



# Nature (as) Director Initiative

## Commitment Level to Implementation Matrix (CLIM)

Implementation	Integral	Mature	Learning
<b>Role of Nature (as) Director</b>			
Entrenchment of the appointment of NaD in the constitutional documents of the company	<ul style="list-style-type: none"> <li>- Comprehensive provisions in the Company's Articles of Associations</li> <li>- Amendment of the purpose clause of the Articles</li> <li>- Provisions in the shareholders agreement</li> <li>- Detailed company policy, purpose and value statements, etc.</li> <li>- Addition of specific Nature-positive/environmental objectives to achieve</li> </ul>	<ul style="list-style-type: none"> <li>- Detailed key provisions in the Company's Articles of Association, leaving the details to be provided for in informal documents of the company</li> </ul>	<ul style="list-style-type: none"> <li>- No provisions in "official" constitutional documents of the company</li> <li>- General decision-making policy or internal documents of the company</li> </ul>
Involvement of the NaD	<ul style="list-style-type: none"> <li>- No distinction with the other board directors</li> </ul>	<ul style="list-style-type: none"> <li>- Executive or non-executive advisor with specific responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>- Non-executive director / environmental consultant</li> </ul>

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## Onboarding of Nature (as) Director

### Appointment

- Degree of independence of the NaD

- Independent nomination committee consisting of experts and/or representatives from independent CICs / charities to incorporate a wide range of voices for Nature.
- The background of the nominee or appointee candidates should be open to non-business focus areas so as to introduce expertise, diversity and perspectives on the Board

- Appointment by the Board on the recommendation of independent experts and/or advisors

- Appointment and selection by the Board
- Certain expertise required but not necessarily independent from the Board

### Removal of NaD

- Degree of protection for NaD
- Degree of transparency and accountability

- Special removal procedures following investigation and recommendation of an independent board committee / nomination committee
- Super majority approval by the Board or shareholder approval requirement
- Requirement by the Board to explain the reasons for removal

- No independent removal process but a transparent process setting out objective considerations taken into account with respect to the removal decision of the board
- Super majority approval by the Board or shareholder approval requirement

- Removal decision by the board
- Simple requirement for the Board to provide clear reasons for the removal decision

### Employment and remuneration

- Degree of protection for NaD
- Degree of transparency and accountability

- Equal treatment of all directors
- Independent remuneration committee making recommendations on the remuneration and employment matters with respect to the NaD
- Employment contract that clearly provides for the company's contractual obligations owed to the NaD, including reasonable remuneration
- Director indemnity / insurance for additional protection

- A transparent decision making process by the Board, as specified in the Company's Articles
- Employment contract preferred

- Equal treatment of all directors
- At least a simple appointment letter



## Decision-making

Attendance at Board meetings	<ul style="list-style-type: none"> <li>- Attendance of NaD count as quorum</li> </ul>	<ul style="list-style-type: none"> <li>- Quorum requirement linked to the types of decision making required from the NaD</li> </ul>	<ul style="list-style-type: none"> <li>- No special quorum requirement</li> </ul>
Participation in types of decision making	<ul style="list-style-type: none"> <li>- Day-to-day decisions</li> <li>- Aligned decision making – qualitative practice informed to establish Nature conscious responses</li> <li>- Opportunity for the NaD to provide reasons representing the environmental interests and make recommendations at board meetings</li> </ul>	<ul style="list-style-type: none"> <li>- No day-to-day, operational or management decisions</li> <li>- Strategic and significant decisions, e.g. types of decisions that are usually shareholder reserved matters or decisions that involves certain monetary value in terms of consideration or impact</li> <li>- Detailed approval matrix indicating the involvement of the NaD</li> </ul>	<ul style="list-style-type: none"> <li>- Decisions that have special significance on Nature and the environment</li> </ul>
Disagreement between NaD and other Board members	<ul style="list-style-type: none"> <li>- Compulsory for the Board to provide reasons when deviating from the recommendation of the NaD</li> <li>- Requirement for the Board to reconsider in case of important decisions for the company</li> </ul>	<ul style="list-style-type: none"> <li>- Best practice for the Board to provide reasons when deviating from the recommendation of the NaD</li> </ul>	<ul style="list-style-type: none"> <li>- Simple documentation of the disagreement</li> </ul>
Delegation of authority	<ul style="list-style-type: none"> <li>- A Board sub-committee led by the NaD with inputs of independent advisers or experts for determining and evaluating Nature-related and/or environmental matters for the company</li> </ul>	<ul style="list-style-type: none"> <li>- An internal management team for determining and evaluating Nature-related and/or environmental matters for the company</li> </ul>	<ul style="list-style-type: none"> <li>- No separate sub-committee</li> </ul>
Voting rights	<ul style="list-style-type: none"> <li>- NaD consent (more in line with the common practice if NaD is also a nominee director for a shareholder)</li> <li>- Possibility to grant NaD veto right on Nature-related or Nature exclusive matters</li> </ul>	<ul style="list-style-type: none"> <li>- Consultative voting right</li> </ul>	<ul style="list-style-type: none"> <li>- Nil</li> </ul>



## Reporting & Accountability

### Internal Reporting mechanism

- Quarterly or half-yearly report on the performance of duties by the NaD
- Specific, genuine detailed disclosure, including the board's reasoning and relevance to the long term Nature-related and environmental interests, evaluation of the previous strategies / decisions and future planning
- Information not only on the positives but the information on trade-offs
- Provide case studies on principal decisions
- Public inspection of the report
- The Board's review of the report

- Half-yearly on the performance of duties by the NaD with detailed discussion and material KPIs
- Board's review of the report

- Annual report on the performance of duties by the NaD with sufficient details
- Comply voluntarily with the existing regulatory reporting obligations

### External and other accountability tools

- The Board's remuneration can be linked to the performance of the company from the Nature-related and/or environmental perspective (can be achieved through the remuneration policy of the company and having NaD as a member of the sub-committee)
- Accountability reporting and disclosure practice through key frameworks (TFND, TCND, EBF, SDG, IDG)
- Inner development goals highlighting interpersonal transformation for an ecocentric definition of success

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