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## ISSB Meeting

Date	<b>February 2025</b>
Project	<b>Biodiversity, Ecosystems and Ecosystem Services</b>
Topic	<b>Cover note</b>
	Himani Phadke ( <a href="mailto:himani.phadke@ifrs.org">himani.phadke@ifrs.org</a> )
Contacts	Rommie Johnson ( <a href="mailto:rommie.johnson@ifrs.org">rommie.johnson@ifrs.org</a> )
	Carol Wong ( <a href="mailto:carol.wong@ifrs.org">carol.wong@ifrs.org</a> )

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## Purpose

1. Agenda papers 3A and 3B prepared for this meeting summarise the findings of some of the staff's research on disclosures about risks and opportunities associated with biodiversity, ecosystems and ecosystem services (BEES). The meeting is an opportunity for the staff to share those findings and for the International Sustainability Standards Board (ISSB) to provide input on areas of focus for continued research. The staff will not ask the ISSB to make any decisions in the session.
2. This cover note provides:
  - (a) an update on the status of the BEES research project;
  - (b) an overview of the relevant agenda papers that will be discussed at the February meeting of the ISSB; and
  - (c) a brief description of the next steps in the process.

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## Status of the project

3. At its April 2024 meeting, the ISSB decided to add the BEES research project to its work plan, based on the deliberation of feedback to its Request for Information *Consultation on Agenda Priorities*, which was published in May 2023 with a comment period of 120 days.
4. In July 2024, the staff provided the ISSB with an overview of the design and approach for the BEES research project.<sup>1</sup> The project is intended to collect evidence on two broad areas of consideration: first, the nature and extent of the market need for more useful disclosure of information about BEES-related risks and opportunities that could reasonably be expected to affect an entity's prospects, and second, on potential ways to address that need. The staff developed its design and approach with a particular focus on four anchoring principles to help ensure the research:
  - (a) is oriented toward providing information that is useful to investors in their decisions that relate to providing resources to an entity;
  - (b) gives due consideration to the literature and practice already established in the market;
  - (c) builds on the foundation established by IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*; and
  - (d) leverages the ISSB's core activities and its commitment to proportionality.
5. The staff also set out a plan to execute its research using a phased approach that would enable it to first build a foundation of knowledge and understanding before moving on to synthesise findings and analyse implications regarding the necessity and feasibility of potential standard-setting. The staff's research thus far has been focused on the initial, foundation-building phase with work taking place in four, clearly defined research areas guided by specific research questions, which are:

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<sup>1</sup> [Agenda Paper 2B Biodiversity, ecosystems and ecosystem services and human capital research projects — Research design and approach](#) (July 2024).

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- (a) *evidence of investor interest*—‘What are the information needs of investors and how is current disclosure practice meeting or failing to meet these needs?’;
  - (b) *evidence of effects on an entity’s prospects*—‘Whether, how and to what extent do BEES-related risks and opportunities affect an entity’s cash flows, its access to finance or its cost of capital over the short, medium or long term?’;
  - (c) *landscape of other standards and frameworks*—‘What is the current landscape of standards and frameworks for BEES-related reporting and how does it compare to the requirements in IFRS S1 and the SASB Standards?’; and
  - (d) *current state of disclosure*—‘What is the current state of company disclosure about BEES-related risks and opportunities?’
6. At this meeting, the staff will present its findings in one of those research areas—the landscape of other standards and frameworks. Those findings build on sessions held during previous ISSB meetings, which are summarised in Appendix A.

## Overview of the papers for this meeting

7. When adding the BEES research project to its work plan, the ISSB agreed to consider as part of its initial work on the project:
- (a) whether and how the information needs of investors might be effectively addressed by building on relevant components of the Climate Disclosure Standards Board (CDSB) Framework application guidance and the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD); and
  - (b) how such a project might enhance the interoperability of the ISSB’s global baseline of sustainability-related financial disclosure with the Global Reporting Initiative (GRI) standards and European Sustainability Reporting Standards (ESRS).

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8. Accordingly, the staff has prepared two agenda papers for this meeting (3A and 3B), which are intended to complement each other and to be read in conjunction. In addition, the ISSB has invited the TNFD to present an overview of its work, which is covered in a separate paper (3C). Thus, the BEES-related papers for this meeting include:
- (a) *Agenda Paper 3A Background on other BEES-related standards and frameworks*, which provides background information on the other disclosure standards and frameworks that the staff has evaluated to inform the ISSB’s research project, including key characteristics of each standard or framework, common disclosure elements and information about their current use in the market;
  - (b) *Agenda Paper 3B Comparison of other BEES-related standards and frameworks to IFRS S1 and SASB Standards*, which summarises the staff’s comparison of other disclosure standards and frameworks to the requirements in IFRS S1 and the SASB Standards, noting similarities and differences, including a preliminary assessment of the differences in terms of the decision usefulness of the disclosed information to primary users; and
  - (c) *Agenda Paper 3C Introduction to the TNFD Recommendations*, which provides an introduction to the TNFD, its recommendations and additional guidance. This presentation was prepared by the TNFD technical staff for informational purposes. As such, it does not necessarily represent the views of the ISSB or the ISSB technical staff.

## Next steps

9. The staff expects to present findings in the coming months from the remaining two areas of the initial, foundation-building phase of the BEES research—an assessment of current BEES-related corporate disclosure practices and evidence of the effects of BEES-related risks and opportunities on an entity’s prospects. Based on feedback from the ISSB, the staff will aim to transition to the next phase of work —

synthesising findings and analysing implications for standard-setting — in the first half of 2025.

## Appendix A

Summary of previous ISSB meetings regarding BEES-related research	
April 2024	ISSB added BEES research project to its work plan. <a href="#">AP2: Projects to add to the work plan</a>
July 2024	Staff provided the ISSB with an overview of the design and approach for the BEES research project. <a href="#">AP2B: Biodiversity, Ecosystems and Ecosystem Services and Human Capital research projects—Research design and approach</a>
September 2024	The vice-chair of the ISSB Investor Advisory Group presented an investor view on the ISSB’s work plan, including the BEES project. <a href="#">ISSB meeting video</a>  Staff presented an overview of the content in the SASB Standards that is applicable to risks and opportunities associated with BEES. <a href="#">AP3A and AP4A: BEES and Human Capital-related risks and opportunities in the SASB Standards</a>
October 2024	The ISSB discussed feedback from a survey on jurisdictional requirements related to BEES and how that feedback might inform the research, including assessments of existing standards and the current state of disclosure. <a href="#">AP3 and AP4: Overview—Jurisdictional survey on Biodiversity, Ecosystems and Ecosystem Services and Human Capital</a>
November 2024	The staff presented some of its preliminary findings in three of the research areas—evidence of investor interest, evidence of effects on an entity’s prospects and existing standards and frameworks—and sought ISSB feedback on the remaining research. <a href="#">AP3: Cover note</a> <a href="#">AP3A: Preliminary assessment of existing disclosure standards and frameworks</a> <a href="#">AP3B: Preliminary assessment of evidence of investor interest</a> <a href="#">AP3C: Literature review on the evidence of investor interest</a> <a href="#">AP3D: Preliminary assessment of evidence of effects on an entity’s prospects</a>
January 2025	The staff presented its complete findings regarding evidence of investor interest in BEES-related disclosure, along with an overview of how information about BEES-related matters might be presented or disclosed in financial statements when applying IFRS Accounting Standards. <a href="#">AP3: Evidence of investor interest in BEES-related risks and opportunities</a> <a href="#">AP3A and AP4: IFRS Accounting Standards—Presentation or disclosure on BEES- and Human Capital-related matters</a>