

Directors' duties re climate and nature risk

Canada (2025): upcoming...

US (Delaware Law) (2021):

Failure by a board to adequately consider **climate change-related risks**, particularly entity-specific compliance risks such as breach of securities laws, could serve as the basis for liability of individual directors or officers for breach of their fiduciary duties.

South Africa (2018,

2024): The board has a primary obligation to manage the climate risks. Failure to adequately address **climate risk** may result in directors being held personally liable for the loss suffered by the company as a result of such failure.

Singapore (2021): Directors are the directing mind of any company. Directors should understand which company activities are/ may be impacted by **climate change** and take action to address these risks.

UK (2024): Directors must actively manage **nature-related risk** (which includes but is not limited to **climate risks**) as part of their duty of care and loyalty under the CA06. Failure to do so exposes directors to personal liability for a breach of duty.

India (2021): Directors must have regard to **climate change-related risks** while discharging their duties. Directors' duties extend beyond shareholders to the community on matters concerning the environment. Directors should mitigate material risks, integrate climate-related risks in risk management strategy, etc.



Malaysia (2022): Directors are duty bound to proactively and urgently apprise themselves of all aspects of **climate change** that can affect their companies, take action to manage the full spectrum of **climate related risks** by integrating them into their corporate strategies, plans and actions, and ensure proper disclosure of such risks.

Indonesia (2022):

Indonesia: Directors must account for factors that influence / pertain to a company's overall business viability and longevity. This arguably includes **climate-related strategies, risks** and transition plans etc.

Hong Kong (2021): Where **climate change risks** intersect with and affect the interests of companies, directors are entitled and obliged to take such risks and considerations into account in the discharge of their obligations to the company.

Japan (2021 and 2025):

Directors have a duty to consider the implications of **climate change**. Failure by corporate directors to recognize their obligation to address climate-related risks and opportunities could result in personal liability.

Philippines (2022 and

2025): Directors of for-profit corporations are required to consider **climate change-related risks** in the discharge of their fiduciary duties of obedience and diligence.

Australia (2016 and 2023):

Climate and **nature-related risks** are within scope of directors' duties to act with care and diligence. Nature-related risks are foreseeable, material financial risks.