emphasised practical on-ramps: begin with the most material dependency or site, assign accountable owners, repurpose existing datasets for oversight, and undertake scenario analysis before commissioning new metrics.

> "There's no shortage of data - it's often just generated for some other purpose or in disparate locations. Boards and organisations frequently already collect it, but they don't yet recognise it as nature-related or relevant."
>
> **– Andrew Morison**

Intended nature-related governance measures

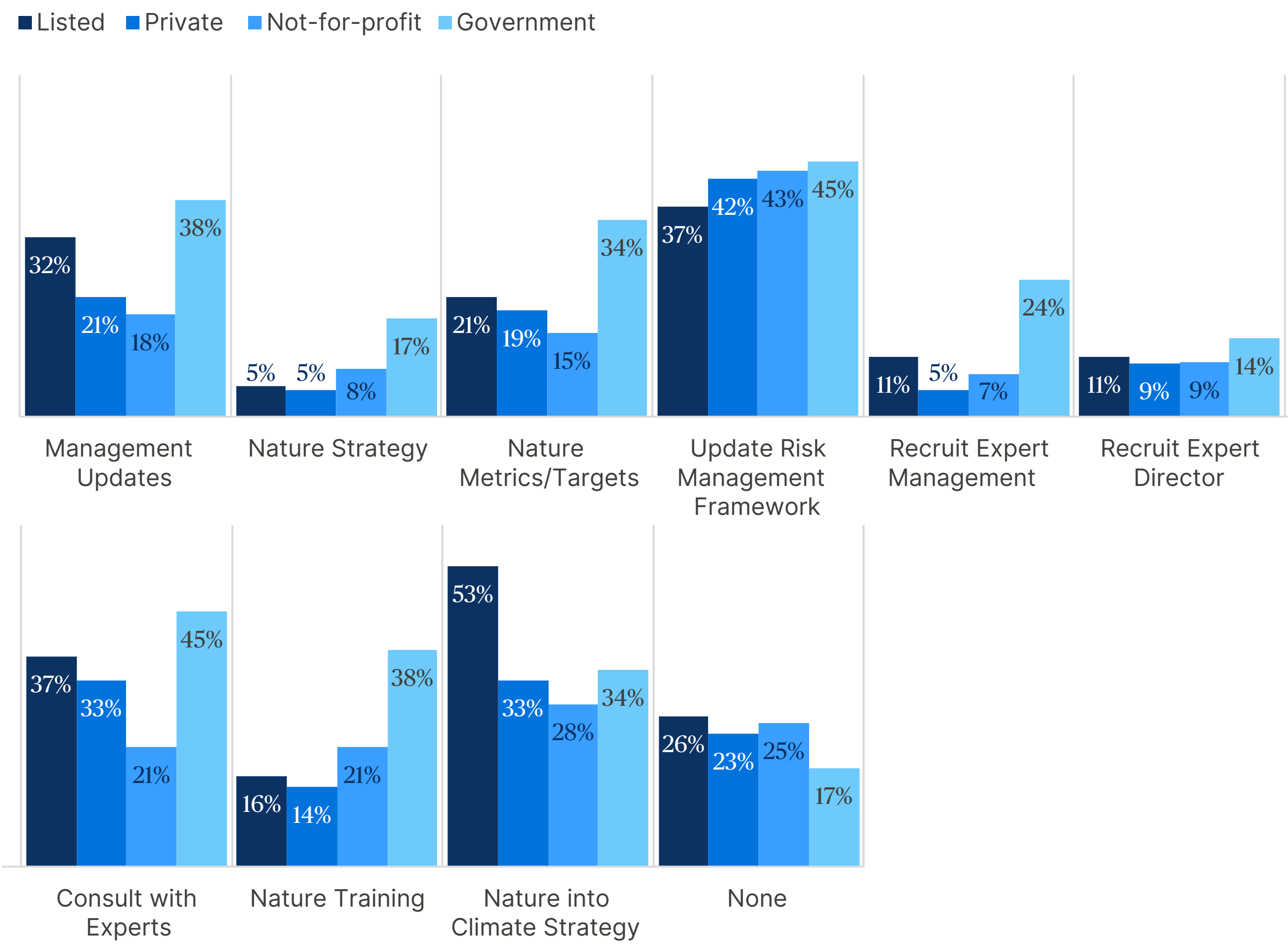


Figure 12: Nature-related governance measures intended by directors

Case study: Northern Australia Infrastructure Facility (NAIF) - Financing with nature in mind

NAIF incorporates nature and climate into infrastructure financing by requiring environmental and social due diligence, linking ecosystem health with project resilience and long-term viability.

As a Commonwealth Government financier, it provides concessional loans for infrastructure projects in northern Australia and the Australian Indian Ocean Territories. Its Investment Mandate requires projects to deliver public benefit, Indigenous outcomes and contribute to sustainable regional growth.

Nature and climate are addressed through NAIF's Environmental and Social Review of Projects (ESR) Policy, which applies to each investment decision. The policy requires environmental and social impacts to be systematically assessed alongside public benefit, as outlined in NAIF's Public Benefit Guideline. Proponents are required to submit detailed information, such as biodiversity and environmental management plans, cultural heritage and native title plans, and community consultation strategies.

NAIF evaluates this information using internal resources, expert external advice, and consultation with government agencies. Due diligence places strong emphasis on a proponent's capacity to comply with environmental approvals, the robustness of its management systems and its past compliance record.

Projects are also assessed for their capacity to adapt to, or mitigate, climate-related risks and contribute to Australia's emissions reduction targets. Stakeholder consultation is expected, including recognition of the principle of Free, Prior and Informed Consent (FPIC).

Environmental and social obligations are monitored across the project lifecycle through contractual provisions, reporting requirements and risk-based oversight. NAIF has embedded sustainability across its operations and investment strategy, in alignment with the Australian Government's Net Zero policy.

5. Oversight is varied and disclosure remains patchy

What this means for boards

Accountability sits with the board. Committees such as Audit, Risk or Sustainability can provide focus, but ultimate responsibility rests with the full board.

Disclosure helps governance. Frameworks like TNFD are not only reporting tools – they can guide decisions, improve transparency, and support access to capital.

Leverage existing data. Boards already hold data on nature risks and dependencies. Linking it to strategy reveals both exposures and opportunities.

An important aspect of governance is how boards oversee nature-related risks.

Survey results show highly variable approaches to governing for nature-related risks. Whole-board oversight is most common (41 per cent), followed by focus being provided through committees (22 per cent), usually Audit and/or Risk, followed by Sustainability (Figure 13). Almost one in five respondents said nature is treated as a management issue, and a similar proportion reported no formal oversight arrangements.

This reflects a wider trend: Herbert Smith Freehills' 2024 analysis for the AICD of ASX 200 board governance structures, showed a sharp rise in sustainability-focused committees, reaching 41 per cent, up from 31 per cent in 2021. That study also identified more frequent references to environmental and climate issues in board and committee charters, signalling a broadening of governance scope. At the time, explicit mentions of nature and biodiversity remained rare but were flagged as emerging areas likely to be captured by board and committee charters over time.

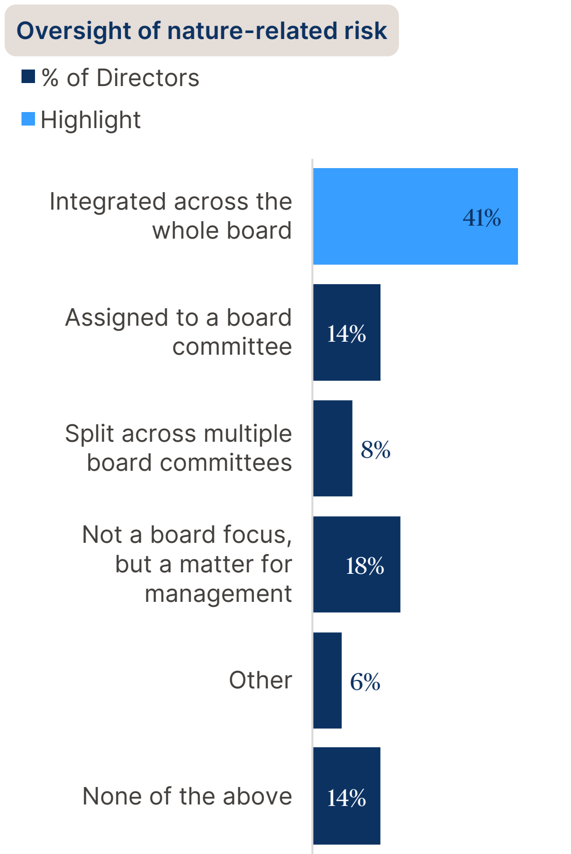


Figure 13: The various oversight structures implemented for nature-related risks

Disclosure practices

One-fifth of directors in this study indicate their organisations are aligning with international nature frameworks, including 13 per cent TNFD and seven per cent CSRD (Figure 14). A further 30 per cent report disclosing under Australia's mandatory climate reporting regime (AASB S2), while a quarter are making voluntary disclosures in line with AASB S1.

Box 5 provides details about voluntary disclosure practice. See Appendix B for additional disclosure resources.

Variation is notable across company sizes by revenue, with larger organisations being six times more likely to align with the TNFD and more than twice as likely to align with the CSRD.

This domestic picture is consistent with international trends summarised in Box 6, which show a growing but uneven uptake of TNFD worldwide: with quality and completeness of disclosures remaining highly variable.

Disclosure preparedness is strongest in Primary Industries, Manufacturing and Professional Services. Elsewhere, maturity is lower: 16 per cent of directors said their boards are disclosing or well prepared, 22 per cent are developing, 27 per cent are starting out, and more than one-third have no plans – a gap most acute in public and social services (Figure 15).

In interviews, directors cautioned that while Audit and/or Risk Committees can provide a useful focus, over-reliance can lead to a compliance cul-de-sac. A more durable model is whole-of-board ownership, with committees providing depth, supported by management updates and explicit director education.

Alignment with disclosure frameworks

What form of disclosure is your organisation undertaking?

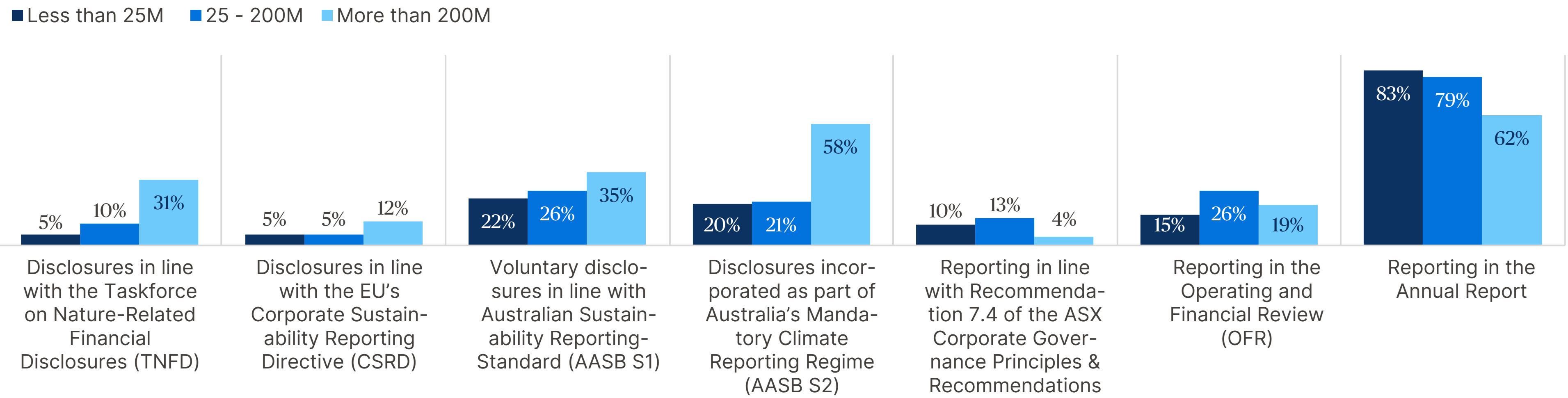


Figure 14: Frameworks directors report their organisations align to

Box 5: Voluntary disclosure and emerging practice

Are organisations required to report on nature under Australian law?

No. Nature reporting is not yet mandatory in Australia. However, directors may need to address nature risks in an Operating and Financial Review or Corporate Governance Statement, if nature risks are material for the company. Mandatory climate reporting has recently been introduced in AASB S2, while AASB S1 (which provides a foundation for broader sustainability disclosure) is currently voluntary.

Globally, work is accelerating: the ISSB has begun on biodiversity and ecosystems (BEES), the TNFD framework is now available, and the CSRD will capture Australian companies with European operations. Many investors are already assessing nature-related risks and opportunities and expect boards to demonstrate how they are being identified, assessed, prioritised and monitored.

What is the TNFD and how does it assess materiality?

Modelled on the Task Force on Climate-related Financial Disclosures (TCFD), TNFD guides organisations to map impacts and dependencies, assess nature-related risks and opportunities, and integrate nature into governance, risk management and strategy, where it is deemed material.

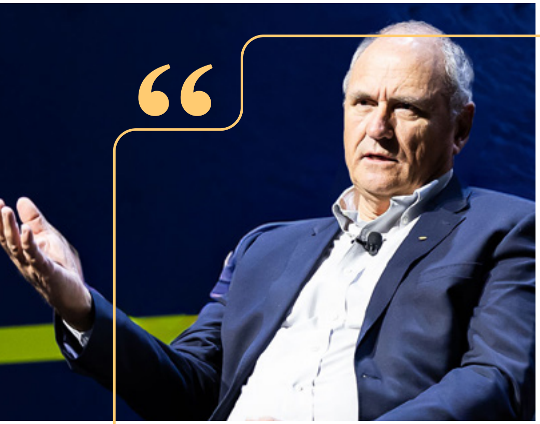
It supports both financial ('single') materiality – impacts on enterprise value – and 'double' materiality, which also considers impacts on nature itself.

How does TNFD work in practice?

TNFD recommends a structured assessment of nature-related dependencies, impacts, risks and opportunities using the LEAP approach – Locate, Evaluate, Assess, and Prepare. This process guides organisations to:

- Locate their interface with nature across geographies and value chains
- Evaluate dependencies and impacts on ecosystems and biodiversity
- Assess material risks and opportunities for the business
- Prepare to respond through governance, strategy, risk management, and metrics

The TNFD framework recognises that its recommendations should be considered and applied proportionately to the size of the organisation and the capacity and resources available, enabling boards to start with their most material sites or dependencies and build capability over time.



Early movers can shape how disclosure frameworks develop and ensure they're practical. Don't wait to be told what to do - help design it."

– Dr Ken Henry AC

Box 6: The state of TNFD disclosures in Australia

Global adoption: By 2025, over 700 organisations worldwide had committed as TNFD adopters, signalling intent to publish nature-related disclosures aligned with the framework.

Australian uptake: 27 organisations are adopters, spanning sectors from energy and finance to food, technology, infrastructure, and academia.

Reporting quality: The EY Global Nature Action Barometer 2025 shows Asia-Pacific companies reach 94 per cent coverage of TNFD recommendations, but only about 25 per cent achieve full alignment, meaning disclosures meet the intent and quality expected under the framework.

Integrated reporting: In the 2025 TNFD survey of 850 respondents – mainly corporates, asset owners, and financial institutions, with Europe over-represented – 78 per cent of those publishing nature disclosures integrated them with climate reporting.

Preparedness for nature-related reporting

How prepared is your organisation to disclose on nature?

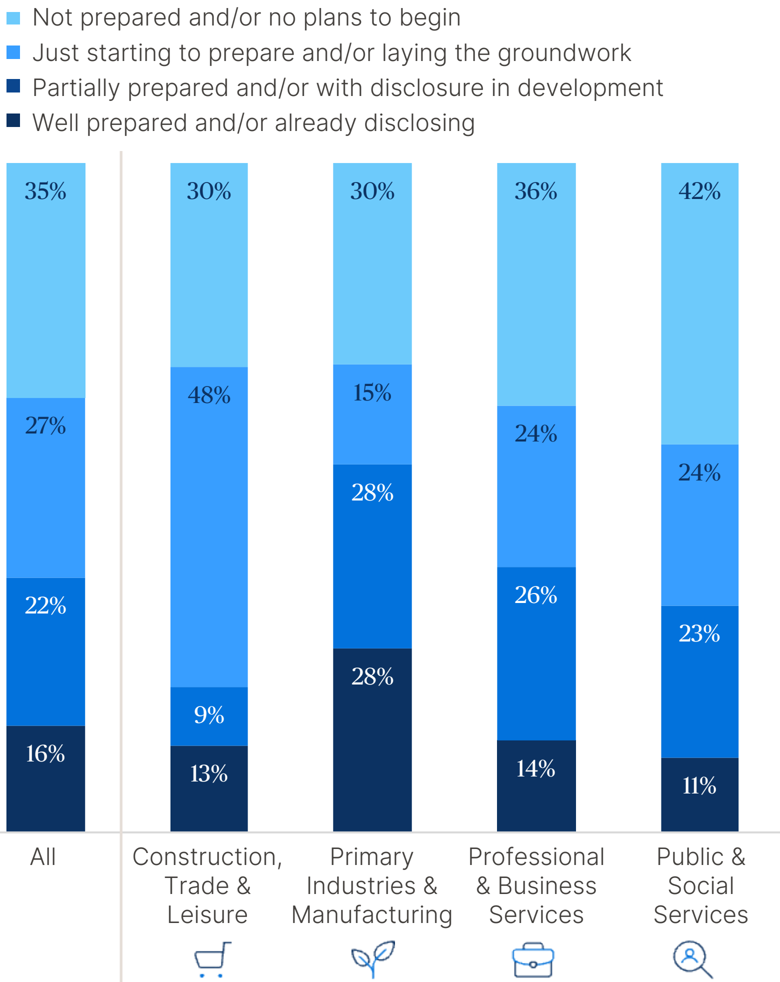


Figure 15: Preparedness for disclosure of nature-related information by industry

Case study: Fortescue - Strengthening board oversight of environmental stewardship

At Fortescue, board oversight of environmental stewardship – including biodiversity and water – is supported by the Safety and Sustainability Committee. The committee reviews frameworks and policies, monitors performance against objectives, and oversees external reporting on environmental and social matters.

Fortescue's approach, as set out in its Environmental Stewardship framework, centres on three elements:

Biodiversity strategy. A company-wide strategy commits to minimising and rehabilitating ecosystem impacts, developed in collaboration with regulators, scientists, First Nations peoples and communities.

Partnerships. In 2024, Fortescue entered a three-year partnership with the International Union for Conservation of Nature (IUCN) to co-develop a biodiversity roadmap and embed global practice.

Operational stewardship. ISO14001-aligned environmental management systems are applied across sites and projects, integrating processes to avoid, minimise, rehabilitate, and offset impacts.

“It's an iterative process between the aspirations set at board level and the work of management. Every quarter in our committee we have robust debates - 'Can we actually do this, and what's the cost now versus the long term?”

– Penny Bingham-Hall FAICD

New global standard: Released in October 2025, ISO 17298 – Biodiversity in Strategy and Operations is the first global standard guiding organisations to integrate biodiversity into their core strategies, governance, and operations. It provides a practical framework for assessing nature impacts and dependencies, managing risks, aligning with global biodiversity frameworks, and unlocking opportunities in green finance and resilient business growth. The new standard draws on the TNFD's LEAP approach and is designed to be interoperable with the TNFD and other widely used frameworks such as ISO 14001, ISO 26000, and the UN Sustainable Development Goals (SDGs).

6. Active boards show how risks become opportunity

What this means for boards

Formalise oversight. Establish clear governance structures that bring nature into the board's line of sight. Strong oversight builds awareness and engagement across the organisation.

Embrace influence. By addressing nature in the boardroom and shaping agendas, directors influence how management, investors and markets treat nature-related issues.

Seize opportunity. Integrating nature early delivers near-term gains in resilience, efficiency, and advantage – positioning an organisation ahead of slower moving peers.

Survey results show that stronger oversight is associated with more governance measures and wider discussions on nature-related issues.

While causality cannot be confirmed, oversight and engagement appear mutually reinforcing: boards formalising oversight tend to take more action, and those already attuned to nature are more likely to formalise oversight (Figure 16).

Active boards

A subset of directors identified as 'active' in this study are more advanced in recognising, debating, and acting on nature risks. They are twice as likely to strongly agree that nature is important, bring a wider set of issues into the boardroom (including threatened species, invasive species, and nature-based solutions), and cite a broader range of drivers from civil society to financing, than other respondents (Figure 17). They also report their boards have a more structured oversight focus, often through Audit or Sustainability Committees.

Governance measures also differ: active boards are significantly more likely to request a nature strategy, recruit expertise, introduce metrics and targets, and invest in training. They are nearly five times more likely to report disclosure readiness and more frequently align with TNFD or CSRD.

> "Good governance means asking the hard questions - about how our suppliers operate, about our exposure to practices like deforestation, and about what our customers and communities truly expect of us. Every business exists within a social and ecological community, and understanding that context is central to maintaining trust and legitimacy."
>
> **– Dr Ken Henry AC**

What active boards do differently

Survey data and interviews show such boards set strategies and targets, assign expertise, run scenarios, commission regular updates, integrate nature within climate and resilience programs, and disclose outcomes.

Among boards more advanced in governing for nature, three characteristics stand out:

1. **Breadth of focus matters:** Boards that consider a wider set of nature issues are better positioned to identify risks and opportunities.
2. **Expertise makes a difference:** Access to relevant skills and knowledge accelerates the maturity of governance practice.
3. **Disclosure readiness signals progress:** Boards preparing to report are typically more advanced in their oversight structures and engagement on nature-related issues.

> “When you talk about land, and Caring for Country, you need to actually take a longitudinal outlook. You can't take a board-term outlook. When you find yourself on boards that don't have 10-year plans, you know you're in a game without any real root system.”
>
> **– Vanessa Elliott AM**

Oversight of nature-related risk and governance

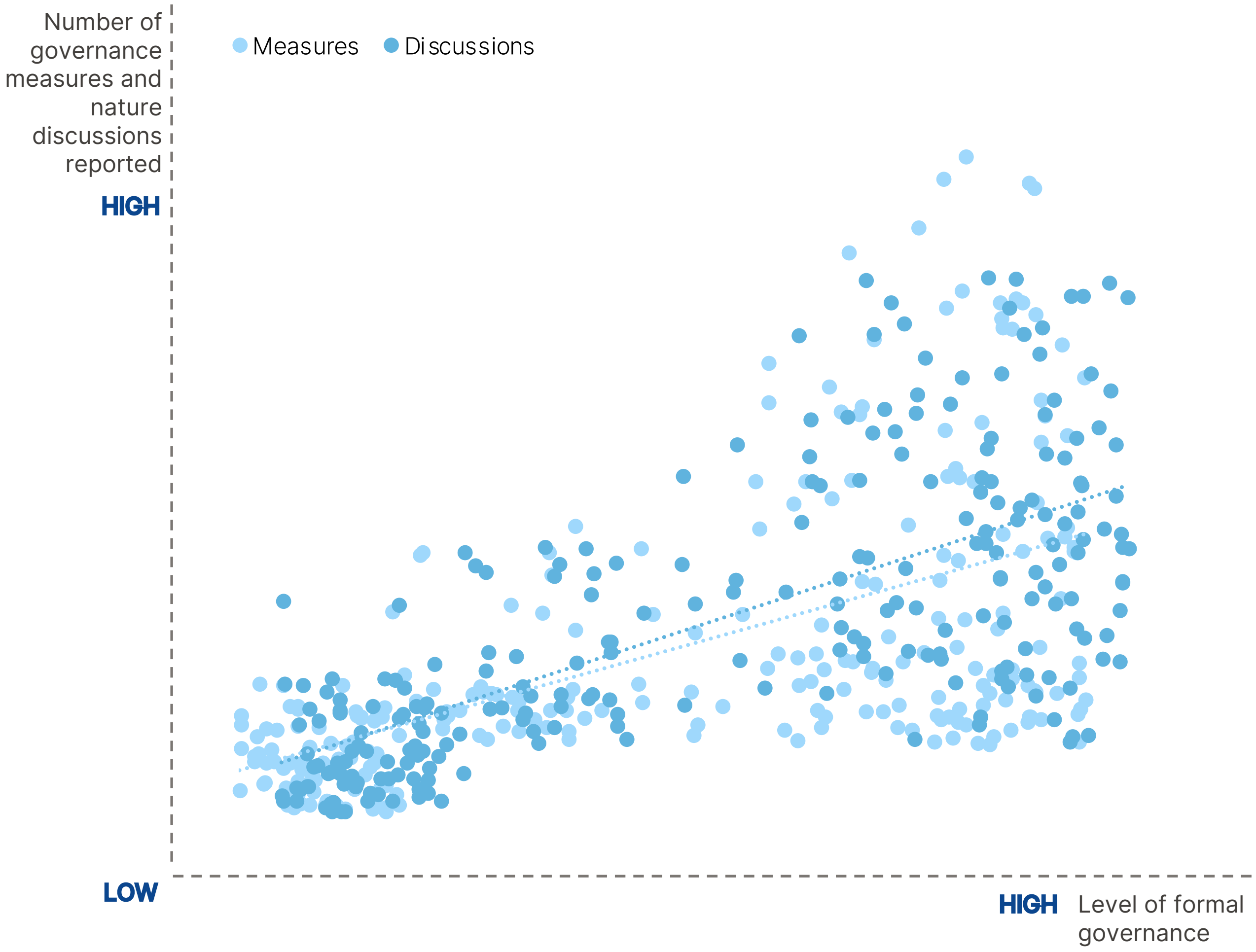


Figure 16: Association between oversight formality and numbers of discussions and measures reported

Lessons from active boards

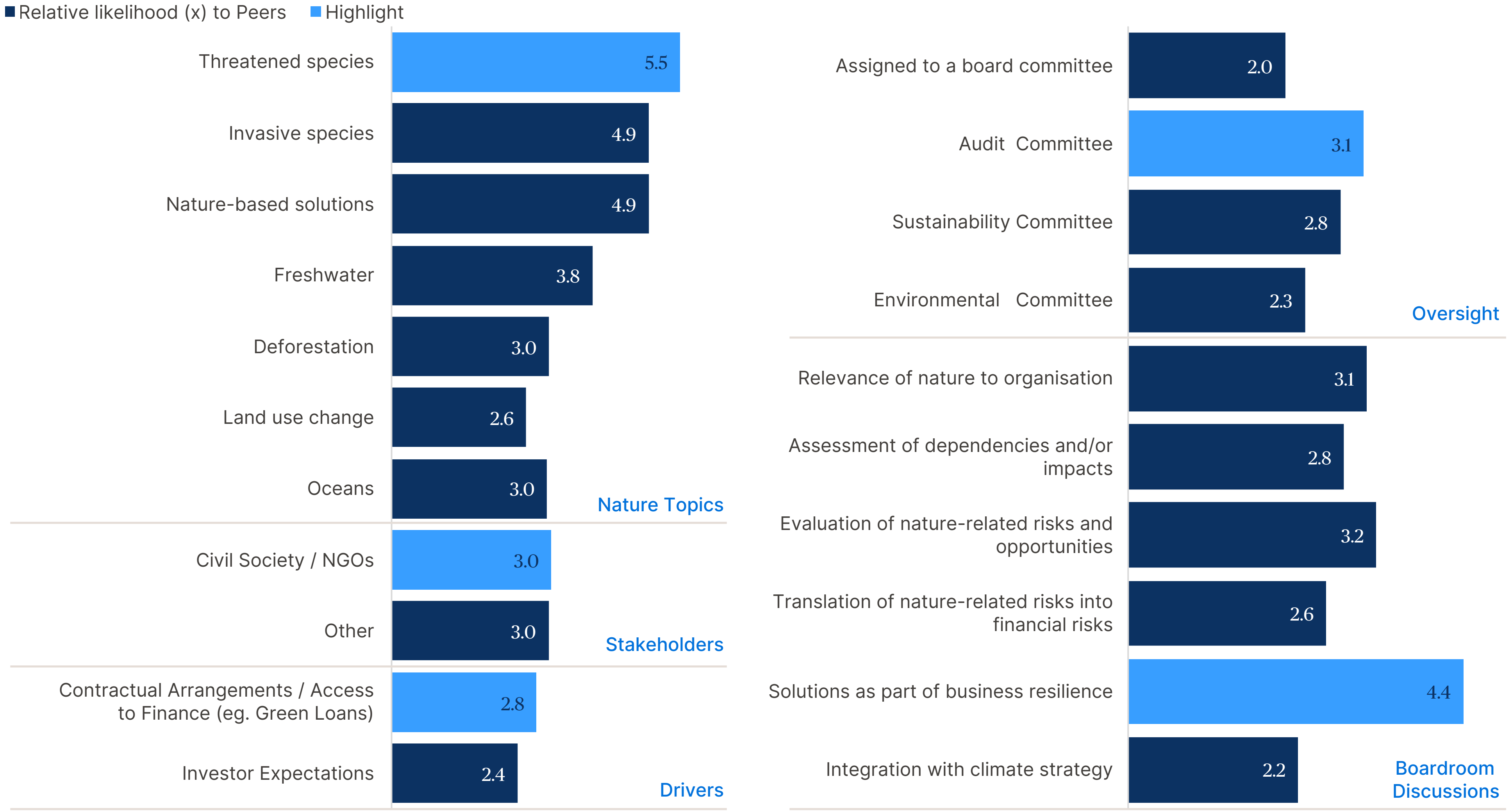


Figure 17 (part 1 of 2): Key insights about those directors and boards more active on nature-related governance

Governance measures

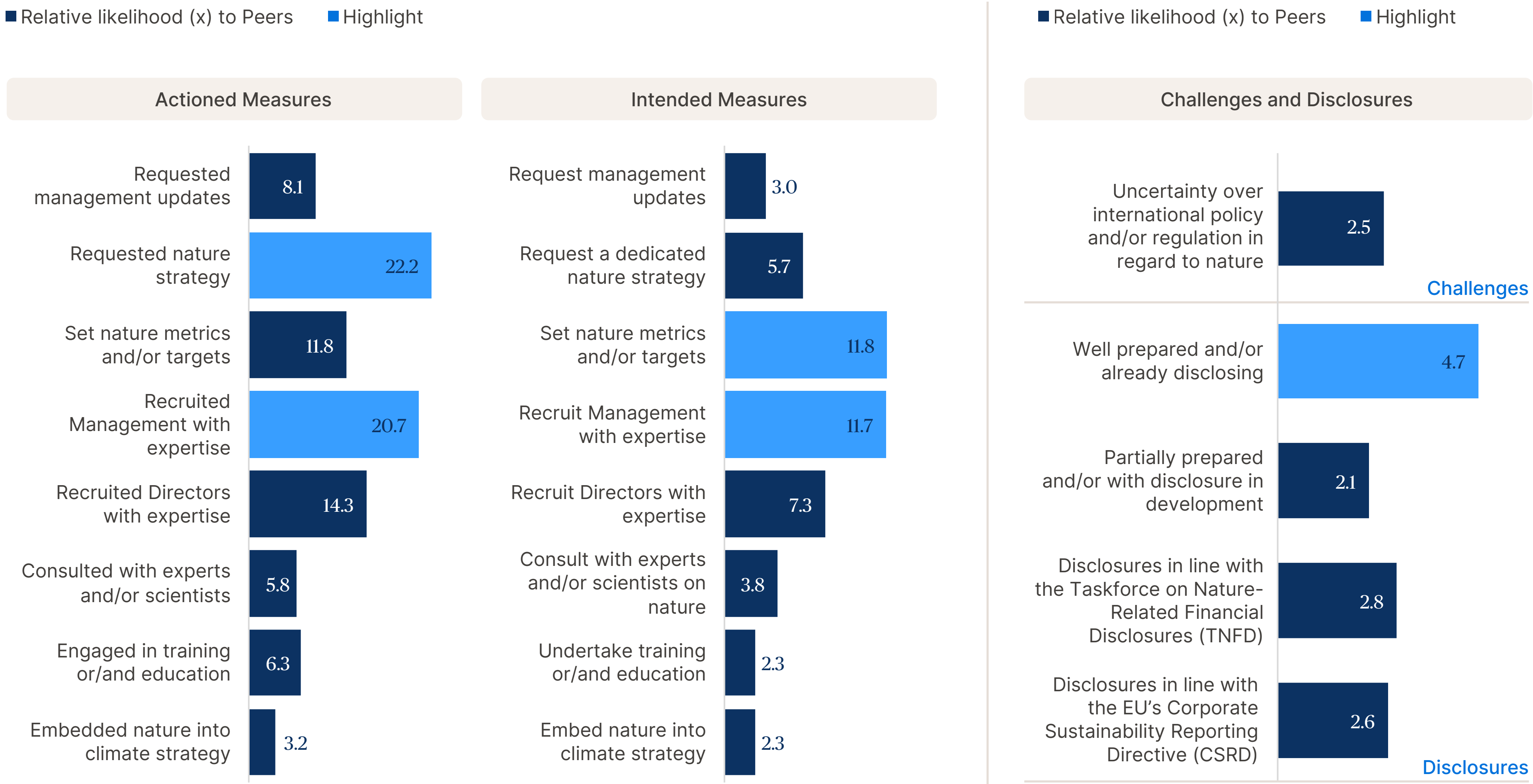


Figure 17 (part 2 of 2): Key insights about those directors and boards more active on nature-related governance

Case Study: Lendlease - A Country-led approach to nature

Lendlease, an international real estate and investment group, has commenced the next evolution of its approach to nature by exploring how Caring for Country principles can be integrated into project governance and design. This early-stage work builds on extensive engagement with stakeholders including government, investors, clients, employees, First Nations peoples, NGOs, and academic partners.

Through these conversations, Lendlease identified a strong shared commitment to act for nature, but also a lack of clarity on how to do so, particularly given evolving expectations across policy, regulation, and urban design.

In response, Lendlease has collaborated with like-minded partners to co-develop the Country & Nature Framework a resource designed to help support stronger nature outcomes across project and asset lifecycles. The framework recognises that nature is part of Country, and places cultural practice and community participation at its core. In this context, Country reflects First Nations peoples' understanding of the deep interconnection between land, water, nature, and community as living systems that sustain one another.

To strengthen evidence-based management, Lendlease has adopted elements of the TNFD LEAP approach to map nature-related dependencies and impacts. A heatmap identifies high-impact projects, while the Swiss Re Biodiversity and Ecosystem Services Index highlights global nature-risk locations.

Recognising that the most material risks lie upstream, Lendlease has also partnered with Griffith University to examine nature-related impacts in its supply chain, particularly in the sourcing of building materials.

Case study: IKEA - Incorporating nature and taking the lead on forest stewardship

IKEA, the world's largest furniture retailer, updated its FY24 Sustainability Report focus area from 'Circular and Climate' to 'Climate, Nature and Circularity.' The change reflects a broader recognition of the essential role that nature plays in IKEA's business model – as the living systems that supply renewable materials, regulate climate and sustain communities across its value chain.

Wood is one of the main materials used in IKEA products, and ensuring its sustainable supply is central to the company's long-term strategy. In IKEA's terminology, *responsible forest management* means sourcing in ways that maintain biodiversity, water quality, and forest integrity while supporting fair livelihoods. All wood used in IKEA products and operations is either Forest Stewardship Council (FSC) certified or recycled, providing traceability and compliance with these principles. In FY24, 97 per cent of total wood used met these standards, consistent with the previous year.

By 2030, IKEA aims for at least one-third of its wood-based range to be recycled, including a target that 80 per cent of particleboard will come from recycled wood.

Beyond its own operations, IKEA's Forest Positive Agenda for 2030 seeks to make responsible forest management the global norm. In launching the Forest Positive Agenda, CEO Jon Abrahamsson Ring stated, "the pressure on the world's forests and the surrounding ecosystems is increasing. Now it is time to take an even more holistic approach to protect and support these important resources."

Appendices

Appendix A: Methodology and acknowledgements

Survey design and analysis

The survey, conducted between 10 and 24 June 2025, was developed by the AICD and University of Sydney Business School and piloted for clarity. Items drew on global frameworks such as the TNFD, ISSB and Australian Sustainability reporting Standards (AASB S1 and S2). Survey questions, and data analysis provided by University of Sydney Business School, were structured around four dimensions:

- Awareness and perceived importance of nature-related risks
- Boardroom discussion and framing
- Governance structures and oversight arrangements
- Measures and actions undertaken (strategies, risk frameworks, targets, disclosures, capability).

Together, these dimensions allowed this study to map both the extent of current practice and the qualitative insights that explain how and why boards are engaging with nature.

See the accompanying full survey findings for the complete list of survey questions.

Survey participants

The online survey was distributed by email to AICD members and shared through AICD social media channels, with participation entirely voluntary. It received 248 valid responses from chairs and non-executive directors across listed, private, not-for-profit and government organisations.

While participation may reflect stronger engagement from directors already active in sustainability or ESG issues, the results provide a statistically robust baseline of board-level governance practice. The sample is broadly representative of AICD membership by gender and region, but respondents were, on average, older and more experienced than the broader membership. Over 70 per cent had been AICD members for more than a decade, reflecting the study's intent to capture mature governance perspectives. The sample also includes a higher proportion of not-for profit directors than in other recent AICD studies.

Together, these characteristics provide context for interpreting the study's findings, which reflect early governance practice among experienced directors engaging with nature-related risks and opportunities.

Study interviews

To add qualitative depth, 12 semi-structured interviews were conducted in September 2025 with senior directors across listed, private, not-for-profit and government entities and nature-related governance experts. Interviews (30–60 minutes) explored how nature is raised in board agendas, the drivers of engagement, barriers encountered, and governance responses. Transcripts were thematically coded, and insights are integrated throughout the report to complement survey analysis.

Contributors

We thank University of Sydney Professor Clinton Free and PhD Candidate Darya Boukata; and AICD senior policy advisers Laura Bacon, Christie Rourke, and Kulja Coulston for their valuable contributions to this work. We also thank Tim Stutt (Partner & Head of ESG Australia) from Herbert Smith Freehills Kramer for reviewing the legal sections of this publication.

Interview participants

The AICD and University of Sydney Business School thank the following individuals for generously contributing their time and expertise.

Sarah Barker MAICD – Managing Director, Pollination Law; Co-Chair Global Futures Council on Climate and Nature Governance World Economic Forum. Former NED: ESSSuper; NRCL Ltd

Penny Bingham-Hall FAICD – NED, Fortescue; Chair, Vocus; Co-Chair, Supply Nation; Salaam Foundation

Jas Chambers GAICD – Chair, Ocean Decade Australia; President, Science & Technology Australia; Member, Cooperative Research Centres Advisory Committee Industry Innovation and Science Australia; Director, Provenance Consulting

Ken Dean FAICD – Chair, Reformed Theological College; Former Chair, Mission Australia. Former NED: BlueScope; Energy Australia; Virgin Australia; Alcoa; Santos; Woodside; Shell Australia

Vanessa Elliott AM – NED: Northern Australia Infrastructure Facility (NAIF); East Metropolitan Health Service; Partnership for Local Action and Community Empowerment (PLACE); K.Farmer Dutjahn Foundation

Dr Dominique Hes GAICD – Chair, Greenfleet; NED Regen Melbourne; member Circular Economy Ministerial Advisory Group

Christine Holman GAICD – NED: AGL, Collins Foods, Indara

Dr Ken Henry AC – Chair, Nature Finance Council; led NSW Biodiversity Conservation Act review; ex-Treasury Secretary; former Chair NAB

Andrew Morison – Principal, Business and Nature; Chair, advisory board Earth Systems; former CEO, Eco Logical Australia

Geoff Summerhayes GAICD – Chair, Zurich Australia & New Zealand; Chair, Beyond Zero Emissions; Heartland Bank Ltd; Former APRA Executive Board Member

David Thodey AO FAICD – Chair, Xero; Ramsay Health Care; Chancellor, University of Sydney; Co-Chair, Great Barrier Reef Foundation; member Nature Finance Council

Rayne van den Berg GAICD – Chief Value Officer Value Australia; Principal, NatCap+; former CFO Forico

Appendix B: Further resources

Awareness and Board Engagement

Resource	Description	Source
Nature Matters Guide	Supports Australian businesses to understand why nature matters and how to take action.	Nature Positive Matters
Asking Better Questions on Nature – For Board Directors	Assists board members to identify the information and analysis needed to ensure nature-related issues are integrated into governance, strategy, risk, and capital decisions – featuring 12 key questions informed by leading directors' experience.	Chapter Zero UK, Competent Boards, Commonwealth Climate and Law Initiative, Green Finance Institute (May 2025)
Nature for Boards: A Primer	Provides practical guidance for boards on how to exercise their role effectively when it comes to nature.	Pollination, Chapter Zero & Korn Ferry (Dec 2024)
Nature in the Boardroom – Guidance for Boards of Financial Institutions	Offers guidance for boards of financial institutions to identify, manage and report on nature-related risks and opportunities.	UNEP Finance Initiative & Deloitte (Oct 2024)
Spotlight on Nature: Case Studies for Business Transformation towards a Nature-Positive Future	This report highlights seven companies transforming their business models to address nature-related risks and seize opportunities in a nature-positive economy that enhances resilience and long-term value.	WEF and McKinsey & Company (September 2024)

Screening and Risk Identification

Resource	Description	Source
TNFD Sector Guidance	Provides TNFD Recommendations and sector-specific guidance to support implementation by companies and financial institutions.	TNFD (2025)
Guidance on Nature in Transition Plans	In this guide, the TNFD sets out what incorporating nature into transition plans involves – how organisations can do it, disclose it, and build future capability.	TNFD (2025)
ENCORE Explore Tool	A free online platform helps organisations assess how their activities depend on and impact natural capital, identifying nature-related risks and opportunities across economic sectors, sub-industries and value chains.	UNEP-WCMC, NCFA and Global Canopy
WWF Risk Filter Suite	This interactive portfolio-level screening tool enables companies and investors to assess and prioritise water-related and biodiversity-related risks across operations and supply chains.	World Wide Fund for Nature (2024)
IBAT (Integrated Biodiversity Assessment Tool)	This is a web-based platform that tool provides access to authoritative global biodiversity datasets – the World Database of Protected Areas (WDPAs), World database of Key Biodiversity Areas (WDKBA) and the IUCN Red list of Threatened Species, to assist with informing biodiversity decisions at an asset and aggregated company level.	IBAT Alliance between UNEP-WCMC, IUCN, Birdlife Int and Conservation Int (2025)

Assessment and Materiality

Resource	Description	Source
Natural Capital Protocol – Scope Stage	The Natural Capital Protocol is a decision-making framework that enables organisations to identify, measure and value their direct and indirect impacts and dependencies on natural capital, enabling them to integrate these insights into business decisions.	Capitals Coalition (2025)
SBTN Step 1 Technical Guidance (1A)	Provides a materiality assessment process to determine which environmental impacts are most significant and where to start target-setting.	Science Based Targets Network & Global Commons Alliance (2025)
ISO 17298: 2025 – Biodiversity in Strategy and Operations	Establishes a global framework for organisations to assess and manage biodiversity impacts, dependencies, risks and opportunities, integrating nature into governance and operations.	International Organization for Standardization (2025)

Governance Courses

Resource	Description	Source
Climate Governance for Australian Directors	An interactive four-week online course designed to build director capability on climate governance, climate reporting and board oversight of transition planning.	AICD
Introduction to Climate Governance	A self-paced online module providing an overview of directors' duties, climate risks and opportunities.	AICD

A joint publication

Climate Governance Initiative Australia | Australian Institute of Company Directors | The University of Sydney Business School

Acknowledgement of Country

The Australian Institute of Company Directors and University of Sydney acknowledge the Traditional Custodians of the Lands on which we are located and pay our respects to the Elders, past and present. We acknowledge the First Nations people across this Country and recognise their unique cultural and spiritual relationships to the Skies, Land, Waters, and Seas and their rich contribution to society.

About AICD

The Australian Institute of Company Directors (AICD) 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 includes directors and senior leaders from business, government and not-for-profit sectors.

About University of Sydney Business School

The University of Sydney Business School is dedicated to developing responsible leaders and shaping the future of business through world-class education and research. We partner with industry, government and the community to create economic, social and environmental value, preparing graduates to lead with purpose in a rapidly changing world.

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