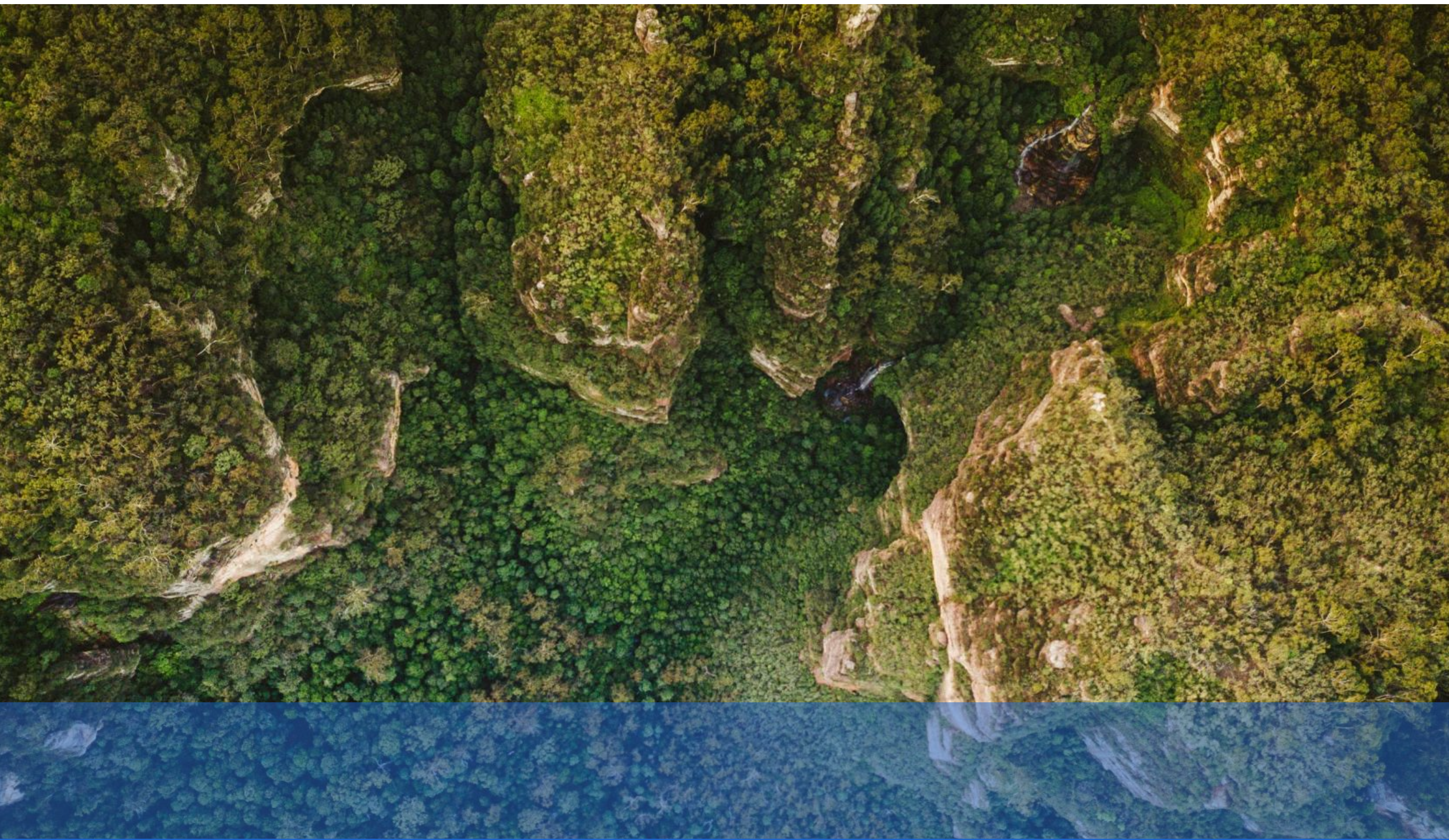

From disclosure to delivery: Transition readiness of Australia's most influential companies

Insights Report

March 2026

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Foreword

Australian companies are navigating a period of accelerating and unprecedented change. Climate change, nature loss, changing market expectations and rising social expectations are reshaping the landscape in which Australian businesses operate. This report from the World Benchmarking Alliance shows how Australian businesses are responding to these challenges.

Sustainability governance has strengthened, climate ambition is rising and nature is increasingly becoming part of strategic conversations in way that has not been witnessed before. These shifts matter. Combined, the companies assessed in this report account for approximately one quarter of the nation's scope 1 and 2 emissions, highlighting the influential role that action by these leaders can have. And while good progress is occurring, the report also shows that the work is not yet done.

Across the spectrum of climate, nature and social indicators, existing targets and transition plans are primarily weighted to climate. Although recognition of the nature-related risks is growing, particularly in relation to water, this is not yet being translated into public commitments supported by targets and transition plans. To some extent this is to be expected at this early point in the adoption cycle. This WBA analysis highlights key gaps and makes a strong case and direction for action. It is also pertinent that Free Informed and Prior Consent, the global benchmark for inclusion of indigenous rights and ambitions, is largely absent in an Australian context. Inclusive and equitable transition planning must address this gap.

These gaps point to a broader challenge for Australian organisations. Australia's economic transition cannot be delivered through siloed approaches. Climate, nature and society are deeply interconnected and require a systems-based approach to transition planning that integrates governance, strategy, risk management and metrics and targets across these key themes. While this appears challenging, the opportunity is significant (and possibly more efficient), with the outcome being an inclusive, resilient and sustainable economy.

This WBA analysis lays bare the challenge for Australian business. Credible transition planning requires the strategic alignment of business models with a low-carbon, nature-positive and socially inclusive economy. Australian companies have the opportunity to shape a global economic transition that is ambitious, equitable and in harmony with the systems that underpin our prosperity.

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Executive summary

Climate transition, nature stewardship, food system resilience and social outcomes are not separate challenges, but interconnected systems that shape land, water, communities and economic activity together. For business, this creates a distinctive risk and opportunity landscape. The Australian economy is deeply reliant on natural systems, while also playing an outsized role in global markets for agricultural commodities, minerals and energy. As a result, corporate decisions in Australia have significant impacts both domestically and globally.

Australia's transition stands out as unique, because of the central role of nature and land as economic drivers, the enabling role of metals and mining in the global transition, and the exposure of food and agricultural systems to climate impacts. Outcomes for climate, nature and people in Australia are therefore closely linked, and pressures in one area can amplify risks in others. These dynamics are now intersecting with mandatory climate and sustainability disclosure, rising investor scrutiny of nature-related risk, and increasing expectations around social and First Nations outcomes.

In this context, credible transition planning requires strategic alignment of business models with a low-carbon, nature-positive and socially inclusive economy, supported by quantified levers, capital allocation, governance accountability, and evidence of implementation. Drawing on the World Benchmarking Alliance's (WBA) 2026 assessments, this report examines how major companies connected to Australia are preparing for and delivering on the transition, highlighting two key themes.

First, the next phase of transition will require converting governance recognition into delivery capability. Australian companies are not starting from a position of inaction. Many strong foundations are in place, yet progress is patchy across areas including nature, ocean stewardship, workforce transition and Indigenous rights. Nature-related risks are increasingly identified but rarely quantified or costed. Water stress is recognised, yet contextual site-level targets remain uncommon. Just transition signals are emerging, but workforce impacts are not systematically assessed across sectors. Commitments to Free, Prior and Informed Consent with First Nations remain limited. Even where climate remains the primary lens, delivery readiness remains limited. While transition planning disclosure is increasingly common, only a minority of assessed companies disclose quantified decarbonisation levers or investment pathways. As a result, transition readiness is stronger at the level of disclosure and governance than at the level of implementation.

Second, delivery must be strengthened by aligning responses to climate, social and nature issues, which present interconnected risks, impacts and dependencies. Without integration across climate, nature and social priorities, plans struggle to translate into credible outcomes on the ground. This challenge becomes more pronounced in the context of Australia's current reform agenda. Mandatory climate disclosures, nature law reforms, and transition planning, nature and food security consultations are increasing expectations for credible, coordinated action among companies.

The 2026 WBA assessments provide a reference point for companies, investors, policymakers and civil society to understand where progress is occurring, where delivery lags, and what leading practice looks like. As expectations evolve, the central challenge is not recognising sustainability risks, but ensuring governance, strategy and investment drive measurable outcomes.

Why Australia matters in the global transition

Corporate accountability depends on the availability of transparent, comparable information about how companies identify, manage, act upon and disclose their impacts on people and the planet. The World Benchmarking Alliance (WBA) was established to provide this information by measuring and comparing the sustainability performance of the world's most influential companies.

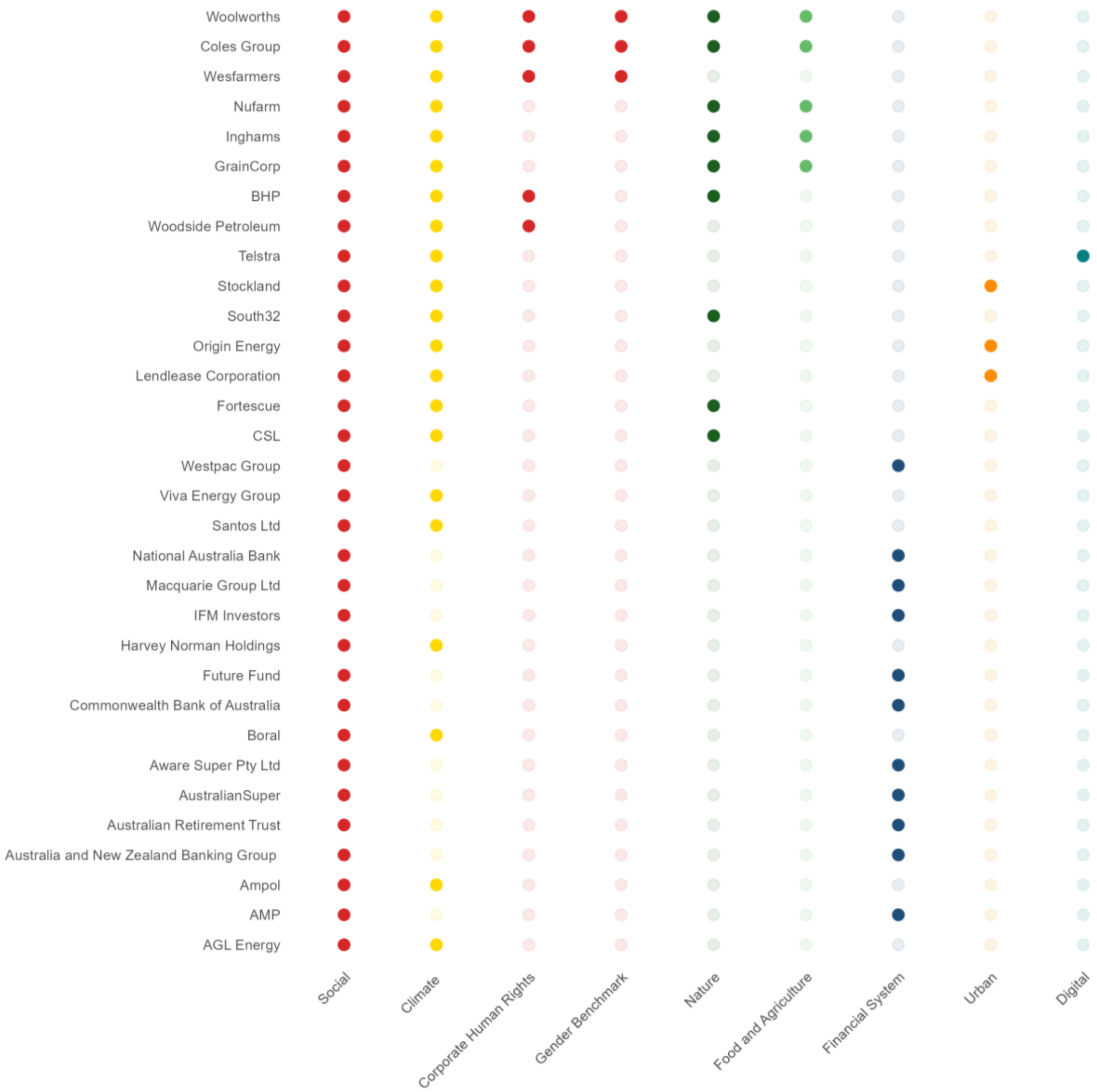
WBA's global benchmarks provide both a point of comparison and a source of learning. Applied to Australia companies, they offer a consistent way to examine how impacts on people, nature and climate are being addressed. At the same time, they place Australian results alongside international leaders, showing what practical improvements would look like in practice.

Australia provides a particularly revealing lens through which to examine corporate sustainability performance, not only domestically but globally. Its economy depends directly on healthy land and water systems that underpin food production, mining, energy, tourism and infrastructure. These dependencies are tangible and place-based, evident across northern savannas and rainforests such as the Kimberley and Cape York, the Murray–Darling Basin, vast inland rangelands, temperate forests in the south-east and Tasmania, and globally significant coastal and marine ecosystems including the Great Barrier Reef.

However, Australia is not the only country exposed to the actions of its companies. It is a major exporter of agricultural commodities, critical minerals and energy resources that shape global supply chains and transition pathways. Decisions taken by Australian companies influence global food security, the availability of transition-enabling minerals, biodiversity outcomes and emissions trajectories far beyond its borders. As Australia's first National Climate Risk Assessment has highlighted, risks do not occur in isolation, but can interact, compound and cascade across environmental, social and economic domains. In an economy so deeply embedded in global trade, those cascading risks have implications not only for national resilience, but for international markets, investors and climate and nature outcomes worldwide.

WBA assessed 32 companies headquartered in Australia across all benchmarks, spanning 16 industries and employing an estimated 850,000 people (as seen in Figure 1 below). This report focuses on the 21 Australian-headquartered real economy businesses, which directly employ an estimated 700,000 people and indirectly affect an estimated 2.2 million additional workers though their supply chains. WBA's Nature Benchmark also assesses 310 global companies with operations in Australia. This means that many environmental and social impacts experienced in Australia are also shaped by decisions made offshore. This represents a strategic opportunity for Australia to use its regulatory power, market influence and investor expectations to shape global companies' impacts.

FIGURE 1: BENCHMARK ASSESSMENT BY AUSTRALIAN HEAD-QUARTERED COMPANY



Key findings at a glance

Overall, WBA findings suggest that Australian companies have many sustainability foundations in place, particularly regarding governance and disclosure. However, how this translates into delivery is not always even across topics. Climate is comparatively more developed, whereas nature, water, and social dimensions show more limited evidence of action.

1. Board oversight of sustainability plans is the norm, but only one, Inghams, discloses the resources allocated to deliver these plans.

All nine Australian companies assessed under WBA's Nature Benchmark assign sustainability oversight to their highest governance bodies, and seven link executive remuneration to sustainability goals, signalling formal responsibility at senior levels. However, only one Australian company – poultry producer Inghams - discloses the resources allocated to implement its sustainability strategy. Similarly, nature is beginning to appear within broader sustainability risk management. Australian companies perform above the global average on identifying nature-related risks, with 8 of 9 assessed companies under WBA's Nature Benchmark identifying material nature risks. What is largely missing is follow-through action. None quantify their nature-related risks. Advancing from recognition to resourced delivery would strengthen transition readiness, and position Australian companies at the forefront of nature-positive business practice.

2. 42% of companies have a standalone climate transition plan, though gaps remain in low-carbon investments and actual emissions reductions

Climate transition planning is now common among large Australian companies.

Of the 21 real economy companies assessed — accounting for around a quarter of Australia's national emissions — 18 disclose emissions reduction targets of varying scope and robustness, while 19 present elements of transition plans. However, many plans remain high-level. Companies often state ambition without clearly explaining how emissions will be reduced, funded or tracked. Just transition is increasingly acknowledged but is not consistently translated into concrete, delivery-ready planning and action.

3. Only one Australian company – AGL Energy - demonstrates a clear commitment to social dialogue, falling behind the global average

Under WBA's Just Transition Benchmark, 21 Australian real-economy companies perform above the global, EU, OECD and APEC average scores, though Australia still ranks behind European frontrunners such as Spain, Portugal, Sweden and France. A critical gap lies in social dialogue: only one Australian company, AGL Energy, demonstrates a clear commitment. This means that only 4% of Australian companies meet this, compared to 14% globally. Engagement with workers on just transition is limited to just four utilities and mining companies, while only four companies commit to job creation and five to reskilling or upskilling. Just two companies assess transition-related skills needs, and only six disclose basic data such as involuntary turnover. This suggests workforce and community impacts are not yet being systematically identified, governed or embedded into delivery-ready transition plans.

4. Despite widespread commitments to Indigenous Rights, no Australian company fully commits to Free, Prior and Informed Consent

Many Australian companies state support for Indigenous rights, but none commit to Free, Prior and Informed Consent (FPIC), the global standard, and considered a minimum standard by many, requiring agreement from Indigenous communities before activities affect land or resources. Across 750 companies assessed globally, only 1% meet minimum FPIC expectations, however this small group of leaders shows that this can practically be done. Keeping decision-making largely company-led rather than shared with First Nations peoples creates long-term risks for trust, relationships and environmental outcomes in the Australian context.

5. 55% recognise water stress, but BHP sets site-level targets

Australian companies are becoming aware of water-related risks, particularly in water-stressed regions. Five of nine Australian companies (55%) assessed identify water-stressed areas where they operate, indicating growing recognition of basin-level exposure. This awareness rarely translates into clearly disclosed action. Only one Australian-headquartered company, BHP, meets WBA indicators for location-specific water risk assessments and target setting.

Similarly, ocean impacts lag behind: among 66 companies who have operations in Australia that depend on or have impacts on marine ecosystems, only four have targets to reduce disruptions to marine wildlife despite rising climate-related pressures on marine systems. Among seafood companies, 2 out of 3 (66%) have set targets for the sustainable management of commodities sourced from the ocean. Likewise, only 2 out of 22 shipping companies (9%) set targets to reduce spills. Among land-based industries that pose risks to marine ecosystems through wastewater, none have set targets to reduce water pollutant discharge. Together, these findings point to a widespread gap in adequately addressing impacts on interconnected water systems, even in companies with robust sustainability governance structures in place.

What this means for Australia

It is time for Australia's transition to move from ambition to action. As mandatory sustainability disclosures, regulatory reform and investor scrutiny raise expectations, differences in the depth, integration and resourcing of company action will become more visible, not only locally, but on the global stage. The opportunity now is to:

1. Close the gap between recognition and implementation, particularly by linking climate, nature, water and social impacts to capital allocation, governance and measurable outcomes.
2. Move beyond siloed sustainability strategies by responding in ways that reflect how land, water, and people intersect in practice.

This requires coordinated action across companies, investors and government to align governance, capital and accountability to achieve positive real-world outcomes.

Food and agriculture: illustrating the five key findings in one sector

Australia's food and agriculture sector provides a practical demonstration of this report's core findings. The sector is climate-exposed, land and water-dependent, labour-intensive, and economically material with around 70% of production exported, accounting for 10.8% of national exports. As such, it tests whether governance and transition signals are translating into measurable delivery across climate, nature and social dimensions.

WBA's 2026 Food and Agriculture Benchmark assessed five Australian-headquartered companies (Coles, Woolworths, GrainCorp, Nufarm and Inghams) which are also covered under the Nature Benchmark. Coles ranks 33rd and Woolworths 77th globally (down from 17th and 14th in 2023). While methodology changes partly explain this shift, mirrored by major retailers in the United States and Europe, the expectation placed on companies of this size and market power must also rise accordingly.

Across the five companies, the results reflect the pattern identified across all key findings:

1. Governance stronger than delivery: Governance indicators perform comparatively better, yet environmental performance averages 13/100 and social inclusion 11/100 under WBA's 2026 Food and Agriculture assessments.

2. Climate ambition without quantified upstream levers: In a supply-chain-dependent sector, credible transition planning requires measurable engagement on land use and production practices. Yet none of the five companies disclose quantitative soil health targets or progress despite soil health being central to climate adaptation and farm profitability, and identified as a national policy priority by the Australian Department of Agriculture, Fisheries and Forestry.

3. Limited social inclusion mechanisms: None of the companies disclose action to improve small-scale producer climate resilience or close living income gaps in their value chains.

4. Land and rights exposure: As land-intensive operations, the companies are assessed under Nature Benchmark indicators, where enforceable FPIC commitments remain absent among Australian-headquartered firms.

5. Nature and water dependency without operational targets: Agricultural production is inherently water-dependent, yet contextual site-level environmental performance indicators remain limited.

Taken together, food and agriculture illustrates the report's central message: governance structures and transition signals are present, but quantified, integrated and place-based delivery across climate, nature and social systems remains incomplete in one of Australia's most economically and environmentally material sectors.

Key findings in detail

1. Board oversight is established across Australian Nature Benchmark companies, but only one, Inghams, discloses the resources allocated to deliver these plans

Embedding sustainability into a business requires change to be driven from the top, and robust governance mechanisms. All nine Australian companies assessed under WBA's Nature Benchmark assign sustainability oversight to their highest governance bodies, in comparison to 86% companies globally who assign sustainability oversight to the board. In addition, seven of the nine Australian companies link executive remuneration to sustainability.

However, governance recognition is only the first step. Effective transition planning across climate, nature and social systems depends on whether governance structures translate into action.

Among Australian companies, only Inghams discloses funding to implement its sustainability strategy. This mirrors a global trend, where only 12% of companies in the Nature Benchmark disclose allocating financial resources to achieve sustainability goals. Where funding *is* disclosed, it is predominately directed to climate action. Interestingly, research by the University of Sydney Business School in collaboration with the Australian Institute of Company Directors finds that in Australian boardrooms more than four in five directors say nature-related risks are important to their organisations, yet only around one in five report their boards are actively addressing these risks in governance and strategy.[1] Together, these findings suggest that while climate is beginning to be linked to capital expenditure and investment planning, nature-related risks may not yet be treated with the same financial discipline.

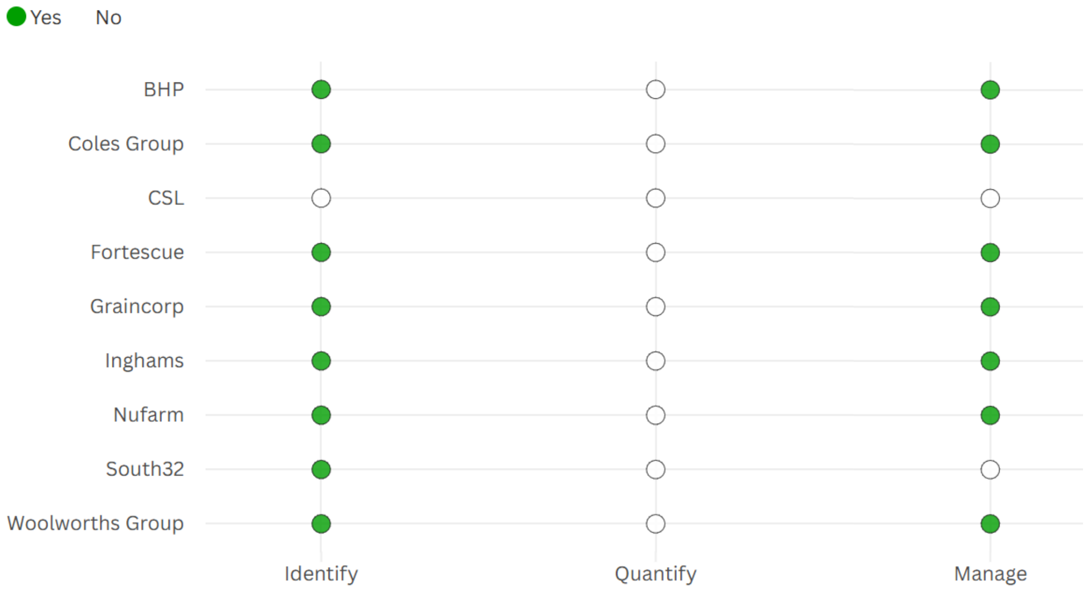
Given the well-documented relationship between climate and nature, if companies plan for climate without fully integrating nature risks, they may underestimate the real scale of transition risk.

There is opportunity for Australian companies to lead on nature. Australian companies perform above the global average on identifying nature-related risks, with eight out of nine companies identifying risks to their operations, including those stemming from extreme weather events or biodiversity impacts. This could be due to policy signals - the Australian Government's Australia's Strategy for Nature 2024-2030 highlights the integration of nature into business decision making as a key enabler to achieve the country's biodiversity targets, while investor networks have recommended a mandatory requirement of nature-related disclosures by 2028.

However, no Australian companies yet quantify their nature-related risks, while 9% of global businesses (including Rio Tinto, Mars and Tesco) are doing so. Without quantification, it is more difficult to prioritise, cost and embed nature risks transition planning, leaving companies exposed to poorly understood disruptions and limiting long-term resilience. Early action is visible - for instance Coles Group is in the process of identifying nature-related dependencies in its supply chain, for their future quantification and integration into group-level risk management. This leadership paves the way for more robust risk management and credible transition planning.

1 https://www.aicd.com.au/news-media/media-releases/2025/nature-emerges-as-mainstream-issue-for-boards.html

FIGURE 2: AUSTRALIAN COMPANIES WHO IDENTIFY, QUANTIFY AND MANAGE NATURE IN THEIR RISK MANAGEMENT SYSTEMS



What this means for business

Australian companies have laid important foundations by establishing solid governance frameworks and recognising the reality of nature-related risks. Logical next steps to build business resilience and the credibility of sustainability commitments include:

- Clear disclosure of the financial and human resources deployed to implement sustainability strategies. scaled to other topics beyond climate.
- Quantify nature-related risks to enable prioritisation and credible planning.

2. 42% of companies have a standalone climate transition plan, though gaps remain in low-carbon investments and actual emissions reductions

WBA assesses companies' performance on climate through ACT Core, which evaluates the credibility of companies' climate transition plans; and a separate Just Transition assessment, which examines how companies address the social impacts of transition. This is because the transition to a low-carbon economy can only be credible and equitable when it is accompanied by a plan to manage its workforce and wider social impacts.

WBA's climate assessment covers 1,600 real-economy companies globally, including 21 Australian-headquartered companies. Together, these companies account for approximately 110 $MtCO_2e$ of Scope 1 and 2 emissions, around one quarter of Australia's national emissions[2], highlighting their material role in the country's transition pathway. Where disclosed, Scope 3 emissions are substantially larger, underscoring the importance of full value chain transition planning.

[2] https://www.dcceew.gov.au/about/news/au-greenhouse-gas-emissions-march-2025-quarterly-update

Mandatory climate disclosure: Australia's new mandatory climate laws will require large companies to disclose how climate change affects their business, including governance, risks, strategy, emissions (Scopes 1–3) and targets, within their annual reporting.[3] This shifts climate reporting from largely voluntary commitments to regulated, comparable and enforceable disclosures. This should increase transparency for investors and regulators and place pressure on companies to demonstrate how their capital allocation and business models will credibly transition toward a low-carbon economy.

Transition planning disclosure is now widespread, but plan depth and delivery readiness remain uneven. Of the 21 companies assessed, 19 reference core transition planning elements in sustainability reporting, including ambition, governance and targets. However, only nine publish a comprehensive standalone transition plan, and fewer demonstrate the operational specificity needed to support delivery. Only seven disclose clear decarbonisation levers, and just three quantify expected emissions reductions linked to those levers. Disclosure of required transition investments is also limited, with only four companies reporting quantified near- or long-term investment needs.

Target quality shows a similarly mixed pattern. Six companies (28%) have adopted SBTi-validated 1.5°C-aligned near-term Scope 1 and 2 targets, broadly in line with the global average, while three companies disclose no emissions reduction targets at all. Scope 3 ambition remains limited, with only two companies - Telstra and Woolworths Group - demonstrating comprehensive near- and long-term targets across Scope 1, 2 and 3 emissions.

Capital allocation provides an additional credibility signal. Only 5 Australian companies (24%) disclose low-carbon investment shares. Where disclosed, the median reported low-carbon CapEx share among the Australian companies is 10%. This sits slightly above the global median of 7%, but overall performance varies widely. Among the 5 companies, 2 have relatively higher percentage of low carbon CapEx with Woodside Energy at 46% (oil and gas sectoral median is 14%), and AGL Energy at 44% (utility sectoral median is 56%). When looking across the global results from 1,600 companies, there are examples across a wide range of countries and industries, spanning oil and gas, chemicals, and construction materials to freight, real estate, utilities and automotives deploying up to 30% of their total CapEx in low-carbon investments. This indicates that significant growth in low-carbon CapEx is possible, and companies across many key sectors can look to global peers for real-world case studies.

Value-chain engagement is also limited, with only seven companies requiring suppliers to set emissions reduction targets, despite Scope 3 emissions often representing the largest share of impact.

Taken together, this indicates that Australian companies are making an effort moving beyond climate commitment toward transition planning, but the next phase requires stronger operational and financial grounding. Transition plans will increasingly be judged not by their presence, but by the credibility of their levers, capital alignment and implementation evidence. As regulatory expectations shift from disclosure to delivery, companies with weak performance on implementation and just transition indicators face increasing scrutiny.

[3] https://www.asic.gov.au/about-asic/news-centre/find-a-media-release/2024-releases/24-205mr-asic-urges-businesses-to-prepare-for-mandatory-climate-reporting

What this means for business

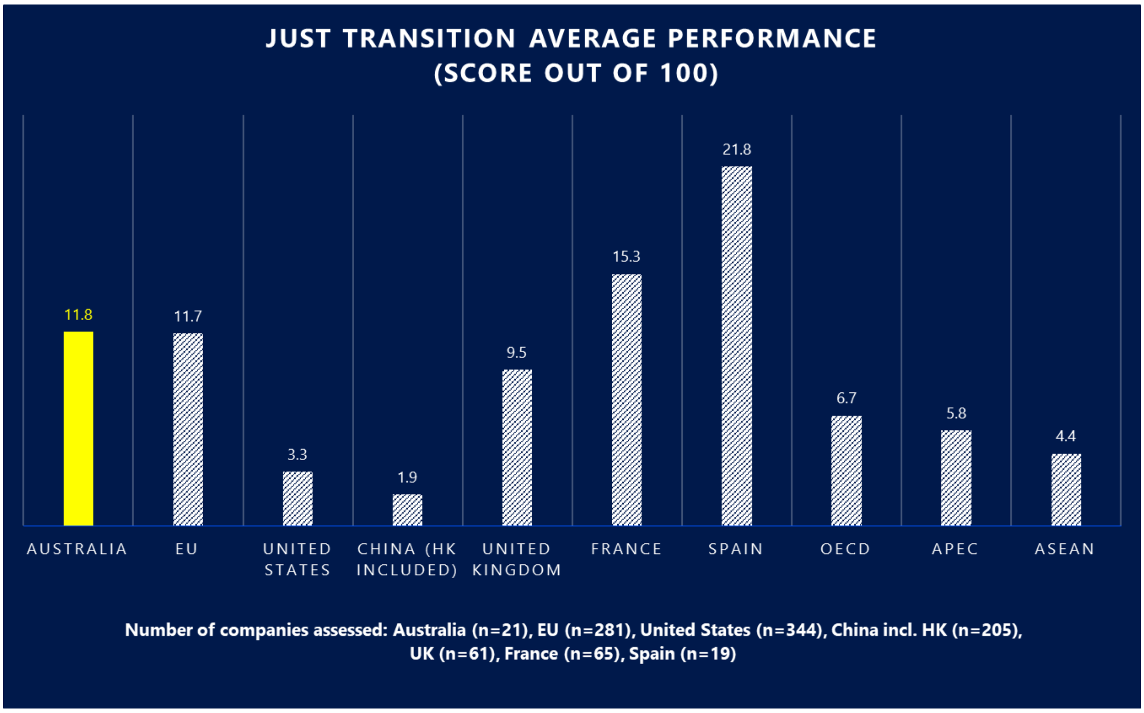
Credibility depends on delivery. With mandatory disclosure increasing transparency, differences in plan depth, capital alignment and implementation are expected to become more visible to investors, regulators and stakeholders. The next phase of transition is not about publishing plans but about proving they are financially grounded, operationally specific and socially credible. Companies should:

- Link targets to capital by disclosing quantified decarbonisation levers and align low-carbon CapEx with emissions reduction pathways.
- Strengthen Scope 3 strategy by setting validated value-chain emissions reduction targets and require supplier engagement.

3. Only one (4%) Australian company – AGL Energy - demonstrates a clear commitment to social dialogue, despite this being met by 14% of companies globally.

In WBA's Just Transition Benchmark, the 21 Australian real economies perform relatively well on average compared to global peers, exceeding the average score across the EU, OECD and APEC. However, when assessed at the country level, Australia ranks behind several European frontrunners, including Spain, Portugal, Sweden and France.

FIGURE 3: JUST TRANSITION SCORE COMPARISON



However, there is a concerning disconnect between just transition performance and climate credibility. While some companies score relatively well on just transition indicators, their underlying climate transition plans lack credibility. This suggests that social planning is often being built on incomplete or immature climate strategies, increasing the risk that workforce and community impacts are underestimated.

A major weakness across Australian companies is the limited recognition and use of social dialogue (structured engagement with social partners, including workers and their unions, employers, and in some cases governments, based on formal rights of negotiation). A commitment to social dialogue reflects a practical view of just transition, focusing on where companies have the most influence: their own workforce.

Among Australian companies, only AGL Energy demonstrates a clear commitment to social dialogue. This corresponds to 4% of Australian companies meeting this element, compared to a global average of 14%, many more companies in countries such as France (62%), Belgium (60%), and Sweden (50%). The French food company Danone demonstrates a strong commitment to social dialogue. Beyond the mechanisms typically encouraged or required by national and EU frameworks (e.g., works councils, collective bargaining, and regular consultation), it has maintained multiple long-running global framework agreements that apply across its global operations, signalling more embedded practice over time. Danone also offers an e-learning module to support implementation of these commitments.

This indicates a significant lag in how social dialogue is understood, recognised, and operationalised in Australia. To date, even engagement with a company's own workforce on just transition remains limited to just four utilities and mining companies, leaving a significant gap in most sectors.

This gap extends to labour planning more broadly. Commitments to job creation (4 companies), reskilling or upskilling (5 companies) are limited to a handful of companies in energy and heavy industry. This falls short of the level of commitment needed to demonstrate job security through transition, suggesting that labour impacts are not yet being systematically considered across sectors. Furthermore, only two companies, Fortescue and Origin Energy, respectively assess transition-related skills needs or track workforce outcomes. Disclosure of basic data, such as involuntary turnover, also remains rare (6 companies). As a result, labour impacts are not yet being systematically identified, managed or governed.

However, there are signs of leadership. AGL has developed concrete, time-bound and measurable plans to mitigate workforce impacts, notably committing to initiate formal consultation at least 3.5 years before plant retirement and to implement structured support mechanisms for affected workers. This reflects a relatively operationalised just transition approach in the context of a concentrated site closure. It also points to the need for more proactive and systematic workforce development strategies beyond individual asset transitions.

What this means for business

To ensure social impacts are explicitly integrated into climate transition plans, companies should:

- Engage in structured social dialogue with their own workforce as a first step, moving beyond ad-hoc engagement. Building on this, companies can then extend their just transition engagement to other affected stakeholders in a structured and clearly disclosed manner.
- Assess workforce impacts of transition, including jobs at risk or affected, roles to be created, and emerging skills gaps. This assessment should consider changing skills and competence requirements, even where jobs are not directly at risk. Based on this understanding, companies should commit to reskilling and redeployment, supported by clear targets.
- Improve disclosure, including basic labour indicators such as involuntary turnover, to support accountability and help ensure that workforce impacts are better understood, even where transition related impacts are not yet separately identified.

4. Despite widespread commitments to Indigenous Rights, no Australian company fully commits to Free, Prior and Informed Consent

Long-term resilience and legitimacy depend on how companies address social implications – particularly the rights of communities affected by their operations. Despite this, some of the indicators in WBA's Nature Benchmark with the weakest performance focus on social issues.

One area where this is evident relates to the rights of Indigenous Peoples. Companies frequently state their support for Indigenous rights, but it rarely translates into a clear commitment to obtain Free, Prior and Informed Consent (FPIC), the globally recognised minimum standard for the survival, dignity and wellbeing of Indigenous Peoples under the UN Declaration on the Rights of Indigenous Peoples.

In Australia, where First Nations cultures extend back more than 65,000 years, FPIC is not a legal requirement. This increases, rather than reduces, the responsibility on companies to adopt explicit FPIC commitments as part of good governance, risk management and long-term licence to operate.

Globally, robust FPIC commitments remain rare. Of the 750 companies in WBA's Nature Benchmark, only nine (1%) meet minimum expectations, none of which are headquartered in Australia.

Leading practice nonetheless exists. Some multinational companies - such as the German fragrance, flavoring and food ingredients company Symrise - have committed to obtaining FPIC even where it is not legally required, extending this commitment across their operations and supply chains. Importantly, this sends a clear signal to other companies that these commitments can be made and operationalised, even among large businesses.

The absence of clear, enforceable FPIC commitments can indicate that decision-making processes remain company-led, rather than shared with rights-holders. This is not to suggest an absence of Australian company action altogether. Four Australian companies disclose some commitment to respecting Indigenous rights. However, the language used by these companies does not explicitly mention a requirement to obtain and maintain FPIC, but rather a support to the principle, or a broad commitment to respecting Indigenous rights. Therefore, all companies have an opportunity to improve on the strength of their commitment language in policy documents, language which ensures that they will uphold the right of FPIC.

What this means for business

To ensure FPIC, companies should:

- Move from principles to practice. Adopt explicit, enforceable commitments to obtain and uphold FPIC, embedded in policy, governance processes and supplier expectations.
- Recognise the business value of ensuring FPIC. Recognise that the social license to operate is connected to ensuring that rights holders are part of the decision-making process.

5. 55% recognise water stress, but only one company, BHP, sets site-level targets

Australia's freshwater and ocean systems hold deep cultural significance for First Nations peoples and are fundamental to biodiversity, community wellbeing and water-dependent economic activities. They are central to everyday life across Australia, from drinking water and food production to recreation such as swimming, fishing and surfing. These systems face growing pressure intensified by climate change, as warming, acidification and pollution accelerate the decline of water quality and availability.

Awareness of the materiality of water pressure is growing. Five out of nine Australian companies assessed under WBA's Nature Benchmark identify water-stressed areas where they operate and withdraw freshwater from, indicating increased recognition of basin-level water risks, such as water quantity, quality, and availability to communities. However, this has not yet translated into widespread adoption of contextual site-level targets. Only one Australian company, BHP, meets WBA's expectations for site-level water-risk assessment and target setting. While several other companies have ongoing assessments to set site-level targets, BHP is one of only six companies identified globally that have set and disclosed such targets. Elsewhere, there are promising signs of water stewardship efforts in at-risk areas. For instance, while South32 and CSL have not set site-level targets, they disclose consolidated targets that focus on areas exposed to water stress.

Globally, corporate sustainability efforts are more advanced for land than for oceans. This pattern holds in Australia, with research by Ocean Decade Australia showing that ocean issues are not mainstream in Australian boardrooms. Only around 20% of directors report discussing ocean issues, usually indirectly through freshwater, pollution or waste rather than as a standalone priority.

On an operational level, this gap was visible in the first WBA Nature Benchmark results, and is the reason WBA launched a specific Ocean Benchmark to put a spotlight on companies' marine impacts. WBA's Ocean Benchmark assessed 66 companies with operations in Australia whose activities depend on and/or impact marine ecosystems, including freight and logistics companies using eastern Australian ports and aquaculture operations in Tasmania. Given the nature of their sectors, these companies exhibit heightened dependencies on, and impacts to, ocean ecosystems.

Performance on material ocean-related impacts remains generally weak. For instance, only 2 out of 22 (9%) shipping and cruise-line companies set targets to reduce spills or hazardous material incidents, despite risks associated with maritime transport. Land-based companies – e.g. chemicals, pharmaceuticals, or food production - also pose risks to marine ecosystems through their wastewater discharge; however, none of the 19 companies with said potential impacts have measurable and time-bound targets to reduce their water pollutants. Seafood companies demonstrate some leadership, with 2 out of 3 setting targets for the sustainable management of high-risk commodities sourced from the ocean. Overall, despite their interaction with ocean ecosystems, Australian-operating companies overlook ocean risks, and have not yet translated them into concrete targets and controls.

Globally, climate action is rarely integrated with freshwater and ocean risk management. While 60-75% of companies have set some form of greenhouse gas reduction targets, <1% set measurable, time-bound targets to reduce water pollutant discharges. Just 4 of the 125 Ocean Benchmark companies set targets to reduce disruptions to marine wildlife, despite climate-driven extremes increasing the severity of pollution – and all four of these companies have operations in Australia. This suggests that climate transition planning is often progressing without sufficient consideration of water ecosystem impacts and dependencies.

What this means for business

To ensure ocean and freshwater impacts are appropriately managed, companies should:

- Strengthen transition planning by integrating water and oceans risk, including site-level water risk assessments and targets, particularly in water-stressed and high-impact locations.
- Set and disclose contextual, site-specific water stewardship targets that address water use, quality and pollution risks, rather than relying solely on group-level commitments.
- Establish stronger ocean governance, with clear commitments, targets and operational controls, reflecting their impacts and dependencies on marine ecosystems.

Implications for Australia's transition

Australia's global footprint means corporate choices made today will shape environmental integrity, social resilience and economic opportunity for decades to come. Holding these companies to account requires clear expectations, coherent policy signals and accountability mechanisms that reward credible action and deter delay. The 2026 World Benchmarking Alliance results show that Australia is not starting from zero, and make clear what leading practice looks like. The coming years now represent a decisive window to close the gap between knowledge and action.

Transition plans already provide a practical tool to translate ambition into action. The next step is to evolve these toward integrated transition plans connecting climate, nature, water and social impacts with capital allocation, governance and delivery metrics to bring coherence, accountability and credibility to Australia's transition pathway.

With COP31 approaching, Australia has an opportunity to demonstrate leadership that extends beyond a single issue and promote taking a more integrated approach to sustainability. Australian leaders should focus on the following actions, to build a more resilient and inclusive economy.

Companies

- Quantify material climate, nature and social risks and embed them in financial and operational decisions.
- Adopt a clear commitment to Free, Prior and Informed Consent.
- Disclose progress transparently, using measurable targets and outcome-focused metrics.
- Develop integrated transition plans that link climate, nature and social impacts to capital allocation, targets and accountability.

Financial institutions

- Embed quantified nature, water and climate risk and opportunity in financing decisions.
- Establish credible, integrated transition plans.
- Align stewardship and engagement with measurable transition outcomes, setting clear expectations for portfolio companies and escalating responses where progress falls short.

Government

- Accelerate the transition by aligning national ambitions under global agreements to clear sectoral pathways for companies, to support long-term investment and coordinated action.
- Support companies that put in place integrated transition plans that link climate, nature and social impacts through strong and enforceable policy reform.
- As joint COP31 president, help shift the global conversation from ambition to implementation by elevating credible corporate transition planning. This includes strengthening expectations on transition plan quality, integration across climate, nature and people, and accountability for real-economy outcomes.

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