

# NATURE WORKING GROUP



## Post-Meeting Papers

### Nature Working Group Meeting #3 2025

Thursday 4 September, 12pm-1pm AEST / 2pm-3pm NZST

**By Zoom** - Those registered to attend will receive a unique login from Zoom at least 24 hours prior to the meeting – please see your email inbox.

### Contents

Meeting minutes  
NWG Action Register  
Attendees  
Meeting Slide Deck  
StockWatch Report

### Minutes

Item	Action required
<b>1. Welcome (5 min)</b> <b>Co-Chair – Claire Molinari (CareSuper)</b> <ul style="list-style-type: none"><li>• Opening</li><li>• Acknowledgement of Country</li><li>• Minutes from last meeting</li><li>• Principles of Participation</li></ul>	Submit any amendments to the Minutes to <a href="#">Neisha Biviano (RIAA's Working Groups Officer)</a>
<b>2. Special Presentations and Q&amp;A</b> <b>Topic: Global trends in shareholder resolutions</b> <b>Glenn Maguire (Head of Governance Research APAC ex Japan at ISS STOXX)</b> <ul style="list-style-type: none"><li>• The top E&amp;S Proposal Topics by year, as of July 31, 2025, shows that climate remains a number one priority in the ESG space, where activism is still dominating shareholder ESG proposals – however it is on a declining trend that slowed down from 2023 into 2025. Nature including biodiversity is demonstrating a new momentum, showing where possible gains could be made. That could be reflected by nature-based risks to business continuity becoming more evident through the bush fires in California, the climate across Europe and flooding in Australia – nature-based risks to economic and commercial activity are becoming more apparent.</li><li>• The geographic distribution of nature-based activism is still a very relevant within the USA (due to low filing thresholds) whilst Anglo-Saxon Economies (Canada, Australia, Sweden and France) are seeing more increases in nature related</li></ul>	To access the meeting papers and the recording, go on the <a href="#">RIAA website</a> and select;  1. <b>“Portal”</b> (top bar, right-hand side), 2. <b>“Member login”</b> (sign into the member portal),

proposals. It is important to remember the data shown is relatively agonistic, it captures changes in ESG proposals that are both for and against nature-related causes.

- Presentations were made on the number of nature-based resolutions on ballot – per topic globally with nature proposals.
- ISS STOXX also presented on the sectoral comparison – the direction of climate and nature management and shareholder resolutions on ballot – by industry sector (only 7 biggest sectors)
- The shift from climate to nature-based activism reflects a broadening of investor scrutiny. In nature-based activism, where the supply chain is more apparent and the risks along that supply chain show more shareholder activism. While climate proposals remain system-wide, nature resolutions are increasingly sector-specific, targeting supply chains where biodiversity and deforestation risks are most acute.
- It was highlighted that nature and climate related proposals are increasing as shareholder support falls. Further details can be accessed in the slides below.
- Reflecting on the ISS Annual Policy Survey 2025, investors are increasingly viewing biodiversity and nature as a more important risk; however non-investors are yet to be persuaded. The broader landscape of corporate risks now encompasses areas as diverse as biodiversity, cybersecurity, and human rights. The survey found:
  - Investors are moving biodiversity up the risk register, ranking it alongside climate, cyber, and human rights.
  - Most investors now see biodiversity disclosure as “very important” – far ahead of non-investors.
  - The gap highlights that while the investment community is mobilising, broader stakeholder consensus is still catching up.

### Topic: Nature Risk is Financial Risk

#### Kobad Bhavnagri (Global Head of Strategy at BloombergNEF)

- Nature’s ecosystem services underpin trillions of dollars of economic activity. This seminal work - World Economic Forum, PwC Managing Nature Risks: From understanding to action (2023) - shows an estimate in the distribution of supply chain nature dependency by industry. This was done by weighting the revenue of segments in the economy for their degree of nature exposure.
- 2 years ago, in collaboration with the TNFD, BloombergNEF released ten case studies on mismanaged nature risk (the report can be found [here](#)). The report examines a series of case studies running through how nature-related risks have manifested for companies who have mismanaged interaction with nature and suffered a financial and material consequences.
- The presentation highlights companies impacts and dependencies on nature related risks. This can be in various forms, where ecosystem services have a direct effect on company supply chains which are detailed further in the slides below. These risks cascade to financial institutions that serve these companies – the transition risk translates directly into investment and underwriting.
- Case Study: Tesla – woes with groundwater show physical risk in action
  - Situation: US electric vehicle manufacturer Tesla began constructing its fourth “gigafactory” outside of Berlin, Germany in 2020. The company uses 2,500 litres of water per car it produces, which is among the lowest in the industry. However, groundwater levels in the area surrounding the plant have been declining over the past three decades. The local water utility was granted a license to supply groundwater to the Tesla factory, which roughly doubles water extraction in the area.
  - Incident: Local environment groups launched a legal challenge to the water-use permit. The plant was allowed to proceed, but the challenge

### 3. “Working Groups”

(Scroll down to ‘Nature Working Group’ and click ‘learn more’)

If you require any assistance please contact,

[Neisha Biviano](#)  
(RIAA’s Working Groups Officer)

prompted the local water utility to say that remaining groundwater reserves are being fully utilised.

- Financial impact: Tesla's share price fell 3.1% immediately after the legal challenge was announced, with further delays to the \$5.7 billion plant's opening. Tesla is seeking permission to double production capacity at the plant – which would be worth \$36 billion in additional revenue annually – but water use is again featuring as an issue and could impede the plan.
- Company reports highlight that many of Tesla's facilities are situated in countries where water scarcity is a growing concern. While Tesla is among the more water-efficient manufacturers in the automotive sector, it was highlight that this efficiency does not eliminate the financial risks that come with a heavy reliance on natural resources.
- Recent analyses have assessed large-scale economic activities by examining their impact on nature. These assessments assign "impact scores" that capture the pressures companies place on biodiversity, ecosystem services, and extinction drivers. By linking these scores to company revenues, analysts can provide a more nuanced picture of both the environmental impacts and dependencies of different industries.
- For Tesla, the findings reveal a particularly strong dependence on water. The company's operations not only consume substantial volumes of water but are also highly vulnerable to risks associated with water scarcity. This underscores the critical role that water plays in sustaining Tesla's production processes.
- Case Study: Hawaiian Airlines' wings clipped by degraded ecosystems and wildfires
  - Situation: Hawaiian Airlines operates a fleet of 68 aircraft servicing 31 destinations across Hawaii, the continental US and the Pacific region. All flights depart from or arrive in the state. Kahului airport on Maui is its secondary hub, with its home base in Honolulu.
  - Incident: Wildfires through highly flammable, invasive grasses (originally planted as ornamentals and forage crops for cattle) that has spread across the island as agricultural activity declined. Residents and visitors were flown out of Kahului Airport in the day that followed. The state of Hawaii "strongly discouraged" travel to the island. Inbound passenger numbers to Maui from the US mainland and abroad in August 2023 dropped 55% from a month earlier, and 52% from the year before.
  - Financial impact: Hawaiian Airlines announced it would be acquired by Alaska Airlines in a \$1.9 billion deal equating to a 270% premium over the closing price a day prior. Between the start of the fires and the acquisition announcement, \$321 million of enterprise value had been wiped out.
  - Many of these impacts and dependencies materialise through transitional mechanisms across a company's value chain. In this case, airlines' exposure to cultural services and tourism—critical yet often underappreciated drivers of value—became evident. The risks tied to these dependencies were not fully accounted for in traditional financial assessments, leaving the industry more vulnerable than anticipated.

<p><a href="https://www.bloomberg.com/professional/insights/press-announcement/bloomberg-launches-solution-to-help-investors-assess-their-exposure-to-nature-and-biodiversity-related-risks/">https://www.bloomberg.com/professional/insights/press-announcement/bloomberg-launches-solution-to-help-investors-assess-their-exposure-to-nature-and-biodiversity-related-risks/</a></p> <p><a href="https://about.bnef.com/insights/nature-and-agriculture/twelve-case-studies-survey-the-business-opportunities-in-curbing-nature-loss/">https://about.bnef.com/insights/nature-and-agriculture/twelve-case-studies-survey-the-business-opportunities-in-curbing-nature-loss/</a></p> <p>Opportunity Blossoms: Business of Curbing Nature Loss Report - <a href="https://assets.bbhub.io/professional/sites/24/Nature-Opportunities-2024.pdf">https://assets.bbhub.io/professional/sites/24/Nature-Opportunities-2024.pdf</a></p>	
<p><b>3. Industry Update</b></p> <p><b>StockWatch Report</b></p> <p><b>Jono Broome (Associate Director, Client Advisory APAC   Sustainalytics)</b></p> <ul style="list-style-type: none"> <li>Woolworths Group Ltd. – Community Relations – Category 1 <ul style="list-style-type: none"> <li>Protests held in Gosford against proposed Woolworths development on Kincumber wetlands (land owned by Darkinjung Local Aboriginal Land Council).</li> <li>Concerns raised: displacement of native/ endangered species, strain on infrastructure, noise and dust pollution.</li> <li>Ecologists stress wetlands are among last remaining urban wetlands on the Central coast.</li> </ul> </li> <li>Ingenia Communities Group – Emissions, Effluents and Waste – Category 1 <ul style="list-style-type: none"> <li>NSW EPA fined INA Operations (subsidiary) AUD \$30,000 for discharge of 180,000+ litres of untreated sewage at Merry Beach Holiday &amp; Caravan Park.</li> <li>Contamination of nearby creek lasted ~ 10 days, including harmful pollutants (E. coli, enterococci).</li> <li>Incident occurred despite company having a license to operate sewage treatment plant; highlights failure to prevent infrastructure leak.</li> <li>Ingenia holds majority stake (&gt;50%) in INA Operations.</li> </ul> </li> <li>Domino's Pizza Enterprises Ltd. – Land Use and Biodiversity —Supply Chain – Category 1 <ul style="list-style-type: none"> <li>Investigation by Assurance Services International (ASI) revealed use of wood from endangered forest areas in Victoria (Mount Horsfall, Powelltown) since 2023.</li> <li>FSC label was used in marketing despite breaches of certification standards, including: <ul style="list-style-type: none"> <li>Access restrictions on state forest roads.</li> <li>Logging in protected buffer zones near water streams.</li> <li>Premature certification without proper checks.</li> <li>Failure to protect Leadbeater possum habitats</li> </ul> </li> </ul> <p>Domino's claims initial compliance documentation was provided but issue escalated to Category 1 controversy (from Category 0)</p> <p><b>Aotearoa New Zealand</b></p> <p><b>Terina Williams (Senior Investment Strategist, Sustainable Investment   NZ Super)</b></p> <ul style="list-style-type: none"> <li>Last month, consultation was closed for the New Zealand Sustainable Finance Taxonomy. As an update the criteria for climate change adaptation resilience are now in development and will be consulted on this month.</li> <li>Aotearoa Circle is developing a nature infrastructure plan, with a purpose to mainstream the use of nature in infrastructure and investment decisions.</li> </ul> </li></ul>	<p>For more information regarding the Stock Watch Report, please contact, <a href="#">Jono Broome (Sustainalytics)</a></p> <p>For more information regarding the Aotearoa Update,</p>



1:00pm  
AEDT/2pm to  
3:00pm NZDT)

## Action Register

Ref.	Action	Delegation	Status
<i>New</i>			
13/25	<a href="#">Register here</a> for the next meeting on <b>Thursday, November 27, 2025</b> (12pm to 1:00pm AEDT/2pm to 3:00pm NZDT)	All	Ongoing
12/25	To provide input into the 2026 NWG Workplan please use the following link <a href="#">here</a> .	All	Ongoing
11/25	Submit any amendments to the Minutes to <a href="#">Neisha Biviano (Working Groups Officer, RIAA)</a>	All	Ongoing
<i>Previous</i>			
10/25	Next Meeting – <b>Thursday, September 4, 2025</b> (12pm to 1:00pm AEST/2pm to 3:00pm NZDT) - <a href="#">register here</a>	All	Complete
9/25	Submit any amendments to the Minutes to <a href="#">Neisha Biviano (Working Groups Officer, RIAA)</a>	All	Complete
8/25	To access the meeting papers, go on the <a href="#">RIAA website</a> and select; <b>“Membership”</b> (top bar), <b>“Working Groups”</b> (bottom of drop-down menu), <b>“Nature Working Group”</b> , <b>“NWG 2025 Meeting #2 – Measuring nature by investors”</b> (Scroll down to ‘Past meeting papers and presentations’)	All	Ongoing
7/25	Next Meeting – <b>Thursday, June 12, 2025</b> (12pm to 1:00pm AEST/2pm to 3:00pm NZT) - <a href="#">register here</a>	All	Closed
6/25	Submit any amendments to the Minutes to <a href="#">Shelina Fernando (Working Groups Officer, RIAA)</a>	All	Closed
5/25	To access the special presentation, please log in to your <a href="#">Member Portal</a> and select; 1. <b>“LEARN”</b> (top bar), 2. <b>“Member Only Resources”</b> (bottom of drop-down menu), 3. <b>“Working Groups”</b> (Yellow Tile), 4. <b>“Nature Working Group”</b> (Scroll Down, Blue Box), 5. <b>“2024 Meetings And Special Presentations”</b> (Scroll Down, Underneath Working “Group Details”) and then underneath the title: <b>“4 – Thursday 28 November 2024”</b> , you will find the recording of the special presentation, the Pre-meeting papers, and the Post meeting papers.	All	Closed



4/25	For more information on RIAA's Policy Work, please contact: <a href="mailto:policy@responsibleinvestment.org">policy@responsibleinvestment.org</a>	All	Ongoing
3/25	For more information regarding the Aotearoa update, please contact, <a href="#">Terina Williams (NZ Super)</a>	All	Ongoing
2/25	For more information regarding the Stock Watch Report, please contact, <a href="#">Jono Broome (Sustainalytics)</a>	All	Ongoing
1/25	If you have any questions regarding the subgroups or would like to volunteer to lead them, please contact, <a href="#">Jess Rowe (Manager of Working Groups, RIAA)</a>	All	Ongoing

## Attendees (89)

	First Name	Second Name	Company
1	Johannah	Dods	Acc
2	Alex	Safran	Alvarium/Pathfinder
3	Emmanuel	Gbe	AMP Limited
4	Grace	Ritchie	ANZ
5	Jaimee	To	Art
6	Amanda	Richman	Australian Ethical Investment
7	Aryanie	Amellina	ANU
8	Steven	Lade	ANU
9	Aryanie	Amellina	ANU
10	Vera	Dai	Aware
11	Holly	Beer	Bct
12	Kate	Smillie	Bct
13	Greg	Liddell	Betashares
14	Daniela	Binder	Biodiversity Conservation Trust
15	Hugh	Bromley	BloombergNEF
16	Kobad	Bhavnagri	BloombergNEF
17	Patrick	Clifford	BloombergNEF
18	Jackson	Rowland	Canbury
19	Florence	Van Dyke	Canbury
20	Claire	Molinari	CareSuper
21	Hira	Sakrani	Cbussuper
22	Nathan	Crombie	Cbussuper
23	Gabrielle	Emerick	Cbussuper
24	Melanie	Madders	CEFC
25	Carmela	Blanco	Challenger
26	Charlotte	O'meara	Challenger Limited
27	Karen	McWilliams	Chartered Accountants
28	Beth	Vale	Chartered Accountants
29	Micaela	Jemison	Climateworks Centre

30	Eithne	Cahill	Climateworks Centre
31	Cerasela	Stancu	EnviroStrat
32	Rob	Fowler	Essential Change Advisory Services
33	Karen	McLeod	Ethical Investment Advisers
34	Claudia	Mah	Ethical Investment Services
35	Alexandra	Banks	EY
36	Elyse	Weatherby	Future Group
37	John	Simon	Gottstein Trust
38	Helen	Murray	Gottstein Trust
39	Stella	Whittaker	Haskoning
40	Asha	Kayla	Individual
41	Helen	Skinner	Individual
42	Debaprasad	Sengupta	ISS STOXX
43	Soumya	Munagala	ISS STOXX
44	Glenn	Maguire	ISS STOXX
45	Julia	Leske	ISS STOXX
46	Lauren	Moore	ISS STOXX
47	Terusha	Ramchand	Koda Capital
48	Tim	King	Melior
49	Michelle	Leung	Mercer
50	Jocelyn	Davison	Metrics Credit Partners
51	Bella	Sigley	Milford Asset Management
52	John	Moutsopoulos	Mills Oakley
53	Barry	Coates	Mindful Money
54	Ummul	Ruthbah	Monash University
55	Alice	Martin	Moribus Advisory
56	Jono	Broome	Morningstar Sustainalytics
57	Lili	Pechey	National Australia Bank
58	Emily	Simso	Newforests
59	David	Whittaker	Northcape Capital Pty Ltd
60	Ankur	Gupta, CFA	Northern Trust Asset Management
61	Melisa	Simic	Nuveen
62	Terina	Williams	NZ Super Fund
63	Bridgette	McDonald	Pamoda Consult
64	Maddy	Dwyer	Paradice Investment Management
65	Agnieszka	Cochrane	Pendal Group
66	Harry	Agnew	Perpetual
67	Rachel	Phillips	Perpetual Private
68	Peter	Brooke	Platypus
6	Claire	Hahnhaussen	Purpose Capital
70	Sebastian	Thomas	QIC
71	Lucy	Long	Quadrantpe
72	Conlan	Mackenzie	Rest
73	Briony	Doyle Galovic	RIAA
74	Jess	Rowe	RIAA
75	Neisha	Biviano	RIAA
76	Ethan	Kusch	RIAA



77	Nayanisha	Samarakoon	RIAA
78	Dianna	Enlund	S&P Global Sustainable1
79	Larissa	Taylor	Savoir Consulting
80	Natalia	Tsurkova	Solariswealth
81	Robyn	Leeson	STR Consulting
82	Michelle	Davey	TelstraSuper
83	Gael	Ogilvie	Tread Lightly
84	Catherine	Bodnar	Trust Management
85	Abi	Curtis	UNPRI
86	Kar Mei	Tang (PhD)	UNPRI
87	Rayne	Van den Berg	Valueaustralia
88	Aleks	Georgieva	Westpac
89	Guy	Williams	Ziranjiti Pty Limited

# RIAA's Nature Working Group

Meeting #3 - Thursday 4 September

With special thanks to our Principal Partner

**ISS STOXX** 



Responsible Investment  
Association Australasia



## Co-Chairs of RIAA's Nature Working Group



**Guy Williams,**  
Founder at Ziranjiti



**Claire Molinari,**  
General Manager of Responsible Investments at CareSuper

# Acknowledgement of Country

We would like to begin by acknowledging the Traditional Owners and Custodians of the land on which we are calling in from today. We would also like to pay our respects to Elders past and present.

# Principles of Participation

- Confidentiality
- No self-promotion
- Declaration of conflicts of interest
- Representation
- Collaboration between members
- Positive change in practice/policy
- Not to engage in or discuss competitively sensitive information
  - *Discussions in working groups may include competitors or potential competitors. In line with competition law, members must not share or discuss competitively sensitive, non-public information such as pricing, sensitive financial data, strategic plans, tender or negotiation details, and voting intentions related to takeovers, **anti-competitive agreements (strictly prohibited)***
- Apolitical

# Special Presentation: Global Trends in Shareholder Resolutions



**Glenn Maguire,**  
Head of Governance Research APAC ex  
Japan at ISS STOXX



# **Nature Based Shareholder Activism**

## What are we seeing.

RIAA Nature Working Group

Prepared by: Glenn Maguire, Head of Asia ex-Japan Research

4<sup>th</sup> September 2025

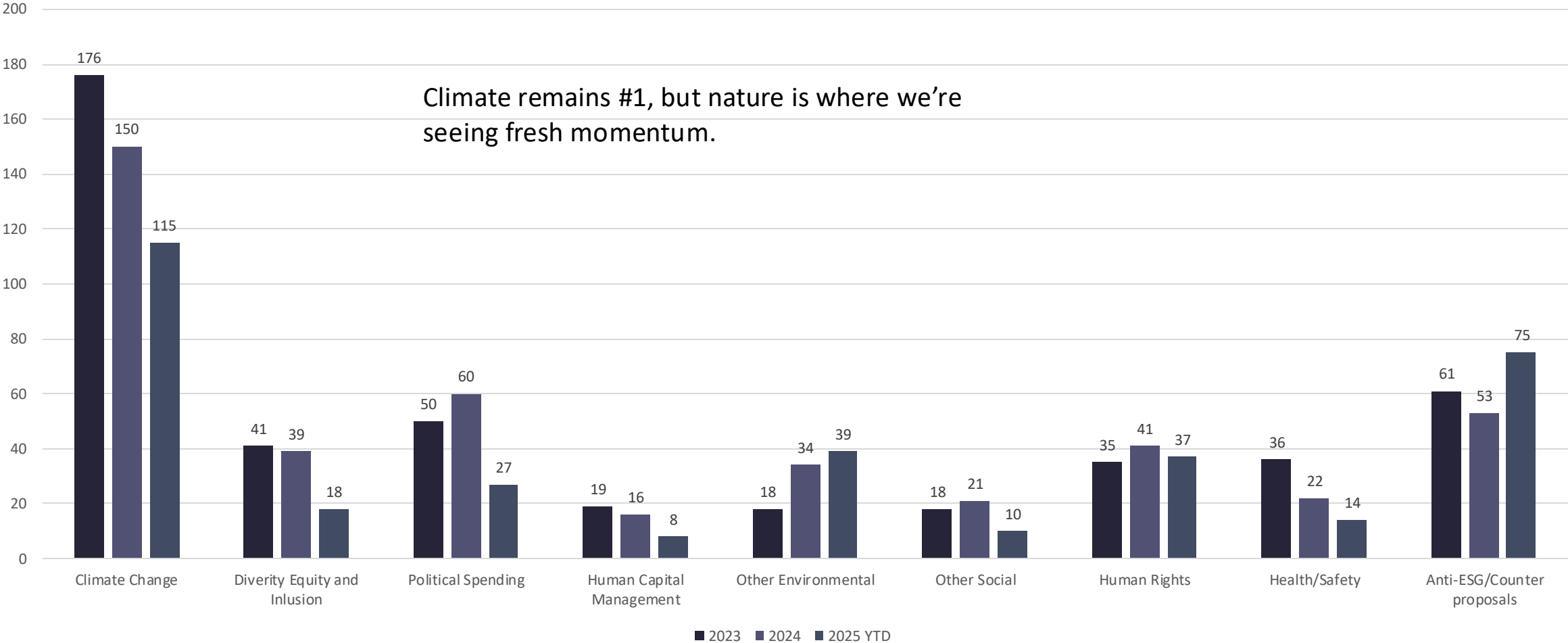
ISS-STOXX.COM



# Where is Nature Related Activism growing in the E&S Spectrum

Nature is rising though climate still dominates

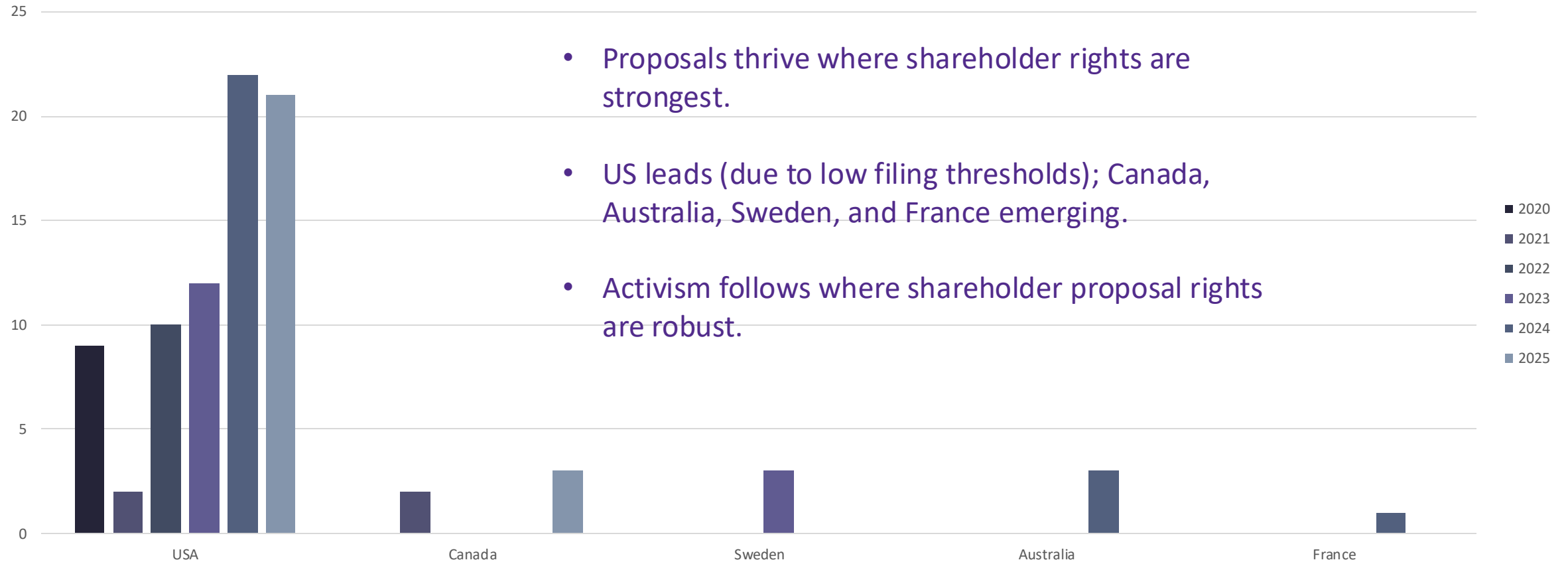
Top E&S Proposal Topics by Year, as of July 31, 2025



# Nature Related Proposals are largely led by the US

Anglo Saxon Economies are seeing more increases in nature related proposals

#of Nature-related Proposals on Ballot Resolutions - Per Country (Global)



- Proposals thrive where shareholder rights are strongest.
- US leads (due to low filing thresholds); Canada, Australia, Sweden, and France emerging.
- Activism follows where shareholder proposal rights are robust.

# Number of Nature Based Resolutions on Ballot – Per Topic Global

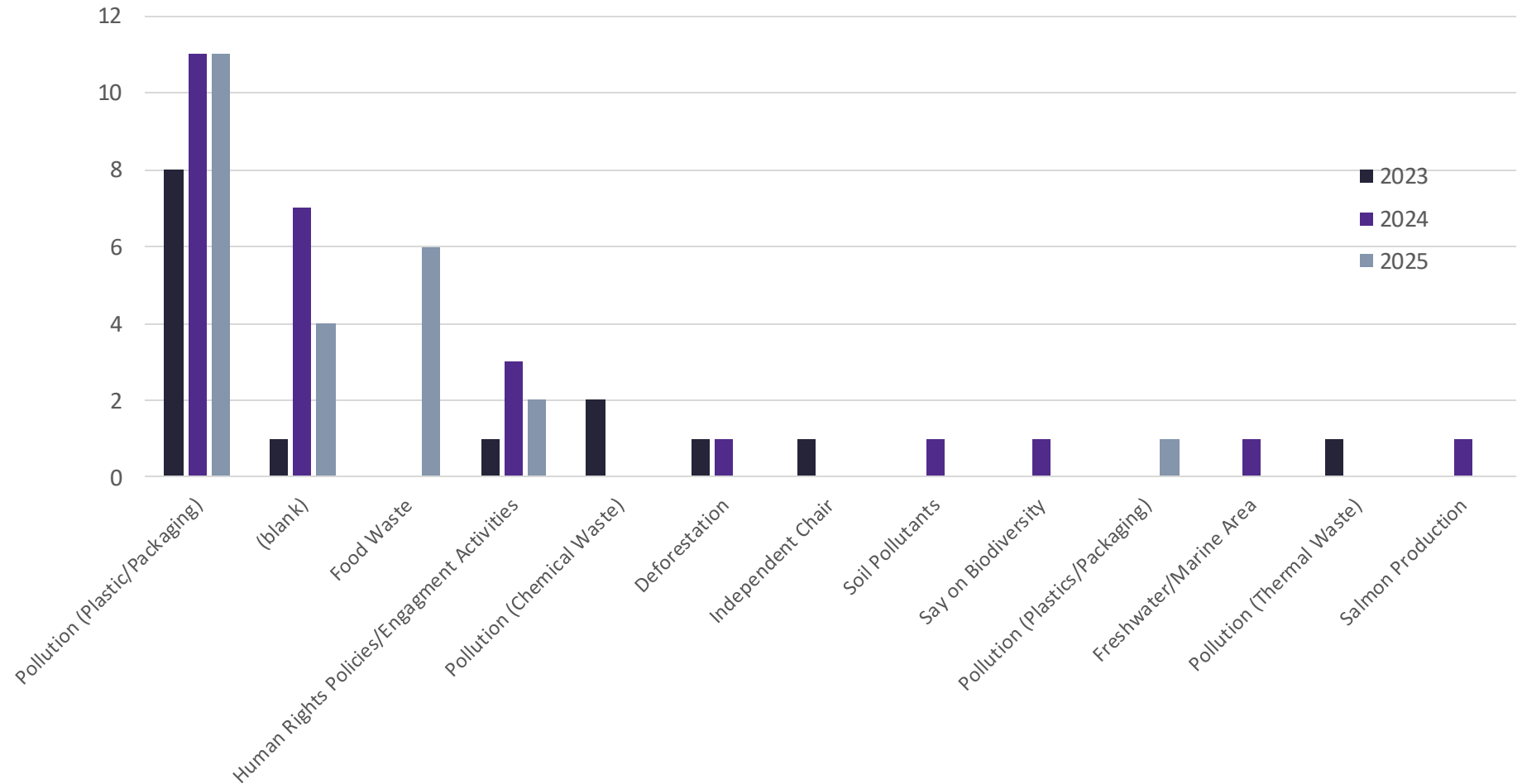
What are nature-based proposals asking for?

Nature proposals are highly supply-chain focused.

◆ Emerging Influence of Gen-Z can be seen with “trending” topics such as food waste and plastic pollution

◆ Deforestation and water dominate because they expose systemic risks in food and consumer sectors.

◆ Emerging topics like deep-sea mining show how quickly activism adapts to new risks.



# The Direction of Climate and Nature management and shareholder resolutions

Number of Climate-related Shareholder and Management Resolutions on Ballot - by Industry sector (ONLY 7 biggest sectors)

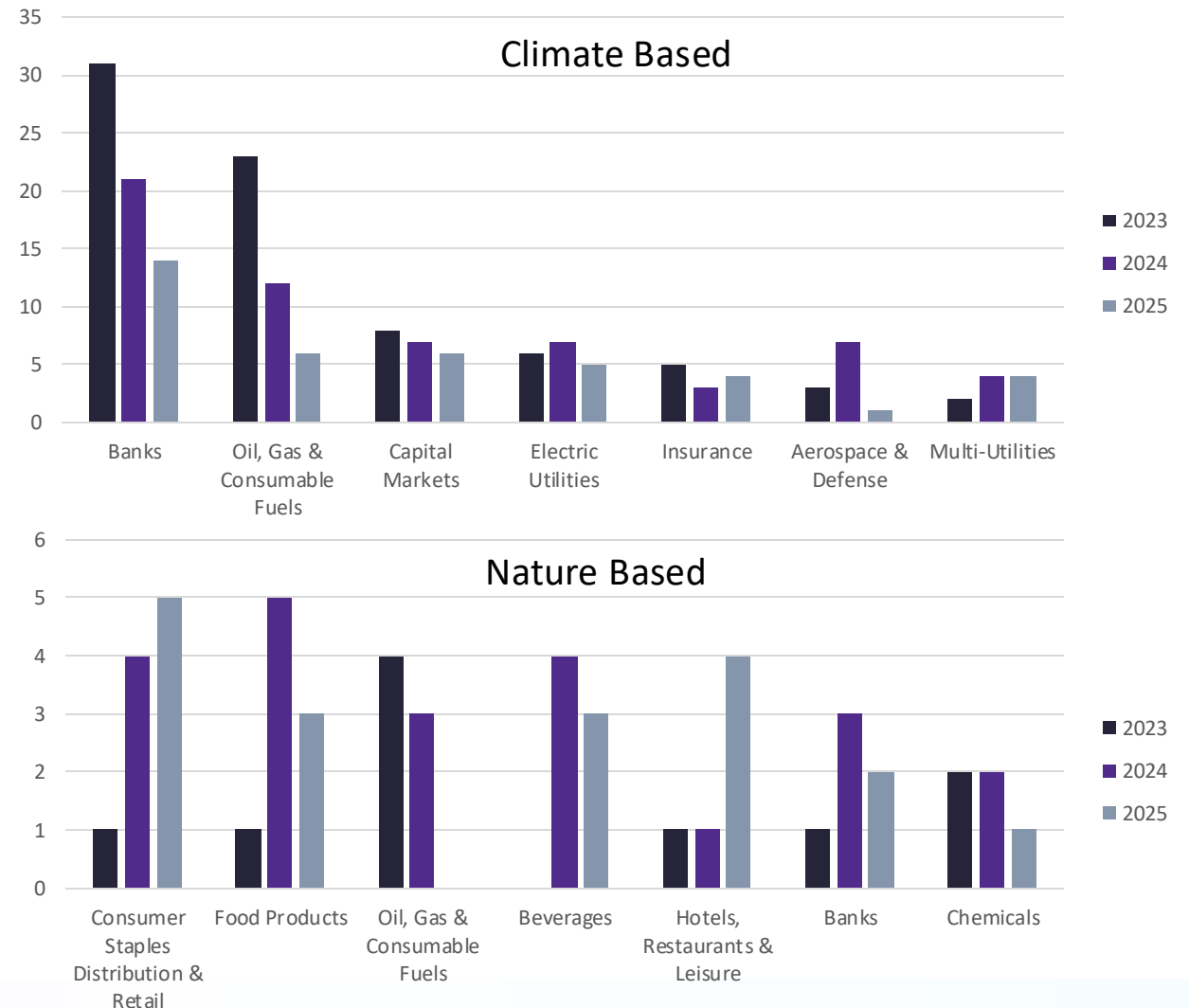
Broader based climate compared to more focused narrower nature-based activism are occurring in different industry spaces.

- Banks and oil remain central, but food and retail chains are the new frontier.
- Activists link biodiversity and deforestation to consumer-facing brands.

The shift from climate to nature-based activism reflects a broadening of investor scrutiny.

While climate proposals remain system-wide, nature resolutions are increasingly sector-specific, targeting supply chains where biodiversity and deforestation risks are most acute.

This signals that investors are moving from high-level transition asks to concrete accountability on natural capital, a trend that could accelerate as regulatory frameworks like the EU Deforestation Regulation and TNFD take hold.



# Nature And Climate Related Proposals Are Increasing as Shareholder Support Falls

Expanded Breadth, Diluted Depth

Is there a sweet-spot for co-ordination?

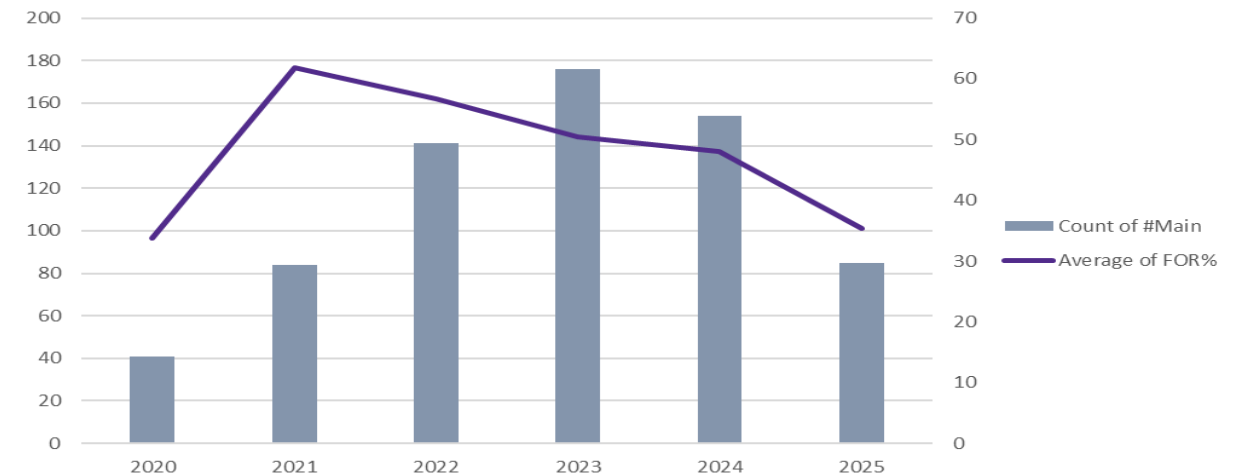
More proposals are being filed, but average support is falling.

◆ Investors favour narrow, decision-useful asks (e.g., disclosure, targets).

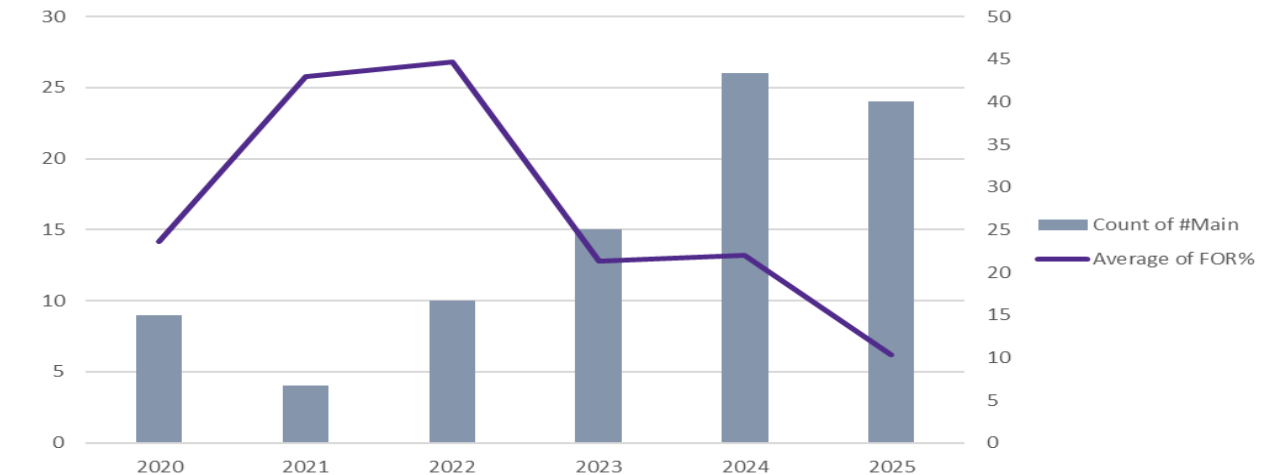
◆ Broad proposals risk diluting support, but still shape the policy agenda and shareholder sentiment

Even with declining support, nature proposals are agenda-setting; they frame emerging risks, push companies into pre-emptive engagement, and signal where future regulatory and investor expectations are heading

# of Climate-related Proposals on Ballot vs Average Shareholder Support (%)



# of Nature-related Proposals on Ballot vs Average Shareholder Support (%)

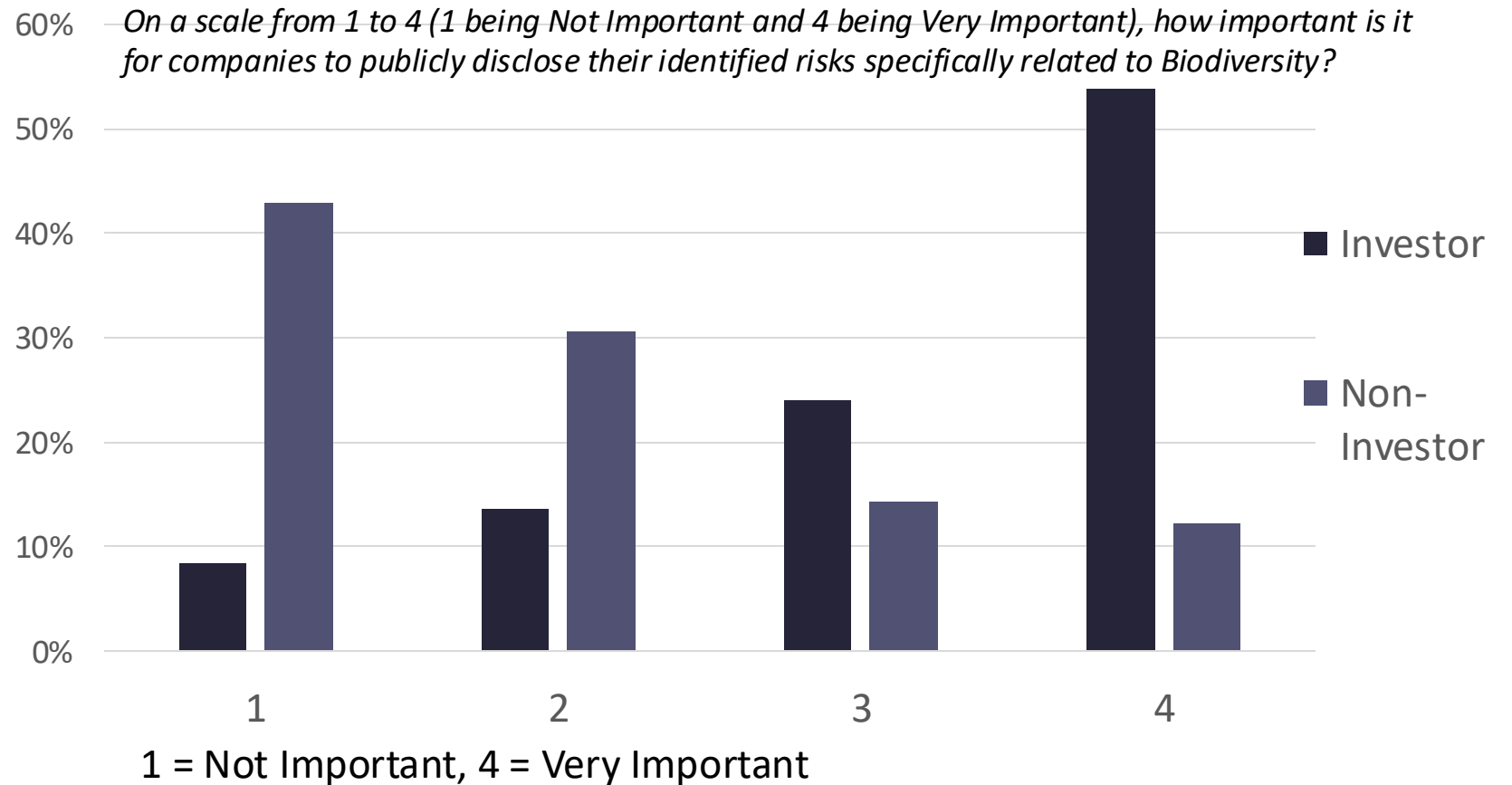


# Investors are increasingly viewing biodiversity and nature as a more important risk. Non-investors yet to be persuaded.

What level of risk does biodiversity pose to corporate actions? ISS Annual Policy Survey 2025

- ◆ Investors are moving biodiversity up the risk register, ranking it alongside climate, cyber, and human rights.
- ◆ A majority of investors now see biodiversity disclosure as “very important” — far ahead of non-investors.
- ◆ The gap highlights that while the investment community is mobilising, broader stakeholder consensus is still catching up.

*The broader landscape of corporate risks now encompasses areas as diverse as biodiversity, cybersecurity, and human rights.*



# Special Presentation: Impact and dependency on freshwater systems



**Hugh Bromley,**  
Research Manager, Food & Agriculture,  
Nature & Biodiversity at BloombergNEF



# Nature Risk is Financial Risk

RIAA Nature Working Group

Kobad Bhavnaori

*Global Head of Strategy of BloombergNEF*

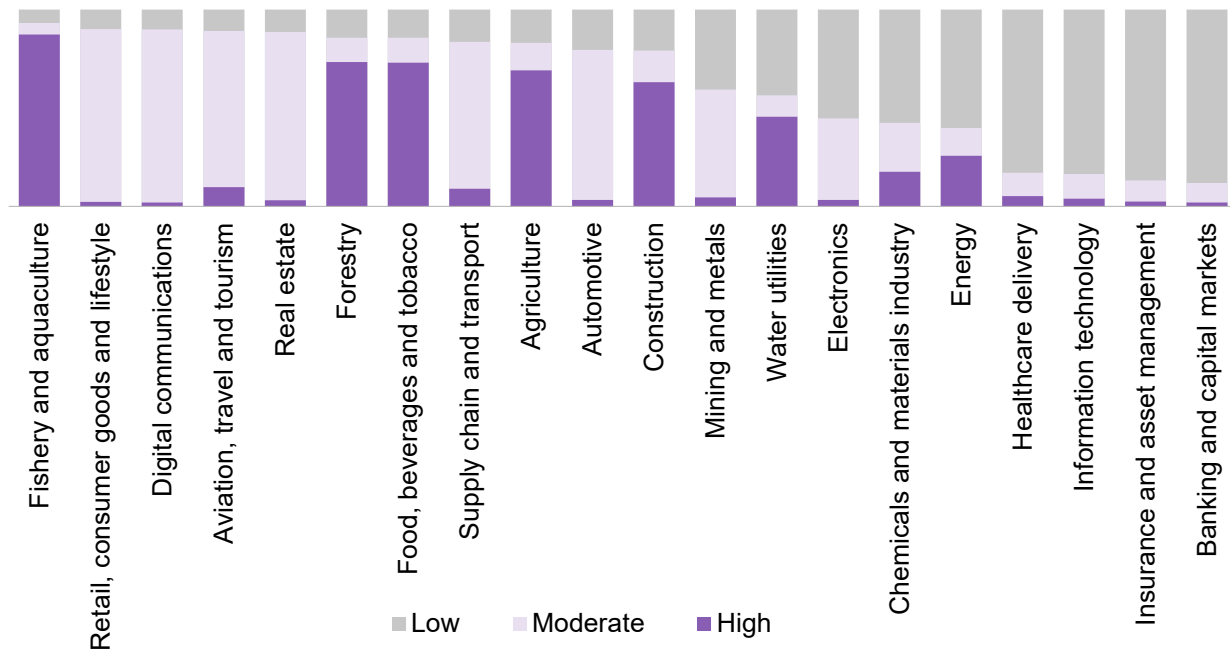
September 4, 2025



# Nature's ecosystem services underpin trillions of dollars of economic activity

“More than half of the world's economic output is moderately or highly dependent on nature”

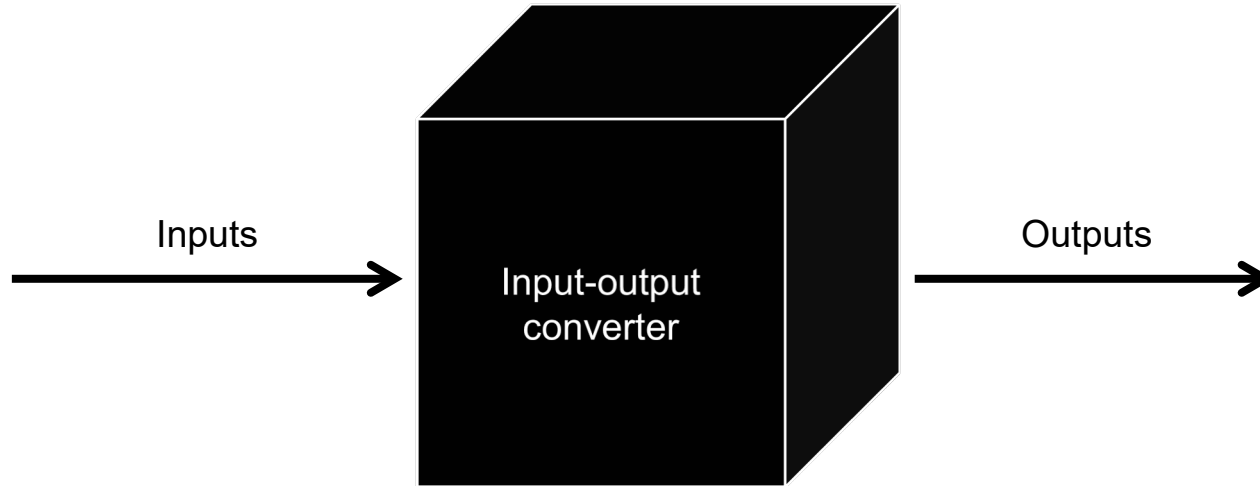
## Distribution of supply chain nature dependency by industry



Source: World Economic Forum, PwC Managing Nature Risks

Source: PwC, Managing nature risks: From understanding to action (2023)

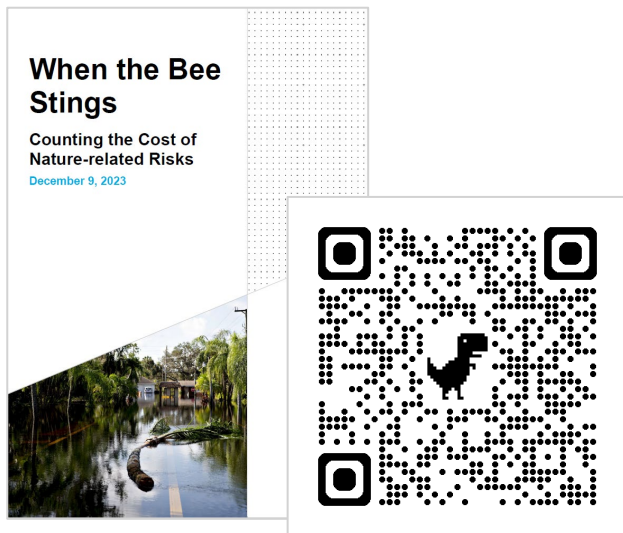
# Aren't all businesses dependent on nature to some degree?













Source: BloombergNEF

# The financial perils of mismanaging nature risk

In collaboration with the TNFD, BloombergNEF released ten case studies on mismanaged nature risk

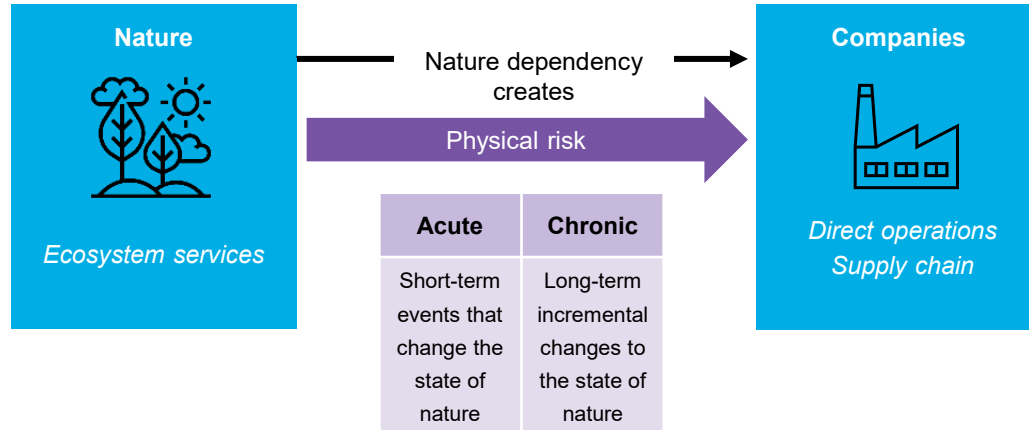


► Available for download at: <https://about.bnef.com/bnef-at-cop28/>  
And on the **TNFD 'Knowledge Hub'**

Company	Sub-sector	Event	Costs	Risks exposed	
				Physical	Transition
	Specialty chemicals	Since 2016, its US facilities have released toxic per- and polyfluorinated substances, or 'forever chemicals', into watercourses*	At least \$10.5 billion in legal liabilities, layoffs		
	Grain and oilseed milling	Reported** to have sourced palm fruit from protected plantations in Indonesia, contrary to its sustainability claims	5.5% fall in share price in the 24 hours after the newspaper investigation was published		
	Packaged food	Inadequate biosecurity measures enabled the avian influenza virus to enter its UK facilities in 2007 according to DEFRA***	£20 million (\$25 million) loss of brand value, layoffs		
	Oil and gas exploration and production	Faced legal challenges to protect an endangered whale threatened by oil and gas activities in the Gulf of Mexico****	Legal costs and development delays, which threatened up to \$49.6 million in revenue		
	Container shipping	Discharge of untreated ballast water without authority or adequate reporting spread invasive alien species	\$165,000 in fines		
	Basic and diversified chemicals	Discharged billions of plastic pellets from the wastepiles of its Texas facilities into waterways	\$50 million settlement, \$9.4 billion plant construction suspended		
	Metals and mining – base metals	Polluted water and forests in Indonesia through its disposal of vast quantities of mining waste	18% share price fall in two days after CEO reacted to tighter environmental laws		
	Packaged food – meat products	Repeatedly sourced cattle raised on illegally deforested land in the Brazilian Amazon*****	\$7.7 million in fines, potential loss of \$20 billion valuation gain if US listing blocked		
	Electric transmission and distribution	Sparking transmission lines ignited untrimmed tree branches, leading to a series of deadly wildfires in California	91% share price fall from September 2017 to January 2019, \$5.36 billion settlement		
	Automotive	Planned Berlin gigafactory's extraction of declining groundwater led to court complaint	3.1% share price fall in 24 hours after court complaint, \$5.7 billion facility delayed		

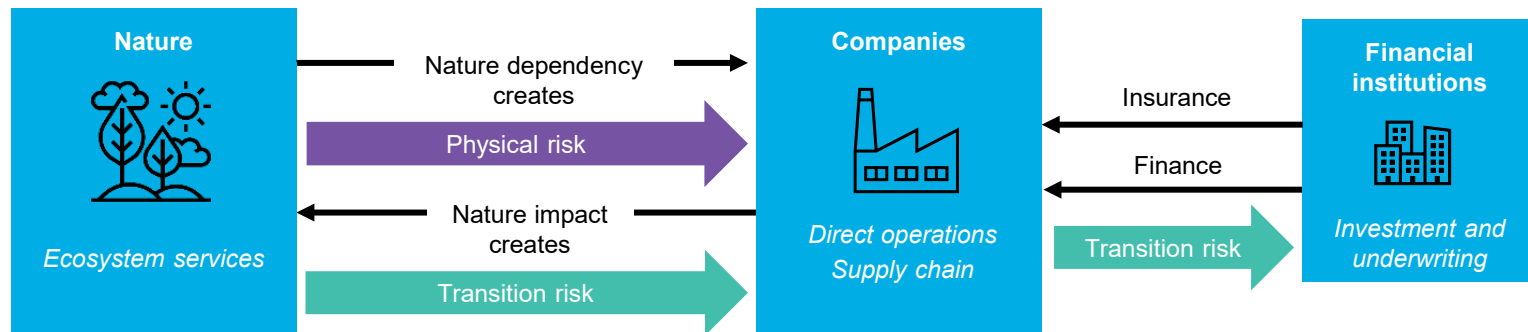
Source: BloombergNEF. Note: \*3M did not admit liability in the settlement. \*\*AAK investigation reported by newspaper SverigesNatur. Company noted that sustainable sourcing is important but did not deny allegations. \*\*\*UK's Department for Environment, Food and Rural Affairs. Bernard Matthews disputed these allegations in 2007. \*\*\*\*A November 2023 hearing ruled that the lease sale could proceed without further protections for the endangered whale. \*\*\*\*\*According to Bloomberg

# Companies' impacts and dependencies on nature create risks



Source: BloombergNEF

# Companies' impacts and dependencies on nature create risks



Legal and policy	Market	Technology	Reputational
Changes in policy or regulation	Movements in market prices create losses	New technology financially affects the company	Consumers move away from brand

Source: BloombergNEF





Photographer: Alex Kraus/Bloomberg

BloombergNEF



# Tesla's woes with groundwater show physical risk in action

## Situation

- US electric vehicle manufacturer Tesla began constructing its fourth “gigafactory” outside of Berlin, Germany in 2020. The company uses around 2,500 liters of water per car it produces, which is among the lowest in the industry.
- However, groundwater levels in the area surrounding the plant have been declining over the past three decades. The local water utility was granted a license to supply groundwater to the Tesla factory, which roughly doubles water extraction in the area.

## Incident

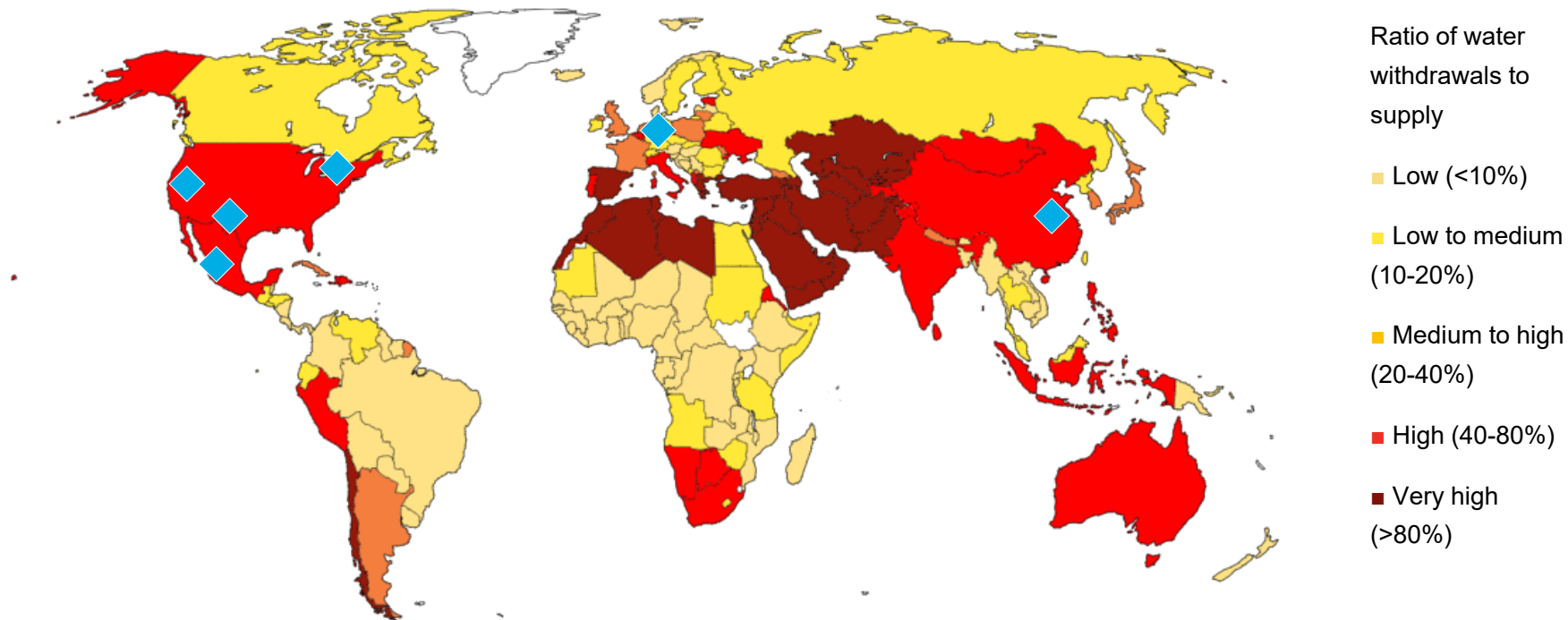
- Local environment groups launched a legal challenge to the water-use permit. The plant was allowed to proceed, but the challenge prompted the local water utility to say that remaining groundwater reserves are being fully utilized.

## Financial impact

- Tesla's **share price fell 3.1%** immediately after the legal challenge was announced, with further delays to the \$5.7 billion plant's opening.
- Tesla is seeking permission to double production capacity at the plant – which would be worth \$36 billion in additional revenue annually – but water use is again featuring as an issue and could impede the plan.

Source: BloombergNEF

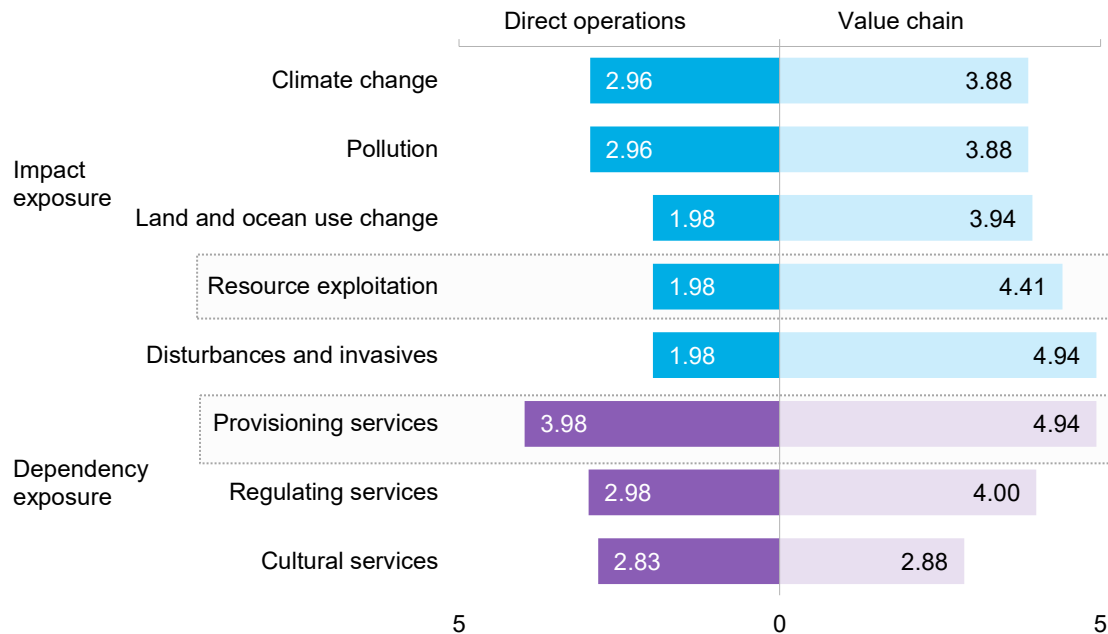
# Tesla's gigafactories are in water-stressed areas



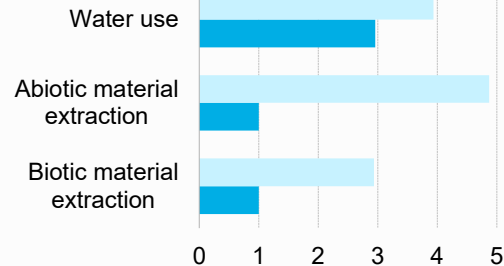
Source: Company reports, BloombergNEF.

# Tesla's gigafactories are in water-stressed areas

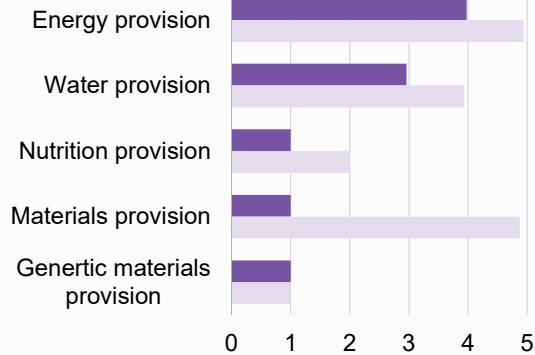
## Tesla overall nature exposure



### Resource exploitation

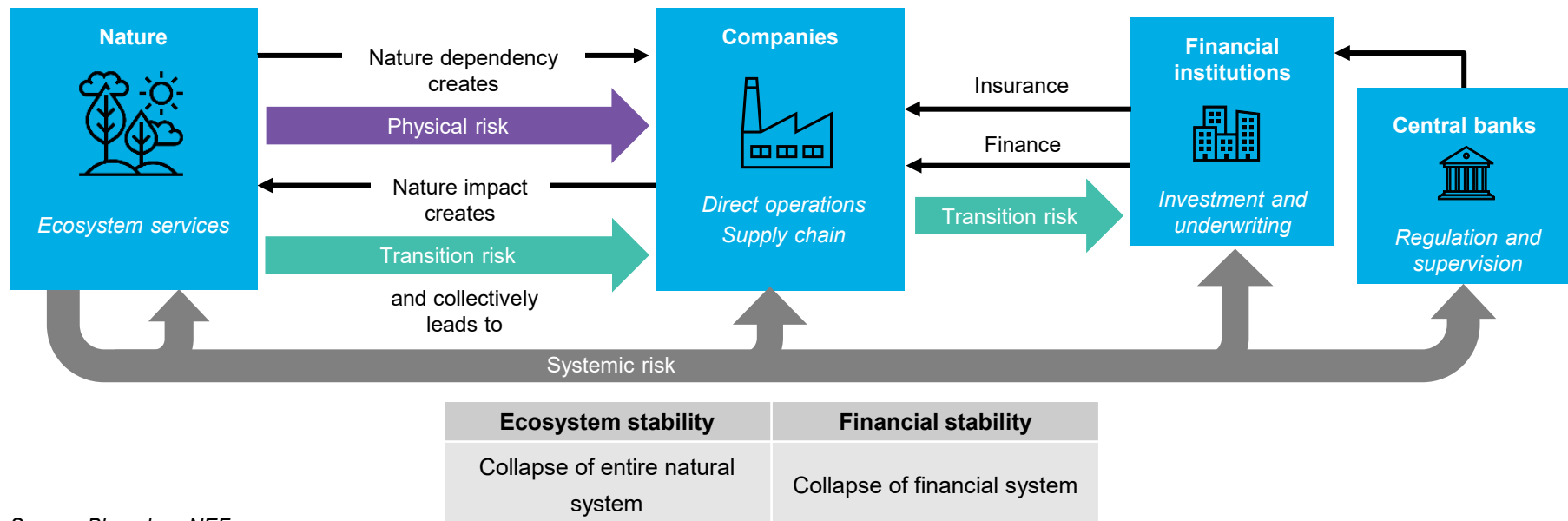


### Provisioning services



Source: BloombergNEF Nature Exposure Screening Tool

# Companies' impacts and dependencies on nature create risks



Source: BloombergNEF





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# Hawaiian Airlines' wings clipped by degraded ecosystems and wildfire

## Situation

- Hawaiian Airlines operates a fleet of 68 aircraft servicing 31 destinations across Hawaii, the continental US and the Pacific region. All flights depart from or arrive in the state. Kahului airport on Maui is its secondary hub, with its home base in Honolulu.

## Incident

- Wildfires engulfed parts of the island in early August 2023. The fires spread quickly through highly flammable, invasive grasses (originally planted as ornamentals and forage crops for cattle) that had spread across the island as agricultural activity declined.
- About 46,000 residents and visitors were flown out of Kahului Airport in the days that followed. The state of Hawaii “strongly discouraged” travel to the island.
- Inbound passenger numbers to Maui from the US mainland and abroad in August 2023 dropped 55% from a month earlier, and 52% from the year before (a period still affected by Covid recovery).

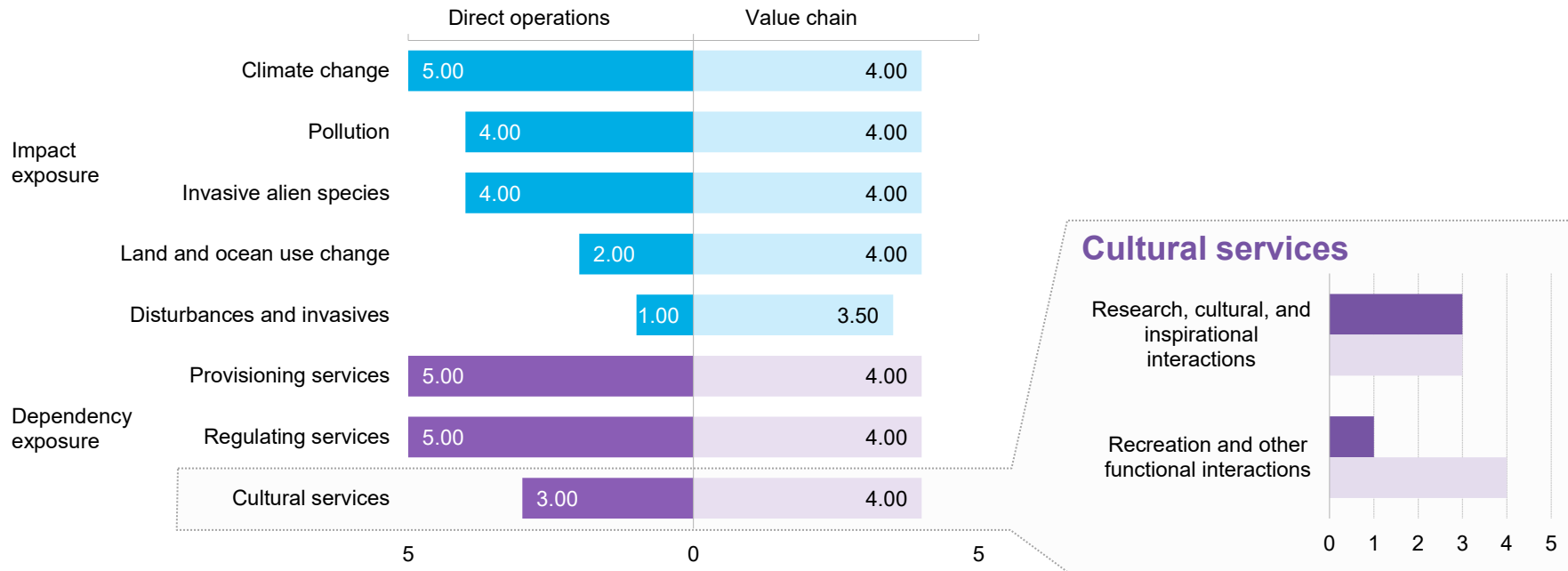
## Financial impact

- Hawaiian Airlines **lost an estimated \$25 million in revenue** in the third quarter of 2023. Shares fell 14% in the week during and after the fires. Moody's downgraded its rating of Hawaiian Holdings to B2 from B1.
- On December 3, 2023, Hawaiian Airlines announced it would be acquired by Alaska Airlines in a \$1.9 billion deal equating to a 270% premium over the closing price a day prior. Between the start of the fires and the acquisition announcement, \$321 million of enterprise value had been wiped out.

Source: BloombergNEF

# Hawaiian Airlines' exposure to degraded landscapes was underappreciated

## Hawaiian Airlines overall nature exposure



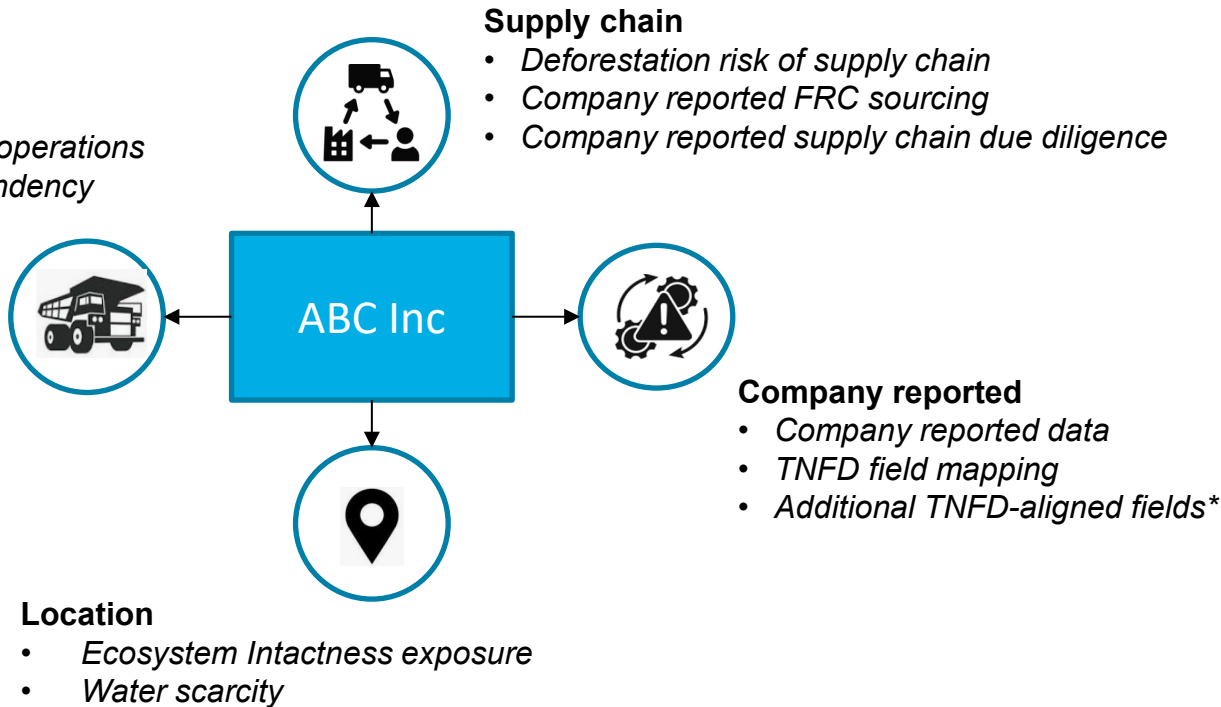
Source: BloombergNEF Nature Exposure Screening Tool



# Identifying specific risks across vast company universes

## Sector

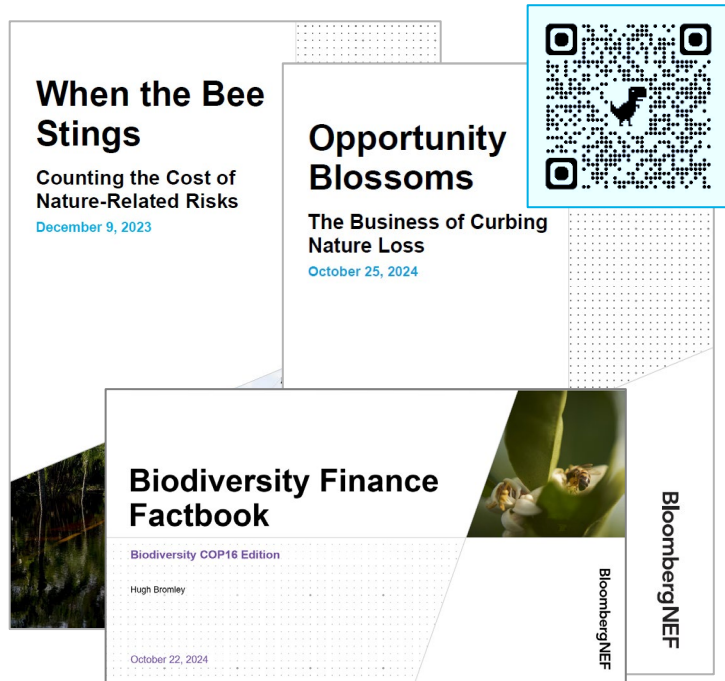
- *Deforestation risk of own operations*
- *TNFD high impact / dependency sector revenues*
- *Impacts on nature*
- *Dependencies on nature\**



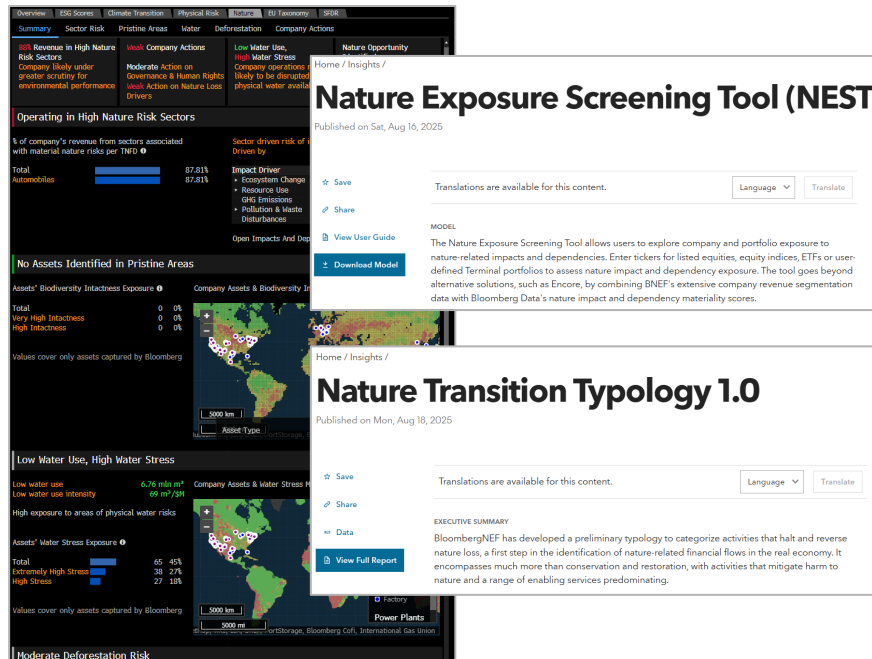
# Highlights from BloombergNEF's recent nature and biodiversity analysis

## Public resources

Available for download at [bnef.com](https://bnef.com) and on the TNFD 'Knowledge Hub'



## Bloomberg / BNEF resources for nature risk screening and opportunity scoping



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# Industry Updates

- **StockWatch Report**  
(Jono Broome, Sustainalytics)
- **Aotearoa New Zealand**  
(Terina Williams, NZ Super Fund)
- **Policy and Advocacy work**  
(Nayanisha Samarakoon, RIAA)



**SUSTAINALYTICS**

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RIAA NATURE WORKING GROUP

# **Nature Related Controversies Monitoring**

**September 2025**

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Jono Broome – Associate Director, APAC Client Advisory

[jono.broome@sustainalytics.com](mailto:jono.broome@sustainalytics.com)

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# Sustainalytics Controversies Monitor



## Woolworths Group Ltd.

Community Relations - Category 1.

[RNZ – 23 April 2025](#)

Protest over the proposed development of a new Gosford Woolworths site on the Kincumber wetlands, one of the last remaining urban wetlands on the Central Coast.

## Ingenia Communities Group

Emissions, Effluents and Waste - Category 1.

[New South Wales Environment Protection Authority - 28 May 2025](#)

NSW EPA issued an AUD 30,000 fine against INA Operations over alleged discharge of >180,000 litres of untreated sewage into the environment at Merry Beach Holiday & Caravan Park resulting in elevated levels of harmful pollutants, including E. coli and enterococci, in the nearby creek. Ingenia Communities Group holds a stake of over 50% in INA Operations.

## Domino's Pizza Enterprises Ltd.

Land Use and Biodiversity – Supply Chain - Category 1

[ABC Online - 25 Jun 2025](#)

Domino's sourced wood for smokers from endangered Australian forest areas since 2023, marketed as sustainable using the FSC label, following an investigation by Assurance Services International (ASI).

Domino's sourced the wood from the Mount Horsfall site in Powelltown where the FSC standards were breached, including logging in riparian zones and ignoring habitat protection measures for Leadbeater possum



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# Industry Updates

- **Aotearoa New Zealand**  
(Terina Williams, NZ Super Fund)
- **Policy and Advocacy work**  
(Nayanisha Samarakoon, RIAA)



# 2025 Workplan progress update

Objective	Status
1. Investor Practice - To highlight best practices for identifying and addressing nature related investment risks and opportunities and integrating nature considerations into the stewardship of assets.	
a) Investor Practice subgroup	a) Investor Practice subgroup – Ongoing, 3 meetings completed.
b) Update Nature Toolkit (if required)	b) Update Nature Toolkit (if required) – Further updates have not been proposed at this stage.
c) Move Resource list of the toolkit online (Altioirem)	c) Move Resource list of the toolkit online (Altioirem) – Complete. Appendix A has been integrated to an online format with thanks to Altioirem.
d) Develop and maintain online case study compendium	d) Develop and maintain online case study compendium – Coordinated by EY and led by Altioirem, this project has been initiated and input on the design has been sought from the Investor Practice Subgroup.

# 2025 Workplan progress update

Objective	Status
2. Awareness and education - To Page 2 of 4 identify and share the most impactful local and international research and regulatory developments related to nature, aimed at educating and empowering responsible investors.	
a) Establish and maintain Awareness and education Subgroup	a) Establish and maintain Awareness and education Subgroup – Ongoing, 3 meetings completed.
b) Contribute to development of online resources	b) Contribute to development of online resources – Ongoing. Case study compendium, coordinated by EY and led by Altioem, this project has been initiated and a Policy scoping piece has also been initiated by Mills Oakley. Members of the subgroup will have the opportunity to contribute further in the second half of 2025.
c) Maintain External Reference Group	c) Maintain External Reference Group – Ongoing, 3 meetings completed (Policy, Data, Business Case topics)
d) Identify Guest Speakers for Working Group Meetings	d) Identify Guest Speakers for Working Group Meetings – Ongoing in line with workplan
e) Contribute to the Development of RIAA Conference Panels/Workshops	e) Contribute to the Development of RIAA Conference Panels/Workshops – 1 x Panel and 1 x Workshop at the RIAA AU Conference and 1 x Panel at RIAA AoNZ Conference.

# 2026 Workplan development

RIAA Nature Working Group work  
plan survey 2026



# Next Meeting

- Thursday, November 27, 2025 (12pm to 1pm AEDT / 2pm to 3pm NZDT)

# Working Group Member Portal

All Working Group meeting minutes and recordings are uploaded to the RIAA Member Portal. Access the portal using your [Blue Up credentials here](#):



## Upcoming Working Group Meetings

### **Aotearoa Collaborative Working Group #3,**

Tuesday 16 September - 2pm - 3:30pm NZST/12pm-1:30pm AEST  
Hybrid event, Auckland & online

### **First Nations Peoples' Rights Working Group #4,**

Thursday 14 October - 12pm - 1:30pm AEDT / 2pm-3:30pm NZDT

### **Human Rights Working Group #4,**

Thursday 23 October 12pm - 1:30pm AEDT / 2pm-3:30pm NZDT

### **Nature Working Group #4,**

Thursday 27 November 12pm - 1pm AEDT / 2pm - 3pm NZDT

View full list of [RIAA's events here](#).



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