GLOBAL NETWORK OF DIRECTOR INSTITUTES

Governing in the age of disruption: **CLIMATE CHANGE**

GLOBAL NETWORK OF DIRECTOR INSTITUTES
2024-2025 RESEARCH REPORT

26 director institutes
150,000 directors
across the globe

About us

The Global Network of Director Institutes (GNDI) is a network of leading director institutes. Established in 2012 to foster closer cooperation between its members, the global programme of reciprocity helps directors and boards unlock access to director resources from around the world. GNDI comprises 26 institutes representing more than 150,000 directors and other governance professionals.

The biennial Survey Report analyses responses from a diverse pool of directors. The 2024-2025 report explores how boards across the globe are facing disruptions on climate change.

This report is a collaborative effort between GNDI member organisations and underscores the common themes and shared purpose that link this global community of directors.

For more information or to access our Resource Hub, go to www.gndi.org

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Letter from the Chair

As Chair of the Global Network of Director Institutes (GNDI), I am honoured to present the fourth global director survey report: **Governing in the age of disruption: Climate change.**

Every two years GNDI member organisations collaborate to provide a snapshot of the governance issues shaping boardrooms around the world. This year, instead of a single survey, we focused our efforts on two targeted pulse surveys – each exploring one of the most critical and urgent challenges facing directors today – climate change and artificial intelligence.

As directors, we are operating in a world of accelerating complexity. Whether it's technological disruption, climate-related risks, or geopolitical tensions, the challenges we face are both global in scale and deeply interconnected. This research reflects the voices of directors across five continents who are asking tough questions about what future-fit governance looks like and how practices should evolve.

The focus of this report is on three key areas of climate change governance: director capability, risk and opportunity oversight, and reporting.

Global insights reinforce that climate change remains a critical governance priority for directors worldwide. As the global transition to a low-emissions economy accelerates, boards are increasingly expected to oversee climate-related risks and opportunities with rigour. Investor, regulatory, and stakeholder pressures are intensifying, and directors' fiduciary duties now clearly extend to ensuring their organisations are resilient, adaptive, and transparent in their climate strategies. Governance structures must support long-term thinking, scenario planning, and credible climate disclosures that align with emerging global standards.

This report explores these dynamics through the lenses of capability, risk oversight, and reporting. It highlights the importance of building board-level understanding of climate change, integrating these risks into enterprise risk management, aligning deployment with organisational purpose and stakeholder expectations, and ensuring transparency.

On behalf of the GNDI I would like to thank all our member institutes and their directors for sharing their perspectives. I'd also like to acknowledge the Policy Committee, led by Vikeshni Vandayar (South Africa) for their guidance and Principal Governance Advisor Judene Edgar (New Zealand) for compiling the report and analysing the data.

These insights are a valuable contribution to the ongoing global conversation about how we can govern more effectively for a better future.

Kirsten (KP) Patterson
Chair, Global Network of Director Institutes

Executive Summary

This report draws on international governance literature and data sources including the 2024 GNDI Pulse Survey, director sentiment studies and governance surveys from the Global Network of Director Institutes' 24 member organisations (representing more than 150,000 directors worldwide), as well as broader transnational research.

By synthesising these insights, this report offers a unique global view of the governance challenges and opportunities presented by climate change, one of the major forces disrupting and reshaping boardroom agendas.

GNDI's unparalleled reach across multiple regions, sectors, and regulatory environments enables this report to surface emerging patterns in board capability, risk oversight, and governance practices. It also identifies clear gaps between awareness and implementation, particularly in areas such as climate-related disclosure and director upskilling.

Key findings include:

- **Board capability gaps persist:** Directors report limited confidence in their boards' ability to oversee climate risks, with many lacking expertise at board level and relying heavily on management or external advisors, highlighting the urgent need to strengthen board-level competence for independent and informed oversight.
- **Risk oversight is evolving but uneven:** While awareness of climate-related risks is growing, integration into enterprise risk management and strategic planning remains inconsistent across sectors and regions.
- **Planning is lagging:** Many organisations lack structured, board-approved climate transition plans or formal governance frameworks to guide effective oversight and decision-making.
- **Stakeholder trust is fragile:** Public scepticism and scrutiny of climate claims highlight the importance of transparent, ethical governance to uphold credibility, organisational legitimacy and social license.
- **Leading boards embed climate into strategy:** Rather than treating climate as a compliance obligation, high-performing boards embed climate risk and opportunity into growth strategies, capital planning, risk frameworks and long-term value creation.

Through this analysis, the GNDI underscores the critical need for directors to build their capability, strengthen oversight, and champion governance innovation.

Responsible stewardship in the age of disruption will demand more than regulatory compliance; it will require bold, informed, and forward-looking governance oversight at the highest level.

Considerations for directors

This report provides a global snapshot of how boards are responding to the governance challenges and opportunities presented by climate change. It highlights where capability gaps persist, how growing stakeholder scrutiny is elevating the need for transparent and ethical governance, and why climate is no longer a standalone sustainability concern but a material strategic issue. Climate governance is now a core board responsibility central to enterprise risk management, capital allocation, stakeholder trust, legal duty, and long-term value creation.

Key questions for the boardroom

Capability and oversight

- Do we have the necessary board and enterprise-level skills to oversee climate-related risks and opportunities, and if not, are we addressing gaps through director upskilling and renewal?
- Are climate considerations embedded into our governance structures and strategic decision-making, or siloed as sustainability issues?

Strategy and risk management

- How are we integrating climate-related risks, both physical and transitional, into our enterprise risk framework and scenario planning?
- Are we balancing short-term pressures with long-term strategic thinking in our response to climate risks and opportunities?

Disclosure and accountability

- Do we have a board-approved climate transition plan (or transition planning within our strategy) that aligns with regulatory expectations and emerging global standards?
- Are we confident in the credibility and transparency of our climate-related disclosures and do they align with key frameworks?

Stakeholder trust

- How are we engaging with investors, regulators, customers, and communities to build trust in our climate commitments?
- What are we doing to ensure that our climate goals, metrics, and messaging align with action and impact?

Climate-related opportunities

- What innovation, brand, or market opportunities could arise from our climate response and transition strategies?
- How are we positioning our organisation to thrive in a low-emissions economy?

Future-readiness

- Are we actively building board and executive capability to stay ahead of evolving climate expectations, regulations, and risks?
- How can we improve our climate governance maturity from compliance to strategic integration?

Introduction

Climate change is no longer a distant environmental issue — it is a current boardroom issue. Its implications are profound, intersecting with risk oversight, corporate strategy, stakeholder expectations, and long-term value creation. For directors, understanding and addressing climate change is now a fundamental component of responsible governance.

From supply chain disruptions and extreme weather events to shifting consumer preferences and evolving regulation, climate change introduces a spectrum of risks that can directly impact business continuity and competitiveness. Equally, the global transition to a low-emissions economy presents significant opportunities from innovation and market differentiation to enhanced investor confidence.

Directors have a duty to ensure their organisations are not only managing current risks but also preparing for future scenarios. This means embedding climate considerations into strategy, financial planning, and organisational culture. It also means ensuring the board itself has the knowledge, structure, and processes in place to provide effective oversight.

Boards that fail to engage meaningfully with climate change risk falling behind. Those that do engage are better positioned to lead their organisations through complexity and towards long-term resilience and sustainable growth.

Directors' fiduciary duties, particularly the duties of care and diligence, require them to act in the best interests of the company, including with respect to material financial risks. As outlined in the Directors' Duties and Climate Change briefing published by the Climate Governance Initiative (2024), there is an increasing legal and regulatory expectation that boards take proactive steps to identify, assess, and respond to climate-related risks and opportunities. Failure to do so may not only undermine long-term business performance but could expose directors to liability for breach of duty where climate impacts are foreseeable and material to the business.

In parallel, the United Nations Environment Programme Finance Initiative stresses that fulfilling fiduciary responsibilities in the context of climate change often requires collective and cross-sectoral approaches. As stated in their 2023 article Fulfilling individual fiduciary responsibilities requires a collaborative response to climate risk, climate change is a systemic risk that cannot be effectively managed in isolation. Directors are encouraged to collaborate with peers, regulators, and other market actors to share insights, align expectations, and contribute to sector-wide resilience.

Alongside risks of climate litigation and 'greenwashing' claims, reporting requirements and trading partner expectations reinforce that climate-related governance is no longer optional or aspirational, but is central to a board's legal and strategic obligations. Directors must ensure their organisations are capable of responding to a rapidly changing risk landscape, operating environment and future, that is being shaped by climate change.

GNDI Survey Results

In support of the GNDI's 2024 global conference dialogue, GNDI conducted a targeted pulse survey capturing directors' views on climate governance. Survey participants were asked to respond to the following statements/questions:

Our organisation has climate expertise to guide decision making.

How confident are you that your board understands the potential risks and opportunities associated with climate change?

We are undertaking climate-related financial disclosures.

The responses provided timely insights into how boards are adapting to this challenge. They also revealed significant variation in readiness, capability, and confidence across different regions and sectors underscoring the importance of continuous board development and collaborative learning as directors prepare for a future defined by complexity, innovation, and accelerating climate risk.

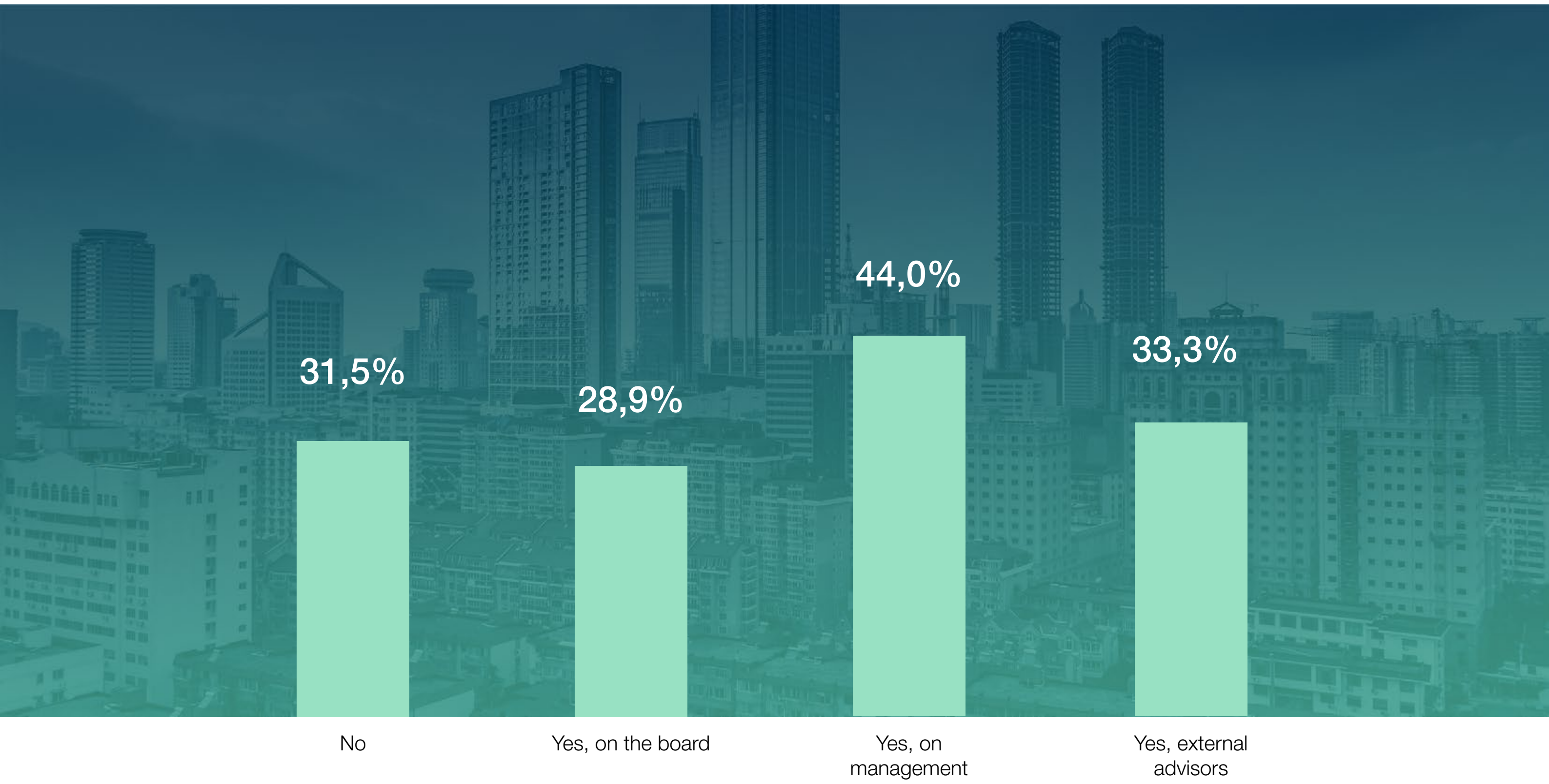
These findings were further enriched by director sentiment surveys and governance studies conducted by the GNDI member institutes, as well as by broader cross-border research and insights.

Capability

In the **GNDI Climate Change Pulse Survey**, respondents were asked to indicate if their organisation has climate expertise on the board, through management and/or use of external advisors. Alarmingly, 31.5% of companies reported having no climate expertise at all, a major risk or blind spot in an era where transition plans and disclosure are increasingly becoming regulatory, along with increasing trading partner, insurer and investor expectations (see Figure 1).

Less than half of the boards had management with specific climate expertise (44%), and only 28.9% of respondents said that their boards had directors with climate expertise. A third of directors (33.3%) noted that their boards used external advisors to support climate-related decision making.

FIGURE 1: Our organisation has climate expertise to guide decision making



"We all know there is opportunity in climate change. The world is about to change enormously, and I think there will be few companies that cannot find a way to make money out of that change."

Australian Institute of Corporate Directors, Climate Governance Study, 2024

Expertise such as climate risks, regulatory frameworks, scenario planning, strategic foresight and disclosures are a key determinant of effective climate oversight. **Insights from the latest GNDI member institutes' surveys** that included climate-and ESG-related (environmental, social and governance) questions showed that, across most geographies, boards still lack the climate capability needed to lead in this area:

Arab Gulf Countries[1]: Nearly half (47%) of respondents reported having no female directors on their boards, even as two-thirds recognised the importance of enhancing board capabilities to improve diversity, an increasingly critical factor for effective governance, long-term resilience, and navigating emerging priorities such as sustainability.
Source: GCC Board Directors Institute, Board Effectiveness Review, 2023

Australia: Only 23% of boards include climate in their skills matrix, and 56% of directors rely on self-education to upskill on climate. Only 45% of directors believe their board has sufficient climate governance knowledge (with confidence dropping among listed company directors from 63% in 2021 to 51% in 2023).
Source: Australian Institute of Company Directors, Climate Governance Study, 2024

Brazil: Only 28.4% of boards identified climate as a strategic issue in 2025 (i.e. it will be discussed more in 2025 in comparison to 2024).
Source: IBGC, Perspectives of directors and executives - business environment and corporate governance, 2025

Ireland: 29% of boards include ESG in their skills matrix, and 34% of directors have undertaken ESG training. Most boards (75%) believe ESG expertise should be distributed across the board, not held by a single individual.
Source: Diligent Institute and Institute of Directors Ireland, State of ESG Strategy in Irish Boardrooms Report, 2022

New Zealand: Only 48.7% of directors are confident their board has the right skills and experiences to meet increasing risk and complexity.
Source: Institute of Directors New Zealand, Director Sentiment Survey, 2024

Singapore: 73% of boards cited lack of knowledge and information as a key barrier to integrating sustainability, and many directors indicated a lack of deep understanding of sustainability and impacts on business.
Sources: Stewardship Asia Centre, Boards as stewards of sustainability: View across Asia & Pacific, 2024

South Africa: Less than half of directors (47%) believed their boards have the capacity to oversee sustainability and environmental regulations and reporting, yet climate governance was the least prioritised area for board improvement.
Source: Institute of Directors South Africa, Directors' Sentiment Index report, 2025

United Kingdom: Only 30.4% of companies measure their carbon footprint, with many SMEs citing a lack of capability and resources as a key barrier to climate action, albeit a further 26.8% state they have plans to do so in the future.
Source: I*nstitute of Directors UK, Policy Voice survey results, October 2024*

United States: Just 9% of directors consider themselves climate or ESG experts, while 78% of boards rate the level of expertise of their boards to oversee ESG oversight as novice (6%), basic (32%) or intermediate (40%).
Source: National Association of Corporate Directors, Sustainability and the Board: Survey Results, 2023

[1] The Gulf Cooperation Council (GCC) is a regional organisation consisting of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates.

Risks and opportunities

According to the **GNDI Climate Change Pulse Survey** over half of respondents said they were either completely confident (17.6%) or fairly confident (37.1%) that their boards understood the potential risks and opportunities associated with climate change (see Figure 2).

Conversely, despite 31.5% of boards having no climate expertise, 17.6% of boards were somewhat confident, 15.1% of boards were slightly confident, and only 12.6% of boards were not at all confident that their board understood the potential risks and opportunities associated with climate change.

FIGURE 2: How confident are you that your board understands the potential risks and opportunities associated with climate change?

Climate risk and opportunity awareness has grown, but confidence in board-level capability to respond effectively remains mixed. The 2025 CGI survey shows that 84% of directors believe climate presents a business opportunity, and 69% expect it to transform their business model, yet practical integration into decision-making is lagging.

Insights from the latest GNDI member institutes' surveys:

Australia
Just over half of directors were either somewhat concerned (32%) or extremely concerned (19%) about climate risk. 70% of directors most concerned about climate change also identify opportunities in the climate transition.

Source: Australian Institute of Company Directors, Climate Governance Study, 2024

Brazil
17% of directors consider climate change to be a risk factor for the business environment reflecting the small proportion of board members who consider climate change a strategic issue.

Source: IBGC, Perspectives of directors and executives - business environment and corporate governance, 2025

Hong Kong
While some respondents report having a good strategy in place (15%) or making good progress (23%), nearly half (46%) say they have only 'some plans' for climate action, and the remaining 16% are either still learning or have yet to take any meaningful steps toward a sustainable future.

Source: Hong Kong Institute of Directors, Annual Symposium poll, 2024

Ireland
Board-level ESG maturity was self-rated at just 6.1 out of 10, reflecting moderate confidence in strategic ESG integration.

Source: Diligent Institute and Institute of Directors Ireland, State of ESG Strategy in Irish Boardrooms Report, 2022

New Zealand
45.8% of directors reported that their boards regularly discuss environmental impacts, and 41.6% of directors said their boards were engaged and proactive on climate change.

Source: Chapter Zero New Zealand, Impact Report, 2025

Pakistan
While 86% of organisations report awareness of ESG risks, in particular energy management, waste management and occupational health and safety, only 25% use KPIs to monitor ESG performance — highlighting a gap between awareness and accountability. 81% said that they were aware of their ESG opportunities.

Source: Pakistan Institute of Directors, ESG Corporate Survey, 2023

Singapore
Only 21% of boards place responsibility for sustainability at the full board level, while 16% report that no one on the board has formal responsibility.

Sources: Stewardship Asia Centre, Boards as stewards of sustainability, 2024

South Africa
Only 12% of respondents stated that sustainability was a key focus area for their board in 2025.

Source: Institute of Directors South Africa, Directors' Sentiment Index report, 2025

United Kingdom
Despite ongoing scepticism, particularly among SMEs where net zero commitments are often viewed as compliance-driven and costly, sustainability is motivating 23.7% of planned investments.

Source: Institute of Directors UK Policy Voice survey results, October 2024; Institute of Directors UK, Economic Confidence Index, January 2025

United States
Only 15% of directors report their boards as being only "completely equipped" to understand and oversee climate-related risks and opportunities.

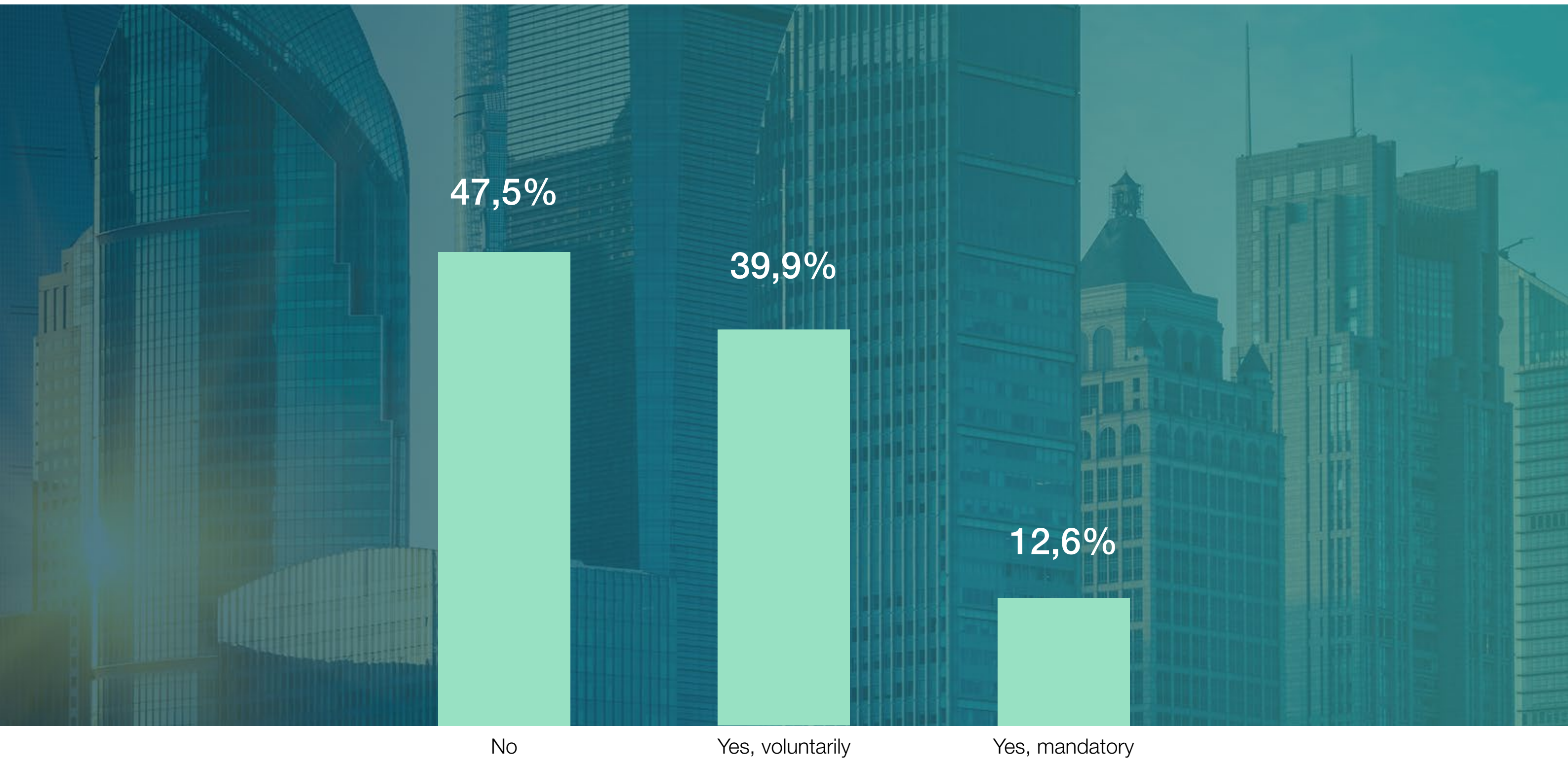
Source: National Association of Corporate Directors, Sustainability and the Board: Survey Results, 2023

The GNDI pulse survey shows that globally, only 17.6% of directors are completely confident in their board's climate oversight. This confidence gap has clear implications for risk management, capital allocation, and long-term planning.

Climate-related financial disclosures

Over half of respondents in the **GNDI Climate Change Pulse Survey** stated that their organisations were undertaking either voluntary (39.9%) or mandatory (12.6%) climate-related financial disclosures, and the remainder (47.5%) indicated that they are not undertaking any climate-related financial disclosures (see Figure 3). Ultimately, this reflects a leadership issue, not a reporting one.

FIGURE 3: We are undertaking climate-related financial disclosures



Between mandatory standards, trade agreements and customer requirements, climate disclosure is becoming less optional. **Insights from the latest GNDI member institutes' surveys** show that whilst progress is evident, many boards remain unprepared:

- **Arab Gulf Countries:** While 56% of respondents agreed that working toward sustainability would help their organisations create long-term value, only 13% said they undertook sustainability reporting.
  Source: GCC Board Directors Institute Board Effectiveness Review, 2023

- **Australia:** 72% of directors reported feeling somewhat or well prepared for mandatory climate reporting, but 28% said they were not prepared.
  Source: Australian Institute of Company Directors, Climate Governance Study, 2024

- **New Zealand:** Only 19.9% of directors reported that their organisations are voluntarily disclosing climate-related risks.
  Source: Institute of Directors New Zealand, Director Sentiment Survey, 2024

- **Ireland:** Just 37% of firms report ESG data (including climate-related information) annually.
  Source: Diligent Institute and Institute of Directors Ireland, State of ESG Strategy in Irish Boardrooms Report, 2022

- **Pakistan:** 58% of respondents indicated that they disclose information externally. Among those who do, 16% use the Sustainability Accounting Standards Board framework, while approximately 15% follow the Global Reporting Initiative framework.
  Source: Pakistan Institute of Directors, ESG Corporate Survey, 2023

- **Singapore:** Over the year, only 8% of board time is spent on sustainability compared to 30% on financial performance and 16% on regulatory compliance.
  Sources: Stewardship Asia Centre, Boards as stewards of sustainability, 2024

Conclusion

Globally, boards are becoming more aware of the importance of climate governance, but action remains uneven. There is a persistent gap in boardroom capability, particularly in climate expertise, strategic integration and scenario planning. While awareness is growing, many boards continue to treat climate as a compliance obligation rather than a driver of long-term value.

Several reports noted fatigue among directors who face growing disclosure and compliance burdens without clear reward or regulatory consistency. There is also a growing trend towards strategic understatement in response to legal, political and reputational risk.

Following the above results and other international research as set out in Annexure A and B, key systemic issues identified across multiple studies include:

Lack of prioritisation
Boards face competing pressures, and climate often slips down the agenda.

Knowledge and data gaps
Especially in emerging markets or sectors lacking regulatory clarity.

Governance fragmentation
Climate/ESG oversight is spread across multiple committees, weakening accountability.

Inadequate remuneration links
Few boards tie executive incentives to climate-related KPIs.

Scenario planning gaps
Physical and transition risks remain outside many core strategic planning processes.

Generational and sectoral divides
Younger and public-sector directors tend to prioritise climate more than older or private sector peers.

Cautious communication
Greenhushing is evolving into more legally cautious, vague or generic language rather than outright silence.

What distinguishes leading boards is not just compliance, but strategic integration. High-performing boards are embedding climate considerations into research and development, capital allocation, talent planning, and core business strategy. These boards treat climate as both a material risk and a competitive opportunity, integrating it into growth, resilience, and reputation strategies rather than siloing it within ESG or sustainability departments.

> **“Boards play a crucial role in setting climate-related goals, overseeing management’s implementation of sustainability strategies, and ensuring alignment with the company’s long-term objectives.”**

Singapore Institute of Directors, Sustainability Redux, 2024

Annexure A - International research

The following data is drawn from global surveys that set the scene for understanding the critical role of directors in responding to climate change, particularly in relation to risk oversight, strategic direction and organisational transformation.

Global Risks Report 2025

There is now broad consensus that boards have a fundamental role to play in climate action. The World Economic Forum's (WEF) Global Risks Report 2025 shows environmental risks dominating the long-term outlook. Drawing on insights from over 900 experts and leaders, the analysis categorises these risks into five domains: environmental, societal, economic, geopolitical, and technological.

State-based armed conflict (23%) was considered the risk most likely to present a material crisis on a global scale in 2025 followed by extreme weather events (14%), geoeconomic confrontation (8%), misinformation and disinformation (7%) and societal polarization (6%) (see Figure 4).

Misinformation and disinformation topped the short-term risks (over a 2-year period) followed by extreme weather events, state-based armed conflict, societal polarization and cyber espionage and warfare.

Extreme weather was ranked as the most severe global risk over the next 10 years. Closely following were biodiversity loss and ecosystem collapse, critical change to Earth systems, and natural resource shortages — all environmental risks that are intensifying in both frequency and impact. Rounding out the top five, the only non-environmental risk, was misinformation and disinformation.

Figure 4: Global risk landscape
Source: WEF, Global Risks Report, 2025

	Current global risks – 2025	Global risks over 2-years	Global risks over 10-years
1st	State-based armed conflict	Misinformation and disinformation	Extreme weather events
2nd	Extreme weather events	Extreme weather events	Biodiversity loss and ecosystem collapse
3rd	Geoeconomic confrontation	State-based armed conflict	Critical change to Earth systems
4th	Misinformation and disinformation	Societal polarization	Natural resource shortages
5th	Societal polarization	Cyber espionage and warfare	Misinformation and disinformation

- Economic
- Environmental
- Geopolitical
- Societal
- Technological

These risks are no longer hypothetical; they are material and immediate, requiring strategic oversight at the highest level. For boards, this reinforces the need to treat climate change as a core governance issue, one that intersects with financial risk, regulatory compliance, and long-term value creation.

The report highlighted some key regional differences, with extreme weather events being the top or second highest-ranked risk for all regions except for the Middle East and Northern Africa (MENA) who placed it at fifth, and ranked cyber espionage and warfare as number one, followed by adverse outcomes of AI technologies as number two (see Figure 5).

Despite being ranked number one for 2025, geopolitical risks are noticeably absent from the top 10 rankings for all regions except for MENA. Overall, the top long-term risks have remained relatively stable, albeit they remain in the 10-year timeframe despite the increasing impacts of extreme weather events.

Figure 5: Global risks over the long term (10 years), by region
Source: WEF Global Risks perception survey 2024-2025, p.45

The risk report survey also shows some perception gaps that boards must navigate. Economic downturn was ranked third for current risks by under-30s whereas it ranked 11th for those over 60 years of age. Extreme weather events was ranked number one by under-30s whereas it was number two for all other age groups. Similarly, under-30s were the only age group that had natural resources shortages in their top 10 current global risks, but conversely, they were the only age group not to have critical changes to Earth systems within their top 10. Further, pollution was ranked as the third highest long-term risk by under-30s, higher than any of the other age groups.

This generational divergence reflects shifting stakeholder expectations, particularly among future consumers, employees, and investors. Furthermore, the increasing interconnectedness of climate change with other systemic risks such as resource scarcity, supply chain disruption, and geopolitical instability, means directors must go beyond risk registers to integrate climate into strategy, capital planning, and scenario modelling. Boards that fail to do so risk regulatory exposure, reputational damage, and strategic misalignment in a world being reshaped by climate.

Climate Governance Initiative study

The Climate Governance Initiative's (CGI) 2025 Global Impact Study Report reported that an overwhelming majority of directors (96%) believe their boards can influence their organisation's direction on climate change. Similarly, 89% explicitly see it as part of their role to influence climate action at board level. These figures are consistent with the 2024 study that found 90% of directors saw climate direction as a board responsibility, and 93% believed they could influence it.

However, a notable mismatch persists between this perceived capability and practical implementation. Only 27% of boards consistently treat it as a high priority, 57% says it's a medium priority, and 16% say it's a low priority. This discrepancy continues to reflect internal challenges such as competing boardroom priorities and a deficit in practical climate expertise.

Despite high intent, 88% of directors acknowledge that climate action demands new thinking and leadership approaches. However, specific areas such as value chain engagement and product development show the largest capability gaps, indicating that while awareness is growing, operationalisation lags behind.

The boardroom perception of climate issues is, however, shifting from compliance to strategy:

- 55% of directors view climate as central to current business strategy
- 84% believe climate presents innovation and business opportunities
- Only 38% frame it primarily as a compliance issue

Looking ahead, directors identified their top climate focus areas for 2025 as:

1.	Strategy and Business Models	55%
2.	Oversight and Reporting	49%
3.	Policy and Compliance	38%
4.	Value Chain Engagement	37%
5.	Roles and Accountability	37%

Additionally, 34% considered that enhancing their climate governance skills, competencies and training was a priority. In the 2024 survey a lack of sustainability knowledge was considered the second-highest barrier to progressing climate action.

In CGI's 2024 survey only 40% of boards said they are currently undertaking climate-related reporting but had anticipated this to increase to 72% in the following year, whereas the 2025 figures demonstrate it only increased to 49%.

The data from the CGI surveys illustrate a clear trend: board directors globally are increasingly aware of their responsibility and the opportunity presented by climate governance. Yet, execution gaps remain particularly in reporting, product development, and value chain alignment.

To bridge this gap, governance bodies must prioritise director capability building, embed climate in strategy, and accelerate the adoption of transparent reporting frameworks. This signals a maturing understanding that long-term sustainability requires deep integration into governance frameworks, not just surface-level compliance.

"There is an interrelation between how well you manage climate risk and opportunities, and how well you do in business performance."

Climate Governance Initiative, Global Impact Study Findings, 2024

Annexure B - Climate-related research highlights

Cautious communications and greenhushing[2]

- Several reports noted fatigue among directors who face growing disclosure and compliance burdens without clear reward or regulatory consistency.
  Sources: Australian Institute of Company Directors, Climate Governance Study, 2024; IoD UK, Policy Voice survey results, October 2024; Chapter Zero NZ, Lessons from the front line, 2024
- In 2025, 27% of financial institutions globally reported making more conservative climate claims, and 52% are aligning their strategies more closey with regulation.
  Source: South Pole, Net Zero Report, 2025

Climate and ESG metrics rarely linked to executive pay

- Only 28% of US boards link executive compensation to ESG metrics, and 43% have no plans to do so. In Ireland only 17% of boards link ESG metrics to executive director compensation despite over half (52%) agreeing they should.
  Source: National Association of Corporate Directors, Sustainability and the Board Survey Report, 2023; Diligent Institute and Institute of Directors Ireland, State of ESG Strategy in Irish Boardrooms Report, 2022
- In Brazil only 10.9% of directors state that their organisations link executive compensation to climate-related metrics.
  Source: IBGC, Board scorecard: the role of boards in the face of climate impacts and the net zero strategy, 2023

Fragmented governance structures

- In South Africa, ESG oversight remains fragmented across Social and Ethics (SEC), Audit, and Risk Committees, with the SEC often taking the lead but overlapping mandates continuing to create gaps in accountability and a growing call for clearer role definition and integration.
  Source: Institute of Directors South Africa, SEC Trends Survey, 2024
- Globally, boards are still experimenting with ESG oversight models, many lacking a dedicated structure for climate accountability and many board committees do not consider climate change in their discussions with uncertainty regarding responsibilities.
  Sources: National Association of Corporate Directors, Sustainability and the Board Survey Report, 2023; GNDI, Climate Governance Pulse Survey, 2024; IBGC, Board scorecard: the role of boards in the face of climate impacts and the net zero strategy, 2023.

Scenario planning gaps and geopolitical risk overlap

- The 2025 Global Risks Report finds extreme weather and climate-linked ecosystem risks are growing rapidly, but boards often don't integrate these into risk planning.
  Source: WEF, Global Risks Report, 2025
- Boards are encouraged to review assumptions and consider climate-linked trade disruption, international sanctions, and political flashpoints in scenario planning.
  Source: Marsh, Political Risk Report, 2025

Global inequity in climate governance maturity

- While risk awareness is rising in markets such as Pakistan and Brazil, the use of KPIs and structured climate action remains limited. However, in Pakistan there was a link between the adoption of KPIs and external reporting.
  Sources: Pakistan Institute of Directors, ESG Corporate Survey, 2023; IBGC, Perspectives of directors and executives - business environment and corporate governance, 2025
- In more mature economies like Australia and the UK, boards are grappling with transition fatigue including confusion about disclosure and advertising standards and resistance to perceived regulatory overreach.
  Sources: Australian Institute of Company Directors, Climate Governance Study, 2024; Chapter Zero UK, Beyond compliance (part 1): NEDs and the evolving regulatory landscape, 2025

Missed opportunity framing

- Despite global net-zero momentum, few boards appear to be capitalising on transition-related strategic opportunities. In Australia, only 33% of directors identified brand or innovation value in climate transition strategies and in Brazil only 23.7% of directors demonstrate proactive leadership in the transition to a low-carbon economy with long-term strategies and allocated resources.
  Source: Australian Institute of Company Directors, Climate Governance Study, 2024; IBGC, Climate Change – Assessing the Readiness on The Subject, 2022
- A prevailing compliance-first mindset may be limiting boards from fully exploring strategic opportunities in green innovation and transition-driven growth.
  Sources: Australian Institute of Company Directors, Climate Governance Study, 2024; South Pole, Net Zero Report, 2025; NACD, Sustainability and the Board Survey Report, 2023

[2] Greenhushing refers to a company not publicising climate information, fearing negative pushback from stakeholders.

“Greenhushing has shifted to vague, less assertive statements as financial institutions navigate a complex landscape where they can be sued for saying too little—and sued for saying too much.”

South Pole, Net Zero Report, 2025

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