
ISSB Meeting

Date	March 2026
Project	Nature-related Disclosures
Topic	Information on nature-related transition
	Tom Hegarty (tom.hegarty@ifrs.org)
Contacts	Jeff Stehm (jstehm@ifrs.org)
	Yulia Feygina (yfeygina@ifrs.org)

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

Purpose and structure

1. This paper discusses information about nature-related transition. It presents staff's analysis and recommendation and asks the International Sustainability Standards Boards (ISSB) for a decision. This paper should be read in the context of Agenda Paper 3C *Illustrative drafting of incremental requirements and guidance on strategy and decision-making*. Agenda Paper 3C is for reference only. The staff invite ISSB members questions and comments on the illustrative drafting presented in Agenda Paper 3C.
2. This paper is structured as follows:
 - (a) purpose and structure (paragraphs 1–2);
 - (b) background (paragraphs 3–4);
 - (c) staff recommendation (paragraphs 5–6);
 - (d) findings in research and outreach (paragraphs 7–30):
 - (i) introduction (paragraphs 7–14);
 - (ii) overview of market practice (paragraphs 15–18);

- (iii) investor information needs (paragraphs 19–23);
- (iv) overview of relevant ISSB requirements and guidance and related educational material (paragraphs 24–30);
- (e) staff analysis (paragraphs 31–37); and
- (f) questions for the ISSB.

Background

3. At its January 2026 meeting, the ISSB decided to proceed with nature-related standard-setting assuming that an entity is applying IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*. In the January 2026 Agenda Paper 3 *Objective and scope of standard-setting on nature-related risks and opportunities*, the staff identified several information areas for possible nature-related standard-setting. These areas included information about an entity’s nature-related transition plan. In particular, the paper stated that forward-looking information about an entity’s strategy to manage its nature-related risks and opportunities that could reasonably be expected to affect the entity’s prospects, including information about ‘transition pathways and transition plans’ and their financial implications for the entity, is a clear investor need. The paper noted that:
- (a) IFRS S1 contains general requirements for disclosure of information on an entity’s strategy but does not—unlike IFRS S2—specifically refer to information about transition plans.
 - (b) climate-related transition plans specifically covered by disclosure requirements in IFRS S2 might have nature-related aspects.
4. The paper stated that the staff will provide an analysis to determine whether investor information needs on transition plans warrant incremental requirements or guidance on disclosure of information on that area, and, if so, what staff recommend those incremental requirements and guidance should be.

Staff recommendation

5. To ensure entities meet investor information needs, the staff recommend that the ISSB provide incremental requirements and guidance for the disclosure of 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 regardless of whether that response, or plans to respond, form part of a transition plan. Agenda Paper 3C provides illustrative drafting of those incremental requirements and guidance alongside the existing requirements in IFRS S1 and IFRS S2 and explains what the illustrative drafting is intended for.
6. The term 'incremental' refers to disclosure requirements and guidance that are specific to nature-related risks and opportunities and incremental to the general requirements and guidance in IFRS S1.

Findings in research and outreach

Introduction

7. Nature-related risks and opportunities arise due to physical changes in nature and due to transitional changes, such as changes in policy, technology, or customer preferences. The February 2026 Agenda Paper 3A *Essential terms and concepts for standard-setting on nature-related disclosure requirements* explained that nature-related physical risks arise from the degradation of nature and loss of ecosystem services, and nature-related transition risks arise from efforts to protect, restore or reduce negative impacts on nature¹.

¹ The particular terms and exact wording are subject to further discussion as agreed by the International Sustainability Standards Board (ISSB) at the February 2026 meeting. This framing is provided for context.

-
8. The way an entity responds, or plans to respond, to nature-related risks and opportunities can vary and may be associated with particular locations. For example, an entity's response might involve:
- (a) consideration of synergies and trade-offs between nature-related and climate-related or other sustainability-related efforts;
 - (b) consideration of how international agreements and related jurisdictional commitments apply to the locations in the entity's business model and value chain, alongside consideration of physical changes in nature and other sources of risk in order to determine what actions to undertake.
 - (c) prioritisation of an entity's response across locations and across nature-related risks and opportunities, reflecting the complexity of nature and potentially large numbers of locations of an entity's operations.
 - (d) engagement with other entities and stakeholders in the landscape, basin or seascape where an entity is operating in order to support effective management of common risks and opportunities. This engagement can involve participation in formal structures known as landscape, basin and seascape initiatives, among other terms.
 - (e) setting nature-related targets that reflect the characteristics of nature in the locations in an entity's business model and value chain.
9. An emerging practice is for an entity to organise its response and plans to respond to nature-related risks and opportunities in the form of a transition plan. This may be a standalone nature-related transition plan or a plan integrated with responses to other sustainability-related risks and opportunities such as climate-related.
10. A transition plan provides a coherent structure for an entity to articulate its tactical targets and actions to respond to the economic, societal and competitive shifts driven by climate and nature change, and potentially other economic changes. The object of an entity's transition plan is how the entity can adjust its business model and value proposition (and associated operations, product mix and value chain structure) to

manage effectively the climate-related and nature-related risks and opportunities arising in its future business environment. This may involve, for example, a revised business model that achieves improved resilience in the entity's dependencies on nature (for example, through protection of an important ecosystem) or a reduction in its impacts on nature (for example, due to reduced resource use or material substitutions).

11. The distinction between strategy and transition plans, however, is not always clearly delineated and depends on the level of detail, focus and intent.
12. [TNFD guidance on nature in transition plans](#) defines a transition plan as 'an aspect of an organisation's overall business strategy that lays out the organisation's goals, targets, actions, accountability mechanisms and intended resources to respond and contribute to societal goals and other economic transformations, where relevant'. In addition, TNFD guidance defines nature in transition plans as concerning 'the organisation's goals, targets, actions, accountability mechanisms and intended resources to respond and contribute to the transition implied by the Global Biodiversity Framework.' The TNFD guidance outlines both how to develop a plan and how to disclose it.
13. In addition to the TNFD guidance on nature in transition plans, the TNFD Recommended Disclosure Strategy B asks an entity to describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organisation's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place. The guidance under the disclosure recommendation covers the processes and actions the entity has put in place, changes to business practices, investments, decisions on the location of business operations and collaboration with other partners and stakeholders.²

² In addition, the TNFD Recommended Disclosure Governance C asks for information about 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.

14. Similarly, across the draft simplified ESRS, an undertaking is required to disclose how its policies and key actions manage material impacts, risks and opportunities across all material topics. For example, the draft ESRS E4 Biodiversity and Ecosystems includes requirements for entities to explain their key biodiversity- and ecosystems-related actions and the resources allocated to their implementation. The draft simplified ESRS also contains location-related disclosure requirements for specific topics, for example, requiring disclosure of a list of biodiversity-sensitive areas affected by the undertaking's material negative impacts, or of sites located in areas with water stress. Similarly, the GRI 101 Biodiversity standard requires an entity to disclose its management of biodiversity impacts (101-2) to provide information on the actions taken by the organisation to manage its most significant impacts on biodiversity, including impacts in its supply chain.

Overview of market practice

15. While transition plans covering climate-related issues are well-established, with nearly 6,000 companies publishing such plans, transition plans incorporating nature-related issues are a recent concept.³
16. Given that the concept of a transition plan in the context of nature is relatively new, development and reporting of nature-related issues in transition plans is nascent with few companies producing such plans. For instance, the [World Benchmarking Alliance](#) (WBA) reported in 2026 that only 18 (2%) of the 750 assessed companies in their nature benchmark have published early iterations of nature-related transition plans aligned with the Global Biodiversity Framework or nature-positive principles, based on reporting from 2023 to 2025.
17. The WBA benchmarking assessment identified that of the 18 companies disclosing information about initial transition plans concerning nature only 4 were in standalone

³ The TNFD first published draft guidance on the subject in late 2024 and final guidance in November 2025. The TNFD carried out a pilot with 15 companies from various sectors and geographies. A further pilot was carried out by WWF Netherlands, the Sustainable Finance Lab and Deloitte Netherlands with 8 Dutch financial institutions. The UK's Green Finance Institute is now launching a transition planning programme with 16 UK companies from a variety of sectors. Business for Nature has published 43 companies' "nature strategies".

nature or biodiversity documents, with the remainder embedded in annual reports or wider sustainability or climate–nature reports. Many other entities reported aspects of nature outside of a formal transition plan. The TNFD guidance on nature in transition plans encourages an integrated approach to transition planning, covering both climate and nature transition aspects⁴.

18. A survey of ISSB’s Sustainability Reference Group (SRG) members in February 2026 indicated that both preparers (n=10) and investors (n=8) view nature-related transition plans as a nascent phenomenon. Very few respondents indicated that they either have or plan to develop a transition plan covering nature-related issues. A few respondents indicated that transition plans covering nature-related issues are complicated especially for more complex business models, multiple locations and interactions with value chain actors and that requirements are not adequately defined. An investor member stated the view that most entities are addressing nature transition issues within their broader climate or sustainability strategies.

Investor information needs

19. Agenda Paper 3 [*Evidence of Investor Interest in BEES-related risks and opportunities*](#) (January 2025) reported that in general ‘most investors believe that forward-looking information, especially about an entity’s BEES-related governance, strategy and anticipated effects on financial position and financial performance and plans to manage BEES-related risk, is a critical disclosure element.’ The paper stated that ‘this includes information such as an entity’s BEES-related targets and goals, transition pathways and transition plans to more sustainable “nature-positive” operations and reliance on biodiversity offsets/credits to achieve nature-positive outcomes, financial implications of the strategy (e.g., effects on revenues, costs, capital expenditures, etc.) and disclosure of performance against the strategy.’

⁴ The staff note that while we are drawing on the TNFD framework aspects such as this which provide guidance on aspects of management are beyond the remit of the ISSB’s work. This reference is included only to provide context about the broader topic of transition plans.

-
20. Agenda Paper 3 *Summary of common investor information needs and comparison to ISSB materials* (September 2025) states that ‘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.’
 21. Further anecdotal evidence from the February 2026 ISSB’s SRG survey indicated that investors use information about nature-related transition plans to engage with entities and assess how an entity is positioning its business model in terms of the potential effects of nature-related risks and opportunities on an entity’s cash flows, financial resilience (revenues, costs and capital access), regulatory exposure, supply chain, market share and new markets. For example, one investor commented that ‘the reason [nature-related transition plans are] not yet systematically integrated into mainstream investment analysis is not lack of investor interest; it is lack of comparable, structured, decision-useful disclosure.’
 22. Some investors have indicated that specific, comparable information about an entity’s transition plan is needed for decision making. This need was implicit in responses to our SRG survey and March 2026 IIAG survey where respondents cautioned against the risk of IFRS S1 not providing such information in the absence of references to particular information about nature-related aspects of an entity’s plans.
 23. These investors thought entities should be explicitly required to disclose how the nature-related and climate-related aspects of their transition plans interact, including synergies, trade-offs, and combined financial implications. One investor emphasised that this element is critical because it bridges the existing IFRS S2 requirements on the climate aspects of transition plans and any new nature-related requirements, creating an integrated transition picture rather than parallel silos.

Overview of relevant ISSB requirements and guidance and related educational material

24. IFRS S1 does not specially refer to ‘transition’ or ‘transition plans’. However, it does require that information be provided about how an entity plans to respond to sustainability-related risks and opportunities by setting out requirements for disclosure of information that enables users of general purpose financial reports to understand the effects of sustainability-related risks and opportunities on an entity’s strategy and decision-making (paragraph 33 of IFRS S1), including information about:
- (a) how the entity has responded to, and plans to respond to, sustainability-related risks and opportunities in its strategy and decision-making;
 - (b) the progress against plans the entity has disclosed in previous reporting periods; and
 - (c) trade-offs between sustainability-related risks and opportunities that the entity considered.
25. These requirements form part of a package of disclosure requirements on an entity’s strategy and should be considered alongside requirements for the disclosure of information to enable investors to understand the effects of sustainability-related risks and opportunities on an entity’s business model and value chain, and the resilience of an entity’s strategy and business model in relation to its sustainability-related risks (paragraphs 32 and 41 of IFRS S1).
26. The general requirements in IFRS S1 provide the foundation for specific requirements in IFRS S2 for disclosure of information about an entity’s climate-related strategy (paragraph 14 of IFRS S2). In particular, IFRS S2 builds on IFRS S1 by going beyond the general requirements to explain the entity’s strategic response to address climate-related risks and opportunities to specifically require information about:
- (a) current and anticipated changes to an entity’s business model and how an entity plans to resource these activities;
 - (b) an entity’s mitigation and adaptation efforts;

-
- (c) how the entity plans to achieve any climate-related targets, including its GHG emissions targets; and
- (d) any climate-related transition plan, including information about key assumptions used in developing the plan, and dependencies on which the plan relies (paragraph 14(a)(iv) of IFRS S2).
27. IFRS S2 defines a climate-related transition plan as:
- An aspect of an entity's overall strategy that lays out the entity's targets, actions or resources for its transition towards a lower-carbon economy, including actions such as reducing its greenhouse gas emissions.
28. The inclusion of the additional detail in IFRS S2 means that *particular information* about an entity's strategic response, tailored to address aspects pertinent to climate are included as requirements.
29. The application of these and other requirements in IFRS S2 is discussed in the June 2025 ISSB educational material *Disclosing information about an entity's climate-related transition, including information about transition plans, in accordance with IFRS S2*. The educational material introduces the notion of climate-related transition in addition to the concept of climate-related transition plan. The educational material points out that disclosure requirements in IFRS S2 for governance, strategy, metrics and targets could all be relevant for the disclosure of information about an entity's climate-related transition and climate-related transition plans and explains how those requirements might be applied in that context. Importantly, by design this educational material emphasises that IFRS S2 is not only focused on providing information about an entity's climate-related transition plan as that term is defined in the Standard. The focus is more generally on a company's plans to respond to climate-related risks and opportunities.
30. Accordingly, the educational material defines climate-related transition as:
- A process through which an entity, in the context of its overall strategy, pursues targets, undertakes actions or deploys resources to respond to

transition and physical risks and climate-related opportunities. Depending on an entity's overall strategy, an entity's climate-related transition might therefore cover transition towards a lower-carbon economy and/or transition to a climate-resilient economy. For the avoidance of doubt, the climate-related transition refers to how the entity implements its strategic goal, including how the entity mitigates and adapts to transition and physical risks and responds to climate-related opportunities.

Staff analysis

31. As explained in paragraphs 15–18, the concept of a nature-related transition plan is new and is not as well established or well understood as is the concept of climate-related transition plan. Furthermore, our research and outreach suggest that in practice nature-related transition issues tend to be considered as part of a broader transition plan—for example, as part of an integrated transition plan that considers both climate-related and nature-related risks and opportunities—rather than on a standalone basis. Accordingly, if the ISSB were to develop specific requirements for disclosure of information about an entity's nature-related transition plan, it could be difficult to reach consensus on the definition. Furthermore, such an approach could encourage siloed reporting. In principle, the ISSB could consider developing a definition of a transition plan and develop requirements for the disclosure of information about nature-related aspects of such a plan. However, developing a definition of a transition plan could disrupt implementation of IFRS S2 which already has a definition in the context of climate. Developing the definition of a nature-related transition plan is complex in that whereas in relation to climate-related transition plans the focus of the definition is on the transition to a lower-carbon economy with a particular focus on the reduction of greenhouse gas emissions, for nature there can be a variety of nature-related objectives.

-
32. Furthermore, in the staff's view, the feedback from investors does not support the development of requirements for disclosure of information about nature-related transition plans or about nature-related aspects of broader transition plans in particular at this time. This is because:
- (a) although investors express consistent and strong support for forward-looking information on how entities are responding to their nature-related risks and opportunities and the financial implications of those actions, much of this feedback does not seem to exclusively relate to the situations when an entity has a structured transition plan. Rather, in the staff's view, this feedback indicates a need for information about the entity's response, and plans to respond, to nature-related risks and opportunities regardless of whether those actions form part of what may be considered to be a transition plan.
 - (b) the feedback from investors does not indicate specific information about transition plans that investors need.
33. Furthermore, in the staff's view, if the ISSB were to develop disclosure requirements that exclusively apply to information about nature-related transition plans but not to information about entities' other efforts to respond to their nature-related risks and opportunities, that could create an artificial 'bright line' and result in entities providing less information if they were to conclude that their nature-related transition efforts do not constitute a transition plan. Such an approach could also reduce understanding of how the existing requirements in IFRS S2 apply to information about climate-related transition and climate-related transition plans as discussed in the educational material.
34. At the same time, the staff acknowledge concern from investors that the IFRS S1 lacks specificity in requesting information about how entities respond to nature-related risks and opportunities such that decision-useful, comparable information may not be provided about an entity's response, and plans to respond, to those risks and opportunities.

35. Accordingly, to ensure entities meet investor information needs, the staff think that the ISSB should elaborate on the existing general requirements in paragraph 33 of IFRS S1. That would be conceptually consistent with the approach in paragraph 14 of IFRS S2 which builds on the general requirements in IFRS S1 but adds climate-related specificity.
36. In the staff's assessment, this would result in more specific and comparable information being provided about how entities are responding to their nature-related risks and opportunities, including, but not limited to, the situations when entities use transition plans. More specific and comparable information on an entity's response would address common investor information needs identified in our research and outreach.
37. Agenda Paper 3C presents illustrative drafting of such incremental requirements and guidance alongside the existing requirements in IFRS S1 and IFRS S2.⁵ In developing this illustration, the staff considered and drew on the TNFD's guidance on disclosure of nature-related transition plans, without requiring that the information be structured in such a plan.

Questions for the ISSB

Questions for the ISSB

1. Does the ISSB agree with the staff recommendation in paragraph 5 to provide incremental requirements and guidance for the disclosure of 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 regardless of whether that response, or plans to respond, form part of a transition plan?
2. Do ISSB members have questions or comments on the illustrative drafting of those incremental requirements and guidance provided in Agenda Paper 3C?

⁵ The staff acknowledge that, in principle, some of the elements in the illustrative drafting could be relevant to other types of sustainability-related risks and opportunities and not just to those related to nature. However, the staff think that for the purposes of the forthcoming Exposure Draft on nature-related disclosures it is important to focus on whether incremental requirements and guidance would result in useful information about nature-related risks and opportunities rather than whether those requirements and guidance would also be relevant for other types of sustainability-related risks and opportunities.