
ISSB meeting

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Project	Nature-related Disclosures
Topic	Supplement to AP3C—Consideration of the TNFD framework in standard-setting on nature-related disclosures
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Introduction

1. This paper provides an overview of how the International Sustainability Standards Board (ISSB) has considered the materials of the Taskforce on Nature-related Financial Disclosures (TNFD)—including the TNFD recommendations, additional guidance, metrics, and research reports—in its standard-setting work on nature-related disclosures from February to June 2026. This paper is for reference only.
2. This paper accompanies Agenda Paper 3C *Sources of guidance for metrics*, which presents staff analysis and recommendations on sources of guidance for nature-related disclosures—including whether to reference the TNFD framework disclosure metrics in the proposed IFRS Practice Statement on nature-related disclosures as a source of guidance that an entity may refer to and consider—and asks the ISSB to make decisions.

Consideration of the TNFD framework in standard-setting on nature-related disclosures

TNFD materials	TNFD content	Project information area	Consideration in agenda papers and ISSB discussions
Recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD recommendations)	<ul style="list-style-type: none"> • Disclosure recommendations • General requirements • Foundations for understanding nature and business • Conceptual foundations for disclosure • Disclosure metrics • Overview of additional TNFD guidance 	Essential terms and concepts for standard-setting on nature-related risks and opportunities	<p>The ISSB discussed terms and concepts essential to clarifying the scope of standard-setting. Chapter 2 of the TNFD recommendations, <i>Foundations for understanding nature and business</i>, informed the identification and staff analysis of these essential terms and concepts, and related illustrative drafting.</p> <p>(Agenda Paper 3A, February 2026; Agenda Paper 3A, June 2026, Agenda Paper 3B, June 2026)</p>
		Connections between climate- and nature-related risks and opportunities	<p>The staff referred to the TNFD recommendations and general requirements in highlighting aspects of connections between climate and nature:</p> <ul style="list-style-type: none"> • climate change as a driver of nature change (<i>Chapter 2, Foundations for understanding nature and business</i>); • GHG emissions as an indicator for climate change, and highlighted as relevant as it is one of the five drivers of nature change, with reference to IFRS S2 for further details on indicators and metrics (<i>Annex 1, TNFD core global disclosure metrics</i>); and • TNFD’s general requirement 4 to integrate nature-related disclosures with other sustainability-related disclosures, including to connect climate and nature information (<i>Chapter 3.2. TNFD general requirements</i>). <p>(Agenda Paper 3B, February 2026)</p>

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		Nature-related metrics	<p>The staff analysis referred to Annex 1 of the TNFD recommendations, <i>TNFD core global disclosure metrics</i>, in the context of discussing common investor needs for nature-related metrics¹. (Agenda Paper 3A, March 2026)</p> <p>The staff analysis referred to Annex 1 <i>TNFD core global disclosure metrics</i> and Annex 2 <i>TNFD additional global disclosure metrics</i> of the TNFD recommendations in the context of discussing sources of guidance for metrics for nature-related disclosures. (Agenda Paper 3C, June 2026)</p>
		Nature-related transition	<p>The staff research findings referred to:</p> <ul style="list-style-type: none"> the TNFD recommended disclosures (<i>Strategy B</i>) that ask an entity to describe any transition plans in place in the context of describing the effect nature-related dependencies, impacts, risks and opportunities have on the entity’s business model, value chain, strategy and financial planning; and the TNFD recommended disclosures (<i>Governance C</i>) that ask an entity to disclose how the results of the engagement processes with Indigenous Peoples, Local Communities and affected stakeholders have been

¹ In addition, specific metrics were referenced for the Location topic (see below).

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			<p>incorporated into an entity's responses to nature-related issues. (Agenda Paper 3B, March 2026)</p>
		<p>Nature-related targets and consideration of international agreements and related jurisdictional commitments</p>	<p>The staff research findings referred to:</p> <ul style="list-style-type: none"> the TNFD recommended disclosures (<i>Metrics and Targets C</i>) that ask an entity to describe the targets used by the entity to manage its nature-related dependencies, impacts, risks and opportunities, including whether and how the target aligns with or supports the targets and goals of the Kunming–Montreal Global Biodiversity Framework and other global reference environmental treaties, policy goals and system-wide initiatives; and the TNFD recommended disclosures (<i>Governance C</i>) that ask an entity to disclose how the results of the engagement processes with Indigenous Peoples, Local Communities and affected stakeholders have been incorporated into an entity's responses to nature-related issues. <p>(Agenda Paper 3D, March 2026)</p>
		<p>Location-specific information about nature-related risks and opportunities</p>	<p>The staff research findings referred to the TNFD general requirements and recommended disclosures under strategy, risk management, and metrics and targets that incorporate location-specific information (<i>General requirement 3: Location of nature-related issues, Strategy</i></p>

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			<p><i>A and D, Risk Management A(i) and A(ii), Metrics and Targets A and B).</i></p> <p>The staff referred to the TNFD core global metrics 7.0 and 7.1 in Annex 1 of the TNFD recommendations in recommending the ISSB require metrics on assets / business activities vulnerable to / aligned with nature-related risks and opportunities. (Agenda Paper 3A, April 2026)</p>
		<p>Engagement with Indigenous Peoples, Local Communities and affected stakeholders in the context of nature-related risks and opportunities</p>	<p>The staff research findings referred to:</p> <ul style="list-style-type: none"> the TNFD recommended disclosure (<i>Governance C</i>) that refers to information about engagement with Indigenous Peoples, Local Communities and affected stakeholders; and the TNFD general requirement (<i>General requirement 6</i>) that establishes that an entity should disclose its process for engaging with Indigenous Peoples, Local Communities and affected stakeholders. <p>(Agenda Paper 3B, April 2026)</p>
		<p>Scenario analysis</p>	<p>The staff research findings referred to:</p> <ul style="list-style-type: none"> the TNFD recommended disclosure (<i>Strategy C</i>) that refers to use of scenario analysis in assessing the resilience of an entity’s strategy to nature-related risks and opportunities; and the TNFD recommended disclosures (<i>Risk and Impact Management A(i) and A(ii)</i>) which refer to the entity’s

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			<p>process for assessing and prioritising nature-related dependencies, impacts, risks and opportunities, as information about use of scenario analysis might be relevant to these recommended disclosures.</p> <p>(Agenda Paper 3A, May 2026)</p>
		Identifying nature-related risks and opportunities	<p>The staff noted the TNFD recommended disclosures in the context of the LEAP approach and ‘Foundations for understanding nature and nature-related issues’.</p> <p>(Agenda Paper 3C, May 2026)</p>
<p>Guidance on the identification and assessment of nature-related issues: the LEAP approach (LEAP guidance)</p>	<ul style="list-style-type: none"> • Foundations for understanding nature and nature-related issues (chapter 2) • Guidance on identifying and assessing nature-related issues (chapters 3–7) • Assessment metrics (annex 1) • Valuation methods (annex 3) • Risk assessment methods (annex 4) 	Essential terms and concepts for standard-setting on nature	<p>The staff analysis referenced examples from the LEAP guidance to illustrate how nature-related risks and opportunities can arise from dependencies and impacts on nature.</p> <p>(Agenda Paper 3A, February 2026)</p>
		Connections between climate- and nature-related risks and opportunities	<p>The staff analysis referenced a section of the LEAP approach (component A1) that discusses links between climate and nature in the context of nature-related risk and opportunity identification.</p> <p>(Agenda Paper 3B, February 2026)</p>
		Location-specific information about nature-related risks and opportunities	<p>The LEAP guidance—including concepts explained in the Locate section of the guidance—was considered in the staff recommendation to require that an entity consider location in identifying nature-related risks and opportunities that could reasonably be expected to affect its prospects and disclose location-specific information</p>

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			<p>about these risks and opportunities across core content areas. (Agenda Paper 3A, April 2026)</p>
		<p>Engagement with Indigenous Peoples, Local Communities and affected stakeholders in the context of nature-related risks and opportunities</p>	<p>The staff research findings highlighted that engagement with Indigenous Peoples, Local Communities and affected stakeholders is an important cross cutting component throughout the LEAP approach. (Agenda Paper 3B, April 2026)</p>
		<p>Scenario analysis</p>	<p>The staff research findings highlighted that scenario analysis is an important component of the LEAP approach. Particularly, the staff noted that it is most relevant to the Assess phase but is also relevant throughout the other phases. This was considered in reaching the staff recommendations on the disclosure of information about the different use cases of scenario analysis. (Agenda Paper 3A, May 2026)</p>
		<p>Identifying nature-related risks and opportunities</p>	<p>The staff recommended that the Practice Statement note how the LEAP approach may be relevant in providing nature-related disclosures in accordance with the objective of IFRS S1. (Agenda Paper 3C, May 2026)</p>

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Guidance on nature in transition plans	<ul style="list-style-type: none"> Guidance on how to incorporate nature into a transition plan Guidance on how to disclose information about nature in a transition plan 	Connections between climate- and nature-related risks and opportunities	The staff analysis noted that the TNFD’s guidance on nature in transition plans highlights: <ul style="list-style-type: none"> an integrated approach to transition planning; explicit consideration and management of synergies and trade-offs between action on climate-, nature- and other sustainability-related objectives; and disclosure of how these synergies and trade-offs are identified and managed. (Agenda Paper 3B , February 2026)
		Nature-related transition	The staff referred to the TNFD’s guidance on nature in transition plans to: <ul style="list-style-type: none"> outline TNFD’s definitions of a ‘transition plan’ and ‘nature in transition plans’; explain the distinction between transition plans and strategic plans in the context of nature; assess whether the ISSB should define nature-related transition plans; note that TNFD encourages an integrated approach to transition planning, covering both climate and nature; and inform the recommendation for incremental requirements and guidance for disclosing information on the effects of nature-related risks and opportunities on an entity’s strategy and decision-making, including information about an entity’s response, and plans to respond, to nature-related risks and opportunities.

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			(Agenda Paper 3B , March 2026)
		Nature-related targets and consideration of international agreements and related jurisdictional commitments	The staff research findings referred to aspects of the TNFD’s guidance on nature in transition plans to inform analysis of location-specific information associated with nature-related targets and objectives of those targets. (Agenda Paper 3D , March 2026)
		Scenario analysis	In preparing the research findings, staff considered the guidance on nature in transition plans because the guidance informs the use of nature-related scenario analysis. The guidance discusses scenario analysis frequently and cross references to the TNFD guidance on scenario analysis. (Agenda Paper 3A , May 2026)
Glossary	Definitions for terms used in the TNFD recommendations and supporting guidance, including disclosure metrics	Essential terms and concepts for standard-setting on nature	The TNFD glossary informed the staff’s consideration of how the ISSB should either describe or define various terms and concepts essential to providing clarity on the scope of standard-setting on nature-related risks and opportunities and resulting disclosures, and informed related illustrative drafting. (Agenda Paper 3A , February 2026; Agenda Paper 3A , June 2026, Agenda Paper 3B , June 2026)
		Nature-related transition	The staff research findings referred to the definition of ‘transition plan’ as presented in the TNFD glossary. (Agenda Paper 3B , March 2026)

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		Nature-related targets and consideration of international agreements and related jurisdictional commitments	The staff research findings referred to the definitions of ‘ecological threshold’ and ‘tipping point’ as presented in the TNFD glossary. (Agenda Paper 3D , March 2026)
		Location-specific information about nature-related risks and opportunities	The staff research findings referred to the definitions of ‘areas of influence’, ‘priority locations’ and ‘sensitive locations’ as presented in the TNFD glossary. (Agenda Paper 3A , April 2026)
		Engagement with Indigenous Peoples, Local Communities and affected stakeholders in the context of nature-related risks and opportunities	The definitions of Indigenous Peoples, Local Communities and affected stakeholders as presented in the TNFD glossary informed the staff analysis and the staff recommendations for guidance that would cover categories of society and stakeholders comprising Indigenous Peoples, Local Communities and affected stakeholders, and that would describe these categories based on the definitions in the TNFD glossary. (Agenda Papers 3B and Agenda Paper 3C , April 2026)
		Scenario analysis	The staff research findings referred to the definitions of ‘scenario’, ‘scenario storyline’ and ‘scenario pathway’ as presented in the TNFD glossary. (Agenda Paper 3A , May 2026)

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Guidance on scenario analysis	Guidance on how to use scenario analysis to understand implications of nature loss and climate change for business strategy and financial planning	Scenario analysis	<p>The staff noted the TNFD guidance builds on TCFD scenario resources to enable integrated consideration of climate and nature in scenario analysis and integrated disclosures. (Agenda Paper 3B, February 2026)</p> <p>The staff research findings noted pilot case studies that provide insight into different use cases for nature-related scenario analysis. (Agenda Paper 3A, May 2026)</p>
Guidance on engagement with Indigenous Peoples, Local Communities and affected stakeholders	Guidance for meaningful engagement with Indigenous Peoples, Local Communities and affected stakeholders when identifying nature-related dependencies, impacts, risks and opportunities and in support of disclosure consistent with TNFD recommended disclosure Governance C and general requirements.	Engagement with Indigenous Peoples, Local Communities and affected stakeholders in the context of nature-related risks and opportunities	<p>The TNFD guidance informed the staff analysis and recommendations for guidance that would support an entity to provide material information to primary users on how the entity’s interactions, including engagement, with Indigenous Peoples, Local Communities and affected stakeholders can give rise to nature-related risks and opportunities that could reasonably be expected to affect its prospects. (Agenda Papers 3B and Agenda Paper 3C, April 2026)</p>

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Additional guidance by sector	Additional context for the application of the LEAP approach in different sectors. Guidance on applying the TNFD cross-sector disclosure metrics in the sectoral context. Sector-specific disclosure metrics.	Connections between climate- and nature-related risks and opportunities	The staff analysis noted that the sector guidance includes illustrative examples that demonstrate connections between climate and nature. (Agenda Paper 3B , February 2026)
		Location-specific information about nature-related risks and opportunities	In preparing the research findings, staff referred to examples from the TNFD food and agriculture sector guidance to help understand the concept of a supply shed. (Agenda Paper 3A , April 2026)
		Engagement with Indigenous Peoples, Local Communities and affected stakeholders in the context of nature-related risks and opportunities	The staff research findings highlighted that some of the TNFD sector guidance includes additional considerations for engaging Indigenous Peoples, Local Communities and affected stakeholders in applying the LEAP approach. (Agenda Papers 3B , April 2026)

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		Nature-related metrics	<p>The staff noted the TNFD sector guidance and the sector-specific disclosure metrics in the context of existing materials and in discussion of enhancements to the SASB Standards. (Agenda Paper 3A, March 2026)</p> <p>The staff analysis referred to the TNFD sector disclosure metrics contained in Section 3 of each sector guidance in the context of discussing sources of guidance for metrics for nature-related disclosures. (Agenda Paper 3C, June 2026)</p>
Guidance on biomes	Guidance to support identification, assessment and disclosure of nature-related dependencies, impacts, risks and opportunities in specific types of ecosystem (biomes).	Location-specific information about nature-related risks and opportunities	<p>In preparing the research findings, staff referred to the guidance on biomes to obtain an understanding of the ecological characteristics of ecosystems, how ecosystems are classified and the varying levels of granularity of location from an ecological perspective. (Agenda Paper 3A, April 2026)</p>

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Evidence review on the financial effects of nature-related risks	<p>Explores how nature-related risks, stemming from business dependencies and impacts on nature, can be financially material. Synthesises the current evidence on the financial materiality of nature-related risks for corporates and financial institutions.</p>	<p>Identifying nature-related risks and opportunities</p>	<p>The staff research findings highlighted takeaways from the report on current practices and challenges for the identification of nature-related risks and opportunities. (Agenda Paper 3C, May 2026)</p>
Discussion paper on conducting advanced scenario analysis	<p>Outlines approaches to advanced scenario analysis, building on the TNFD’s foundational guidance on scenario analysis. It is primarily intended for experienced users of scenarios in financial institutions and large multinational companies interested in advanced nature scenario methods.</p>	<p>Scenario analysis</p>	<p>The staff research findings highlighted that the guidance covers all three use cases for scenario analysis that are discussed in the agenda paper. (Agenda Paper 3A, May 2026)</p>

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Identifying risks and opportunities to organisations arising from dependencies and impacts on nature	Practical examples of how companies are identifying nature-related dependencies, impacts, risks, and opportunities.	Identifying nature-related risks and opportunities	The staff research findings highlighted takeaways from the review of corporate case studies on current and emerging practices for how entities identify nature-related dependencies, impacts, risks, and opportunities. (Agenda Paper 3C , May 2026)
		Scenario analysis	The staff analysis considered the case studies for how entities had used scenario analysis for different use cases. (Agenda Paper 3A , May 2026)
TNFD 2025 Status Report	Evidence of market practice and perceptions two years after the publication of the TNFD recommendations.	Connections between climate- and nature-related risks and opportunities	The staff analysis reported statistics from the TNFD 2025 Status Report on current integration of nature- and climate-related disclosures from the TNFD 2025 Status Report. (Agenda Paper 3B , February 2026)
		Nature-related targets and consideration of international agreements and related jurisdictional commitments	The staff analysis included statistics from the TNFD 2025 Status Report on the disclosure rates of the recommended disclosure (<i>Metrics and Targets C</i>) that covers targets. (Agenda Paper 3D , March 2026)
		Nature-related metrics	The staff analysis described initial market uptake and challenges of TNFD core global metrics from the TNFD 2025 Status Report. (Agenda Paper 3A , March 2026)

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		Location-specific information about nature-related risks and opportunities	The staff analysis highlighted statistics from the TNFD 2025 Status Report on market application of the recommended disclosure (<i>Strategy D</i>) to disclose their assets and activities in priority locations. (Agenda Paper 3A , April 2026)
		Engagement with Indigenous Peoples, Local Communities and affected stakeholders in the context of nature-related risks and opportunities	The staff analysis highlighted statistics from the TNFD 2025 Status Report on market application of the recommended disclosure (<i>Governance C</i>) to disclose on governance oversight for engagement with Indigenous Peoples, Local Communities and affected stakeholders on nature-related issues. (Agenda Paper 3B , April 2026)
		Identifying nature-related risks and opportunities	The staff analysis included statistics from the TNFD 2025 Status Report on the use of the LEAP approach. (Agenda Paper 3C , May 2026)
		Scenario analysis	The staff analysis highlighted statistics from the TNFD 2025 Status Report on market application of the recommended disclosure (<i>Strategy C</i>) to disclose resilience of an entity’s strategy to nature-related risks and opportunities, taking into consideration different scenarios. (Agenda Paper 3A , May 2026)