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## ISSB Meeting

Date	<b>March 2026</b>
Project	<b>Nature-related Disclosures</b>
Topic	<b>Information on nature-related targets and consideration of international agreements and related jurisdictional commitments</b>
Contacts	Tom Hegarty ( <a href="mailto:tom.hegarty@ifrs.org">tom.hegarty@ifrs.org</a> ) Jeff Stehm ( <a href="mailto:jstehm@ifrs.org">jstehm@ifrs.org</a> ) Yulia Feygina ( <a href="mailto:yfeygina@ifrs.org">yfeygina@ifrs.org</a> )

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## Purpose and structure

1. This paper presents to the International Sustainability Standards Boards (ISSB) the staff's analysis and recommendations regarding incremental disclosure requirements and guidance to address investor information needs in relation to nature-related targets and consideration of nature-related international agreements and related jurisdictional commitments.
2. The structure of the paper is as follows:
  - (a) purpose and structure (paragraphs 1–2);
  - (b) background (paragraph 3–4);
  - (c) staff recommendations (paragraphs 5–6);
  - (d) findings in research and outreach (paragraphs 7–22);
    - (i) introduction (paragraphs 7–10);
    - (ii) investor information needs and existing practices in the market (paragraphs 11–15);

- (iii) overview of nature-related targets in third-party disclosure standards and frameworks (paragraphs 16–18);
- (iv) overview of disclosure requirements for targets in IFRS S1 and IFRS S2 (paragraphs 19–22);
- (e) staff analysis (paragraphs 23–40):
  - (i) the breadth of what nature-related targets could relate to (paragraphs 27–29);
  - (ii) location-specific information associated with nature-related targets and objectives of those targets (paragraphs 30–32);
  - (iii) location-specific information associated with nature-related targets and objectives of those targets (paragraphs 33–40);
- (f) questions for the ISSB;
- (g) Appendix A—Disclosure requirements for targets;
- (h) Appendix B—Coverage of targets in other disclosure frameworks and standards; and
- (i) Appendix C—SASB coverage of target disclosures.

## 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 targets and international policies and national regulations informing an entity’s governance and strategy. In particular, the paper stated that:

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- (a) information on an entity's nature-related targets is a clear investor need. The paper noted that IFRS S1 contains general requirements for the disclosure of information about targets. In addition, IFRS S2 contains additional specific requirements for information about climate-related targets such as greenhouse gas (GHG) emissions targets.
- (b) it was unclear whether information on international policies and national regulations informing an entity's governance policies and strategy for nature-related risks and opportunities was needed by investors. The paper noted that IFRS S1 contains general requirements for disclosure of information about an entity's governance and strategy and IFRS S2 contains an additional specific requirement in the context of disclosure of climate-related targets. Specifically, paragraph 34(h) of IFRS S2 requires an entity to disclose information about how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed an entity's target.
4. The paper stated that the staff will provide an analysis to determine whether investor information needs on nature-related targets and international policies and national regulations warrant incremental requirements or guidance on the disclosure of information on those areas, and, if so, what staff recommend those incremental requirements and guidance should be.

## Staff recommendations

5. To ensure that information about nature-related targets provided by entities meets investor information needs, the staff recommend that the ISSB:
- (a) provide incremental guidance for the disclosure of information on nature-related targets in relation to:
- (i) the breadth of what nature-related targets could relate to (such as land, freshwater and ocean use change and pollution reduction); and

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- (ii) location-specific information associated with nature-related targets and objective of those targets; and
  - (b) provide an incremental requirement for an entity to disclose whether and how its nature-related target has been informed by applicable law or regulation.
6. The term ‘incremental’ refers to disclosure requirements and guidance that are specific to nature-related targets and incremental to the general requirements and guidance in IFRS S1.

## Findings in research and outreach

### *Introduction*

7. Targets allow an entity to quantify and communicate its actions and degree of ambition for its response and plans to respond to its risks and opportunities. This supports accountability for the entity’s performance. Targets and performance against those targets therefore provide investors with important information about an entity’s performance in relation to sustainability-related risks and opportunities and about its prospects.<sup>1</sup>
8. Nature-related targets can include:
- (a) targets directly addressing an entity’s impacts and dependencies on nature and any associated risks and opportunities. These targets cover different components of impact and dependency pathways: impact drivers, state of nature and ecosystem services. Impact driver targets cover the entity’s inputs from nature, such as land or water use, and non-product outputs that go into nature, such as the flow of pollutants or the rate of introduction of invasive alien species. Targets for the state of nature and ecosystem services cover the entity’s objectives for outcomes for nature.

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<sup>1</sup> ‘An entity’s prospects’ refers to its cash flows, its access to finance or cost of capital over the short, medium or long term, consistent with IFRS S1 (paragraph 3).

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- (b) targets covering indicators correlated with but not directly assessing a dependency or impact on nature, or the state of nature (for example, water use efficiency).
  - (c) targets that cover changes to the overall business to address nature-related issues (for example, targets for the share of a supply chain that is certified in respect of a particular matter, or the circularity of the business's resource use).<sup>2</sup>
9. An entity may set a variety of nature-related targets across these categories. The targets an entity sets depend on the characteristics of the nature-related risk or opportunity in question and consider the desired degree of control over the chosen indicator and its relevance to the nature-related risk or opportunity. For example, impact drivers may be easier for an entity to influence, as they are directly subject to business decisions, while the state of nature and ecosystem services are additionally subject to other entities' actions and natural processes outside of the entity's control.
10. As nature-related risks and opportunities are associated with particular locations, targets may be tied to those locations, reflecting the relevant characteristics of nature in that location, such as any thresholds or tipping points. If an ecological threshold is passed—which may occur as a result of the entity's activities and those of other actors in a location—the ecosystem can undergo a rapid, irreversible change.<sup>3</sup> This could have implications for an entity's nature-related risks and opportunities. The targets an entity sets depend on what it is seeking to achieve in terms of the strategy for its business.

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<sup>2</sup> TNFD (2023) Guidance on the identification and assessment of nature-related issues: The LEAP approach.

<sup>3</sup> The TNFD defines an ecological threshold as the point at which a relatively small change in external conditions causes a rapid change in an ecosystem. When an ecological threshold has been passed, the ecosystem may no longer be able to return to its state by means of its inherent resilience. The TNFD defines a tipping point as a level of change in system properties beyond which a system reorganises, often abruptly, and does not return to the initial state even if the drivers of the change are abated. Source: TNFD (2023) Guidance on the identification and assessment of nature-related Issues: The TNFD LEAP approach, p75.

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*Investor information needs and existing practices in the market*

11. In the research phase of this project, we noted that investors consider information on an entity's nature-related targets to be essential in assessing the entity's progress and performance toward operational, strategic and risk management goals. Agenda Paper 3 [\*Evidence of Investor Interest in BEES-related risks and opportunities\*](#) (January 2025) highlighted our findings from engagements with 161 investors and other organisations in the investment value chain and the evidence obtained through a literature review that '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... This includes information such as an entity's BEES-related targets and goals...'.<sup>4</sup>
12. In recent investor outreach—a February 2026 survey of Sustainability Reference Group (SRG) members and in a March 2026 survey of ISSB Investor Advisory Group (IIAG) members—some investor respondents (36%) specifically mentioned information on time-bound, science-based and location-specific targets as decision-useful. They placed higher weight on targets that are externally validated or tied to recognised frameworks as opposed to internally-defined commitments.
13. Entities are increasingly setting nature-related targets. McKinsey reported that about 6% to 30% of the Fortune 500 set nature-related targets<sup>5</sup> (excluding carbon) along one or more of six dimensions in 2025.<sup>6</sup> Europe leads in terms of companies with defined targets covering one or more dimensions but has declines in new targets. Latin America and North America have the second and third high percent of companies with targets but are steady or declining in new more comprehensive targets,

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<sup>4</sup> 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'.

<sup>5</sup> McKinsey defines targets as company-wide quantified, time-bound and outcome oriented.

<sup>6</sup> The six dimensions used by McKinsey in their evaluation are greenhouse gas emissions, water consumption and usage, consumption and waste of chemicals and plastics, habit and species protection, deforestation and major air and nutrient pollutants. These dimensions are based on dimensions critical for nature health highlighted by multiple frameworks including planetary boundaries, TNFD and Science Based Targets Network. McKinsey Sustainability (January 2026) [\*Corporate nature commitments have expanded, but progress is uneven\*](#).

respectively. Asia has the least percentage of companies with targets but is leading in target growth. By sector, manufacturing and retail sales are the leaders in targets followed by power, transport/trade, agriculture and extractives; construction and buildings have the least targets. By aspect of nature, 27% and 30% of the Fortune 500 set targets for water and chemical/plastics, respectively, but only 13%, 14% and 6% set targets for biodiversity, deforestation and nutrient/air pollutants, respectively.

14. The TNFD Status Report found that 43–51% of companies had disclosed against the Metrics and Targets C recommended disclosure, which covers targets. Within these, the leading sectors were *Renewable and alternative energy* (62%) and *Consumer goods* (59%). *Financial institutions* (22%) and *Consulting, business and services* (23%) had the lowest disclosure rates. Disclosure rates were highest in Asia Pacific (48%) and lowest in Africa and the Middle East (17%).
15. Our analysis on the current state of disclosures in the research phase of the project, using a database of 2,298 entities with publicly traded debt or equity, showed that most entities disclosed at least one nature-related target, though at a slightly lower rate than metrics. We noted that the finding applies to entities in all regions, including emerging markets and developing economies, in all market cap ranges and in all sectors. Our findings showed that such disclosure was particularly common in Europe, and in the *Food & Beverage*, *Resource Transformation* and *Consumer Goods* sectors. Commonly disclosed targets include those associated with resource use, waste and water. In the *Extractives & Minerals Processing* and *Renewable Resources & Alternative Energy* sectors, biodiversity-related targets were more common than in other sectors.<sup>7</sup>

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<sup>7</sup> More details of the analysis of current state of disclosures, including on the types of targets that were disclosed, can be found in Agenda Paper 3C *Current state of disclosure of BEES-related information* (March 2025).

*Overview of nature-related targets in third-party disclosure standards and frameworks*

16. Other disclosure standards and frameworks cover nature-related targets to varying degrees. The TNFD recommendations and draft ESRS both specify that nature-related targets include targets for impact drivers and the state of nature, with the TNFD additionally including ecosystem services and targets for other metrics related to addressing nature-related risks and opportunities. GRI 101: Biodiversity 2024 focuses on targets for outcomes for nature or biodiversity (for example, nature positive).
17. Both TNFD guidance on disclosure of information about nature in transition plans and draft ESRS relate nature-related targets to locations and consideration of ecological thresholds or tipping points, with GRI asking for information about how scientific consensus has informed the targets. All three sets of materials refer to alignment with international agreements.<sup>8</sup> The TNFD guidance also asks for information about collective target setting and monitoring to support management of common risks across entities operating in a common location.<sup>9</sup> Further detail is provided in Appendix B.
18. The SASB Standards include some industry-specific disclosure requirements about targets for specific nature-related issues. The most common is for water management targets. Other mentions of targets are less detailed, and most industries do not include disclosures about nature-related targets. Further detail is provided in Appendix C.

*Overview of disclosure requirements for targets in IFRS S1 and IFRS S2*

19. Paragraph 46 of IFRS S1 requires an entity to disclose information about targets it has set or is required to meet by law or regulation, and progress against such targets for all

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<sup>8</sup> References include the Kunming–Montreal Global Biodiversity Framework, the Paris Agreement on climate change, the Sustainable Development Goals, Planetary Boundaries and other global reference environmental treaties, policy goals and system-wide initiatives.

<sup>9</sup> In addition, the TNFD's 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.

sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Paragraph 51 of IFRS S1 sets out information that is required to be provided about such targets and about progress in meeting targets.

20. Paragraphs 33-35 of IFRS S2 elaborate on this in the context of climate-related targets. These requirements specify that climate-related targets can be quantitative or qualitative and include targets for greenhouse gas emissions. Paragraph 33 largely replicates what is set out in IFRS S1 as does paragraph 35. However, requirements for the following incremental information are included in paragraph 33 of IFRS S2:
- (a) the objective of the target;
  - (b) the part of the entity to which it applies;
  - (c) whether the target is an absolute or intensity target;
  - (d) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target; and
  - (e) information about the approach to setting and reviewing each target, including whether the target and the methodology for setting the target has been validated by a third party, and the entity's process for reviewing the target.
21. These IFRS S1 and IFRS S2 requirements and the alignment between them are presented in Appendix A alongside the related TNFD recommendations.
22. IFRS S2 further includes requirements about disclosure of greenhouse gas emissions targets in paragraph 36. These requirements focus on the scope of the target, topic-specific detail on the metric chosen, whether the target was derived using a sectoral decarbonisation approach, and the planned use of carbon credits to achieve the target.

## Staff analysis

23. Nature-related targets are a broad category, reflecting the different aspects of nature and the nature-related risks and opportunities that an entity might face. The staff

therefore does not recommend introducing incremental disclosure requirements about particular targets as IFRS S2 does for greenhouse gas emissions targets.

24. In accordance with IFRS S1, an entity is already required to provide information about targets that it has in place. This means that when an entity applies the nature-related requirements and guidance in combination with IFRS S1 it would be required to provide information about targets it has in place for nature-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Nevertheless, there are some features of nature-related targets that the staff think would support investor understanding of an entity's approach to managing its nature-related risks and opportunities and therefore elaborating on those specific features may support good application of IFRS S1 in the context of nature and result in the provision of decision-useful information.
25. The staff do not propose to repeat requirements from IFRS S1 paragraph 51. However, building from IFRS S1 paragraph 51, the staff propose:
- (a) incremental guidance on disclosure of information about nature-related targets in relation to:
    - (i) the breadth of what nature-related targets could relate to (such as land, freshwater and ocean use change and pollution reduction); and
    - (ii) location-specific information associated with nature-related targets and objective of those targets; and
  - (b) an incremental requirement for an entity to disclose whether and how its nature-related target has been informed by applicable law or regulation.
26. The language used in the exposure draft will also need to reflect further ISSB discussions of essential terms and concepts, location-specific information, engagement strategy and process including in relation to Indigenous Peoples and local communities (IPLCs) and additional guidance to aid preparers in the identification of nature-related risks and opportunities, among other information areas.

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***The breadth of what nature-related targets could relate to***

27. As noted in paragraph 8, nature-related targets could relate to:
- (a) impact drivers: land, freshwater and ocean use change and reductions in the spatial footprint (physical area required for operations), pollution reduction and pollution removal, reductions in natural resource use, natural resource replenishment, reductions in the introduction of and increased removal of invasive alien species;
  - (b) changes in the state of nature; and
  - (c) changes in ecosystem services.
28. These three types of indicators describe the entity's dependencies and impacts on nature, which could give rise to nature-related risks and opportunities for an entity.
29. The staff do not think that it is necessary for the additional guidance to be organised into distinct categories of targets. There may also be a risk that including types of targets could be confusing because irrespective of the type of targets those relevant to disclose information about are those related to an entity's nature-related risks and opportunities. In addition, the staff note that the term 'impact drivers' was not proposed for a definition in the February 2026 Agenda Paper 3A *Essential terms and concepts for standard-setting on nature-related disclosure requirements*. Instead, the additional guidance could emphasise the breadth of nature-related targets that an entity might set or be required to meet by applicable law or regulation—for example, depending on an entity's business model or relevant regulation, those targets could relate to an entity's land, freshwater and ocean use change and pollution reduction—and focus on the link with the entity's prospects.

***Location-specific information associated with nature-related targets and objectives of those targets***

30. Nature-related risks and opportunities can often be associated with a particular location and therefore nature-related targets an entity might set, or be required to

meet, can be also associated with a particular location or parts of an entity's operations or its value chain. Accordingly, information about an entity's targets associated with particular locations, an entity's objective in meeting these targets and consequences for the business, and an entity's progress in meeting those targets could be relevant to investors in assessing the entity's prospects. Such information could include information about which nature-related risk or opportunity the target relates to, the associated location or locations, and which part or parts of the entity's business model and value chain it applies to.

31. This additional guidance could be based on the language in paragraphs 33(b) and 33(c) of IFRS S2, which also asks for information about the objective of the target and the part of the entity to which the target applies.
32. The staff note that in some cases information on location-specific characteristics of nature-related risks and opportunities could mean that understanding the process an entity has followed in setting the target could be relevant to understanding the effects on the entity's prospects. For example, understanding whether the target is specific to the entity or is part of collective target-setting and monitoring process in a particular location, could help investors understand the effects of progress in meeting the target on the entity's prospects. This is because multiple entities operating in the same location may have common dependencies on ecosystem services in the area or have impacts on nature that affect each other's operations and the supply of ecosystem services in the area. Entities and other stakeholders in the location may undertake collective efforts to manage the nature-related risks and opportunities that arise. This can avoid those interested parties working against each other and supports the availability of the resource or of the ecosystem services to the entity.

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33. A relevant factor in the identification and assessment of an entity's nature-related risks and opportunities, and in developing an entity's response to those risks and

opportunities, are nature-related international agreements and related jurisdictional commitments relevant for the entity.

34. There are many nature-related international agreements and related jurisdictional commitments that could be relevant for an entity. The Convention on Biological Diversity, and the Kunming-Montreal Global Biodiversity Framework that sits underneath, is one of the most important of the nature-related international agreements, framing actions under other agreements. Other international agreements apply to particular nature-related issues<sup>10</sup> or to particular ecosystems.<sup>11</sup> Other regional and national policies can also affect activity in the locations in an entity's business model and value chain.<sup>12</sup>
35. Either in relation to international agreements or independently, almost all countries have enacted some form of law or regulation to protect nature and biodiversity. For instance, 88 countries have adopted a constitutional right to a healthy environment and over 350 environmental courts exist in 50 countries. Common types of national laws and regulations include environmental impact assessments, protected areas (national parks, wildlife sanctuaries), and species-specific protection laws. However, the extent, stringency, and enforcement of these measures vary significantly.
36. The staff notes that the range of agreements and regulation that may be relevant for entities and that may give rise to nature-related risks and opportunities they may be exposed to is broad. This is different to the situation addressed in paragraph 33(h) of IFRS S2 where the focus is on a common international agreement and the nationally defined contributions that arise from that agreement.

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<sup>10</sup> For example, the Convention on International Trade in Endangered Species (CITES) to regulate wildlife trade, the Convention on the Conservation of Migratory Species of Wild Animals (CMS) for conserving migratory species and their habitats across their migratory ranges, the Convention to Combat Desertification (CCD) to mitigate the effects of drought and land degradation, Stockholm Convention to protect human health and the environment from persistent organic pollutants (POPs), and the Basel Convention to control the transboundary movements of hazardous wastes and their disposal.

<sup>11</sup> For example, the Ramsar Convention for wetland protection and the World Heritage Convention for cultural and natural sites.

<sup>12</sup> Regional examples include the European Union's Circular Economy Directive or the Convention on the Protection of the Marine Environment of the Baltic Sea Area. National and sub-national regulations include, for example, the UK government's biodiversity net gain policy for England or Australia's expansion of marine protected areas under its Environment Protection and Biodiversity Act 1999.

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37. In Agenda Paper 3 *Objective and scope of standard-setting on nature-related risks and opportunities* (January 2026) we noted that information on whether and how an entity considers international polices and related jurisdictional requirements to inform its governance policies and strategy is an unclear investor need. While our research as presented in Agenda Paper 3 *Evidence of Investor Interest in BEES-related risks and opportunities* (January 2025) found that investors identify policy and regulation generally as playing an important role in their decisions, investors did not bring up the need for more information specifically in relation to how an entity's governance policies, strategy or targets are informed by relevant international policies.
38. Subsequently, we conducted three surveys to obtain additional information on investor views of this topic. In a September 2025 survey of 22 members of the IIAG, 18 investors (82%) strongly agreed or agreed with the statement "Information about how nature-related international policies and national regulation inform an entity's governance and strategy can influence investment decision-making." In a February 2026 survey of SRG members and in a March 2025 survey of IIAG members, many investor respondents (68%) said it is important to their investment decisions to understand whether an entity's strategy, nature-related transition plan and/or relevant targets are informed by international agreements or related jurisdictional commitments.<sup>13</sup>
39. The staff notes that while IFRS S1 requires the disclosure of any targets an entity is required to meet by law or regulation (paragraph 45 of IFRS S1), it does not specifically require information about *whether* an entity is subject to international agreements or related jurisdictional commitments. The staff also notes that paragraph 33(h) of IFRS S2 specifically requires information about how a climate-related target has been informed by the latest international agreement on climate

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<sup>13</sup> Preparer respondents commenting on the topic indicated that they do not have set targets in accordance with international policies. The policies/initiatives mentioned are focused on specific commodities (e.g. palm oil) other topic-specific (e.g. Glasgow Leaders' Declaration on Forests and Land Use and the sector-wide objective of achieving zero deforestation by 2025).

change, including jurisdictional commitments that arise from that agreement. The Basis for Conclusions on IFRS S2 explains that the Standard does not require an entity to align its climate-related targets with the latest international agreement on climate change, including with the jurisdictional commitments that arise from that agreement. Rather, the information required by IFRS S2 is intended to help investors understand whether and why the entity's climate-related targets deviate from international consensus.

40. The staff is of the view that compliance with nature-related law and regulation, including any international agreements and jurisdictional commitments that an entity is subject to is relevant to understanding an entity's prospects. Investor feedback in the recent outreach—which focussed on international agreements—supports this view (see paragraph 38). The staff note the developments in nature-related international agreements as well as regional and national law and regulation (see paragraphs 34-36). Accordingly, the staff recommend that the ISSB requires an entity to disclose whether and how an entity's nature-related target has been informed by applicable law or regulation.<sup>14</sup> This approach is conceptually consistent with the approach in IFRS S2—which provides specificity for information about climate-related targets in addition to general requirements in IFRS S1—but the language of the incremental disclosure requirement is specific to the context of nature-related targets.<sup>15</sup>

## Questions for the ISSB

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<sup>14</sup> The staff acknowledge that, in principle, similar logic could also 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.

<sup>15</sup> The staff note that TNFD recommended disclosure Metrics and Targets C refers to 'whether and how the target aligns with or supports the targets and goals of the Kunming–Montreal Global Biodiversity Framework, the Paris Agreement on climate change, the Sustainable Development Goals, Planetary Boundaries and other global reference environmental treaties, policy goals and system-wide initiatives'. The staff note that the objective of this disclosure—which refers to *alignment with or support of* global treaties, policy goals and system-wide initiatives—is different from the objective of the staff's recommended incremental disclosure requirement which, consistent with the approach in IFRS S2, focuses on whether and how an entity's nature-related target has been *informed by* applicable law or regulation.

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Questions for the ISSB

1. Do ISSB members have questions or comments on the discussion in this paper?
2. Does the ISSB agree with the staff recommendation in paragraph 5(a) of this paper?
3. Does the ISSB agree with the staff recommendation in paragraph 5(b) of this paper?

## Appendix A—Disclosure requirements for targets

IFRS S1, paragraph 51	IFRS S2, paragraphs 33, 34, 35	TNFD recommended disclosure Metrics and Targets C	TNFD guidance on disclosure of information about nature in transition plans
<p>51 An entity shall disclose information about the targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation. For each target, the entity shall disclose:</p>	<p>33 An entity shall disclose the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the entity shall disclose:</p>	<p>The organisation should describe the targets and goals it has established to manage its nature-related dependencies, impacts, risks and opportunities, and disclose performance against these targets and goals.</p>	<p>Disclose information about the impact driver, state of nature and ecosystem service metrics and targets used by the organisation to drive, measure and manage progress in the implementation of the transition plan</p>
<p>(a) the metric used to set the target and to monitor progress towards reaching the target;</p>	<p>33(a) the metric used to set the target; 34(c) the metrics used to monitor progress towards reaching the target;</p>	<p>The metric used to quantify the target and monitor performance</p>	
<p>(b) the specific quantitative or qualitative target the entity has set or is required to meet;</p>		<p>The targeted value of the metric</p>	
	<p>33(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);</p>	<p>The strategy or risk management objective the target seeks to address, including any anticipated regulatory requirements, market constraints, limitations or other contextual information relevant to understanding the target</p>	<p>The plan priority, associated impact driver, aspect of the state of nature or ecosystem service, location and part of the business to which the target relates</p>
			<p>Any anticipated regulatory requirements, market constraints, limitations or other contextual information relevant to understanding the target</p>

IFRS S1, paragraph 51	IFRS S2, paragraphs 33, 34, 35	TNFD recommended disclosure Metrics and Targets C	TNFD guidance on disclosure of information about nature in transition plans
	33(c) the part of the entity to which the target applies (for example, whether the target applies to the entity in its entirety or only a part of the entity, such as a specific business unit or specific geographical region);		
(c) the period over which the target applies;	33(d) the period over which the target applies;	The timeframe for achieving the target	
(d) the base period from which progress is measured;	33(e) the base period from which progress is measured;	The baseline year and level of the metric	
(e) any milestones and interim targets;	33(f) any milestones and interim targets;	Short and medium term interim targets or target trajectory for the metric	
	33(g) if the target is quantitative, whether it is an absolute target or an intensity target; and		
	33(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	Whether and how the target aligns with or supports the targets and goals of the Kunming–Montreal Global Biodiversity Framework, the Paris Agreement on climate change, the Sustainable Development Goals, Planetary Boundaries and other global reference environmental treaties, policy goals and system-wide initiatives	
	34 An entity shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	The methodology used to set the target and baseline, including	
	34(a) whether the target and the methodology for setting the target has been validated by a third party;	whether the organisation has used any external standards when setting the target and whether these use a science-based approach	

IFRS S1, paragraph 51	IFRS S2, paragraphs 33, 34, 35	TNFD recommended disclosure Metrics and Targets C	TNFD guidance on disclosure of information about nature in transition plans
			whether the target value, interim targets or trajectory, and timeframe are based on ecological thresholds or any other anchor points
			Whether the targets are specific to the organisation or part of a collective monitoring process
	34(b) the entity's processes for reviewing the target;		
(f) performance against each target and an analysis of trends or changes in the entity's performance; and	35. performance against each climate-related target and an analysis of trends or changes in the entity's performance.	Performance against the target relative to the baseline or reference condition on a historical and current year basis, updated annually, and expected performance against targets for the following year, where appropriate	
		If the organisation exceeded or fell short of the target trajectory or is projected to do so, an explanation of the reasons	
(g) any revisions to the target and an explanation for those revisions.	34(d) any revisions to the target and an explanation for those revisions.	disclosure of any resulting adjustment or resetting of targets from the prior period	

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## Appendix B—Coverage of targets in other disclosure frameworks and standards

### *TNFD*

- B1. The TNFD recommended disclosure Metrics and Targets C provides guidance on disclosure of nature-related targets. The recommended disclosure covers an entity's targets to manage nature-related dependencies, impacts, risks and opportunities and its performance against these. The implementation guidance for this recommended disclosure is, for the most part, not nature-specific. However, it specifies that “Targets in scope include:
- (a) targets for changes to impact drivers;
  - (b) targets to improve or maintain the flow of ecosystem services;
  - (c) targets to halt and reverse nature loss and improve or maintain the state of nature;
  - (d) targets for changes to business activities and processes correlated with dependencies and impacts;
  - (e) enterprise-level targets directly or indirectly affecting nature-related dependencies, impacts, risks and opportunities. For example, direct operations changes that increase the circularity of the business or the traceable or certified share of the supply chain; and
  - (f) other targets to address nature-related dependencies, impacts, risks or opportunities.”
- B2. It also recommends an entity disclose “whether and how the target aligns with or supports the targets and goals of the Kunming-Montreal Global Biodiversity Framework, the Paris Agreement on climate change, the Sustainable Development Goals, Planetary Boundaries and other global reference environmental treaties, policy goals and system-wide initiatives.”

- B3. The TNFD recommended disclosure Governance C further asks about how the results of the engagement processes with Indigenous Peoples, Local Communities and affected stakeholders have been incorporated into an entity's decision-making and responses to nature-related issues.
- B4. The TNFD guidance on disclosure of information about nature-related targets in the TNFD guidance on nature in transition plans takes a similar approach. Building on learnings since publication of the initial TNFD recommendations, it further suggests disclosure of the location to which the target relates, "whether the target value, interim targets or trajectory, and timeframe are based on ecological thresholds or any other anchor points", and whether targets are specific to the entity or shared with others in a particular location as "part of a collective monitoring process".

### **ESRS**

- B5. The draft simplified ESRS mention targets across the standards. Draft ESRS 2 – General Disclosures requirement GRD-T sets out metric-neutral requirements for disclosure of targets. Draft ESRS E2 – Pollution requirement E2-3, ESRS E3 – Water requirement E3-3, ESRS E4 – Biodiversity and Ecosystems requirement E4-4 and ESRS E5 – Resource Use and Circular Economy requirement E5-3 require disclosure of the entity's pollution-related, water-related, biodiversity and ecosystems, and resource use and circular economy targets respectively in line with ESRS 2 GRD-T. They do not specify metrics or pollutants for which targets should be set.
- B6. The application guidance for ESRS E4-4 notes that "Biodiversity-related targets typically address 'pressures' on nature<sup>16</sup> and aim at reducing the drivers of biodiversity and ecosystem change... as well address the 'state of nature'... are most effective if they are science-based and aligned with ecological thresholds and contribute to the targets of the GBF; [and] can be set at different levels... e.g. at site, landscape, company or upstream value chain level". The application guidance for

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<sup>16</sup> 'Pressures' is another term used to refer to what the TNFD calls 'impact drivers'.

ESRS E3-3 requires the entity to “where relevant, express water-related targets with reference to specific geographic areas”.

***GRI***

- B7. GRI 101: Biodiversity 2024 requires the entity to “report the goals and targets to halt and reverse biodiversity loss”. It specifies that an entity “may have goals and targets to achieve net positive impact, no net loss and net gain of biodiversity, or to contribute to nature positive goals” and that the entity “should report how scientific consensus informed its goals and targets. For example, it can use national biodiversity strategies and action plans developed in the context of the Convention on Biological Diversity, or independent assessments of the ecological status of an area.”

## Appendix C—SASB coverage of target disclosures

Industry	Mentions of nature-related targets, excluding climate
<b>CONSUMER GOODS</b>	
Apparel, Accessories & Footwear	Targets used to assess the effectiveness of its management approach for addressing business risks and opportunities associated with environmental or social factors most likely to threaten its ability to source priority raw materials. Quantitative targets it has set for certified priority raw materials.
Appliance Manufacturing	Targets for extended producer responsibility initiatives in which the entity participates.
Building Products & Furnishings	Targets for the entity’s product take-back, recovery and recycling efforts.
E-Commerce	None.
Household & Personal Products	Water management targets. Packaging-related targets.
Multiline and Specialty Retailers & Distributors	None.
Toys & Sporting Goods	None.
<b>EXTRACTIVES &amp; MINERALS PROCESSING</b>	
Coal Operations	None.
Construction Materials	Target three-year market share for products that reduce energy, water or material impacts during usage or production.
Iron & Steel Producers	None.
Metals & Mining	None.
Oil & Gas - Exploration & Production	None.
Oil & Gas - Midstream	None.
Oil & Gas - Refining & Marketing	Target three-year market share for advanced biofuels and associated infrastructure.
Oil & Gas - Services	Indirect reference to targets related to addressing risks, opportunities and impacts related to air emissions and chemicals, and risks and opportunities related to ecological impacts.

Industry	Mentions of nature-related targets, excluding climate
<b>FINANCIALS</b>	
Asset Management & Custody Activities	None.
Commercial Banks	None.
Consumer Finance	None.
Insurance	None.
Investment Banking & Brokerage	None.
Mortgage Finance	None.
Security & Commodity Exchanges	None.
<b>FOOD &amp; BEVERAGE</b>	
Agricultural Products	Water management targets.
Alcoholic Beverages	Water management targets. Packaging-related targets.
Food Retailers & Distributors	None.
Meat, Poultry & Dairy	Water management targets. None.
Non-Alcoholic Beverages	Water management targets. Packaging-related targets.
Processed Foods	Water management targets. Packaging-related targets.
Restaurants	None.
Tobacco	None.
<b>HEALTH CARE</b>	
Biotechnology & Pharmaceuticals	None.
Drug Retailers	None.
Health Care Delivery	None.
Health Care Distributors	None.
Managed Care	None.
Medical Equipment & Supplies	None.
<b>INFRASTRUCTURE</b>	
Electric Utilities & Power Generators	Water management targets.
Engineering & Construction Services	None.
Gas Utilities & Distributors	None.
Home Builders	Target return rates from incorporation of resource efficiency into home design.
Real Estate	Water management targets. Sharing of water withdrawal targets with tenants.
Real Estate Services	None.
Waste Management	None.

Industry	Mentions of nature-related targets, excluding climate
Water Utilities & Services	Targets related to management of risks associated with the quality and availability of water resources.
<b>RENEWABLE RESOURCES &amp; ALTERNATIVE ENERGY</b>	
Biofuels	Water management targets.
Forestry Management	None.
Fuel Cells & Industrial Batteries	None.
Pulp & Paper Products	Water management targets.
Solar Technology & Project Developers	Water management targets. Targets for extended producer responsibility initiatives in which the entity participates.
Wind Technology & Project Developers	None.
<b>RESOURCE TRANSFORMATION</b>	
Aerospace & Defense	None.
Chemicals	Water management targets.
Containers & Packaging	Water management targets.
Electrical & Electronic Equipment	None.
Industrial Machinery & Goods	None.
<b>SERVICES</b>	
Advertising & Marketing	None.
Casinos & Gaming	None.
Education	
Hotels & Lodging	None.
Leisure Facilities	None.
Media & Entertainment	None.
Professional & Commercial Services	None.
<b>TECHNOLOGY &amp; COMMUNICATIONS</b>	
Electronic Manufacturing Services & Original Design Manufacturing	None.
Hardware	None.
Internet Media & Services	None.
Semiconductors	None.
Software & IT Services	None.
Telecommunication Services	None.
<b>TRANSPORTATION</b>	
Air Freight & Logistics	None.
Airlines	None.
Auto Parts	None.
Automobiles	None.

Industry	Mentions of nature-related targets, excluding climate
Car Rental & Leasing	None.
Cruise Lines	None.
Marine Transportation	None.
Rail Transportation	None.
Road Transportation	None.