
ISSB Meeting

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Project	Research Project – Biodiversity, ecosystems and ecosystem services
Topic	Summary of common investor information needs and comparison to ISSB materials
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Purpose and structure

1. The purpose of this paper is to provide the International Sustainability Standards Board (ISSB) with an analysis of the following questions:¹
 - (a) Is there clear evidence of investor interest in nature-related risks and opportunities and of those risks and opportunities having effects on an entity's prospects? If so, what common information do investors need about nature-related risks and opportunities to inform their decisions about providing resources to an entity?^{2, 3}

¹ This is the analysis previewed in paragraphs 10(a) and 10(b) of AP3 [Phase 2 research project plan and scope](#) (July 2025).

² The term 'investors' has the same meaning as primary users of general purpose financial reports, ie, existing and potential investors, lenders and other creditors, as defined in IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*.

³ The staff determined 'common information needs' based on the criteria for decision-useful information (see Appendix D of IFRS S1) and the IFRS objective in its Conceptual Framework: 'to provide the information set that will meet the needs of the maximum number of primary users.'

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- (b) Could 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)⁴ or the Climate Disclosure Standards Board (CDSB) Framework Application Guidance⁵ (hereafter collectively referred to as the ‘ISSB materials’) meet those needs?
2. The staff will not ask the ISSB to make any decisions in this session.
3. The paper is structured as follows:
- (a) Purpose and structure (paragraphs 1–3)
 - (b) Key takeaways (paragraphs 4–13)
 - (c) Analysis (paragraphs 14–57)
 - (i) Approach (paragraphs 14–21)
 - (ii) Synthesis and comparison (paragraphs 22–57)
 - (d) Next steps (paragraphs 58–61)

Key takeaways

4. Synthesis of research and findings from phase 1 of the ISSB’s research project on nature—biodiversity, ecosystems and ecosystem services (BEES) identified the following common investor information needs where there is both clear evidence of investor interest and evidence of effects on entity prospects⁶:

⁴ See AP3A [Nature and the proposed SASB amendments](#) (July 2025) that summarises the amendments to the SASB Standards proposed in the exposure draft published on 3 July 2025 that relate to nature—biodiversity, ecosystems and ecosystem services (BEES).

⁵ CDSB Application [guidance for biodiversity-related disclosures](#) and CDSB Application [guidance for water-related disclosures](#).

⁶ Paragraph 3 of IFRS S1 defines ‘entity prospects’ as the entity’s cash flows, its access to finance or cost of capital over the short, medium or long term.

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- (a) Information on an entity's **governance and oversight** of its nature-related risks and opportunities.
 - (b) Information on an entity's **strategy** for addressing its nature-related risks and opportunities, including information on current and anticipated financial effects as well as information about an entity's nature-related transition plans.
 - (c) Information on an entity's **risk management processes** for identifying, assessing and monitoring nature-related risks and opportunities, including an entity's use of scenarios for risk identification.
 - (d) Information on an entity's nature-related **metrics and targets**, including quantitative information on an entity's nature-related risks and opportunities and metrics related to such commonly mentioned topics as water, land use changes (such as deforestation), biodiversity loss and pollution.
 - (e) **Location-specific information** about an entity's nature-related risks and opportunities.
 - (f) **Value chain information** on an entity's nature-related risks and opportunities.
 - (g) **Contextual information** that provides context and understanding to investors regarding an entity's nature-related risks and opportunities.
 - (h) **Climate-nature nexus information** on the risks and opportunities arising from the interdependencies and interplay between climate and nature.
 - (i) **Industry-specific information** on nature-related risks and opportunities connected to dependencies and impacts associated with an industry's typical resource use, activities and business models. The sectors most closely associated with common investor information needs on nature-related risks and opportunities are Food & Beverage, Consumer Goods, Extractives & Minerals Processing, Renewable Resources, Infrastructure and Transportation.

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- (j) **Standardised terminology** related to nature and nature-related risks and opportunities to improve comparability and understandability of information.
5. In addition to above information needs, the phase 1 research on other standards and frameworks raised two other areas of potential relevance for nature-related risks and opportunities: International policies and national regulation and how they inform an entity's governance and strategy, and an entity's engagement strategy and process, including in relation to Indigenous Peoples. Our research on investor interest did not widely or explicitly surface these two areas; however, additional research on effects on entity prospects provides reasonable support for the relevance of this information for common investor needs.
6. Finally, there were two additional areas that some investors in phase 1 of the research surfaced as potentially useful but where staff has not considered those within the list of common investor needs in paragraph 4 at this time, for different reasons. First, some investors expressed interest in information on whether and how an entity considers the implications for its prospects of nature-related systemic risks in its risk management process and when identifying and assessing their own nature-related risks and opportunities. However, more research is needed before conclusions can be drawn on whether this is a common investor information need related to entity-specific nature-related risks and opportunities and if so, considering the type of information that is decision-useful in understanding effects on entity prospects including a common definition for nature-related systemic risks. Second, while not widely surfaced, some investors were also interested in metrics for overall ecosystem integrity and health but acknowledged that such metrics were in early stages of development and did not currently provide decision-useful information. Staff does not view the available evidence sufficiently robust to identify such metrics as representing common investor information needs about nature-related risks and opportunities at this time.

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7. The ISSB materials address many of the common investor information needs identified regarding nature-related risks and opportunities. However, it should be noted that in some areas preparers may need guidance on applying IFRS S1 requirements for all sustainability-related risks and opportunities to nature-specific contexts. Specific guidance could facilitate comparable and decision-useful disclosures on nature-related risks and opportunities. Specific guidance may also be needed because nature is a complex topic with multiple interactions among subtopics and with other sustainability topics, and it is a nascent topic with preparers and users still in the early stages of trying to understand different aspects of nature-related risks and opportunities.
 8. In this regard, the staff is of the view that educational materials on how IFRS S1 and other ISSB materials address common investor information needs could be useful in the near term for entities to report on nature-related risks and opportunities. Educational materials cannot add to or change existing requirements. Such a near term step could be a first step prior to further subsequent action.
 9. In considering whether educational materials are sufficient or whether and what further steps such as standard-setting may be needed to address common investor information needs, it should be noted that IFRS S1 does not contain explicit requirements for the following common investor needs for nature-related information: information on nature-related transition plans; location-specific information on nature-related risks and opportunities; and climate-nature nexus information.⁷ While IFRS S1 does not include specific metrics, it requires consideration of the applicability of the SASB Standards, which include industry-specific metrics on nature-related risks and opportunities. IFRS S1 does not establish standardised nature-related terminology relevant to information on entity risks and opportunities.

⁷ IFRS S2 paragraph 14(a)(iv) includes disclosures of climate-related transition plans (which may involve aspects of nature related to climate change mitigation and adaptation actions). IFRS S2 also generally addresses climate-nature nexus risks and opportunities.

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10. IFRS S1 also does not include explicit requirements related to the two areas staff has identified as potentially relevant for understanding nature-related risks and opportunities, such as information on: an entity's engagement strategy and process including Indigenous Peoples and local communities; and nature-related international policies and national regulation and how they inform an entity's governance and strategy.
 11. All of the areas in paragraphs 9 and 10 above are addressed explicitly either by the SASB Standards or CDSB Framework Application Guidance or both, but additional analysis may be needed to determine whether these areas are sufficiently addressed, particularly in their current form of guidance.
 12. In the staff's view, besides the area of systemic risk as noted above in paragraph 6, the area of metrics may require more research. While phase 1 of research provides support for the need for industry-specific information, 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. While the CDSB Framework Application Guidance (CDSB Biodiversity Application Guidance and the CDSB Water Application Guidance) addresses explicitly some nature-related cross-industry metrics, new metrics have emerged (notably the metrics in the Taskforce on Nature-related Financial Disclosure (TNFD) Recommendations) since the guidance was last updated in 2021.
 13. For industry-specific metrics, further evaluation is needed to assess whether the SASB Standards have the necessary nature-related, industry-specific metrics in the appropriate industries. Preliminary analysis conducted for this paper indicates that for the sectors most closely associated with common investor information needs on nature-related risks and opportunities, the SASB Standards address to some extent the majority of nature-related, sector-specific dependencies or impacts in the context of entity risks and opportunities. The work to assess the suitability of the SASB Standards to address industry-specific information needs on nature-related risks and opportunities is ongoing

as part of the project on enhancing the SASB Standards and is included as a consideration in the related July 2025 exposure draft.⁸

Questions for the ISSB

1. Do ISSB members have any clarifying questions or comments on the key takeaways (paragraphs 4–13) or the analysis (paragraphs 14–52)?
2. Do ISSB members have comments on the two areas identified as being potentially relevant to an understanding of nature-related risks and opportunities: (a) information on international policies and national regulation and how they inform an entity's governance and strategy (paragraphs 47–50) and (b) information on an entity's engagement strategy and process, including in relation to Indigenous Peoples (paragraphs 47–50)?
3. Do ISSB members have any questions or comments on the staff's analysis regarding: (a) information on nature-related systemic risk and its relationship with the entity's risk management processes (paragraphs 35–36), and (b) metrics on the integrity and health of ecosystems and ecosystem services that the entity uses (paragraph 40)?
4. Do ISSB members have questions on next steps proposed by the staff, in particular, the staff's intent to bring recommendations to the ISSB described in paragraphs 53–56?

Analysis

Approach

14. In July 2025, we provided the ISSB with the proposed project plan and scope for phase 2 of the research project on nature-related risks and opportunities with the objective of

⁸ See Question 4 in the [Exposure Draft of Proposed Amendments to the SASB Standards](#) (July 2025). See also AP3A [Nature and the proposed SASB amendments](#) (July 2025) for discussion of nature-related metrics and the proposed SASB amendments.

- evaluating the necessity and feasibility of potential standard-setting and/or other activities such as developing educational materials.
15. For this analysis, we evaluated necessity by identifying common investor information needs regarding nature-related risks and opportunities using findings from phase 1 of the research project. We also begin to evaluate feasibility by considering whether ISSB materials could meet those needs. Our approach to first consider ISSB materials is consistent with the ‘S1 plus’ anchoring principle that we set out for the research project—in the same way that IFRS S2 enables climate-related disclosure by building on the requirements in IFRS S1, any future ISSB Standards should similarly be applied within the context of and add to the foundation established by IFRS S1.⁹
16. We identified common investor information needs regarding nature-related risks and opportunities—those identified as covering decision-useful information on risks and opportunities that could reasonably be expected to affect an entity’s prospects—from a synthesis of findings across all four of the following areas of research in phase 1:¹⁰
- (a) evidence of investor interest;
 - (b) evidence of effects on an entity’s prospects;
 - (c) assessment of other disclosure standards and frameworks; and
 - (d) assessment of the current state of disclosure.
17. While we considered all four areas, we focused on what information presents clear evidence of investor interest and evidence of effects on an entity’s prospects. To assess

⁹ See AP2B [Research design and approach](#) (July 2024). For example, when we are analysing existing literature and practice, we expect to focus on those aspects that are additive or incremental to the disclosure requirements in IFRS S1.

¹⁰ We also supplemented the phase 1 findings with additional information obtained after conclusion of phase 1, such as University of Oxford’s Environmental Change Institute (Resilient Planet Finance Lab), TNFD and Global Canopy ‘Evidence review on the financial effects of nature-related risks’, 2025, <https://tnfd.global/publication/evidence-financial-effects-of-nature-related-risks/>.

clear evidence of investor interest, we considered whether investors frequently expressed the information need, including in our literature review of investor interest.¹¹ To assess clear evidence of effects on entity prospects, we considered the balance of evidence available in academic studies, case examples, analysis of industry activities and resource use and discussions with investors on how the information could help inform their assessment of an entity's nature-related risks and opportunities for investment decision-making.¹²

18. The staff then compared the common information needs identified from the synthesis of evidence to the ISSB materials to assess the extent to which the ISSB materials address these needs. In conducting this comparison, we considered the following ISSB materials. It is important to note that the ISSB materials have different levels of authority as follows:

- (a) IFRS S1 and IFRS S2¹³—All paragraphs in the Standards, including the appendices, have equal authority and are mandatory to assert compliance with ISSB Standards.¹⁴
- (b) SASB Standards—IFRS S1 and IFRS S2 include requirements to 'refer to and consider the applicability of' the SASB Standards and the *Industry-based Guidance on Implementing IFRS S2* respectively.¹⁵ Entities are required to provide industry-specific information but applying the guidance is not mandatory to assert compliance with ISSB Standards. The ISSB industry-based guidance can

¹¹ See AP3C [Literature review on the evidence of investor interest](#) (November 2024) and AP3 [Evidence of Investor Interest in BEES-related risks and opportunities](#) (January 2025).

¹² See AP3A [Evidence of effects on an entity's prospects](#) (March 2025).

¹³ IFRS S2 was compared only with regards to nature-related risks and opportunities associated with climate-related risks and opportunities. For example, reduction of naturally occurring carbon sinks by deforestation or land use change or reduction of GHG emissions by nature-based solutions.

¹⁴ In contrast, the Accompanying Guidance to IFRS S1 and IFRS S2 are not required parts of the standards. They illustrate aspects of the standards but are not intended to provide interpretative guidance.

¹⁵ Paragraphs 55(a) and 58(a) of IFRS S1 and paragraph 23 of IFRS S2.

serve as a useful means by which entities can meet the requirements in ISSB Standards.¹⁶

- (c) CDSB Framework Application Guidance—IFRS S1 sets out sources of guidance, including the CDSB Framework Application Guidance, that entities ‘may refer to and consider the applicability of’. IFRS S1 permits the CDSB Framework Application Guidance to be considered rather than requires it to be considered.¹⁷
 - (d) Relevant IFRS Foundation-issued educational materials—Educational materials are not part of the standards and cannot add¹⁸ or change requirements in the standards. Educational materials describe and explain requirements in the Standards to assist preparers and users, and their use is not mandatory.
19. In comparing information needs with IFRS S1, we note that IFRS S1 requires an entity to disclose material information about *all* sustainability-related risks and opportunities that could reasonably be expected to affect the entity’s cash flows, its access to finance or cost of capital over the short, medium or long term.¹⁹ Because all sustainability-related risks and opportunities include nature-related risks and opportunities, in this analysis we distinguished between cases where a standard’s or guidance’s requirements for information about sustainability-related risks and opportunities generally addressed nature-related information and where nature-related information was explicitly addressed.
20. If information needs are addressed in a general manner, we considered whether further specificity might be needed to enable entities to disclose relevant information on nature-related risks and opportunities. The difference between what is covered in ISSB materials

¹⁶ For further guidance in applying SASB Standards, see ISSB Educational Material [Using ISSB Industry-based Guidance when applying ISSB Standards](#) (July 2025).

¹⁷ Paragraph 55(b)(i) of IFRS S1 and IFRS S1 Basis for Conclusions, paragraph BC135.

¹⁸ Paragraph 8.8 of IFRS Foundation *Due Process Handbook*.

¹⁹ Paragraph 3 of IFRS S1.

and the identified investor information needs will inform the next steps of the staff analysis on how those gaps might be addressed.

21. It should be noted that the terminology related to key nature concepts and relationships used in this paper is drawn from Agenda Paper 3 [Phase 2 research project plan and scope](#) for the July 2025 ISSB meeting, to ensure that the assessment of necessity and feasibility of standard-setting is based on consistent concepts, relationships and terms.

Synthesis and comparison

22. This section provides a synthesis of common investor information needs and a comparison of whether and, if so, how the ISSB materials address those investor information needs.
23. The synthesis of information needs and comparison to the ISSB materials is organised by the four core content areas of existing ISSB Standards—governance, strategy, risk management and metrics and targets. Some common information needs, however, apply to several of these content areas and are discussed in an ‘other’ category.
24. The synthesis identified a significant number of common investor information needs regarding nature-related risks and opportunities with the available evidence supporting a reasonable expectation of that information being relevant to understanding effects on an entity’s prospects. However, the synthesis must be caveated by the finding that investors are in the early stages of determining the information on nature-related risks and opportunities that best informs their investment decisions. Evidence of effects on an entity’s prospects²⁰ is emerging and at times limited by data. As a result, these

²⁰ For example, there are limited studies that link the full causal chain from drivers of nature degradation to nature-related risks to financial effects (University of Oxford’s Environmental Change Institute (Resilient Planet Finance Lab), TNFD and Global Canopy ‘Evidence review on the financial effects of nature-related risks’, 2025, <https://tnfd.global/publication/evidence-financial-effects-of-nature-related-risks/>). See also AP3A [Evidence of effects on an entity’s prospects](#) (March 2025).

information needs are a point-in-time judgement that will evolve as investors' information needs mature and the availability and quality of data improve.

Governance

25. Investors consistently mentioned the need for information on an entity's governance of its nature-related risks and opportunities including its oversight structure, nature-related policies and nature-related commitments.
26. In phase 1 of research, the staff did not obtain any clear evidence of effects on entity prospects specific to governance of nature-related risks and opportunities, separate from the effects on entity prospects of nature-related risks and opportunities themselves or distinct from the governance of all sustainability-related risks and opportunities as reflected in IFRS S1.
27. Information on an entity's governance processes related to its nature-related risks and opportunities including its structure, policies and commitments is addressed by requirements and guidance in IFRS S1 (in the context of all sustainability-related risks and opportunities)²¹ and the SASB Standards and CDSB Framework Application Guidance (in the context of specific nature-related issues).

Strategy

28. Investors need forward-looking information related to an entity's strategy to manage its nature-related risks and opportunities, related financial commitments and the anticipated financial effects related to an entity's prospects.²² Investors particularly cited the need for information on the nature-related financial risks identified by an entity, the financial

²¹ Paragraph 27 of IFRS S1.

²² See paragraph 34(d) of AP3 [Evidence of Investor Interest in BEES-related risks and opportunities](#) (January 2025).

resources devoted to the execution of an entity's strategy and the potential effects of an entity's strategy on its prospects.

29. Investors also consistently wanted information on an entity's nature-related transition plans, associated targets and assumptions and planned actions to achieve targets. Investors view disclosure of information about transition pathways and transition plans as important to their assessment of nature-related risks and opportunities on a forward-looking basis, particularly the financial implications of such plans and disclosure of performance against plan goals.²³
30. Evidence obtained in phase 1 of research and supported by analysis from the University of Oxford, TNFD and Global Canopy indicates that nature-related risks and opportunities can affect an entity's cash flows, access to finance and cost of capital in the following ways:²⁴
- (a) Cash flows—evidence shows that nature-related physical and transition risks and opportunities have affected entities' cash flows.²⁵

²³ According to nature-related framework providers and industry organisations working on nature-related issues, a nature-related transition plan is an aspect of an organisation's overall business strategy that lays out the organisation's goals, science-based targets, actions, accountability mechanisms and intended resources to respond and contribute to the transition implied by the Kunming-Montreal Global Biodiversity Framework (GBF). See AP3 [Evidence of Investor Interest in BEES-related risks and opportunities](#) (January 2025).

²⁴ See AP3A [Evidence of effects on an entity's prospects](#) (March 2025) and University of Oxford's Environmental Change Institute (Resilient Planet Finance Lab), TNFD and Global Canopy 'Evidence review on the financial effects of nature-related risks', 2025, <https://tnfd.global/publication/evidence-financial-effects-of-nature-related-risks/>.

²⁵ See Appendix B, paragraph B11-13 and Appendix E of AP3A [Evidence of effects on an entity's prospects](#) (March 2025) and page 30 of University of Oxford's Environmental Change Institute (Resilient Planet Finance Lab), TNFD and Global Canopy 'Evidence review on the financial effects of nature-related risks', 2025, <https://tnfd.global/publication/evidence-financial-effects-of-nature-related-risks/>.

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- (b) Access to finance and cost of capital—evidence shows that higher borrowing costs from reduced investor confidence and challenges accessing capital markets have affected entity prospects.²⁶
31. An entity's strategy and risk management to address its nature-related risks and opportunities play a role in affecting its prospects. For example, the academic literature reviewed in phase 1 of research showed a relationship between an entity's environmental risk management and various financial outcomes—many of the studies showed that the positive effects on different measures of financial performance from improved risk management were statistically and often economically significant.²⁷
32. IFRS S1, the SASB Standards and the CDSB Framework Application Guidance for the most part address common investor information needs on an entity's strategy, including current and anticipated financial effects. While IFRS S1 and the SASB Standards do not explicitly address disclosure of information about nature-related transition plans, IFRS S2 includes requirements to disclose information about plans including climate-related transition plans (which may involve aspects of nature related to climate change mitigation and adaptation actions). The CDSB Biodiversity Application Guidance also addresses nature-related transition plans.

Risk management

33. Investors want information that describes and helps them understand an entity's process to identify, assess and prioritise its nature-related risks and opportunities both at an entity

²⁶ See Appendix E and paragraph D3 of Appendix D of AP3A [Evidence of effects on an entity's prospects](#) (March 2025).

²⁷ See paragraphs 29 to 32 of AP3A [Evidence of effects on an entity's prospects](#) (March 2025).

and site level. For example, investors are interested in information that addresses the following:²⁸

- (a) how an entity identifies its specific nature-related risks and opportunities, including compliance risks, financial risks, operational risks, strategic risk and reputational risk, arising from various sources including its dependencies and impacts on nature at its various locations;
- (b) how an entity assesses its exposure and vulnerability to identified risks, including the likelihood and magnitude of the potential effects of nature-related risks; and
- (c) how an entity approaches identifying and assessing nature-related risks and opportunities in its value chain including whether and how it uses scenario analysis.²⁹

34. In paragraphs 30 and 31 of the Strategy section above, we discuss the evidence of effects on an entity's prospects from nature-related risks and opportunities and an entity's risk management processes. Entities increasingly recognise how they can have various dependencies and impacts on nature and how these can give rise to nature-related risks and opportunities. This reinforces the importance of taking a holistic approach to identifying, assessing and managing all types of nature-related risks and opportunities, especially considering potential interactions, interdependencies and compounding effects between distinct nature-related risks.³⁰

35. Some investors in our phase 1 research also expressed interest in information on how an entity considers the potential effects of nature-related systemic risks on its prospects as

²⁸ See paragraphs 27 and 34(b) in AP3 [Evidence of Investor Interest in BEES-related risks and opportunities](#) (January 2025).

²⁹ See paragraphs 34(a) and 34(c) in AP3 [Evidence of Investor Interest in BEES-related risks and opportunities](#) (January 2025).

³⁰ See section 2, page 11 of University of Oxford's Environmental Change Institute (Resilient Planet Finance Lab), TNFD and Global Canopy 'Evidence review on the financial effects of nature-related risks', 2025, <https://tnfd.global/publication/evidence-financial-effects-of-nature-related-risks/>.

- part of its risk management processes including any use of scenario analysis. However, more research is needed before conclusions can be drawn on whether this is a common investor information need related to entity-specific nature-related risks and opportunities.
36. In Agenda Paper 3 [*Phase 2 research project plan and scope*](#) for the July 2025 ISSB meeting, we discussed the concept of nature-related systemic risks (paragraph B14 of the paper) and how they can potentially give rise to physical and/or transition risks that could reasonably be expected to affect an entity's prospects. The ability to identify entity-specific risks arising from systemic risks and to quantify and value the effects on entity prospects arising from systemic risks is complicated and nascent. The evidence review conducted by TNFD and its partners concludes that the link between systemic risk and financial effects is not always clear. While definitions of nature-related systemic risk exist, there does not seem to be a common understanding among investors or preparers about the implications of system-level impacts on individual entities and their value chains, including the scale of the system or level of cascading effects at which a risk can be considered systemic. Further research on this topic, including discussions with both investors that have raised this topic in our phase 1 conversations and others is needed to determine the type of information that might be useful in understanding effects on entity prospects, including considering a common definition for nature-related systemic risks in the context of entity-specific risks and opportunities.
37. IFRS S1 generally addresses, and the SASB Standards and the CDSB Biodiversity Application Guidance explicitly address, common information needs on an entity's nature-related risk management. While IFRS S1 contains phrases like 'overall risk profile' and 'interactions between the entity and its stakeholders, society, the economy and the natural environment' as considerations when disclosing information on sustainability-related risks and opportunities, ISSB materials do not explicitly address information on nature-related systemic risk as it relates to an entity's risk management process and its prospects.

Metrics and targets

38. Investors consider information on an entity's nature-related goals and targets to be essential in assessing the entity's progress and performance toward operational, strategic and risk management goals.³¹ However, nature-related metrics are an evolving area and investor understanding of what metrics are useful for investment decisions is still developing.
39. Investors we spoke with generally want to see more quantitative information, such as metrics with standardised calculations for nature-related topics (such as water, land use, pollution, waste) to integrate into their investment decision processes. They cited difficulty with integrating the current multitude of differently calculated nature-related metrics that entities use and that various standard-setters and framework providers promulgate. Investors also said the predominant focus of current nature-related metrics is on dependencies and impacts rather than the resulting risks and opportunities.³² The types of metrics investors were interested in include:
- (a) Metrics that help in understanding an entity's risks and opportunities related to such commonly mentioned topics as water, land use changes (including contributions to deforestation), biodiversity loss, and pollution in those locations that an entity operates in or from where it sources material (ie, risks and opportunities resulting from the specific drivers of an entity's dependencies and impacts on nature).³³ Evidence shows that risks and opportunities related to these

³¹ See paragraphs 22 and 34(d) in AP3 [Evidence of Investor Interest in BEES-related risks and opportunities](#) (January 2025) and paragraphs 26 to 32 in AP3A [Current state of disclosure of BEES-related information](#) (March 2025).

³² See paragraph 35 in AP3 [Evidence of Investor Interest in BEES-related risks and opportunities](#) (January 2025). Also, the phase 1 discussions with investors on metrics occurred shortly after the issuance of the TNFD's Recommendations and its associated metrics, which had not been widely socialised within the investor community by the time of our discussions.

³³ For a definition of specific drivers, see paragraph B9 of AP3 [Phase 2 research project plan and scope](#) (July 2025).

commonly cited drivers have affected entities' cash flows, access to finance and cost of capital.³⁴.

- (b) Financial data (costs, revenues, cash flows, cost of capital) that links nature-related risks and opportunities to financial effects, such as costs associated with an entity's strategy or transition plan, or the financial effects associated with risks and opportunities arising from an entity's dependencies and impacts on nature.
 - (c) Metrics and targets are a necessary qualitative and quantitative component of the information investors need to understand an entity's strategy, transition plans and risk management. They allow investors to assess an entity's performance over time and relative to peers in managing and addressing its nature-related risks and opportunities. For example, some investors stated that they have found that monitoring statistics on an entity's breaches of regulations and fines or news about adverse reputational events are a good indicator of effects on the entity's stock and bond prices in the short to medium term.
40. While not widely surfaced as a need, some investors were also interested in metrics for overall ecosystem integrity and health but acknowledged that such metrics were in early stages of development and current metrics used for this purpose, such as Mean Species Abundance (MSA) and Potentially Disappeared Fraction (PDF), were not decision useful for their purposes. Several organisations are actively working on metrics aiming to provide a reliable indication or measure of overall ecosystem health and integrity at different scales ranging from an entity's facility-level locations to the enterprise level. Staff does not view the available evidence sufficiently robust to identify metrics on ecosystem integrity and health as representing common investor information needs about nature-related risks and opportunities at this time. Furthermore, preparers do not widely

³⁴ See Appendix E of AP3A [Evidence of effects on an entity's prospects](#) (March 2025).

use such metrics in their disclosures, and as such the feasibility and cost-effectiveness of reporting such metrics has not been tested in the market.

41. While IFRS S1 requires an entity to disclose information related to metrics and targets,³⁵ it does not require any specific nature-related metrics or targets.³⁵ However, IFRS S1 refers to sources of guidance to enable entities to meet the requirements of the Standard for other specific sustainability topics beyond climate. The CDSB Biodiversity Application Guidance does address the nature-specific metric needs noted above and the SASB Standards address those same needs that are relevant to specific industries. Further research, however, is needed to understand the specific nature-related metrics that investors need. Such research may include whether metrics should be cross-industry or industry-specific, what nature-related topics should be covered, what metrics might be useful for quantifying nature-related risks and opportunities and how metrics can be made more standardised and tractable.³⁶

Other Information

42. Investors seek other types of information that can cross two or more of the core content areas of governance, strategy, risk management and metrics and targets:
- (a) **Location-specific information**—Because nature-related risks and opportunities often arise at a local or site-specific level, investors consider location-specific data to be essential for assessing an entity's nature-related risks and opportunities.³⁷

³⁵ Paragraphs 34 to 40 in IFRS S1 requires the disclosure of information to help investors understand the effects of sustainability-related risks on an entity's current and anticipated financial position, financial performance and cash flows over the short, medium and long term, which is related to the financial data that investors are seeking.

³⁶ See AP3A [Nature and the proposed SASB amendments](#) (July 2025) for discussion of nature-related metrics and the proposed SASB enhancements. Stakeholder responses to the exposure draft will provide essential feedback on industry-specific nature-related metrics.

³⁷ See paragraph 34(b) of AP3 [Evidence of Investor Interest in BEES-related risks and opportunities](#) (January 2025).

Location-specific information may include the specific geospatial location of an entity's assets and activities and their proximity to important or sensitive ecosystems, the type of ecosystems at each location, what ecosystem services are used and how much, and the specific pressures an entity may be exerting on ecosystems or ecosystem services at each location. Alternatively, it may take the form of the proportion of an entity's use of a natural resource or ecosystem service by type of location (for example, percentage of water withdrawal from water-stressed regions). The nature of the location-specific information that investors need may vary by sector/industry, magnitude of the risk or opportunity, or other factors. More research is needed to understand the particular types of location-specific information that are relevant to understanding the effects on an entity's prospects and that would be useful for investment decision-making.

- (b) **Contextual information**—Qualitative information and narrative to provide context to an entity's nature-related risks, opportunities, priorities, underlying assumptions and limitations.³⁸
- (c) **Climate-nature nexus information**—Information on the risks and opportunities arising from the interdependencies and interconnections between climate and nature, such as nature-based solutions to GHG emissions and climate-related implications for nature risks. Many investors extend this to the usefulness of integrated climate-nature risk assessments and reporting.³⁹
- (d) **Value chain information**—Investors also seek information on an entity's nature-related risks and opportunities throughout its value chain, including traceability of

³⁸ See paragraph 12 of AP3C [Literature review on the evidence of investor interest](#) (November 2024).

³⁹ In a 2025 survey of investors, 58% believe that nature disclosure standards should not be separate from climate disclosure standards (Responsible Investor 'RI Nature and Investors Survey 2025: Results', 2025, <https://www.responsible-investor.com/ri-nature-and-investors-survey-2025-results/>). Preliminary results of a TNFD survey to inform the upcoming TNFD 2025 status report indicate that a significant majority of the corporate and financial institution respondents have integrated their nature-related and climate-related disclosures.

materials and supplier practices.⁴⁰ Currently most entities only disclose information on nature-related risks and opportunities concerning their direct operations.

- (e) **Standardised terminology** related to nature and nature-related risks and opportunities. Investors cited the various terms used by preparers in current disclosures and the different terms used by other standards and frameworks. Difference in terminology make comparability, understandability, and use in investor decisions difficult.
43. IFRS S1, the SASB Standards and CDSB Biodiversity Application Guidance address both contextual and value chain information needs. IFRS S1 does not include explicit requirements on location-specific information on nature-related risks and opportunities while the SASB Standards and CDSB Biodiversity Application Guidance do address location-specific information.⁴¹ However, IFRS S1 references specific examples where location information is relevant in meeting its requirements. For example, paragraph B30 of IFRS S1, which covers application guidance related to ‘aggregation and disaggregation,’ states that an ‘entity might need to disaggregate information about sustainability-related risks and opportunities, for example, by geographical location or in consideration of the geopolitical environment’ and gives an example of disaggregating information on water use by type of location.

⁴⁰ See paragraph 34(c) of AP3 [Evidence of Investor Interest in BEES-related risks and opportunities](#) (January 2025). See Appendix E of AP3A [Evidence of effects on an entity's prospects](#) (March 2025) for case examples of effects on prospects arising from nature-related supply chain disruptions.

⁴¹ The SASB Standards generally address location in the form of the entity's activities or resource use occurring in or near specific types of locations rather than each individual location. For example, the percentages of water withdrawn and consumed from water-stressed locations.

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44. The need for climate-nature nexus information is addressed by IFRS S2 (including relevant educational materials)⁴², the SASB Standards and the CDSB Biodiversity Application Guidance.
45. Finally, the CDSB Biodiversity Application Guidance does include some nature-related defined terms, but none of the other ISSB materials address explicitly standardised nature-related terminology. Standardised terminology is relevant for clarifying the scope of disclosure, to understand entity risks and opportunities and to aid preparers' understanding when using ISSB materials.
46. Besides the above common information needs we identified, the phase 1 research on other standards and frameworks raised two other areas of potential relevance for nature-related risks and opportunities:⁴³
- (a) International policies and national regulation—For instance, the Global Reporting Initiative (GRI) Standards and TNFD Recommendations both include disclosure of information on how an entity's governance policies and strategy are informed by international policies and national regulations.
 - (b) Engagement strategy and process—Other standards and frameworks – including the GRI and TNFD Recommendations – include disclosure of information on an entity's nature-related engagement strategy and process with external stakeholders, especially in the context of Indigenous Peoples and local communities affected by the entity's impacts and dependencies on nature.
47. The investors we spoke to and the literature on investor interest we reviewed did not widely surface these two areas of potential relevance to an entity's nature-related risks

⁴² See ISSB Educational Material [Nature and social aspects of climate-related risks and opportunities](#) (December 2023).

⁴³ See AP3B [Comparison of other BEES-related standards and frameworks to IFRS S1 and SASB Standards](#) (February 2025).

and opportunities. However, additional research suggests there is reasonable evidence of effects on entity prospects related to these two areas.

48. International policy conventions (for example the Convention on Biological Diversity) set global goals and targets which countries implement through national policies and regulations. Increasingly, these conventions also establish expectations for the private sector, as reflected in the Kunming-Montreal Global Biodiversity Framework (GBF).⁴⁴ For example, Target 15 requires large and transnational companies to assess, disclose, and reduce biodiversity-related risks and impacts across their operations and value chains. The 196 countries that endorsed the GBF are now embedding these commitments into national policies and regulations through National Biodiversity Strategy and Action Plans and are adopting policies and regulations to guide the transition to ‘nature-positive’ economies, introducing transition risks for companies.⁴⁵ For example, the EU Deforestation Regulation limits access to the EU market based on an entity’s ability to demonstrate deforestation-free and legally compliant commodity supply chains.⁴⁶ Noncompliance with evolving legal or regulatory obligations may expose entities to legal penalties, restricted access to capital and reputational harm.
49. Evidence shows that information on engagement with Indigenous Peoples and local communities could be relevant for nature-related risks and opportunities. Indigenous Peoples manage or hold rights to approximately a quarter of the world's surface area,

⁴⁴ Kronschnabl, A., Katz, J., Wei, A., St. Jarre, M. & Stefanski, S., ‘Corporate commitments to nature have evolved since 2022’, McKinsey & Company, 2024, <https://www.mckinsey.com/industries/agriculture/our-insights/corporate-commitments-to-nature-have-evolved-since-2022#/>.

⁴⁵ In an informal survey of members of the ISSB’s Sustainability Standards Advisory Forum (a group of standard setters and regulators), out of 26 survey respondents, 66% indicated their jurisdictions had existing nature-related corporate disclosure requirements with most requirements being mandatory. Additional or amended regulations were forthcoming in about 72% of the jurisdictions. See AP3 [*Overview: Jurisdictional survey on biodiversity, ecosystems and ecosystem services and human capital*](#) (October 2024).

⁴⁶ C. Harris and M. Kastropeli, ‘Transitioning to a No Deforestation Economy: EUDR Updates and Their Implications for Investors’, ISS, 2025, <https://insights.issgovernance.com/posts/transitioning-to-a-no-deforestation-economy-eudr-updates-and-their-implications-for-investors/>.

accounting for a significant portion of the world's biodiversity, nearly half of the earth's protected areas, and over half of the planet's remaining intact forests.⁴⁷ This unique relationship between Indigenous Peoples and nature creates risks for companies that infringe on resource rights, including reputational damage, litigation, supply chain disruption and higher operational costs through project delays and potential loss of license to operate.^{48, 49} Conversely, proactive consultation and partnership with Indigenous Peoples and local communities can potentially enhance an entity's prospects by integrating traditional knowledge on sustainable resource management, strengthening social safeguards that reduce financing costs, securing long-term resource access, enabling new revenue models and investment opportunities and unlocking additional sources of capital that preference projects with co-benefits for Indigenous Peoples.

50. Information on international policies and national regulation is addressed generally by IFRS 1 and addressed explicitly by IFRS S2 (in a climate context), the SASB Standards and CDSB Framework Application Guidance. The SASB Standards and the CDSB Framework Application Guidance also address explicitly information on an entity's engagement processes and due diligence practices regarding Indigenous Peoples and local communities.

Industry-specific information

51. Phase 1 of research found that investors are interested in industry-specific information on an entity's nature-related risks and opportunities. A synthesis of phase 1 research found that the sectors most closely associated with common investor information needs on

⁴⁷ World Bank 'Indigenous Peoples', 2025, <https://www.worldbank.org/en/topic/indigenouspeoples>. See also S.T. Garnett et al., 'A spatial overview of the global importance of Indigenous lands for conservation', *Nature Sustainability*, vol. 1, no. 7, 2018, pp. 369–374.

⁴⁸ Henisz, W. J. and McGlinch, J., 'ESG, Material Credit Events, and Credit Risk', *Journal of Applied Corporate Finance*, 31(2), 2019, pp. 105-117. <https://onlinelibrary.wiley.com/doi/epdf/10.1111/jacf.12352>

⁴⁹ Birss, M. & Finn, K., "The Business Case for Indigenous Rights", *Stanford Social Innovation Review*, Summer 2022, vol. 20, no. 3, pp. 50-56. https://ssir.org/articles/entry/the_business_case_for_indigenous_rights

- nature-related risks and opportunities are Food & Beverage, Consumer Goods, Extractives & Minerals Processing, Renewable Resources, Infrastructure and Transportation.⁵⁰
52. The types of nature-related risks and opportunities that are relevant for the industries in these sectors vary considerably due to differing nature-related dependencies and impacts from industry-specific resource use, typical activities and business models.
53. In practice, investors often seek nature-related information from entities in specific sectors with high nature-related dependencies or impacts as an indicator of higher risk.⁵¹ Investors often use third party sources such as the ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) knowledge base ‘materiality ratings’ to determine the nature-related dependencies (for example, biomass provisioning, soil and sediment retention, water supply) and impacts (for example, disturbances, emissions of different types of pollutants, generation and release of solid waste) associated with each sector.⁵²
54. For sectors identified in paragraph 51, we compared the most significant dependencies and impacts for each sector from ENCORE to the relevant SASB Standards disclosure

⁵⁰ These sectors were determined from the following sources of evidence: Sectors frequently mentioned by investors to be of interest (paragraph 27 of AP3 [Evidence of Investor Interest in BEES-related risks and opportunities](#) (January 2025)); sectors with prominent nature-related dependencies and impacts and case studies of entity effects (Appendices A and E of AP3A [Evidence of effects on an entity's prospects](#) (March 2025)); sectors with entities most frequently disclosing nature-related information (AP3 [Current state of disclosure of BEES-related information—sector findings](#) (March 2025)); sectors with high nature-related dependency and impact ‘materiality ratings’ from ENCORE ([ENCORE](#)); and sectors with available studies of evidence in a nature-related ‘financial risks database’ including the sources and transmission channels of nature-related risks (University of Oxford, the Taskforce on Nature-related Financial Disclosures (TNFD) and Global Canopy, [Review of evidence of financial effects of nature risks](#) (July 2025)). These sources of evidence varied in their references to sectors, industries or both, resulting in analysis at the sector level. The sources also varied in the types of industry classifications used. Where possible, the Sustainable Industry Classification System (SICS) was used or cross-indexed from the industry classification used in the source.

⁵¹ See paragraphs 26–29 of AP3 [Evidence of Investor Interest in BEES-related risks and opportunities](#) (January 2025).

⁵² For more information on the ‘materiality ratings’, see ENCORE ‘Methodology & Downloads’, <https://encorenature.org/en/data-and-methodology/methodology>.

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- topics and metrics (inclusive of the July 2025 proposed amendments). This comparison aimed to determine if the SASB Standards address those dependencies and impacts in the context of entity-level risks and opportunities.
55. For example, ENCORE indicates a significant nature-related impact connected to the Extractives & Minerals Processing sector is the emission of toxic soil and water pollutants. These emissions from activities associated with entities in the Extractives & Minerals Processing sector can have negative effects on surrounding habitats, ecosystems and the atmosphere. The associated SASB disclosure topic on ‘Waste & Hazardous Materials Management’ describes how these impacts can pose operational and regulatory risks for entities. Entities that reduce waste streams while implementing policies and managing risks related to hazardous waste may reduce regulatory and litigation risks, remediation liabilities and operating costs.
56. Our analysis indicates that for the sectors most closely associated with common investor information needs on nature-related risks and opportunities, the SASB Standards address to some extent the majority of nature-related, sector-specific dependencies or impacts in the context of entity risks and opportunities. This is only a preliminary and indicative analysis of coverage of the SASB Standards of nature-related risks and opportunities. For example, while investors often use ENCORE, the dependency and impact areas from ENCORE were not all necessarily determined to be significant areas of investor interest on nature-related risks and opportunities for those sectors.
57. Proposed amendments to the SASB Standards published in July 2025 update some nature-related metrics to reflect up-to-date best practices, evolution in the understanding of nature-related risks and opportunities and important market changes in industries. Stakeholder feedback on the exposure draft will deliver essential input on how these metrics address investor needs for decision-useful information on nature-related risks and opportunities.

Next steps

58. At the October and subsequent ISSB meetings, we will address the remaining research questions set out in the phase 2 research project plan:⁵³
- (a) Is standard-setting, additional guidance or educational material necessary and, if so, to address what types of information needs (for example, industry-agnostic, industry-specific, topics)?
 - (b) Could the work of other standard-setters and framework providers, particularly the TNFD Recommendations, be leveraged for the ISSB to provide a feasible approach to meet those needs?
59. Subject to feedback received from ISSB members at this meeting, we expect to provide a staff recommendation to the ISSB for decision-making in October relating to development of educational materials focused on how ISSB Standards and guidance address several areas of common investor information needs about nature-related risks and opportunities. The purpose of the educational materials would be to support entities with disclosing information about nature-related risks and opportunities in the near term using existing requirements in ISSB Standards.
60. At the October meeting of the ISSB we expect to also begin discussing ways to address the potential additional information needs identified in this paper that ISSB Standards do not address explicitly. Specifically, our analysis in October will assess whether and how the TNFD Recommendations can be leveraged and built upon for this purpose.

⁵³ Paragraphs 10(c) and 10(d) of AP3 [Phase 2 research project plan and scope](#) (July 2025) presents the questions to be addressed in the next stage of the research project. Appendix A of that paper includes potential recommendations that the staff could present from its analysis of these questions.

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61. At subsequent ISSB meetings, we expect to provide analysis that considers the GRI Standards and the European Sustainability Reporting Standards (ESRS) to inform further our thinking on whether additional standard-setting or development of application guidance may be necessary, particularly regarding possible interoperability issues.