Staff paper

Agenda reference: 3A

ISSB meeting

Date	**July 2026**
Project	**Nature-related Disclosures**
Topic	**Due process steps and permission to ballot**
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Introduction and purpose

1. During its June 2026 meeting, the International Sustainability Standards Board (ISSB) completed its decisions about the form and content of the proposed IFRS Practice Statement on nature-related disclosures (Practice Statement).

2. The purpose of this paper is to summarise the due process steps in the *IFRS Foundation Due Process Handbook* (Handbook) that the ISSB has undertaken in the development of the exposure draft (ED) of the proposed Practice Statement and to present the recommendations for the associated comment period for the ED (paragraph 6.7 of the Handbook).[1] One of these due process steps is the analysis of the likely effects of the proposed Practice Statement, which is presented in Agenda Paper 3B *Overview of the likely effects of the proposed Practice Statement* (and summarised in paragraphs 36–38 of this paper). Therefore, this paper should be read in conjunction with Agenda Paper 3B for this meeting.

3. Paragraph 6.10 of the Handbook requires the ISSB to vote on whether it is satisfied that all relevant due process steps have been followed in the project to date, and

[1] The staff notes that the objective of this paper is not to re-evaluate the analysis conducted for each due process step nor to explain again the rationale for the ISSB's decisions, but rather to describe whether and how the steps required by the Handbook have been conducted.

whether the technical staff has permission to prepare an ED for balloting. Accordingly, the ISSB is asked:

(a) whether it is satisfied that it has complied with the applicable due process steps and to give the staff permission to begin the balloting process for publishing an ED (paragraph 6.10 of the Handbook);

(b) to indicate if, at this stage, any ISSB member plans to dissent from the proposals in the ED (paragraph 6.10 of the Handbook); and

(c) to determine the comment period for the ED (paragraph 6.7(c) of the Handbook).

Structure of the paper

4. This paper is structured as follows:

(a) Summary of the due process steps (paragraphs 5–45);

(b) Permission to begin the balloting process (paragraphs 46–48);

(c) Comment period for the ED (paragraphs 49–54);

(d) Questions for the ISSB members;

(e) Appendix A—Details on engagement and research activities;

(f) Appendix B—Consideration of the International Accounting Standards Board's (IASB) work and materials; and

(g) Appendix C—Due process steps considered in developing the proposed Practice Statement.

Summary of the due process steps

Overview of the due process steps considered

5. This section provides an overview of the due process steps relevant for the Nature-related Disclosures project including the development of the ED for publication.

6. Paragraphs 6.4–6.10 of the Handbook specify the due process steps relevant for the development and publication of an ED. Accordingly, this paper covers the following categories of information related to:
   - (a) public meetings, public hearings, outreach activities, and meetings of consultative groups;
   - (b) research activities;
   - (c) effects analysis; and
   - (d) the decision not to create a consultative group specific for the project.

7. The staff has also considered the due process steps regarding:
   - (a) the research project and decision to move to standard-setting—as a background to the development of the ED;
   - (b) consideration of the work and materials of the IASB;
   - (c) communication with the Due Process Oversight Committee (DPOC); and
   - (d) the publication of an ED.

8. Paragraphs 10–45 explain how the ISSB has met the due process steps set out in the Handbook to advance with the balloting of the ED. The summarised due process steps have been grouped according to the categories of information listed in paragraphs 6(a)–(c) and 7.

9. Table C.1 in Appendix C provides a detailed description of each due process step considered in developing the Practice Statement. The table illustrates whether each

step is part of the minimum safeguards (labelled as ‘required’) or whether the step is non-mandatory (labelled as ‘optional’) for the publication of the ED.

Research project and decision to move to a standard-setting project

10. This section sets out the due process steps undertaken during the research phase of the Nature-related Disclosures[2] project and the decision to move to standard-setting.

11. Research activities conducted between July 2024 and December 2025[3] included the due process steps explained in paragraphs 4.10–4.11 and 5.5 of the Handbook. These due process steps are:

    (a) the review of the existing literature, disclosure requirements and recommendations on nature-related disclosures;

    (b) the analysis of current nature-related disclosure practice;

    (c) the engagement with IFRS Foundation consultative groups—including the Sustainability Standards Advisory Forum (SSAF), the ISSB Investor Advisory Group (IIAG), the IFRS Advisory Council—and external stakeholders (for example, through roundtables); and

    (d) the considerations of potential connections with other ISSB materials and projects[4] and with the work and materials of the IASB (see Agenda Paper 3A&4 for the January 2025 meeting).[5]

12. The ISSB discussed and reviewed the findings from the research phase in its public meetings (from September 2024 to December 2025), to inform its decision to add a standard-setting project to the work plan. Outcomes of research activities provided the

[2] This project was initially titled ‘Biodiversity, Ecosystems and Ecosystem Services’ and used the acronym ‘BEES’. In February 2026, the ISSB decided to change the project title to ‘Nature-related Disclosures’.

[3] See ‘Review Research’ and ‘Decide Project Direction’ sections of the Nature-related Disclosures project page on the IFRS Foundation website.

[4] For example, Agenda Paper 2B for the July 2024 ISSB meeting on the design and approach of the BEES and Human Capital research projects, and Agenda Paper 3B for the February 2025 ISSB meeting and Agenda Paper 3A for the July 2025 ISSB meeting on SASB Standards and their enhancements.

[5] Agenda Paper 3A&4 for the January 2025 ISSB meeting analysed information about BEES- and human capital-related matters that might be presented or disclosed in financial statements when applying IFRS Accounting Standards.

ISSB with sufficient information and understanding of the problem and potential solutions regarding disclosure of information on nature-related risks and opportunities (paragraphs 4.9, 4.13, 5.6 and 5.8 of the Handbook).[6]

13. At its November 2025 meeting, the ISSB considered a project proposal to understand how to manage its resources effectively and to prioritise its standard-setting work. The ISSB decided to undertake standard-setting to introduce incremental disclosure requirements about nature-related risks and opportunities not specified explicitly in the requirements in IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* (IFRS S1) and IFRS S2 *Climate-related Disclosures* (IFRS S2). It also decided to draw on the Taskforce on Nature-related Financial Disclosures (TNFD) framework to address primary users' common information needs about nature-related risks and opportunities (paragraphs 5.1, 5.2, 5.8 and 6.6 of the Handbook).[7]

14. Based on the analysis in Agenda Paper 3 of the December 2025 ISSB meeting, the ISSB evaluated the criteria for adding a standard-setting project to the work plan and assessed the need for a project-specific consultative group and for a discussion paper seeking public feedback to support the decision to add a standard-setting project to the work plan (see paragraphs 3.47(a) and (b), 3.63, 4.13, 5.4, 5.7, 5.8 and 6.7(b) of the Handbook). The ISSB decided to move the project from the research phase to standard-setting in its work plan, to use its existing advisory bodies, consultative groups and resources instead of creating a project-specific consultative group, and to publish an exposure draft as the next due process step, forgoing the publication of a discussion paper.

[6] This was based on the analysis described in Agenda Paper 3 of the December 2025 ISSB meeting.
[7] See Agenda Paper 3 and Agenda Paper 3A for the November 2025 ISSB meeting.

Developing an Exposure Draft

15. According to paragraph 6.7(a) of the Handbook, the technical staff summarises the activities undertaken in developing the ED before its publication. Paragraphs 16–45 provide this summary.

Public meetings and papers and other relevant documents available online

16. The ISSB has discussed all the standard-setting considerations included in the project plan and to be addressed in the development of the ED in its six meetings from January to June 2026 (paragraphs 3.46(a) and 6.4 of the Handbook). The technical staff prepared papers including recommendations and supporting analysis for the ISSB on the information areas[8] and other standard-setting considerations related to the development of the ED (paragraph 6.4 of the Handbook).

17. All the project materials, including agenda papers, recordings, podcasts, and summaries of ISSB meetings (ISSB Updates and social media summaries) are available on the IFRS Foundation website, with agenda papers and meeting schedules being posted on the website on a timely basis before every public meeting in this period (paragraphs 3.2–3.5, 3.8, 3.11, and 4.1 of the Handbook).

ISSB Consultative groups, public hearings, reporting to IFRS Foundation bodies, and other outreach activities

18. As explained in paragraph 14, the ISSB decided at its December 2025 meeting not to create a project-specific consultative group. Therefore, the ED has been developed considering inputs and comments on technical staff research from (paragraphs 3.46(e), 3.50, and 6.5 of the Handbook):

[8] See Table 1 in Agenda Paper 3A for January 2026 ISSB meeting.

(a) existing ISSB consultative groups, including the SSAF,[9] IIAG,[10] and the Sustainability Consultative Committee (SCC);[11]

(b) IFRS Foundation bodies, including the IFRS Advisory Council;

(c) other standard-setters, including national standard-setters and the Global Reporting Initiative (GRI); and

(d) other stakeholders, including the Sustainability Reference Group (SRG),[12] the TNFD, and other investors, including those from the TNFD Forum.[13]

19. During the six months of standard-setting, ISSB members and staff conducted targeted and focused engagement activities (according to the plan described in Agenda Paper 3 of the January 2026 ISSB meeting), gathering input from more than 150 stakeholders, including from consultative groups (more details are in paragraphs 21–23) and other external stakeholders (more details are in paragraphs 24–26) listed in paragraph 18. These engagements build on those conducted during the research phase (including roundtables with investors), providing staff with feedback to further inform the development of the ED. As a result of this extensive input, no public hearings were held during the standard-setting phase of the project (paragraphs 3.47(c) and 3.77 of the Handbook).[14] The staff will continue to engage key

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[9] The SSAF aims to support the ISSB in establishing a global baseline of high-quality sustainability disclosures by facilitating technical discussions. Its membership consists of representatives from jurisdictional and regional standard-setting bodies worldwide ensuring that diverse national and regional perspectives are formally integrated into the ISSB's standard-setting process.

[10] The IIAG aims to advise the ISSB by providing strategic guidance, ensuring investor perspectives are integrated into standard-setting, and promoting the widespread adoption of the IFRS Sustainability Disclosure Standards. Its membership consists of leading global asset owners and asset managers committed to improving sustainability-related financial disclosures.

[11] The SCC aims to advise the ISSB on priority sustainability matters to support the development of globally accepted high-quality disclosure standards. Its membership consists of four permanent multilateral organisations—the IMF, OECD, United Nations, and World Bank—along with up to nine additionally appointed expert members.

[12] The SRG aims to provide technical input to the ISSB for its research and standard-setting projects by facilitating discussions on specific sustainability topics, industry considerations, and regional feasibility. Its membership consists of a diverse group of subject matter experts in sustainability and general-purpose financial reporting that collaborate with the ISSB and its staff primarily on an ad-hoc, virtual basis.

[13] 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 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/.

[14] Paragraph 3.47(c) of the Handbook on *holding public hearings* is a non-mandatory 'comply or explain' due process step for the issuance of the final document (not for the publication of an ED). If no public hearings will be held before the publication of the Practice Statement, the ISSB will inform the DPOC of its decision and reasons for not undertaking the steps.

stakeholders throughout the development and public consultation period of the ED and prior to issuing the Practice Statement.

20. The staff summarised feedback from outreach in agenda papers for the ISSB meetings from February to June 2026 (paragraph 6.7(a) of the Handbook; see Table A.2 for details).

ISSB Consultative groups and IFRS Foundation bodies

21. Meetings of the SSAF and SCC were held in public, chaired by an ISSB member or by a member of the technical staff, recorded and, when possible, webcast live. Papers discussed by these consultative groups were made available on the IFRS Foundation website in advance of the respective meetings; recordings of these meetings are also available on the website (paragraph 3.62 of the Handbook). The IIAG meeting agendas were published on the IFRS Foundation website.

22. During the meetings, the staff gathered feedback on information areas such as nature-related scenario analysis and other standard-setting considerations. For example, during the March 2026 SSAF meeting SSAF members provided input on the form of standard setting. In addition to meetings, the staff surveyed members of the IIAG and some members of the SSAF to gather input on the information areas considered in the project, such as location-specific information and information on interactions, including engagement, with Indigenous Peoples, Local Communities and affected stakeholders. Table A.1 summarises the meetings held and surveys sent to the ISSB consultative groups (paragraph 6.7(a) of the Handbook).

23. Finally, the ISSB staff and ISSB members have updated the IFRS Advisory Council on the progress of the Nature-related Disclosures standard-setting project and gathered views during the April 2026 IFRS Advisory Council meeting (paragraphs 3.46(e) and 3.55 of the Handbook).

Other outreach activities

24. In addition to members of the SSAF, the staff has engaged other national standard-setters through the International Forum of Accounting Standard Setters[15] in their meeting in April 2026 (paragraph 3.53 of the Handbook). The staff also engaged with other standard-setters, including through regular meetings with the GRI, and other organisations working on nature-related disclosures. In particular, the ISSB worked closely with the TNFD, by sharing research and knowledge and by leveraging the TNFD materials, technical expertise, and network (for example, by surveying investor members of the TNFD Forum to gather further feedback on some of the nature-related information areas; see Table A.1 for details) for the development of the ED.[16]

25. The staff also held meetings with the SRG[17] and targeted private meetings with other stakeholders, including investors and Indigenous Peoples' representatives, and surveyed members of the SRG to gather further feedback on some of the nature-related information areas (see Table A.1 for details).

26. ISSB and staff members also maintained dialogue throughout the project with the International Organization of Securities Commissions (IOSCO) (for example, during the IOSCO Monitoring Forum meeting in February 2026) and individual jurisdictional securities regulators (for example, with the Jurisdictional Adopters Working Group in February 2026) (paragraph 3.57 of the Handbook).

Research activities

27. The ISSB's decisions on the content and other standard-setting considerations for the Practice Statement were based on the technical staff's research and recommendations (paragraph 6.5 of the Handbook).

[15] The IFASS is an independent global group of national standard-setters and other organisations involved in financial and sustainability reporting. It provides a collaborative platform for international dialogue on current issues and developments in financial reporting and sustainability disclosures.

[16] The ISSB has a memorandum of understanding with the Taskforce on Nature-related Financial Disclosures (TNFD), under which the ISSB and TNFD will share research, knowledge and technical expertise to inform both the ISSB's nature-related work and nature-related aspects of its SASB Standards enhancement work. See IFRS Foundation news, IFRS Foundation and TNFD formalise collaboration (09 April 2025).

[17] SRG meetings are public and recordings are available on the dedicated webpage of the IFRS Foundation website.

28. In Agenda Paper 3 of the January 2026 ISSB meeting, the staff explained that further analysis, including additional research, was needed for some information areas to determine what should be proposed in the ED (for example, on nature-related targets and on location-specific information).

29. The research activities undertaken to support staff analysis included:

    (a) consideration and analysis of the TNFD materials (see Agenda Paper 3D of the June 2026 ISSB meeting for a summary);

    (b) review of additional existing literature—for example, to understand the evidence of effects on an entity's prospects related to the interaction between an entity and Indigenous Peoples, Local Communities and affected stakeholders in the context of an entity's nature-related risks and opportunities (see Agenda Paper 3B of the April 2026 ISSB);

    (c) gathering input through surveys including questions on, for example, effects of particular types of nature-related risks and opportunities on entities' prospects asked to preparers, or on how users of general purpose financial reports use nature-related information (see Tables A.1 and A.2 for details); and

    (d) gathering examples to gain a better understanding of nature-related disclosure practices and how these might be affected by proposed new requirements through analysis of reports aligned with the TNFD frameworks—on which the nature-specific content of the ED draws—and SASB-aligned disclosures, and through surveys on nature-related reporting for preparers.

30. Research activities, the resulting staff analyses and recommendations included considerations of other ISSB materials, such as existing requirements of IFRS S1 and IFRS S2 and content of the SASB Standards, and potential interaction with the work on enhancing the SASB Standards and on Human Capital disclosures (for example, interactions, including engagement, with Indigenous Peoples, Local Communities and affected stakeholders).[18]

[18] See Agenda Paper 3B and Agenda Paper 3C for the April 2026 ISSB meeting.

31. Technical staff summarised the outcomes of research activities in agenda papers for ISSB meetings (paragraph 6.7(a) of the Handbook; see Table A.2 for details).

32. Research activities described in paragraphs 29(c) and (d) are listed in the options of fieldwork in the Handbook (paragraphs 3.72 and 3.73 of the Handbook).

Considering possible interactions with the IASB's materials

33. The work and standards of the IASB have been considered during the research (see paragraph 11(d))[19] and standard-setting phases of the Nature-related Disclosures project.

34. During the standard-setting phase, the work of the IASB has been considered (paragraph 6.26(b) of the Handbook) in the staff analysis and development of recommendations on (see details in Appendix B):

    (a) the form of standard setting, by considering the existing IFRS Practice Statements (see Agenda Paper 3D of the April 2026 ISSB meeting);

    (b) standard-setting consideration on first application of the Practice Statement and statement of compliance (see Agenda Paper 3E of the June 2026 ISSB meeting); and

    (c) terms and concepts to be defined or described and then used in the Practice Statement (for example, the term 'environmental assets') (see Agenda Paper 3A of the February 2026 and Agenda Papers 3A and 3B of the June 2026 ISSB meetings).

35. Relevant materials are available on the Connecting IFRS Accounting and IFRS Sustainability page of the IFRS Foundation website under Nature-related Disclosures in the Connected Working tab.

[19] Agenda Paper 3A&4 for the January 2025 ISSB meeting on of information about BEES- and human capital-related matters that might be presented or disclosed in financial statements when applying IFRS Accounting Standards.

Effects analysis

36. Before publishing an ED, the ISSB is required to consider the likely effects of the proposed Practice Statement resulting from the standard-setting proposals (paragraphs 6.7 and 3.78–3.83 of the Handbook).[20] The likely effects of the proposed Practice Statement are discussed in Agenda Paper 3B *Overview of the likely effects of the proposed Practice Statement* for this meeting.

37. The staff thinks that the expected benefits of introducing incremental requirements to IFRS S1 and IFRS S2 to address nature-specific investor information needs are likely to outweigh the associated costs of preparing that information in sustainability-related financial disclosures.

38. According to the staff's analysis, the application of the Practice Statement will:

    (a) improve the quality of general purpose financial reports by establishing standardised terms, concepts and requirements in relation to nature-related risks and opportunities, improve the comparability of nature-related disclosures and reduce the fragmentation currently observed in nature-related reporting; and

    (b) mitigate unnecessary implementation cost and burden for reporting entities, since it builds on IFRS S1 and IFRS S2 and entities can leverage existing data, systems, and processes developed for climate disclosures or other nature-related disclosures in the SASB Standards, TNFD framework, ESRS, or GRI Standards; additionally, the Practice Statement is not required to be applied to assert compliance with ISSB Standards, and therefore, entities and jurisdictions retain the flexibility to evaluate its applicability, including costs and benefits, in their own circumstances.

[20] The Handbook does not specifically require an effects analysis to be provided for practice statements. However, the Handbook states that in developing and publishing non-mandatory practice guidance, the ISSB follows the same procedures used for the development of a Standard (paragraph 6.42 of the Handbook).

Informing the DPOC

39. The DPOC has been regularly informed throughout the progression of the Nature-related Disclosures project. The DPOC has been kept informed of progress on the project since it was moved to a standard-setting project in the work plan at the March and June 2026 DPOC meetings.[21]

40. The paper for the March 2026 DPOC meeting explained the rationale that informed the ISSB decision not to publish a discussion paper and not to create a consultative group for the Nature-related Disclosures standard-setting project (paragraphs 3.47(a) and (b), 3.48, 3.63 and 6.7(b) of the Handbook).[22]

41. The DPOC has been informed about how staff have consulted with stakeholders, including investors, to inform the development of the ED, and of any late paper postings throughout the development of the project (paragraphs 3.12 and 3.51 of the Handbook, respectively)[23] and at its October 2026 meeting, the DPOC will receive an update to be kept informed of the due process steps taken by the ISSB in the development of the Nature-related Disclosures project (paragraphs 2.7 and 2.9 of the Handbook).

Towards the publication of the ED

42. According to paragraph 6.42 of the Handbook, the ISSB follows the same procedures used for the development of a Standard for non-mandatory practice guidance (like a Practice Statement), including the balloting of documents and exposing for public comment a draft of the proposed materials with a minimum comment period (paragraphs 3.46(b), 5.3, 6.1, 6.7(c) and 6.19–6.21 of the Handbook).

43. In preparation for the publication of the ED:

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[21] See Papers DP3 for March 2026 and DP4 for June 2026.

[22] See Paper DP3 for March 2026.

[23] The only paper posted less than five working days in advance of the board meeting was in November 2025 (in the research phase of the project) and it was reported to the DPOC in the March 2026 meeting (see Agenda Paper DP3 for that meeting).

(a) the staff will prepare one or more pre-ballot drafts, which members of the board respond to with comments (paragraph 3.27 of the Handbook);

(b) the staff will develop the basis for conclusions including the rationale behind the decisions the ISSB made while developing the ED and the related reference to the evidence it has collected and any outreach it has undertaken (paragraphs 3.84 and 6.2(a) of the Handbook);

(c) the staff recommends a comment period (paragraph 6.7(c) of the Handbook and paragraphs 49–54 of this paper); and

(d) the staff will perform drafting quality assurance, including editorial review, and liaise with relevant Foundation staff in relation to translated versions of the Practice Statement (paragraph 3.30 of the Handbook).

44. Additionally, in its June 2026 meeting (see Agenda Paper 3E from that meeting), the ISSB tentatively decided on the date of application and the first application of the Practice Statement, including on the statement of compliance (paragraphs 6.38 and 6.39 of the Handbook).

45. The ED will be published on the IFRS Foundation's website, together with the basis for conclusions, and other supplementary materials such as webcasts, podcasts, and a press release (paragraphs 3.46(b), 5.3, and 6.19–6.21 of the Handbook).

Permission to begin the balloting process

46. Balloting is a drafting, review and approval process to ensure a project document accurately reflects the ISSB's decisions (paragraphs 3.24–3.26 of the Handbook). Paragraphs 10–45 set out a summary of the due process steps the ISSB has undertaken in developing the ED. The staff thinks the ISSB has complied or will comply with all the due process steps for the standard-setting phase of the Nature-related Disclosures project and has undertaken sufficient consultation and analysis to begin the process for balloting the ED.

47. Accordingly, the staff asks for permission to begin the balloting process (paragraph 6.10 of the Handbook). The staff will consider the need for a future ISSB discussion of any sweep issues that may arise during the balloting process.

48. If the ISSB gives permission to begin the balloting process, it will review and approve the ballot draft of the ED and the staff can proceed with the publication of the ED (paragraphs 3.27–3.30 of the Handbook).[24] The publication of an ED and the related public consultation are mandatory steps in the due process before a new Standard or Practice Statement can be issued (paragraph 6.1 of the Handbook). The staff notes that:

   (a) the ED will set out the proposed nature-related requirements incremental to IFRS S1 and IFRS S2, reflecting ISSB's decisions based on the best available information at the time. Publishing the ED will enable the ISSB to gather a wide range of stakeholder feedback. This evidence will inform its decisions about the usefulness and effectiveness of the Practice Statement in supplementing the existing requirements in IFRS S1 and IFRS S2 to provide information on nature-related risks and opportunities to primary users of general purpose financial reports. The consultation will include a question about the proposed form of standard-setting (a Practice Statement).

   (b) as required for all EDs, this ED will include the proposed Practice Statement and the basis for conclusions outlining the rationale for proposed incremental requirements (paragraph 6.2(a) of the Handbook).

Comment period for the Exposure Draft

49. As part of the due process steps for developing an ED, the ISSB decides an appropriate comment period, which is normally 120 days (paragraphs 6.7(c) and 6.8 of the Handbook).

[24] Information about the balloting process can be found at: https://www.ifrs.org/about-us/how-we-set-ifrs-standards/what-is-balloting/.

50. As with all IFRS Foundation due process documents, stakeholders will need sufficient time to carefully and thoughtfully consider the content of the Practice Statement and to put in place the appropriate processes required to provide high-quality input. Staff expect many stakeholders globally to be interested in the ED. It is therefore important to ensure that the IFRS Foundation makes efforts directly and in conjunction with others (such as national standard-setters and securities regulators) to raise awareness of the ED and engage accordingly with stakeholders.

51. The staff thinks that a comment period shorter than 120 days is not suitable for the Practice Statement because stakeholders need adequate time to get familiar with this form of standard setting—since it is the first IFRS Practice Statement developed by the ISSB—and review and analyse the content and evaluate practical implications related to the proposals.

52. The publication of the ED is planned for October 2026. The holiday period during December and early January will affect preparation of responses in some parts of the world. There will also be other challenges with overlaps with other sustainability-related consultations such as the consultation on ESRS for Third-Country Groups which may add burden for stakeholders during the comment period. Also, it is important for the ISSB to consider the additional challenge for many stakeholders and jurisdictions regarding translating the consultation materials. It is also noted that many stakeholders likely to be interested in the consultation will also be involved in the implementation of IFRS S1 and IFRS S2.

53. However, despite these challenges, the staff notes that the usual comment period for an ED is 120 days, the document is not expected to be complex or particularly long, and it is important to progress this area of reporting on a timely basis. The IFRS Foundation can make efforts to support timely translation of materials and to raise awareness of the ED promptly, including about its relationship to IFRS S1 and IFRS S2, to mitigate some of the challenges.

54. On balance, the staff recommend a 120-day comment period because:

(a) the proposed Practice Statement builds directly upon the established structure and requirements of IFRS S1 and IFRS S2;

(b) the nature-specific content of the ED draws on the TNFD framework, which is already widely understood and increasingly applied by market participants; and

(c) it would facilitate timely finalisation of the project to improve nature-related disclosures and reduce their fragmentation.

Questions for the ISSB members

Questions for the ISSB
1. **Permission to begin the process for balloting the ED**—is the ISSB satisfied that it has complied with the applicable due process steps to begin the process for balloting the ED of the IFRS Practice Statement on nature-related disclosures (per paragraph 6.10 of the Handbook)?
2. **Dissent**—does any ISSB member plan to dissent from the publication of the ED? If so, on what grounds (per paragraph 6.10 of the Handbook)?
3. **Comment period**—does the ISSB agree with the staff recommendation for setting a comment period of 120 days for the ED (per paragraph 6.7(c) of the Handbook)?

Appendix A—Details on engagement and research activities

Table A. 1.Summary of engagement activities with ISSB consultative groups and other consulted groups (paragraph 6.7(a) of the Handbook)

Consultative Group	Group meetings	Surveys
ISSB Investor Advisory Group (IIAG)	1. February 2026 2. May 2026	Survey responses on information areas of engagement with Indigenous Peoples, Local Communities and affected stakeholders, location-specific information, nature-related scenario analysis, cross-industry metrics and transition plans.
Sustainability Consultative Committee (SCC)	1. March 2026	
Sustainability Standards Advisory Forum (SSAF)	1. March 2026 (Form of standard-setting) 2. May 2026 (Terms and concepts)	Targeted surveys were shared with specific SSAF members on information areas of engagement with Indigenous Peoples, Local Communities and affected stakeholders, location-specific information, nature-related scenario analysis, climate-nature connections.
Other consulted groups	**Group meetings**	**Surveys**
Sustainability Reference Group (SRG)	1. March 2026 2. June 2026	Survey responses on information areas of engagement with Indigenous Peoples, Local Communities and affected stakeholders, nature-related transition, location-specific information, nature-related scenario analysis.
Investors from the TNFD Forum		Survey responses on information areas of engagement with Indigenous Peoples and Local Communities, location-specific information and nature-related scenario analysis.

Table A. 2. Summary of ISSB discussions in public meetings and sources of input from research and engagement (paragraph 6.7(a) of the Handbook)

ISSB meeting	Paper	Input from engagement	Additional research/considerations
January 2026	Objective and scope of standard setting (Agenda Paper 3)	Outreach undertaken during the research phase.	Consideration of materials from the TNFD

ISSB meeting	Paper	Input from engagement	Additional research/considerations
February 2026	Essential terms and concepts (Agenda Paper 3A)	Outreach undertaken during the research phase.	Consideration of materials from the TNFD, GRI, and European Financial Reporting Advisory Group (EFRAG) and from IASB
	Connections between climate- and nature-related risks and opportunities (Agenda Paper 3B)	Outreach undertaken during the research phase.	Consideration of materials from TNFD and other third-party literature
March 2026	Nature-related metrics (Agenda Paper 3A)	Outreach undertaken during the research phase. Survey responses from IIAG. Feedback on proposed amendments to the SASB Standards (2025).	Consideration of materials from TNFD, GRI and EFRAG
	Nature-related transition (Agenda Paper 3B and Agenda Paper 3C)	Outreach undertaken during the research phase. Survey responses from IIAG and SRG.	Consideration of materials from TNFD and other third-party literature
	Nature-related targets (Agenda Paper 3D)	Outreach undertaken during the research phase. Survey responses from IIAG and SRG.	Consideration of materials from TNFD, GRI, and EFRAG and other third-party literature
April 2026	Interactions, including engagement, with Indigenous Peoples, Local Communities and affected stakeholders (Agenda Paper 3B and Agenda Paper 3C)	Surveys responses from IIAG, SRG, and investor members of the TNFD Forum. Feedback on proposed amendments to the SASB Standards (2025). Outreach with subject matter experts.	Consideration of materials from TNFD, GRI, and EFRAG and other third-party literature
	Location-specific information (Agenda Paper 3A)	Outreach undertaken during the research phase. Survey responses from IIAG, SRG, and investor members of the TNFD Forum. Feedback on proposed amendments to the SASB Standards (2025).	Consideration of materials from TNFD, GRI, and EFRAG and other third-party literature
	Form of standard setting (Agenda Paper 3D)	SSAF meeting (March 2026).	Consideration of materials from IASB

ISSB meeting	Paper	Input from engagement	Additional research/considerations
May 2026	Nature-related scenario analysis (Agenda Paper 3A and Agenda Paper 3B)	Outreach undertaken during the research phase. Survey responses from IIAG, SRG, and investor members of the TNFD Forum.	Consideration of materials from TNFD, GRI, and EFRAG and other third-party literature
	Identification of nature-related risks and opportunities (Agenda Paper 3C)	Feedback on proposed amendments to the SASB Standards (2025).	Consideration of materials from TNFD, GRI, and EFRAG
June 2026	Terms and Concepts (Agenda Paper 3A and Agenda Paper 3B)	Outreach undertaken during the research phase. SSAF meeting (May 2026). Outreach with academics and subject matter experts.	Considerations of materials from TNFD and IASB and other third-party literature.
	Sources of guidance for metrics (Agenda Paper 3C and Agenda Paper 3D)	Feedback on proposed amendments to the SASB Standards (2025). Survey responses from IIAG.	Consideration of materials from TNFD, GRI and EFRAG
	First application of the IFRS Practice Statement and statement of compliance (Agenda Paper 3E)	SSAF meeting (March 2026).	Consideration of materials from IASB

Appendix B—Consideration of the IASB's work and materials

B1. As explained in paragraphs 33–35, the work and materials of the IASB have been considered during both the research and standard-setting phase of the Nature-related Disclosures project. In particular:

(a) Agenda Paper 3A&4 for the January 2025 ISSB meeting provides an assessment of information about nature-related matters that might be presented or disclosed in financial statements when applying IFRS Accounting Standards;

(b) Agenda Paper 3A for the February 2026 and Agenda Paper 3A for the June 2026 ISSB meetings include an analysis of nature-related terms (namely, *assets* and *capital*) and concepts (for example, 'nature-dependent electricity', 'biological assets', and 'environmental damage or restoration') used in IFRS Accounting Standards to ensure consistency between sustainability disclosures and financial statements;

(c) Agenda Paper 3D for the April 2026 and Agenda Paper 3E for the June 2026 ISSB meetings considered and analysed existing IFRS Practice Statements and requirements regarding the statement of compliance from the IFRS Accounting Standards and the IFRS Practice Statement 1 *Management Commentary*.

Appendix C—Due process steps considered in developing the Exposure Draft

C1. The due process steps the ISSB has considered and undertaken in developing the ED are summarised in the Table C.1. The table illustrates whether each step is part of the minimum safeguards (labelled as 'required') or whether the step is non-mandatory (labelled as 'optional') for publication of the ED.

Table C.1. Due Process steps considered in developing the ED

Handbook paragraph	Due Process Step	Required / Optional	Metrics of evidence	Section and paragraph number in this paper
4.9–4.13	Research programme	Required	The ISSB defined and assessed the problem with existing nature-related reporting practices. Technical staff collected evidence through research and engagement. The ISSB made a decision to undertake standard-setting (without publishing a discussion paper).	Research project and decision to move to a standard-setting project – paragraphs 11, 12, and 14
5.1–5.2	When considering whether to add a standard-setting project to the work plan, a board considers a project proposal.	Required	At its November 2025 meeting, the ISSB considered a proposal for this project.	Research project and decision to move to a standard-setting project – paragraph 13
5.4, 5.6–5.8	A board evaluates adding a potential project to the work plan primarily by assessing the needs of users of general purpose financial reports, while also taking into account the costs of preparing the information in those reports. It reviews the research it has conducted on the topic. Before adding a project, it normally publishes a discussion paper; if not, the board needs to set out the reasons for not publishing a discussion paper and report them to the DPOC.	Required	ISSB reviewed the research it has conducted, evaluated the criteria for adding a standard-setting project to the work plan and assessed whether a discussion paper seeking public feedback is necessary. DP3 for the March 2026 DPOC explains the reasons why the ISSB decided not to publish a discussion document for the Nature-related Disclosures project.	Research project and decision to move to a standard-setting project – paragraphs 12–14
6.6	When developing proposed requirements, the board might draw on requirements or other materials from other standard-setting or similar bodies or include such materials in proposed Standards. Such requirements or	Optional	The ISSB decided to draw on the work of the Taskforce on Nature-related Financial Disclosures (TNFD)	Research project and decision to move to a standard-setting project – paragraph 13

Handbook paragraph	Due Process Step	Required / Optional	Metrics of evidence	Section and paragraph number in this paper
	other materials might have been subject to consultative procedures during their development.			
3.46(a)	Debating any proposals at public meetings	Required	The ISSB discussed all of the standard-setting considerations for the development of the ED in its public meetings from January to June 2026.	Public meetings and papers and other relevant documents available on-line – paragraph 16
3.2–3.5	• meetings held in public (webcast live or recordings available on website); • decisions summarised in Updates (available on website); • regular meetings are planned in advance; • meeting schedule is published on the website.	Required	All the project materials are available on the IFRS Foundation website, with agenda papers and meeting schedules being posted on the website on a timely basis before every public meeting.	Public meetings and papers and other relevant documents available on-line – paragraph 17
3.8	Technical staff papers are normally distributed at least 10 days before they are scheduled for discussion.	Required	Papers were posted on the website on a timely basis before every public meeting in the period January to June 2026.	Public meetings and papers and other relevant documents available on-line – paragraph 17
3.11	Material discussed by board members in their public meetings, including papers prepared by the technical staff, is usually made available on the Foundation's website.	Required	All the project materials, including agenda papers, are available on the IFRS Foundation website.	Public meetings and papers and other relevant documents available on-line – paragraph 17
4.1	The technical work plan is updated regularly and is available on the IFRS Foundation's website, which also includes estimates of project timelines reflecting recent board decisions.	Required	All the project materials are available on the IFRS Foundation website.	Public meetings and papers and other relevant documents available on-line – paragraph 17
6.4	A board develops an exposure draft during its public meetings. The technical staff prepares papers for the board to consider on the matters to be addressed in the exposure draft.	Required	The ISSB discussed the development of the ED in its meetings from January to June 2026. The technical staff prepared papers for the board on the information areas and other standard-setting considerations related to the ED.	Public meetings and papers and other relevant documents available on-line – paragraph 16

Handbook paragraph	Due Process Step	Required / Optional	Metrics of evidence	Section and paragraph number in this paper
3.46(e)	Consulting the SSAF and the IFRS Advisory Council on the work plan, major projects, proposals to add projects to the work plan and work priorities.	Required	The ISSB staff and Board consulted with the SSAF and the IFRS Advisory Council during the development of the ED.	Consultative groups, public hearings and other outreach activities – paragraphs 18 and 23
3.47(c)	Holding public hearings	Optional	No public hearings held during this phase according to decision of undertaking targeted and focused engagement. Public hearings (roundtables) were held during the research phase of the project.	Consultative groups, public hearings and other outreach activities – paragraph 19
3.50	The boards take additional steps to consult investors and investment intermediaries throughout the standard-setting process through, for example, surveys, webcasts, private meetings and meetings with representative groups, such as the IIAG.	Optional	Staff engaged with investors from consultative groups and others through meetings and surveys	Consultative groups, public hearings and other outreach activities – paragraph 18
3.53	The board shares information with and consult SSAF and international and regional bodies such as the International Forum of Accounting Standard Setters.	• Required (SSAF) • Optional (other bodies)	The board consulted with SSAF and International Forum of Accounting Standard Setters	Consultative groups, public hearings and other outreach activities – paragraph 24
3.55	The Advisory Council provides broad strategic advice to the boards and the Trustees on the boards' work plans, project priorities and strategic matters.	Required	The ISSB staff and Board updated the IFRS Advisory Council on the progress of the Nature-related Disclosures standard-setting project and gathered views during its meeting in April 2026	Consultative groups, public hearings and other outreach activities – paragraph 23
3.57	The boards maintain a dialogue with the IOSCO and other bodies bringing together securities regulators.	Optional	Board and staff members also maintained dialogue with several organisations throughout the project.	Consultative groups, public hearings and other outreach activities – paragraph 26
3.62	Meetings of consultative groups are normally held in public and chaired by a board member or by a member of the technical staff. Public meetings are recorded and, when possible, webcast live. Papers discussed by the	Optional	Meetings of consultative groups were held in public (except for the meeting of the IIAG) and papers are made available on the IFRS Foundation's website.	Consultative groups, public hearings and other outreach activities – paragraph 21

Handbook paragraph	Due Process Step	Required / Optional	Metrics of evidence	Section and paragraph number in this paper
	consultative group and recordings of meetings are made available on the IFRS Foundation's website.			
3.77	A board can hold public hearings with interested organisations to listen to, and exchange views on, specific topics. Public hearings include round-table meetings and discussion forums.	Optional	No public hearings held during this phase according to decision of undertaking targeted and focused engagement. Public hearings (roundtables) were held during the research phase of the project.	Consultative groups, public hearings and other outreach activities – paragraph 19
6.5	Development of an ED normally begins with the board considering the issues based on the technical staff's research and recommendations. The board also considers the comments on any discussion paper, research paper or request for information; suggestions made by consultative groups and standard-setters and arising from consultation with other stakeholders.	Required	The ED has been developed on the basis of the technical staff's research considering inputs and comments on technical staff's research and recommendations from consultative groups and other stakeholders.	• Consultative groups, public hearings and other outreach activities – paragraph 18 • Research activities – paragraph 27
6.7(a)	The technical staff presents a paper to the board summarising the steps that the board has taken in developing the proposals, including a summary of when the board discussed the project in public meetings, public hearings, outreach activities and meetings of consultative groups.	Required	This agenda paper summarises the steps that the board has taken in developing the proposals, including a summary of when the board discussed the project in public meetings.	• Consultative groups, public hearings and other outreach activities – paragraphs 20 and 22 • Research activities – paragraph 31 • Table A.1 and Table A.2
3.72–3.73	Fieldwork can include, among other activities: • assessing how users of general purpose financial reports process information; • gathering examples to gain a better understanding of industry practices and how these might be affected by proposed new requirements.	Optional	No fieldwork has been undertaken so far, but research activities described in paragraphs 28(c) and (d) are among those listed in the options of fieldwork in the Handbook.	Research activities – paragraph 32
5.5	In evaluating adding a standard-setting project to the work plan, a board also considers possible interactions with the other board's Standards and its objective to develop Standards that are compatible, and avoid	Required	The ISSB considered the work and standards of the IASB during the research and standard-setting project on nature-related disclosures.	Research project and decision to move to a standard-setting project – paragraph 11

Handbook paragraph	Due Process Step	Required / Optional	Metrics of evidence	Section and paragraph number in this paper
	inconsistencies and conflicts, with the other board's Standards.			
6.26(b)	Summarising the steps taken to consider possible interactions with the other board's Standards and to meet the objective to develop Standards that are compatible, and avoid inconsistencies and conflicts, with the other board's Standards.	Required	The ISSB considered the work and standards of the IASB during the research and standard-setting project on nature-related disclosures.	Considering possible interactions with the other board's Standards – paragraph 34
3.78–3.83	A board gains insight into the likely effects of a new Standard through its formal exposure of proposals and through its fieldwork, analysis and consultations with stakeholders. For example, In the standard-setting phase, the board focuses on assessing the potential costs and benefits of implementing its proposal, and on assessing any alternatives. The extent and format of the analysis is tailored to and reflects the nature of the change to financial reporting and the stage of development of the new Standard.	Required	This agenda paper summarises the effects analysis. Agenda Paper 3B for this meeting presents the analysis of the likely effects of the proposed Practice Statement.	Effects analysis – paragraph 36
2.7	The DPOC: • exercises oversight throughout the development of a new Standard; • operates through periodic reporting by, and dialogue with, representatives of each board the IFRS Foundation staff.	Required	The DPOC has been and will be updated throughout the project, including through the periodic reporting to DPOC in October 2026.	Informing the DPOC – paragraph 41
2.9	The DPOC: • reviews and evaluates the evidence of compliance with the due process requirements; and • considers any matters raised about due process.	Required	The DPOC has been and will be updated throughout the project, including through the periodic reporting to DPOC in October 2026.	Informing the DPOC – paragraph 41

Handbook paragraph	Due Process Step	Required / Optional	Metrics of evidence	Section and paragraph number in this paper
3.12	Report to the board and the DPOC at least annually regarding: • material discussed by the board that has not been made available on the website; and • meeting papers that have been distributed less than five working days in advance.	Required	The DPOC has been and will be updated throughout the project, including through the periodic reporting to DPOC in October 2026.	Informing the DPOC – paragraph 41
3.47(a)	Publishing a discussion document for major projects (for example, a discussion paper) before an exposure draft is developed	Optional	DP3 for the March 2026 DPOC explains the reasons why the ISSB decided not to publish a discussion document for the Nature-related Disclosures project.	• Research project and decision to move to a standard-setting project – paragraph 14 • Informing the DPOC – paragraph 40
3.47(b)	Creating consultative groups or other types of specialist advisory groups for major projects	Optional	DP3 for the March 2026 DPOC explains the reasons why the ISSB decided not to create a consultative group for the Nature-related Disclosures project.	• Research project and decision to move to a standard-setting project – paragraph 14 • Informing the DPOC – paragraph 40
3.48	If the Board decides not to undertake those non-mandatory steps, it informs the DPOC of its decision and reasons for not undertaking the steps	Required	DP3 for the March 2026 DPOC explains the reasons why the ISSB decided not to publish a discussion document and to not create a consultative group for the Nature-related Disclosures project.	Informing the DPOC – paragraph 40
3.51	The board reports to the DPOC on how they have consulted with investors and their intermediaries.	Required	• Engagement with investors in summarised in paragraphs 22, 25 and 29(c) • Will be included as part of the periodic reporting to DPOC in October 2026.	Informing the DPOC – paragraph 41
3.63	• Considering creating a consultative group when adding a project to the standard-setting programme. • If the board decides not to do so, it explains that decision on the project page and informs the DPOC.	• Optional (creation consultative group) • Required (communication with DPOC)	Decision communicated with the DPOC in DP3 for the March 2026 DPOC meeting	• Research project and decision to move to a standard-setting project – paragraph 14 • Informing the DPOC – paragraph 40

Handbook paragraph	Due Process Step	Required / Optional	Metrics of evidence	Section and paragraph number in this paper
6.7(b)	Reaffirming why the board has decided that it was not necessary to create a consultative group; and	Required	DP3 for the March 2026 DPOC explains the reasons why the ISSB decided not to create a consultative group for the Nature-related Disclosures project.	• Research project and decision to move to a standard-setting project – paragraph 14 • Informing the DPOC – paragraph 40
3.27	Before a document is balloted, the technical staff usually prepares one or more pre-ballot drafts, which members of the board respond to with comments.	Required	The staff will prepare one or more pre-ballot drafts, which members of the board respond to with comments	Towards the publication of the ED – paragraph 43
3.30	As part of the balloting process the technical staff liaises with the IFRS Foundation translations staff and IFRS Taxonomy staff to evaluate whether the document can be translated from English into other languages. Before publication, all documents subject to ballot undergo review by the IFRS Foundation editorial staff.	Required	The staff will develop translated versions of the Practice Statement	Towards the publication of the ED – paragraph 43
3.46(b)	Exposing for public comment a draft of any proposed new Standard with a minimum comment period.	Required	If the ISSB agrees with the staff recommendation in this paper, the ED will be exposed for public comments with a comment period that meets the requirements for a minimum period.	Towards the publication of the ED – paragraphs 42 and 45
3.84	In the basis for conclusions a board explains the rationale behind the decisions it made while developing a Standard.	Required	The basis for conclusions will explain the board's rationale for the proposal.	Towards the publication of the ED – paragraph 43
5.3	A proposed new Standard is exposed for public comment.	Required	The ED will be exposed for public comment.	Towards the publication of the ED – paragraphs 42 and 45
6.2(a)	The basis for conclusions is written to explain a board's rationale for the proposal.	Required	The basis for conclusions will explain the board's rationale for the proposal.	Towards the publication of the ED – paragraph 43
6.7(c)	The ED has an appropriate comment period.	Required	This agenda paper recommends a comment period for the ED.	• Towards the publication of the ED – paragraphs 42–43 • Comment period for the Exposure Draft – paragraphs 49–54

Handbook paragraph	Due Process Step	Required / Optional	Metrics of evidence	Section and paragraph number in this paper
6.19–6.21	The publication of an exposure draft is announced on the IFRS Foundation's website. Depending on the nature of the exposure draft, supplementary supporting materials, such as a project snapshot or webcast, might also be published.	Required	The publication of the ED will be announced on the website. Supplementary materials will be also published.	Towards the publication of the ED – paragraphs 42 and 45
6.38	The ISSB set an effective date	Optional	Agenda Paper 3E for the June 2026 ISSB meeting	Towards the publication of the ED – paragraph 44
6.39	A board considers how first-time adopters of Standards are required to apply the Standard	Optional	Agenda Paper 3E for the June 2026 ISSB meeting	Towards the publication of the ED – paragraph 44
6.42	A board might produce non-mandatory practice guidance, including on a topic not addressed by a Standard (such as management commentary). To develop and publish practice guidance, the board follows the same procedures used for the development of a Standard, including the balloting of documents.	Required	To develop the Practice Statement, the ISSB follows the same procedures used for the development of the Practice Statement.	Towards the publication of the ED – paragraph 42