
ISSB Meeting

Date	March 2026
Project	Nature-related Disclosures
Topic	Illustrative drafting of incremental requirements and guidance on strategy and decision-making
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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

1. This paper presents illustrative drafting of incremental requirements and guidance for disclosure of information that enables users of general purpose financial reports to understand the effects of an entity's nature-related risks and opportunities on its strategy and decision-making. This paper should be read in the context of Agenda Paper 3B *Information on nature-related transition*, which discusses the rationale for these incremental requirements and guidance. This paper is for reference only.
2. To provide context for these incremental requirements and guidance, the paper presents the illustrative drafting alongside the existing requirements in paragraph 33 of IFRS 1 *General Requirements for Disclosure of Sustainability-related Financial Information* and paragraph 14 of IFRS 2 *Climate-related Disclosures*. The requirements and guidance are colour-coded as follows:
 - (a) yellow highlights indicate language that is common to IFRS S1, IFRS S2 and the illustrative drafting;
 - (b) pink highlights indicate language that is common to IFRS S1 and the illustrative drafting;

- (c) green highlights indicate language that is common to IFRS S2 and the illustrative drafting; and
 - (d) text that is not highlighted is specific to IFRS S1, IFRS S2 or the illustrative drafting.
3. Together, in the illustrative drafting column, the text with green highlights and the text with no highlights illustrate the drafting of the requirements and guidance for nature-related disclosures that are incremental to the requirements and guidance in IFRS S1.
 4. The illustrative drafting is intended to provide an indication of the type and extent of the incremental requirements and guidance to support the discussion of Agenda Paper 3B by the International Sustainability Standards Board (ISSB). It does not represent the final language that would be included in the Exposure Draft on nature-related disclosures if the ISSB agrees with the staff recommendation in Agenda Paper 3B.
 5. The illustrative drafting takes into account the ISSB’s tentative decisions to date, in particular on essential terms and concepts and on climate-nature connections. For example, the illustrative drafting refers to ‘efforts to protect, restore or reduce negative impacts on nature’ and to ‘synergies and trade-offs between nature-related and risks and opportunities and with other sustainability-related risks and opportunities’.
 6. The staff invite ISSB members’ comments and questions on the illustrative drafting at this meeting and will consider those comments and questions in preparing the Exposure Draft for balloting. In addition, the illustrative drafting is subject to change depending on the outcome of future ISSB discussions—in particular, of essential terms and concepts, location-specific information, engagement strategy and process, including in relation to Indigenous Peoples and local communities, and additional guidance to aid preparers in the identification of nature-related risks and opportunities. The illustrative drafting will also be subject to editorial reviews as part of the balloting process for the Exposure Draft in accordance with the *Due Process Handbook*.

Illustrative drafting of incremental requirements and guidance for nature-related disclosures

Extracts from IFRS S1 <i>General Requirements for Disclosure of Sustainability-related Financial Information</i>	Extracts from IFRS S2 <i>Climate-related Disclosures</i>	Illustrative drafting of incremental requirements and guidance for nature-related disclosures
<p>33. An entity shall disclose information that enables users of general purpose financial reports to understand the effects of sustainability-related risks and opportunities on its strategy and decision-making. Specifically, the entity shall disclose information about:</p>	<p>14. An entity shall disclose information that enables users of general purpose financial reports to understand the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the entity shall disclose:</p>	<p>XX. An entity shall disclose information that enables users of general purpose financial reports to understand the effects of nature-related risks and opportunities on its strategy and decision-making. Specifically, the entity shall disclose:</p>
<p>(a) how the entity has responded to, and plans to respond to, sustainability-related risks and opportunities in its strategy and decision-making;</p>	<p>(a) information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the entity shall disclose information about:</p>	<p>(a) information about how the entity has responded to, and plans to respond to, nature-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any nature-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the entity shall disclose information about:</p>

Extracts from IFRS S1 <i>General Requirements for Disclosure of Sustainability-related Financial Information</i>	Extracts from IFRS S2 <i>Climate-related Disclosures</i>	Illustrative drafting of incremental requirements and guidance for nature-related disclosures
	<p>(i) current and anticipated changes to the entity’s business model, including its resource allocation, to address climate-related risks and opportunities (for example, these changes could include plans to manage or decommission carbon-, energy- or water-intensive operations; resource allocations resulting from demand or supply-chain changes; resource allocations arising from business development through capital expenditure or additional expenditure on research and development; and acquisitions or divestments);</p>	<p>(i) current and anticipated changes to the entity’s business model, including its resource allocation, to address nature-related risks and opportunities (for example, these changes could include plans to manage or decommission water-intensive operations; changes in operations in ecologically sensitive areas; and the introduction of schemes to take back used products such as electronic waste);</p>

Extracts from IFRS S1 <i>General Requirements for Disclosure of Sustainability-related Financial Information</i>	Extracts from IFRS S2 <i>Climate-related Disclosures</i>	Illustrative drafting of incremental requirements and guidance for nature-related disclosures
	<p>(ii) current and anticipated direct mitigation and adaptation efforts (for example, through changes in production processes or equipment, relocation of facilities, workforce adjustments, and changes in product specifications);</p>	<p>(ii) current and anticipated direct efforts to protect, restore or reduce negative impacts on nature¹ (for example, through changes in production processes or equipment to reduce water use, product reformulation to avoid polluting substances, reduction in commodity purchases from deforested land, and restoration of an ecosystem that protects facilities from natural hazards);</p>
	<p>(iii) current and anticipated indirect mitigation and adaptation efforts (for example, through working with customers and supply chains);</p>	<p>(iii) current and anticipated indirect efforts to protect, restore or reduce negative impacts on nature (for example, through working with other entities operating in the same location to address common nature-related risks through a collective plan, working with suppliers to reduce conversion of natural habitats to agricultural production, and working with customers to increase recycling of packaging waste);</p>

¹ Throughout this table, the language 'protect, restore or reduce negative impacts on nature' is intended to capture actions to respond to nature-related physical risks, nature-related transition risks and nature-related opportunities and is based on the illustrative definitions presented in the February 2026 Agenda Paper 3A [Essential terms and concepts for standard-setting on nature-related disclosure requirements](#).

Extracts from IFRS S1 <i>General Requirements for Disclosure of Sustainability-related Financial Information</i>	Extracts from IFRS S2 <i>Climate-related Disclosures</i>	Illustrative drafting of incremental requirements and guidance for nature-related disclosures
	(iv) any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity’s transition plan relies; and	(iv) key assumptions used in developing the entity’s response and plans to respond to nature-related risks and opportunities, and dependencies on which that response and plans to respond rely; and
	(v) how the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets, described in accordance with paragraphs 33–36.	(v) how the entity plans to achieve any nature-related targets, such as any targets for land, freshwater and ocean use change and pollution reduction described in accordance with [refer to paragraphs on Targets] ² .
	(b) information about how the entity is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 14(a).	(b) information about how the entity is resourcing, and plans to resource, the activities disclosed in accordance with paragraph XX(a).
(b) the progress against plans the entity has disclosed in previous reporting periods, including quantitative and qualitative information; and	(c) quantitative and qualitative information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 14(a).	(c) quantitative and qualitative information about the progress of plans disclosed in previous reporting periods in accordance with paragraph XX(a).

² Nature-related targets are discussed in Agenda Paper 3D *Information on nature-related targets and consideration of international agreements and related jurisdictional commitments*.

Extracts from IFRS S1 <i>General Requirements for Disclosure of Sustainability-related Financial Information</i>	Extracts from IFRS S2 <i>Climate-related Disclosures</i>	Illustrative drafting of incremental requirements and guidance for nature-related disclosures
<p>(c) trade-offs between sustainability-related risks and opportunities that the entity considered (for example, in making a decision on the location of new operations, an entity might have considered the environmental impacts of those operations and the employment opportunities they would create in a community).</p>		<p>(d) synergies and trade-offs between nature-related risks and opportunities and with other sustainability-related risks and opportunities that the entity considered (for example, how resource allocation considerations have affected the entity’s response, and plans to respond, to nature-related risks and opportunities, and whether efforts to restore and expand an ecosystem to support the provision of the ecosystem service also generate carbon credits revenue for the entity).</p>