

Board Reflection and Management Oversight Questions

SUPPLEMENTARY DOCUMENT

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This supplementary document is a summary of all the suggested questions contained in the [*Board Leadership for Growth and Resilience: Guiding Principles for Climate and Nature Governance*](#) white paper. It is designed as a handy tool for facilitating discussion in the boardroom.



FOUNDATION 1

Skills and knowledge

Guiding questions for board reflection

Question 1: To what extent is the board collectively equipped to understand and robustly challenge relevant climate- and nature-related risks and opportunities across different time horizons?

Question 2: What formal process (e.g. board skills matrix, board evaluation) do we use to identify knowledge gaps, benchmark our capabilities against peers and address blind spots through training, recruitment or external advisory support?

Question 3: How do we confidently evaluate whether the business has effective systems to integrate climate and nature issues into strategy, capital allocation and operational decisions?

Question 4: How do we oversee that our executive team is incentivized and has the resources and capabilities needed to manage climate and nature risks and pursue related opportunities?

Question 5: What systems and processes are in place to facilitate critical climate and nature decisions reaching the board when required?

Guiding questions for boards to ask of management	Does management's response include the following?
<p>Question 1: How is the organization building and maintaining the skills, expertise and awareness needed to manage climate- and nature-related risks and opportunities across management and teams?</p>	<ul style="list-style-type: none"> – Targeted training and capability programmes – Review of organizational skills and capability – Access to internal and external experts – Recruitment and succession planning to strengthen expertise – Regular updates on emerging issues
<p>Question 2: How are insights from internal and external experts on climate and nature incorporated into decision-making?</p>	<ul style="list-style-type: none"> – Advisory panels or expert working groups – Independent reviews of key assumptions – Regular briefings to executives and board – Expert input integrated into risk and strategy process – Periodic review of relevant information from industry associations, media and other research sources – Access to academia and research organizations



FOUNDATION 2

Stakeholder collaboration

Guiding questions for board reflection

Question 1: Which stakeholders have the greatest influence on our business in relation to climate and nature risks, and how do we prioritize engaging with them?

Question 2: How do our stakeholder engagement processes give us reliable insights into climate and nature opportunities that affect our business decisions and market growth?

Question 3: How do we incorporate stakeholder views on climate and nature into our strategy discussions and public reporting?

Question 4: How is our external policy engagement aligned with our climate and nature commitments?

Question 5: How do our disclosures reflect the perspectives of stakeholders beyond investors and demonstrate their interests are considered in board oversight?

Guiding questions for boards to ask of management	Does management's response include the following?
<p>Question 1: What mechanisms are in place to collaborate with stakeholders, including industry peers and our value-chain, to find opportunities for addressing shared climate and nature challenges?</p>	<ul style="list-style-type: none">– Participation in industry associations or alliances or sector transition initiatives– Collaborative projects with suppliers or customers– Partnership agreements
<p>Question 2: How do we decide which stakeholder insights are captured, escalated to the board and addressed?</p>	<ul style="list-style-type: none">– Stakeholder engagement plans– Ongoing engagement through surveys, forums or collaborative projects– Periodic analysis to identify trends– Escalation pathways for concerns



FOUNDATION 3

Culture

Guiding questions for board reflection

Question 1: How do our board discussions on climate and nature demonstrate curiosity, challenge assumptions and drive purposeful action?

Question 2: How do we elevate the importance of climate and nature to our organization through our questioning, decision-making and resource allocation?

Question 3: How do our performance expectations, training and incentives reinforce behaviours that build climate and nature resilience across the organization?

Question 4: How does our organizational culture enable us to identify and capitalize on climate and nature opportunities while managing risks effectively?

Question 5: How do we know whether our culture is driving innovation and competitive advantage in response to climate and nature challenges?

Guiding questions for boards to ask of management	Does management's response include the following?
<p>Question 1: How does management promote a culture that supports accountability, innovation and openness to the impacts of climate and nature on our business?</p>	<ul style="list-style-type: none">– Leadership messaging linking purpose and sustainability– Incentives and recognition for innovation– Forums for feedback and idea sharing
<p>Question 2: How do we assess whether our culture supports effective climate and nature governance?</p>	<ul style="list-style-type: none">– Engagement surveys that include climate and nature themes– Climate and nature indicators in performance reviews (particularly long-term indicators)– Feedback loops from employees and stakeholders



PRINCIPLE 1

Oversight and responsibility

Guiding questions for board reflection

Question 1: How effectively do we integrate climate and nature considerations into our strategic oversight and decision-making processes?

Question 2: To what extent are climate and nature capabilities and responsibilities clearly defined, understood through the board skills matrix and allocated across our board committees and individual board members?

Question 3: What steps are taken to ensure the consistency and credibility of information used to inform board decisions on climate and nature?

Question 4: How do we ensure our governance processes adapt to capitalize on emerging climate and nature market opportunities?

Question 5: How are values, expectations and accountabilities for climate and nature communicated and reinforced across the organization?

Guiding questions for boards to ask of management	Does management's response include the following?
<p>Question 1: How are responsibilities for identifying and overseeing climate- and nature-related risks and opportunities assigned across senior management, and how are dependencies on natural resources incorporated into those responsibilities?</p>	<ul style="list-style-type: none">– Named accountabilities at executive level– Roles embedded in job descriptions and KPIs– Executive pay/short- and long-term incentives linked to performance– Cross-functional coordination mechanisms– Regular reporting to CEO and/or board
<p>Question 2: What systems are in place to monitor, measure and report progress on climate- and nature-related targets?</p>	<ul style="list-style-type: none">– Clear targets and KPIs with baselines– Tracking systems or dashboards– Library of agreed wording for management to use externally in relation to sustainability, climate and nature, including targets– Defined response plans for underperformance– Transparent reporting and escalation
<p>Question 3: How are roles and responsibilities structured to support the integration of climate and nature into strategic planning, risk oversight and operational execution?</p>	<ul style="list-style-type: none">– Clarity on responsibility and accountability across senior leaders– Defined processes for embedding climate and nature into key decisions– Integration into existing board committees– Cross-functional alignment between strategy, risk and operations– Regular inputs into planning cycles and investment decisions
<p>Question 4: What steps are taken to verify the integrity, consistency and credibility of information used to inform board decisions on climate and nature, and what mechanisms are in place to enable stakeholders to raise concerns?</p>	<ul style="list-style-type: none">– Use of recognized standards and frameworks– Internal controls and quality checks– Independent assurance where needed– Clear documentation of assumptions and gaps
<p>Question 5: How is the organization meeting its legal, regulatory and stakeholder obligations related to climate and nature governance?</p>	<ul style="list-style-type: none">– Systems to monitor regulatory and policy changes– Regular board updates on compliance and enforcement risks– Internal assurance or audit of key obligations– Proactive engagement with regulators, investors and other key stakeholders



PRINCIPLE 2

Strategy

Guiding questions for board reflection

Question 1: How well does the board understand how climate and nature factors could impact or benefit the business, and in what ways are these considerations integrated into strategy?

Question 2: What changes might we need to make to our business model or operations to stay competitive as climate and nature issues evolve?

Question 3: How are our performance measures and management incentives driving the climate and nature actions we need to create value?

Question 4: How can we effectively test if our strategy is compatible with likely changes to climate- and nature-related regulations?

Question 5: What reliable ways do we use to keep abreast of climate and nature issues relevant to our business, and are we using this information to inform our decisions?

Guiding questions for boards to ask of management	Does management's response include the following?
<p>Question 1: How are climate- and nature-related risks and opportunities built into our strategy, capital allocation and planning, and how often does the board review progress?</p>	<ul style="list-style-type: none">– Climate and nature inputs embedded in strategic plans– Consideration in investment and capital allocation decisions– Risk and opportunity analysis linked to business planning cycles– Cross-functional engagement during planning processes– Regularly scheduled board review of progress against strategy and transition plans
<p>Question 2: How have we tested whether our business model is resilient against both transition risks (e.g. policy changes) and physical risks (e.g. extreme weather events), and what does this mean for our long-term viability in a low-carbon, nature-positive economy?</p>	<ul style="list-style-type: none">– Scenario analysis or stress-testing against future transition pathways– Identification of key vulnerabilities and adaptation needs– Review of product, market and asset exposure– Reviews of policy and carbon-pricing trends– Board discussion of long-term business model viability
<p>Question 3: Do we have the necessary systems, processes and decision-making structures to support consistent and informed action across the organization?</p>	<ul style="list-style-type: none">– Governance frameworks that support enterprise-wide alignment– Decision rights and escalation pathways clearly defined– Internal systems for tracking and reporting progress– Regular management updates to the board on implementation– Culture, KPIs and performance-based incentives aligned to long-term value creation
<p>Question 4: How do we compare to peers in our ambition, strategy and investment planning?</p>	<ul style="list-style-type: none">– Benchmarking of targets, disclosures and investments– Peer analysis shared with leadership and the board– Identification of competitive risks or opportunities– Clear articulation of what differentiates the organization



PRINCIPLE 3

Risk and opportunity

Guiding questions for board reflection

Question 1: How do we identify and prioritize the climate and nature risks most likely to affect our business, including longer-term and less predictable impacts?

Question 2: How do we assess which opportunities from climate action and natural capital management can deliver the greatest strategic and financial value?

Question 3: How effectively are we testing our ability to adapt and respond under different climate and nature scenarios, and how does this inform our risk appetite?

Question 4: How do we balance protecting the organization from climate and nature risks while investing in the opportunities they create for growth and resilience?

Question 5: How does the board gain confidence that management is effectively monitoring emerging climate and nature risks and escalating material issues for oversight?

Guiding questions for boards to ask of management	Does management's response include the following?
<p>Question 1: What are our most material climate- and nature-related risks and opportunities, how are these built into our risk framework and how are they tracked over different time horizons?</p>	<ul style="list-style-type: none">– Clear articulation of material risks and opportunities– Time-bound analysis (short, medium, long term)– Defined owners and management plans for key issues– Regular review and refresh of materiality assessments
<p>Question 2: How are we measuring, assessing and managing climate- and nature-related risks and opportunities across our full value chain, including suppliers and customers?</p>	<ul style="list-style-type: none">– Value chain mapping and hotspot identification– Supplier/customer engagement strategies– Consideration of Scope 3 emissions and dependencies– Plans to manage downstream and upstream risks– Insurance assessments and premium history and projections
<p>Question 3: What opportunities have been identified that could deliver business value, and how are we positioned to capture them?</p>	<ul style="list-style-type: none">– Defined pipeline of climate- or nature-linked opportunities– Link to growth, innovation or efficiency goals– Investment or capability plans to capture value– Integration into business development or research and development
<p>Question 4: How are climate- and nature-related risks and opportunities prioritized, what drives those decisions, and how are the most material issues addressed to inform strategy?</p>	<ul style="list-style-type: none">– Transparent criteria for prioritization (e.g. impact, urgency, likelihood)– Risk and opportunity heatmaps or scoring– Action plans linked to top-priority issues– Alignment with strategic, financial and stakeholder goals
<p>Question 5: What are the financial and resource implications of the identified climate- and nature-related risks and opportunities?</p>	<ul style="list-style-type: none">– Forecast of financial impacts and investment needs– Resource plans for delivery (people, systems, funding)– Integration into capital planning and budgeting cycles, including the use of tools such as shadow carbon pricing to guide capex and opex decisions– Scenario analysis or stress-testing for major risks



PRINCIPLE 4

Disclosure and transparency

Guiding questions for board reflection

Question 1: How well do we understand our responsibilities, potential liabilities and stakeholder expectations regarding the information disclosed on climate and nature?

Question 2: How do we gain confidence that our sustainability disclosures are accurate, complete and consistent across all public communications, including filings, investor briefings, websites and financial statements?

Question 3: How effectively do our disclosure processes reflect the organization's actual performance, position and progress on climate- and nature-related topics, including areas where progress is limited?

Question 4: How confident is the board in its ability to explain and stand behind information disclosed on climate and nature to regulators, investors or other stakeholders?

Question 5: How do we remain aligned with evolving reporting requirements while staying mindful of differing or competing stakeholder expectations?

Guiding questions for boards to ask of management	Does management's response include the following?
<p>Question 1: What systems and internal controls are in place to verify the quality, consistency and reliability of climate- and nature-related data used in external disclosures, and how do these differ from our financial controls?</p>	<ul style="list-style-type: none">– Documented data governance and control processes– Defined roles for data owners and reviewers– Use of standardized methodologies and metrics– Internal audit or quality checks before disclosure
<p>Question 2: How does management determine which climate- and nature-related issues are material to disclose, and how is the board involved in that process?</p>	<ul style="list-style-type: none">– Clear criteria for materiality assessment (financial, stakeholder, regulatory)– Regular reviews of materiality in light of emerging risks and opportunities– Processes to enable board input into materiality determinations and alignment with organizational strategy– Alignment with recognized frameworks– Reporting that reflects forward-looking value creation
<p>Question 3: How are climate- and nature-related disclosures assured or verified, and what information does the board use to be confident in areas of uncertainty or key management judgements?</p>	<ul style="list-style-type: none">– Scope of internal and external assurance clearly defined– Use of credible third-party assurance providers, including specialists in climate- and nature-related risks and opportunities, where relevant– Summary of findings shared with the board– Management sign-off supported by internal validation processes– Explanation of reasonable grounds for judgements made and why they are considered appropriate
<p>Question 4: How is consistency maintained between different forms of communication, including regulatory filings, investor briefings, annual reports and internal messaging?</p>	<ul style="list-style-type: none">– Central coordination of messaging across reporting channels– Alignment checks between public disclosures and internal narratives– Sign-off processes across functions– Evidence of messaging discipline on material issues
<p>Question 5: Who in management is responsible for climate and nature disclosures, and what accountability mechanisms are in place to ensure compliance with regulatory and stakeholder expectations?</p>	<ul style="list-style-type: none">– Named executive roles accountable for disclosure quality– Defined roles across functions– Compliance embedded in performance goals or incentive structures– Escalation pathways for risks, errors or missed obligations