
ISSB Meeting

Date	October 2025
Project	Research Project – Biodiversity, ecosystems and ecosystem services
Topic	Common investor information needs and comparison to the TNFD framework
Contacts	Alessandra Melis (alessandra.melis@ifrs.org) Carol Wong (carol.wong@ifrs.org)

This paper has been prepared for discussion at a public meeting of the International Sustainability Standards Board (ISSB). This paper does not represent the views of the ISSB or any individual ISSB member. Any comments in the paper do not purport to set out what would be an acceptable or unacceptable application of IFRS[®] Sustainability Disclosure Standards. The ISSB's technical decisions are made in public and are reported in the ISSB *Update*.

Purpose and structure

1. In September 2025, the International Sustainability Standards Board (ISSB) discussed a summary of the common information needs of investors about nature-related risks and opportunities to inform investors' decisions about providing resources to an entity, and whether ISSB materials could meet those needs.¹
2. The purpose of this paper is to provide the ISSB with an analysis of whether the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations, metrics and additional guidance could be drawn on for the ISSB to provide a feasible approach to complement the existing ISSB requirements to meet common investor information needs about nature-related risks and opportunities.
3. The staff will not ask the ISSB to make any decisions in this session.

¹ Agenda Paper 3 [Summary of common investor information needs and comparison to ISSB materials](#) (September 2025). The use of the term 'investors' in this paper has the same meaning as primary users of general purpose financial reports.

-
4. This paper is structured as follows:
- a) Purpose and structure (paragraphs 1–4)
 - b) Background (paragraphs 5–9)
 - c) Staff analysis (paragraphs 10–43)
 - d) Questions for the ISSB
 - e) Appendix A: TNFD additional guidance

Background

5. In July 2025, we highlighted our plans to synthesise findings from the first phase of our research on nature to provide the ISSB with a more integrated approach to considering the necessity and feasibility of potential standard-setting and/or other activities such as developing educational materials. This approach is intended to enable the ISSB to assess whether standard-setting is likely to result in improvements to sustainability-related financial disclosure that will outweigh the costs. We provided the ISSB with the proposed project plan and scope for phase 2 of the research project. We also summarised the content in the SASB Standards and proposed amendments that related to nature in connection with the research project.²
6. In September 2025, we evaluated necessity by identifying common investor information needs about nature-related risks and opportunities using findings from phase 1 of the research. We also began to evaluate feasibility by considering whether ISSB materials³ could meet those needs.
7. This analysis continues our evaluation of feasibility⁴ by considering whether for areas where it is determined existing ISSB materials need to be built on, the TNFD

² The ISSB has published an exposure draft of proposed amendments to a set of SASB Standards the ISSB has prioritised as a part of its work plan: <https://www.ifrs.org/projects/work-plan/enhancing-the-sasb-standards/>.

³ IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*, IFRS S2 *Climate-related Disclosures*, the SASB Standards (including consideration of the proposed SASB amendments) or the Climate Disclosure Standards Board (CDSB) Framework Application Guidance.

⁴ See paragraph 12(b) of Agenda paper 3A [Research design and approach—next phase](#) (April 2025).

recommendations, metrics and additional guidance could be drawn on to provide a feasible approach—either through potential standard-setting and/or non-standard-setting activities (such as the development of educational materials), to meet the common information needs of investors that were identified in September 2025.

8. We emphasise that any feasible approach is anchored in the ‘S1 plus’ principle that we set out at the beginning of our research project. Meaning that we consider necessary actions in relation to disclosures about nature-related risks and opportunities in the context of the existing requirements in IFRS S1.
9. This analysis expands on findings from phase 1 of our research, particularly where we assessed the current landscape of standards and frameworks for nature-related reporting and how it compares to the requirements in IFRS S1 and the SASB Standards, by considering the TNFD recommendations, metrics and guidance in relation to the information needs identified in September.⁵

Staff analysis

10. In phase 1 of research, we initially assessed the nature-related disclosure requirements and guidance of the following four major standards and frameworks:
 - a) The TNFD recommendations;
 - b) The Global Reporting Initiative (GRI) Standards;
 - c) The European Sustainability Reporting Standards (ESRS); and
 - d) The Climate Disclosure Standards Board (CDSB) Framework Application Guidance.
11. We compared the CDSB Framework Application Guidance to common information needs of investors about nature-related risks and opportunities as part of our analysis on ISSB materials in September 2025.

⁵ Agenda paper 3A [Preliminary assessment of existing disclosure standards and frameworks](#) (November 2024) and Agenda paper 3B [Comparison of other BEES-related standards and frameworks to IFRS S1 and SASB Standards](#) (February 2025).

-
12. The analysis in this paper assesses whether the work of the TNFD can be drawn on to address the investor needs presented to the ISSB in September 2025. At a subsequent ISSB meeting, we expect to provide analysis that considers the GRI Standards and ESRS, particularly focusing on possible interoperability issues, as we consider feasible approaches to meet common investor information needs about nature-related risks and opportunities.

The TNFD framework

13. In February 2025, the ISSB invited the TNFD to present an overview of its work at its board meeting, during which representatives of the TNFD introduced the TNFD's conceptual foundations, general requirements, 14 disclosure recommendations, metrics and additional guidance, collectively referred to as the 'TNFD framework'.⁶
14. The TNFD framework was developed via a broad stakeholder engagement process, including working groups with market participants from its 40 Taskforce members and a Forum of now more than 1,800 institutions,⁷ drawing from expertise of knowledge partners from leading science, standards and regulatory bodies. As the foundations for its approach, the TNFD incorporated materials from existing frameworks and guidance, including the ISSB materials, the Natural Capital Protocol developed by the Capitals Coalition and numerous scientific frameworks and reference points, including the five drivers of nature change from the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), the Global Ecosystem Typology from the International Union for Conservation of Nature (IUCN) and the United Nations System of Environmental Economic Accounting Ecosystem Accounting (UN SEEA EA). Paragraph 23(c) provides further details on how the TNFD incorporated the ISSB materials in its framework.

⁶ See Agenda paper 3C [Nature-related risks and opportunities—The TNFD recommendations](#) (February 2025).

⁷ The TNFD Forum is a global multi-disciplinary consultative group of institutions where organisations can keep up to date on the TNFD's work, contribute to the further development of the TNFD additional guidance, and signal their support for the ongoing work of the Taskforce. Forum institutions may be invited to provide specific inputs linked to specific Taskforce Working Groups and research project activities, and may also be invited to conduct online surveys on particular issues. More information can be found here: <https://tnfd.global/engage/tnfd-forum/>.

-
15. This work constituted a version 0.1 ‘beta’ or draft framework on which the TNFD then consulted iteratively via an ‘open innovation approach’⁸ for the first two years of its development, ahead of its launch in 2023. During this period, the TNFD sought input from a broad range of stakeholders across different sectors, geographies and themes, including business executives, investors and Indigenous community and civil society leaders.
16. While the TNFD recommendations set out that report preparers determine their own approach to materiality, the TNFD considers its recommendations, metrics and guidance to be designed with decision-usefulness for investors as a primary objective (see paragraph 23 on TNFD’s approach, including investor focus and materiality).
17. Phase 1 of the BEES research project mainly focused on the TNFD’s 14 disclosure recommendations, which are voluntary, science-based and include all of the 11 disclosure recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)⁹ with a nature context. An additional three recommended disclosures were added to bring the total number to 14,¹⁰ namely recommendations on:
- a) the disclosure of an entity’s engagement with Indigenous Peoples, Local Communities and affected stakeholders;
 - b) the disclosure of ‘priority locations’; and
 - c) the consideration of nature-related dependences, impacts, risks and opportunities (nature-related issues) across the value chain.

⁸ The ‘open innovation approach’ involved iterative prototyping and successive updated releases of the ‘beta framework’ based on market feedback and pilot testing from March 2022 to June 2023. See the section ‘1.2 The Taskforce and its design and development approach’ of TNFD, ‘Recommendations of the Taskforce on Nature-related Financial Disclosures’, 2023, <https://tnfd.global/publication/recommendations-of-the-taskforce-on-nature-related-financial-disclosures/>.

⁹ TCFD, ‘Recommendations of the Task Force on Climate-related Financial Disclosures’, 2017, <https://assets.bbhub.io/company/sites/60/2021/10/FINAL-2017-TCFD-Report.pdf> and TCFD, ‘Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures’, 2021, https://assets.bbhub.io/company/sites/60/2021/07/2021-TCFD-Implementing_Guidance.pdf. In July 2023 the Financial Stability Board (FSB) announced that the work of the TCFD has been completed, with the TCFD being incorporated into ISSB and IFRS S1 and S2 being modelled on the TCFD recommendations. Having fulfilled its remit, TCFD disbanded in October 2023.

¹⁰ As demonstrated during phase 1 of research, there is significant overlap between the recommendations of the TNFD and IFRS S1.

-
18. The TNFD recommendations also include a set of cross-sector disclosure metrics.
 19. In addition to its disclosure recommendations and metrics, the TNFD has published a suite of additional guidance materials to help market participants with the identification, assessment and disclosure of their nature-related issues.
 20. These publications include the TNFD's additional guidance on the identification and assessment of nature-related issues—the LEAP approach. LEAP (Locate, Evaluate, Assess and Prepare) is an integrated approach for the identification, assessment and, where appropriate, disclosure of information about nature-related issues, provided as guidance for report preparers. LEAP is not required to be applied in order to disclose in accordance with the TNFD recommendations. The LEAP approach provides a structured assessment process for identifying information on nature-related issues that incorporates both an 'impact materiality' (at the end of the 'Evaluate' phase) and 'financial materiality' (at the end of the 'Assess' phase) lens depending on the approach to materiality taken by the company.^{11,12} The LEAP approach is also mentioned in ESRS as a reference for the 'materiality assessment process' of nature-related issues, and in *GRI 101: Biodiversity 2024*.^{13,14} The TNFD's February 2025 presentation to the ISSB covered the LEAP approach in detail.
 21. Appendix A provides additional details on other individual TNFD publications, including guidance by sector (including recommended sector-specific disclosure metrics), guidance on scenario analysis and guidance on nature in transition plans.

¹¹The TNFD uses the term 'company' when referring to 'preparers of general purpose financial reports', which the ISSB generally refers to as 'entity' in its standards.

¹² TNFD, 'Guidance on the identification and assessment of nature-related issues: the LEAP approach', 2023, <https://tnfd.global/publication/additional-guidance-on-assessment-of-nature-related-issues-the-leap-approach/>.

¹³ The Set 1 version of the ESRS included a reference to LEAP in all application requirements of the environmental standards beyond climate change (ESRS E2-E5). Following the review of the ESRS as part of the European Union Omnibus package, the reference to LEAP was retained at the level of ESRS 2 – General Disclosures (AR 22 for para. 26, Amended ESRS 2 Exposure Draft). *GRI 101: Biodiversity 2024* includes several references to LEAP, namely as part of Guidance to 101-4 - Identification of biodiversity impacts; Guidance to 101-5 - Locations with biodiversity impacts; Guidance to 101-7 Changes to the state of biodiversity; Guidance to 101-8 - Ecosystem services; and as part of the Criteria for identifying ecologically sensitive areas.

¹⁴ Noting that both ESRS and GRI use the term materiality assessment in a different sense to ISSB Standards. For ISSB Standards a materiality assessment is the determination of whether information is material (i.e. whether the misstatement, omission or obscuring of the information could reasonably be expected to influence investors).

22. In April 2025, the TNFD and the IFRS Foundation signed a Memorandum of Understanding (MoU), signalling both parties' commitment to build upon the TNFD recommendations in the ongoing work of the ISSB, to enable nature-related financial disclosures for use by capital markets.¹⁵ The ISSB has also been a TNFD Knowledge Partner since the inception of the TNFD in late 2021.

Rationale for prioritising the TNFD framework

23. In considering other major standards and frameworks that include nature-related disclosure requirements and guidance, we are first further assessing the TNFD framework for the following reasons:
- a) Exclusive focus on and integrated approach to nature—The TNFD framework is solely dedicated to nature and takes an integrated approach. It encompasses all four realms of nature (land, ocean, freshwater and atmosphere¹⁶) and provides a comprehensive basis for considering nature-related issues, including disclosure of information about nature-related risks and opportunities. The TNFD framework uses a science-based approach, which is reflected in its conceptual foundations being anchored in robust scientific evidence and established concepts, including from IPBES, Natural Capital Protocol and IUCN. In July 2025, the staff suggested that the scope of phase 2 research on nature should encompass both the broader concepts of ecosystems and ecosystem services (where they give rise to risks and opportunities for an entity) as well as the more specific topic and industry perspective of an entity's risks and opportunities, meaning that the research scope should not be restricted to particular nature-related topics such as water, which is consistent with how the TNFD contextualises its recommendations.¹⁷
 - b) Investor engagement and focus—While the TNFD recommendations set out that report preparers determine their own approach to materiality, the TNFD considers

¹⁵ See [IFRS - IFRS Foundation and TNFD formalise collaboration to provide capital markets with high-quality nature-related information](#).

¹⁶ See TNFD, 'Glossary', 2025, <https://tnfd.global/publication/glossary/#publication-content>.

¹⁷ See Agenda Paper 3 [Phase 2 research project plan and scope](#) (July 2025)

that a primary objective of its framework is to identify and recommend qualitative and quantitative disclosures that would be decision-useful for investors. 17 out of its 40 TNFD Taskforce members are investors (with US\$25 trillion in assets under management—AUM) and 385 of its 1,800 TNFD Forum members are investors (with US\$84 trillion in AUM). The TNFD also engaged with a wider group of investors as part of its multi-stakeholder engagement approach and open innovation process since its inception. Specifically, 13 investors (with an approximate AUM of US\$6 trillion) participated in the TNFD Informal Working Group that proposed practical recommendations for the scope and workplan of the TNFD in 2020; during the TNFD’s two-year open innovation approach, it received nearly 900 distinct responses and other forms of feedback from investors (in their capacity as both preparers and users), which were taken into consideration for the development of the framework. Of the 14 working groups established with its Taskforce members, ten were led by investors, including working groups on definitions, metrics, scenarios, value chains, transition planning and standards alignment.

- c) Builds on the ISSB Standards and incorporates ISSB concepts, definitions and materials including:
- (i) Structure—The TNFD recommendations are organised around the four-pillar structure developed by the TCFD that also form the core content areas of ISSB Standards.
 - (ii) Financial materiality—The TNFD recommendations set out that report preparers determine their own approach to materiality. The choice of approach to materiality depends on jurisdictional reporting requirements, information needs of investors and the choice of a corporate report preparer. In the absence of guidance provided by the regulatory authorities for a company’s reporting jurisdiction(s), the TNFD recommends that report preparers provide information consistent with the material information needs of capital providers as a baseline, referencing the ISSB’s definition in paragraphs 17–18 of

IFRS S1.¹⁸ This means that report preparers are recommended to disclose information based on the ISSB's definition of materiality and, should they need or prefer to, subsequently include additional information that meets other reporting objectives.

- (iii) Risks and opportunities—The TNFD framework covers disclosure on nature-related risks and opportunities, in addition to disclosure about dependencies and impacts.¹⁹ Given the TNFD refers to the ISSB's materiality approach as a baseline, report preparers adopting the TNFD framework are recommended to disclose information on nature-related risks and opportunities that is material as defined by the ISSB, as the baseline. The Assess phase of LEAP supports companies in identifying and assessing the material information on nature-related risks and opportunities for disclosure, according to the ISSB's definition of material information.
- (iv) The CDSB Framework Application Guidance and the SASB Standards—The TNFD framework incorporates, especially as part of its metrics architecture, the CDSB Framework Application Guidance and relevant nature-related metrics and indicators used in the SASB Standards.
- (v) Terminology—When building its glossary, the TNFD drew on pre-existing authoritative and consensus-based definitions which included, wherever possible, the definitions of the ISSB Standards (see section 1.2 of the TNFD recommendations).

¹⁸ "Recognition of different approaches to materiality: The TNFD's recommendations have been designed to accommodate the different materiality preferences and requirements of a range of report preparers across jurisdictions. The TNFD recommends that organisations apply the ISSB's approach to identifying information that is material for users of general purpose financial reports as a baseline. Report preparers who want or need to report to a different materiality approach may apply an impact materiality approach to identify information in addition to the ISSB's baseline. Report preparers should use the definitional guidance regarding materiality provided by the regulatory authorities for their reporting jurisdiction(s). Organisations seeking to align with Target 15 of the GBF will want to consider the application of an impact materiality lens to identify information that is incremental to the global baseline". Section '3.1 Conceptual foundations for disclosure' of TNFD, 'Recommendations of the Taskforce on Nature-related Financial Disclosures', 2023, <https://tnfd.global/publication/recommendations-of-the-taskforce-on-nature-related-financial-disclosures/>.

¹⁹ For definitions of nature-related dependencies and impacts, see paragraphs B8 and B10 of Agenda paper 3 [Phase 2 research project plan and scope](#) (July 2025).

- d) Growing adoption—Following the release of the TNFD recommendations in September 2023, over 620 organisations globally, across 64 out of the 77 SASB Sustainable Industry Classification System (SICS®) industries have adopted the TNFD recommendations. The TNFD 2025 Status Report provides updates on the progress in market practice on assessment and corporate reporting of nature-related issues, including disclosure of metrics, and perspectives from investors as report users about the decision-usefulness of information now being reported (see the [TNFD's 2025 Status Report](#)). The wide adoption of the TNFD framework is also demonstrated by a June 2025 survey of 100 asset owners and asset managers, with 79% of respondents saying that they 'have used or consider using the TNFD framework for the assessment of nature-related risks, impacts and dependencies in their portfolio', and 91% of respondents saying that 'the ISSB standards should incorporate/adopt the TNFD framework'.²⁰
- e) Interoperable and aligned with GRI Standards and ESRS—The TNFD works closely with other international and jurisdictional standard-setters, most notably the GRI and EFRAG, both of which are also knowledge partners of the TNFD. With both, the TNFD has published correspondence or interoperability mappings showing the high level of alignment and consistency achieved with its own disclosure recommendations and metrics, respectively with the GRI nature-related Standards (including but not limited to *GRI 101: Biodiversity 2024*)²¹ and the environmental standards of the ESRS beyond climate change (ESRS E2-E5).²² It should be noted that unlike GRI and ESRS, the TNFD is a voluntary framework and not a standard, with the aim to support the evolution of the corporate reporting standard landscape to incorporate disclosures about nature-related risks and opportunities.

²⁰ Responsible Investor 'RI Nature and Investors Survey 2025: Results', 2025, <https://www.responsible-investor.com/ri-nature-and-investors-survey-2025-results/>.

²¹ See GRI and TNFD, 'Interoperability mapping between the GRI Standards and the TNFD Recommended Disclosures and metrics', 2024, <https://tnfd.global/publication/interoperability-mapping-between-the-gri-standards-and-the-tnfd-recommended-disclosures-and-metrics/#publication-content>.

²² See EFRAG and TNFD, 'Correspondence mapping: ESRS requirements and TNFD Disclosure Recommendations and metrics', 2024, <https://tnfd.global/publication/tnfd-esrs-correspondence-mapping/#publication-content>.

Staff considerations for ‘drawing on’ the TNFD framework

24. Throughout this paper we use the term ‘draw on’. We think it is important to further elaborate on how we propose the ISSB draw on other standards and frameworks including key considerations for determining which aspects or particular requirements/recommendations we draw on.
25. As a starting point, any aspects or particular requirements/recommendations of other standards and frameworks we draw on must meet the objective of IFRS S1—that an entity disclose (material) information about its sustainability-related risks and opportunities that:
- a) is useful to primary users of general purpose financial reports²³ in making decisions relating to providing resources to the entity; and
 - b) could reasonably be expected to affect an entity’s cash flows, its access to finance or cost of capital over the short, medium or long term.²⁴
26. Appendix D of IFRS S1 sets out qualitative characteristics of useful sustainability-related financial information. In the staff’s view, any aspects or particular requirements/recommendations therefore must result in disclosure of information that embodies the qualitative characteristics of useful sustainability-related financial information.

Practical considerations when drawing on the TNFD framework

27. In addition to the key considerations in paragraphs 24–26, the staff thinks when drawing on the TNFD framework, particularly for purposes of potential standard-setting, some practical considerations include:
- a) Focus on investor needs—As noted in paragraph 25, the objective of the IFRS Sustainability Standards is disclosure of information that is useful to primary users

²³ Appendix A of IFRS S1 defines primary users of general purpose financial reports as existing and potential investors, lenders and other creditors. Throughout this paper the term users and investors are used interchangeably.

²⁴ Paragraphs 1-3 of IFRS S1.

of general purpose financial reports in making decisions relating to providing resources to an entity. It is therefore essential that the ISSB ensures that the information required is relevant to investors' information needs and is relevant in the context of the provision of resources to entities such that it is consistent with the objective of IFRS S1. Any further analysis that the ISSB determines is necessary could include understanding in more detail the feedback the TNFD has received from investors, including recently in the preparation of the TNFD 2025 Status Report.

- b) Focus on risks and opportunities—As the TNFD framework covers disclosure on nature-related risks and opportunities, in addition to disclosure about dependencies and impacts, it is important that we only draw on aspects that result in disclosure of information about an entity's nature-related risks and opportunities, which may include material information related to dependencies and impacts on nature that give rise to nature-related risks and opportunities.²⁵ To ensure aspects we draw on focus on risk and opportunities, we will need to distinguish between those aspects that address dependencies and impacts on nature broadly and those aspects that address information related to an entity's dependencies and impacts that give rise to nature-related risks and opportunities, where the risks and opportunities could reasonably be expected to affect an entity's prospects.
- c) Focus on disclosures—In addition to recommended disclosures, the TNFD framework contains a suite of additional guidance materials and methodologies that cover the processes for the identification and assessment of nature-related issues, including materials to inform their disclosure. We will need to ensure any aspects we draw on focus on the disclosure of information versus other guidance that focuses on other processes.²⁶

²⁵ Chapter 2 of ISSB, 'Sustainability-related risks and opportunities and the disclosure of material information – Educational material', 2024, <https://www.ifrs.org/content/dam/ifrs/supporting-implementation/issb-standards/issb-materiality-education-material.pdf>.

²⁶ As an example, TNFD, 'TNFD guidance on engagement with Indigenous Peoples, Local Communities and affected stakeholders', 2023, <https://tnfd.global/publication/guidance-on-engagement-with-indigenous-peoples-local-communities-and-affected-stakeholders/> also includes guidance on the processes for engagement (who to engage, how to design and conduct engagement) and provides best practices for disclosure of information in corporate reports.

- d) Focus on the consequences of inclusion in a standard—The TNFD framework focuses on recommendations and was intentionally developed to inform the development of disclosures rather than being drafted as a standard. When establishing a standard, consideration must be given to the regulatory environment in which standards may be applied. For example, while IFRS S1 and IFRS S2 were built upon the TCFD recommendations, wording and/or disclosure requirements were modified to support enforcement. In addition, consideration will be required to be given to proportionality, the level of specificity and costs of application for preparers, particularly if disclosures are required to be provided rather than being recommendations or guidance.²⁷
- e) Focus on terminology—In our phase 1 research, investors cited the various terms used by preparers in current disclosures and the different terms used by other standards and frameworks. Difference in terminology makes comparability, understandability, and use in investor decisions difficult. In drawing on the TNFD framework, which contains an extensive glossary, we will need to ensure there is a consistent understanding of the nature-related terms we draw on and that terminology used is consistent with the policy-neutral focus of the ISSB Standards.
28. The staff thinks that, given these practical considerations, it is unlikely that the TNFD framework will be considered in its entirety for the development of future ISSB material on disclosure of information about nature-related risks and opportunities. Instead, we will focus on those aspects that address the common information needs of investors identified through staff research and those that enable disclosure of information that meets the objective of IFRS S1.
29. Based on the considerations in paragraphs 24–28, we would build on IFRS S1 and draw on the TNFD framework when considering feasible approaches, either through

²⁷ For example, both ISSB Standards and the TNFD recommendations ask for information about assets 'vulnerable' to climate and nature-related risks respectively. However, paragraph 29(b) of IFRS S2 asks for—the amount and percentage of assets or business activities vulnerable to climate-related transition risks whereas the similar core global disclosure metric in TNFD recommendations asks for the value of assets, liabilities, revenue and expenses that are assessed as vulnerable to nature-related transition risks (total and proportion of total).

potential standard-setting and/or non-standard-setting activities (for example, developing educational materials), to meet common investor information needs about nature-related risks and opportunities.

How the TNFD framework covers common investor information needs

30. As part of the analysis, we considered how the TNFD framework could meet the identified investor needs for disclosure of information on nature-related risks and opportunities. This analysis—which should be read in conjunction with the practical considerations listed above—was structured as follows:
- a) First, we assessed whether and how the TNFD framework covers those needs which are covered by IFRS S1 explicitly, but for which preparers may need guidance on how to apply IFRS S1 to nature-specific contexts, given that IFRS S1 addresses all sustainability-related risks and opportunities (paragraphs 31–33).²⁸
 - b) Next, we assessed whether and how the TNFD framework covers those needs for which IFRS S1 does not contain explicit requirements (paragraphs 34–35).²⁹ We also assessed aspects which staff has identified as being potentially relevant for understanding nature-related risks and opportunities but for which phase 1 of research did not surface wide and explicit investor interest (paragraphs 36–37).³⁰ For completeness, this analysis also assessed whether and how the TNFD framework covers two additional areas that some investors in phase 1 of the research identified as being potentially useful, but we have not considered within the list of common investor needs at this time (paragraph 38).³¹

²⁸ Paragraph 7 of Agenda paper 3 [Summary of common investor information needs and comparison to ISSB materials](#) (September 2025).

²⁹ Paragraph 9 of Agenda paper 3 [Summary of common investor information needs and comparison to ISSB materials](#) (September 2025).

³⁰ Paragraph 10 of Agenda paper 3 [Summary of common investor information needs and comparison to ISSB materials](#) (September 2025).

³¹ Paragraph 6 of Agenda paper 3 [Summary of common investor information needs and comparison to ISSB materials](#) (September 2025).

- c) Finally, we assessed whether and how the TNFD framework covers the aspect of nature-related cross-industry and industry-specific metrics and targets, for which it was determined that more research is needed (paragraphs 39–43).³²

Coverage of investor needs on nature-related risks and opportunities that are addressed by IFRS S1, but for which additional guidance may be necessary

31. IFRS S1 requires that entities provide material information about all of the sustainability-related risks and opportunities that could reasonably be expected to affect its prospects. Thus, IFRS S1 already requires entities to provide information about governance, strategy, risk management and metrics and targets for the nature-related risks and opportunities when that information is material for the entity. However, the TNFD framework could be a useful resource to support application of IFRS S1 when disclosing information about nature-related risks and opportunities. Our research identified areas where preparers applying IFRS S1 may need guidance on applying those requirements to nature-specific contexts.
32. For example, the identification of material information about a sustainability-related risk and opportunity is covered in both IFRS S1 application guidance and relevant educational material.³³ In its disclosure recommendations and additional guidance, the TNFD includes additional extensive information on how companies can identify nature-related risks and opportunities arising from their dependencies and impacts on nature for disclosure. The additional guidance specific to nature is provided in detail in the TNFD LEAP approach, and specifically as part of step ‘A1: Risk and opportunity identification’ of the Assess phase. Step A1 provides companies with guidance on, among others, the definitions and categories of nature-related risks and opportunities, the links with climate-related risks and the drivers of exposure to nature-related risks and opportunities, which include the presence of a company’s

³² Paragraphs 12 and 13 of Agenda paper 3 [Summary of common investor information needs and comparison to ISSB materials](#) (September 2025).

³³ Paragraphs B19-B28 of IFRS S1 and ISSB, ‘Sustainability-related risks and opportunities and the disclosure of material information – Educational material’, 2024, <https://www.ifrs.org/content/dam/ifrs/supporting-implementation/issb-standards/issb-materiality-education-material.pdf>.

operations or value chain—or a financial institution’s deployed capital—in sensitive locations and the company’s dependencies and impacts on nature.

33. A second example relates to value chain information. While IFRS S1 contains requirements and application guidance on disclosing information about sustainability-related risks and opportunities throughout an entity’s value chain—including requirements to describe where in the entity’s value chain sustainability-related risks and opportunities are concentrated—³⁴ the TNFD framework provides additional relevant materials by setting out disclosure recommendations (as part of Risk and Impact Management A(ii)) and guidance (throughout its LEAP approach, sector-specific guidance and value chains guidance) specific to nature-related issues.

Coverage of investor needs on nature-related risks and opportunities not explicitly addressed by IFRS S1

34. IFRS S1 includes objectives-based disclosure requirements addressing the provision of information to enable primary users to understand an entity’s exposure to and strategy to address nature-related risks and opportunities through its requirements, that are applicable to all of an entity’s sustainability-related risks and opportunities. However, IFRS S1 does not contain *explicit* requirements that address the following common investor information needs about nature-related risks and opportunities:³⁵
- a) information on nature-related transition plans;
 - b) location-specific information on nature-related risks and opportunities;
 - c) climate-nature nexus information; and
 - d) standardised nature-related terminology relevant to information on entity risks and opportunities.
35. These investor needs are covered by the TNFD framework in the following ways:

³⁴ Paragraph 32(b) of IFRS S1 and paragraph B6(b) of IFRS S1.

³⁵ As noted in Agenda paper 3 [Summary of common investor information needs and comparison to ISSB materials](#) (September 2025), some of these aspects may be covered by other ISSB materials, such as IFRS S2.

- a) Information on nature-related transition plans—TNFD recommended disclosure Strategy B specifies that a company should disclose information about ‘any transition plans in place’. The TNFD also asks companies to disclose how they will achieve these commitments and how they are aligned to the Kunming-Montreal Global Biodiversity Framework (GBF) goals and targets.^{36,37}
- b) Location-specific information on nature-related risks and opportunities—The TNFD framework covers location-specific information in different parts of its framework:
- (i) As part of general requirement 3. ‘Location of nature-related issues’, which states that consideration of the geographic location of the company’s interfaces with nature—through direct operations as well as upstream and downstream value chain(s)—should be central to the company’s assessment of its nature-related issues, and where material, to its disclosure statements.
 - (ii) As a separate disclosure recommendation Strategy D, which asks for the disclosure of the locations of assets and/or activities in the company’s direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.³⁸ In this recommendation, the TNFD asks companies to disclose such locations as a list and/or spatial map, along with a description of how the company has defined and identified them, the tools, data and metrics used and process followed, and the level of geographic

³⁶ The TNFD is currently working on guidance for ‘nature in transition plans’ to be published in November 2025, based on the discussion paper published in October 2024, that sets out draft guidance on nature transition planning for corporates and financial institutions developing and disclosing a transition plan. See TNFD, ‘Discussion paper on nature transition plans’, 2024, <https://tnfd.global/publication/discussion-paper-on-nature-transition-plans/#publication-content>.

³⁷ In a climate context, paragraph 33(h) of IFRS S2 requires that for each target an entity disclose how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target. This differs from the TNFD recommendation of how targets are aligned with international policies.

³⁸ For the TNFD, priority locations are locations that are: • Material locations: Locations where an organisation has identified material nature-related issues in its direct operations and upstream and downstream value chain(s); and/or • Sensitive locations: Locations where the assets and/or activities in its direct operations – and, where possible, upstream and downstream value chain(s) – interface with nature in: • Areas important for biodiversity; and/or • Areas of high ecosystem integrity; and/or • Areas of rapid decline in ecosystem integrity; and/or • Areas of high physical water risks; and/or • Areas of importance for ecosystem service provision, including benefits to Indigenous Peoples, Local Communities and stakeholders’. See TNFD, ‘Glossary’, 2025, <https://tnfd.global/publication/glossary/#publication-content>.

specificity achieved, including if and how locations have been aggregated, and the rationale for any aggregation.

- (iii) As part of Risk and Impact Management A(i) and A(ii), where companies are asked to include the degree of location-specificity used and achieved when describing their processes for identifying, assessing and prioritising nature-related issues in their direct operations and value chain(s).
- (iv) Under Metrics and Targets B, when disclosing metrics that cover the company's impact drivers associated with each 'material dependency and impact' identified, companies are asked to include the location in which the impact driver occurs, with reference to Strategy D.³⁹

- c) Climate-nature nexus information—IFRS S1 emphasises the importance of connections in information (for example, paragraph 21(a) of IFRS S1 requires that connections between sustainability-related risks and opportunities be understandable to primary users) and in providing information about considering the trade-offs between sustainability-related risks and opportunities (see paragraph B44(b) of IFRS S1). In addition, the educational materials published in December 2023 were designed to highlight the nexus between climate and nature when applying IFRS S2.⁴⁰ The TNFD framework further reinforces this. The importance of employing an integrated approach to climate- and nature-related risks and opportunities is an integral part of TNFD's mission, principles and objectives, as climate change is one of the five drivers of nature change.⁴¹ As part of general requirement 4, 'Integration with other sustainability-related disclosures', the TNFD stresses the importance of integration of climate- and nature-related disclosures, and recommends that any alignment, synergies, contributions and

³⁹ Impact drivers are defined by the TNFD as 'A measurable quantity of a natural resource that is used as a natural input to production (e.g. the volume of sand and gravel used in construction) or a measurable non-product output of a business activity (e.g., a kilogram of NOx emissions released into the atmosphere by a manufacturing facility)'. Source: TNFD, 'Glossary', 2025, <https://tnfd.global/publication/glossary/#publication-content>.

⁴⁰ ISSB, 'Educational material—Nature and social aspects of climate-related risks and opportunities', 2023, <https://www.ifrs.org/content/dam/ifrs/supporting-implementation/ifrs-s2/issb-naturesocialaspectsofclimate-relatedrisks-dec2023.pdf>.

⁴¹ See TNFD, 'Glossary', 2025, <https://tnfd.global/publication/glossary/#publication-content>.

possible trade-offs between actions and targets for climate and nature are clearly identified and disclosed. The TNFD framework also covers climate-nature nexus as part of the LEAP guidance, and specifically as part of step A1: Risk and opportunity identification. The TNFD 2025 Status Report highlights that 78% of TNFD survey respondents whose companies have already reported nature-related disclosures have integrated the presentation with climate reporting.

- d) Standardised nature-related terminology relevant to information on entity risks and opportunities—The TNFD framework presents conceptual foundations for nature-related disclosures and a complete glossary, providing terminology and definitions including relevant definitions sourced from established scientific evidence.⁴²

36. In addition to the above common information needs, phase 1 research on other standards and frameworks raised two other areas of potential relevance for nature-related risks and opportunities:

- a) international policies and national regulation and how they inform an entity's governance and strategy; and
- b) an entity's engagement strategy and process, including in relation to Indigenous Peoples and local communities.

37. These two aspects are covered by the TNFD framework in the following ways:

- a) International policies and national regulation and how they inform an entity's governance and strategy—The TNFD recommendations are aligned (and enable alignment) with Target 15 of the GBF, an international policy framework which calls for corporate reporting on dependencies, impacts and risks. The TNFD recommendations include disclosures on international policies and/or national regulations as part of Governance, Strategy and Metrics and Targets. For example, as part of Governance C the TNFD recommendations ask report preparers to

⁴² Appendix B of Agenda Paper 3 [Phase 2 research project plan and scope](#) (July 2025) introduces key nature concepts and relationships which are mostly based on TNFD, 'Glossary', 2025, <https://tnfd.global/publication/glossary/#publication-content>.

disclose a statement of how equitable Access and Benefit Sharing has been attained, which refers to the Nagoya Protocol, an international agreement that regulates how genetic resources are accessed and shared; as part of Strategy B, the TNFD asks to disclose how a company's commitments (including transition plans) are aligned to GBF goals and targets.

- b) An entity's engagement strategy and process, including in relation to Indigenous Peoples and local communities—The TNFD framework calls for disclosure of information on a company's engagement strategy and process both as a part of general requirement 6, 'Engagement of Indigenous Peoples, Local Communities and affected stakeholders in the identification and assessment of the company's nature-related issues' and as a recommended disclosure under Governance C. The TNFD's recommendation focuses specifically on disclosures of the nature-related aspects of the company's human rights policies and engagement activities, and oversight by the board and management with respect to 'Indigenous Peoples, Local Communities, affected and other stakeholders, in the company's assessment of, and response to, nature-related issues'.⁴³

38. In synthesising our phase 1 research findings we also identified two areas that some investors surfaced as potentially useful, but that were not identified as common investor needs for the reasons noted in the September analysis. The two areas are covered by the TNFD framework in the following ways:

- a) Nature-related systemic risks—The TNFD covers systemic risk as one of the three main categories of nature-related risks and relevant for assessment. The TNFD definition recognises two types of systemic risk, namely ecosystem stability risk and financial stability risk, which can be respectively the cause or the result of physical and/or transition risks.⁴⁴ The TNFD recommendation Strategy A does not explicitly call for the disclosure of nature-related systemic risks and none of the

⁴³ The TNFD also provides a dedicated guidance. See TNFD, 'TNFD guidance on engagement with Indigenous Peoples, Local Communities and affected stakeholders', 2023, <https://tnfd.global/publication/guidance-on-engagement-with-indigenous-peoples-local-communities-and-affected-stakeholders/>.

⁴⁴ See TNFD, 'Glossary', 2025, <https://tnfd.global/publication/glossary/#publication-content> for the full definition by TNFD, which is consistent with the one provided in Appendix B of Agenda Paper 3 [Phase 2 research project plan and scope](#) (July 2025).

three TNFD recommended core global nature-related risk disclosure metrics relate to systemic risks; they focus on physical and transition risks.

- b) Metrics for overall ecosystem integrity and health, i.e. state of nature metrics—
- The TNFD covers these metrics in its metrics architecture, as part of ‘placeholder indicators’ that the TNFD encourages companies to consider and report against where possible. Consistent with our research findings, the TNFD recognises that this is an evolving area where further research is being undertaken, specifically through the work of the Nature Positive Initiative (NPI) to which the TNFD is contributing.⁴⁵

Coverage of targets and nature-related cross-industry and industry-specific metrics

39. In September, we identified information on an entity’s nature-related metrics and targets and industry-specific information on nature-related risks and opportunities arising from dependencies and impacts as two of the common investor information needs highlighted during research. We also highlighted that further research and consultation are needed to determine investor needs, if any, for nature-related cross-industry metrics, as these were not highlighted in our conversations with investors in phase 1.
40. Analogous to IFRS S1, the TNFD covers metrics and targets as part of its fourth pillar of disclosure, specifically as part of Metrics and Targets A, B and C. The overall structure of TNFD recommendations for metrics and targets has similarities with the IFRS S1 core content of metrics and targets. The TNFD recommendations ask for disclosure of metrics and targets including those:
- a) metrics that the company uses to assess and manage ‘material nature-related risks and opportunities’ (and ‘dependencies and impacts on nature’); and

⁴⁵ The work of the NPI includes inputs from investors and report preparers and is expected to be finalised in 2026. See <https://www.naturepositive.org/metrics/>.

- b) targets and goals (more specifically, their description) that the company uses to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.
41. However, the TNFD recommendations have employed a particular approach to structure the metrics. The TNFD adopts a ‘leading indicators approach’ which focuses on a set of indicators that can serve as consistent and comparable measures, with a tiered metrics architecture that incorporates different categories of disclosure metrics. These include:⁴⁶
- a) A set of 14 ‘core global metrics’ that apply to all sectors, including what TNFD refers to as nine ‘core global disclosure indicators and metrics for nature-related dependencies and impacts’ and five ‘core global disclosure metrics for nature-related risks and opportunities’, which are expected to be disclosed on a comply or explain basis;⁴⁷
 - b) ‘Core’ sector-specific disclosure metrics, which are included as part of the TNFD sector-specific guidance, and are expected to be disclosed on a comply or explain basis by report preparers in those sectors; and
 - c) A larger set of ‘additional’ metrics, which are recommended for disclosure, where relevant, to best represent a company’s ‘material nature-related issues’, based on their specific circumstances.
42. Alignment with the TNFD metrics is being considered as part of the proposed amendments to the SASB Standards.⁴⁸
43. As noted above, the TNFD covers nature-related targets as part of Metrics and Targets C, which asks companies to describe the targets and goals established to manage

⁴⁶ The full list of TNFD cross-sector metrics is provided in Annex 1 of TNFD, ‘Recommendations of the Taskforce on Nature-related Financial Disclosures’, 2023, <https://tnfd.global/publication/recommendations-of-the-taskforce-on-nature-related-financial-disclosures/>, while sector metrics are provided for each relevant sector as part of the TNFD sector guidance, available at https://tnfd.global/tnfd-publications/?_sft_framework-categories=additional-guidance-by-sector#search-filter.

⁴⁷ The TNFD has developed these ‘core’ cross-sector metrics to be used consistently within and across sectors to aid comparability, as a response to demand from report users, particularly investors.

⁴⁸ See Agenda Paper 3A, [Nature and the proposed SASB amendments](#) (July 2025).

nature-related issues, and disclose performance against these targets and goals. The TNFD has also released guidance on target setting as part of the ‘Prepare’ phase of the LEAP approach.

Questions for the ISSB

Questions for the ISSB

1. Do ISSB members have any clarifying questions or comments on this paper?
2. Do ISSB members have questions or comments on staff considerations for drawing on the TNFD framework (paragraphs 24–29)?

Appendix A: TNFD additional guidance

- A1. The TNFD additional guidance includes a suite of supporting materials to disclosure, specifically to help companies with the identification and assessment of their nature-related issues.
- A2. The table below includes a non-exhaustive list of the TNFD additional guidance materials.

TNFD guidance	Description
TNFD LEAP approach	TNFD's additional guidance on the identification and assessment of nature-related issues, provided to support companies in their disclosures in alignment to the TNFD. It provides companies with an integrated and structured approach in four phases (each split into additional four components), to support identification and assessment of the material information for disclosure.
Additional sector guidance and sector-specific metrics	Additional considerations for specific sectors when applying the LEAP approach, focused on those sectors likely to be most financially affected by nature-related risks due to their exposure to significant impacts and dependencies on nature, and to have significant nature-related opportunities, covering over 50% of the SICs industries. The TNFD sector guidance also includes recommended ('core') sector-specific disclosure metrics. ⁴⁹
Guidance on scenario analysis	Additional guidance to support companies in their disclosures in alignment with TNFD disclosure recommendation Strategy C. This guidance builds on TCFD's scenario resources, including TCFD Guidance on Scenario Analysis for Non-Financial Companies to enable integrated considerations of climate and nature in scenario analysis and integrated disclosures. A subsequent discussion paper on conducting advanced scenario

⁴⁹ The sectors for which TNFD has published guidance are: Food and agriculture; Aquaculture; Water utilities and services; Marine transportation and cruise lines; Fishing; Engineering, construction and real estate; Beverages; Apparel, accessories & footwear; Metals and mining; Electric utilities and power generators; Forestry, pulp and paper; Oil and gas; Financial institutions. The TNFD is also currently working on additional sector guidance on Technology and Alternative Fuels.

TNFD guidance	Description
	analysis was published for multi-national corporates and financial institutions wanting to apply more advanced methodologies.
Guidance on engagement with Indigenous Peoples, Local Communities and affected stakeholders	Guidance for meaningful engagement with Indigenous Peoples, Local Communities and affected stakeholders, including how to design and conduct stakeholder engagement, to support disclosures consistent with TNFD disclosure recommendation Governance C and general requirement 6.
Guidance on value chains	Guidance providing additional support to organisations on identifying and assessing dependencies, impacts, risks and opportunities in their upstream and downstream value chains for disclosure.
Guidance on nature in transition plans	Upcoming. The TNFD will release its final guidance on nature in transition plans in early November 2025, which has been developed based on feedback from more than 50 organisations as part of a market consultation and pilot testing with 14 companies and financial institutions of draft guidance in a TNFD discussion paper .