

Stewardship and Sustainability:

A Guide to Climate and Nature Governance for Faith-Based Boards and Organisations



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For further guidance, refer to IoD resources such as “*The Four Pillars of Governance Best Practice*” and seek advice from denominational authorities to tailor these practices to your specific context.

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Introduction

Climate change and nature loss are among the most pressing moral and practical challenges of our time. These issues directly relate to the purpose, values and responsibilities of faith-based organisations. Across many traditions, there is a shared understanding that the natural world is sacred, and that faith-based organisations are entrusted with a duty of care to act as kaitiaki or stewards of the Earth.

This guide is designed to support faith-based boards in navigating climate- and nature-related risks, opportunities, and governance responsibilities. It builds on good practice across the not-for-profit and community sectors while recognising the distinctive value base that many faith-based organisations bring: a commitment to intergenerational wellbeing, justice and value-led action.

Climate and nature-related risks can take many forms. Physical risks include more frequent and severe weather events such as floods, storms and heatwaves, which can damage facilities, disrupt services and endanger communities. Transition risks may arise from shifting policies, funding expectations or insurance requirements. Reputational risks can emerge when an organisation's practices do not align with its stated values or the expectations of stakeholders. These challenges are not hypothetical, they are already affecting organisations and communities across New Zealand.

Governance is where foresight meets responsibility. It is in the boardroom that decisions are made about strategy, investment, priorities and leadership. Boards are responsible not only for the long-term health of the organisation, but also for the people and ecosystems impacted by its work.

Why environmental care belongs in the boardroom

Faith-based organisations are often deeply connected to the wellbeing of people and communities. Climate change and environmental degradation disproportionately affect vulnerable populations through extreme weather events, economic disruption, displacement and declining access to essential resources.

Faith-based boards have a responsibility to understand and respond to these risks, not only to ensure the resilience of their own organisation, but to uphold principles of equity and justice. In the context of a just transition, governance decisions can either reinforce or reduce inequities.

A just transition refers to the process of shifting to a sustainable, low-emissions economy in a way that is fair, inclusive, and supportive of those most affected – particularly workers, communities, and vulnerable populations.

Environmental care is therefore a matter of strategic significance.

Boards face:

- Physical risks to property, people and operations
- Transition risks arising from policy, regulatory or funding changes
- Reputational risks where organisational practice does not align with stated values

At the same time, boards are well positioned to:

- Reinforce ethical and values-driven governance
- Build trust with stakeholders, funders and communities
- Take early action to reduce long-term exposure and costs
- Inspire others in their networks to follow suit

Environmental stewardship is not an optional extra, it is a governance imperative aligned with long-standing principles of care, protection and responsibility.

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Leading with faith and purpose

Faith-based boards are grounded in a mission. Decisions are not made solely for operational efficiency or financial return, but through a lens of purpose, service and ethical responsibility. This clarity of purpose is a powerful foundation for climate and environmental action.

Leadership in this space includes:

- Ensuring that strategic plans consider the environmental context
- Reviewing operations to assess alignment with sustainability values
- Supporting staff, volunteers and community members to build knowledge and engagement

It also includes creating space for dialogue. Climate and environmental issues can sometimes be sources of tension or uncertainty. Board leadership means creating space for discussion, reflection and incremental progress, grounded in transparency and care.

Leading on environmental issues does not require perfection or full expertise – it requires a willingness to ask hard questions, to learn, and to align action with values.

Understanding the landscape

Environmental change is no longer hypothetical. In New Zealand and globally, organisations are already being affected by climate impacts through flooding, storms, insurance availability and costs, supply chain disruption, and changing policy and funding requirements.

Key considerations include:

- **Operational impacts and adaptation:** Organisations may face physical damage to facilities, disruptions to programmes or staff and community wellbeing challenges. Climate adaptation – strengthening buildings, systems and networks – is essential to operational resilience.

Scope 1 emissions are direct greenhouse gas emissions from sources owned or controlled by the organisation (e.g. fuel combustion, company vehicles).

Scope 2 emissions are indirect emissions from the generation of purchased electricity, steam, heating or cooling consumed by the organisation.

Scope 3 emissions are all other indirect emissions that occur in the value chain of the organisation, including those from suppliers, travel, and waste.

- **Cost of inaction:** Failing to assess and address environmental risks can lead to long-term financial costs and missed funding opportunities. Stakeholders, including funders and insurers, are increasingly seeking assurance that organisations understand and are addressing relevant risks.
- **Scope 3 emissions:** While faith-based organisations will not be subject to mandatory climate reporting requirements, some may be asked to identify or disclose Scope 3 emissions by funders, insurers or partners.

Voluntary transparency around environmental efforts can demonstrate integrity, support stakeholder engagement and showcase values-based leadership. Even simple reporting such as describing steps taken to reduce emissions or enhance resilience within an annual report can send a powerful signal.

Understanding these issues can help boards manage risk, identify opportunities and make strategic decisions that support the sustainability, wellbeing and resilience of the organisation and those it serves.

From commitment to action

Turning values into action requires deliberate steps. Boards are not expected to be climate experts, but they do hold responsibility for good governance including prudent risk management, alignment with purpose and sustainable resourcing.

Ways to support action include:

- Integrating climate and nature issues into strategic planning processes
- Asking for regular updates on environmental risks and initiatives
- Ensuring budgets reflect support for sustainable practices
- Setting measurable goals or targets for emissions reduction, resilience improvements or environmental initiatives
- Monitoring progress over time and reporting outcomes to stakeholders
- Reviewing board policies, travel and investments to model change

Action will look different for every organisation. Some may begin with an environmental audit or energy efficiency improvements; others may develop partnerships for ecological restoration or explore ethical investment options.

What matters is that action is consistent with the organisation's purpose and proportionate to its capacity.

Embedding stewardship in governance practice

For climate and nature governance to be meaningful, it must be embedded in the organisation's governance systems not siloed as an operational add-on.

Boards can consider:

- **Charters and strategic documents:** Including reference to stewardship or sustainability
- **Board composition:** Ensuring diverse skills, including environmental understanding
- **Monitoring and reporting:** Requesting updates on relevant environmental goals
- **Board development:** Providing opportunities for learning and knowledge-sharing

Small steps like adding a climate lens to investment decisions or including sustainability in risk registers can build momentum. Some organisations may establish working groups or subcommittees to focus on environment-related work.

Stewardship in governance is not a one-off initiative – it is a reflection of the board's overall commitment to good governance in service of purpose, people and planet.

Final reflections

Faith-based organisations have long played a leadership role in education, healthcare, social service and justice. Environmental stewardship is a continuation of that leadership.

Boards that embrace climate and nature governance help ensure that their organisations are not only operationally resilient but ethically aligned and future focused.

Good governance in this space supports intergenerational wellbeing, reflects core values and strengthens trust with the communities that faith-based organisations are here to serve.

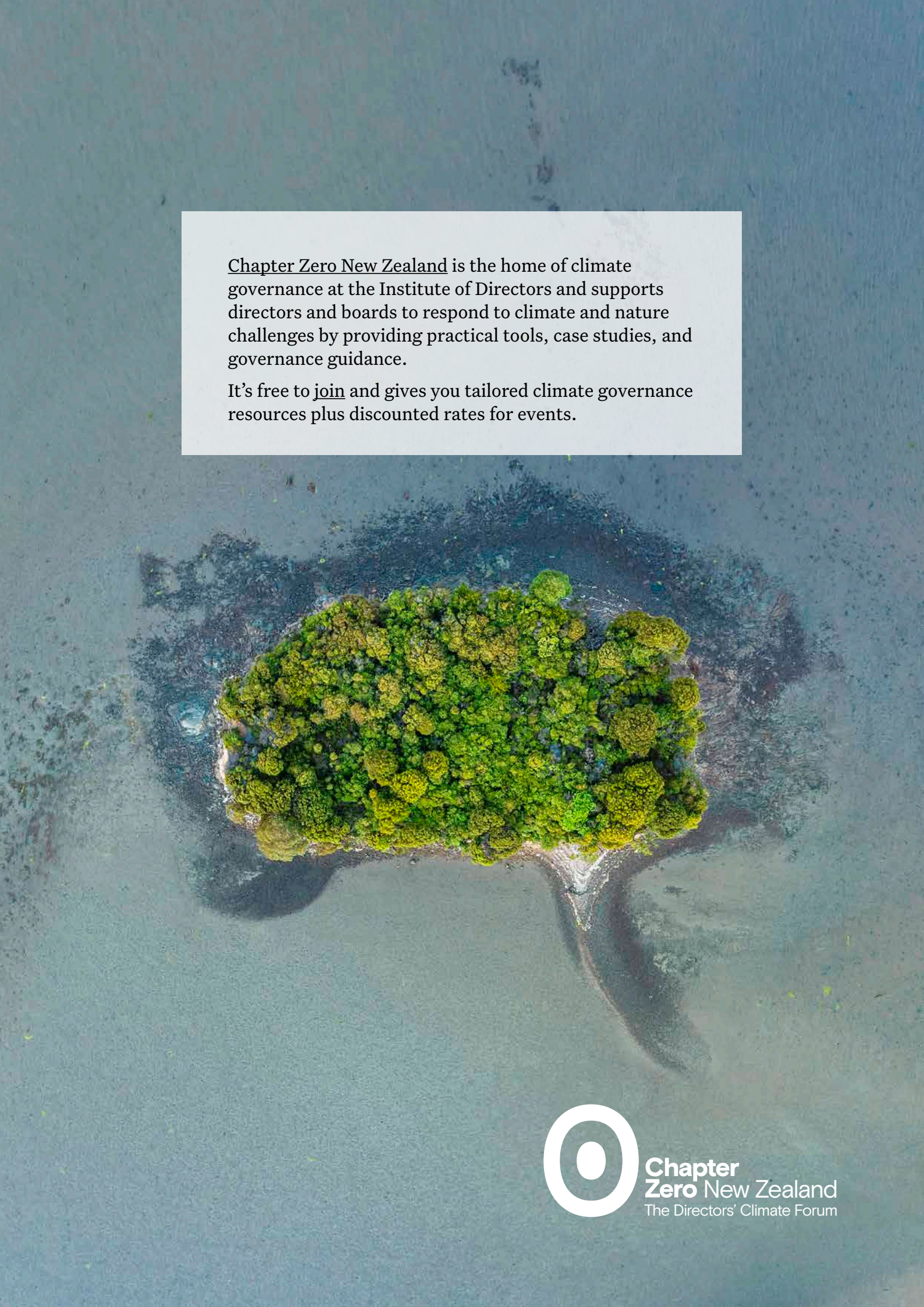
The work begins with questions, reflection and intent and continues with practical action and committed leadership.

Questions for boards to consider

- *What are the environmental risks and opportunities facing our organisation?*
- *How are climate-related events already affecting our operations, people and communities?*
- *Do our values and purpose call us to show leadership in environmental stewardship?*
- *Are we allocating sufficient time, resources, and attention to these issues?*
- *What measurable steps can we take in the next 6-12 months?*

Further resources

- [Chapter Zero New Zealand Board Toolkit](#)
- [Sustainability reporting: A guide for boards and leadership](#)
- [Principles for setting climate targets](#)
- [A climate action guide for church communities](#)
- [Nature as Shareholder](#)

An aerial photograph of a small, irregularly shaped island in the middle of a blue-grey ocean. The island is densely covered with green trees and vegetation. The water around the island shows some darker patches, possibly seaweed or rocks. The overall scene is serene and natural.

Chapter Zero New Zealand is the home of climate governance at the Institute of Directors and supports directors and boards to respond to climate and nature challenges by providing practical tools, case studies, and governance guidance.

It's free to join and gives you tailored climate governance resources plus discounted rates for events.



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