IFRS® Sustainability

Staff paper

Agenda reference: 4

Sustainability Standards Advisory Forum meeting

Date	**October 2026**
Project	Nature-related Disclosures
Topic	**Update on Exposure Draft and outreach activities**
Contacts	**Himani Phadke** himani.phadke@ifrs.org **Yulia Feygina** yfeygina@ifrs.org

Purpose of this session

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Provide an update on the ISSB's forthcoming Nature Related Disclosures Exposure Draft and a brief overview on the approach to outreach and to hear from SSAF members about their considerations for engaging key stakeholders on the consultation.

Questions for SSAF members

1. How are SSAF members planning to structure engagement and outreach to gather feedback on the Nature proposals; and
2. What are the critical stakeholder groups that SSAF members plan to engage and where are the opportunities for the ISSB to support engagements?

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How the ISSB is developing the Nature-related Disclosures Exposure Draft

The proposed way forward for nature

Form of a **Practice Statement**

Specifies nature-related considerations and material information for companies to disclose to investors. Can be applied voluntarily or mandated.

Use **together** with IFRS S1 and IFRS S2

Builds on IFRS S1 (which requires nature-related disclosures) to provide incremental requirements. Supports high-quality, comparable nature disclosures.

Drawing on **TNFD** framework

Aims to deliver efficiencies, reduce fragmentation and enable the ISSB to build on leading practice.

Form of a **Practice Statement**

Avoids overload but supports improved nature-related disclosure

Builds on existing materials (ISSB and TNFD)

Minimises disruption to adoption of ISSB Standards

Keeps a path open for future Standard

Entities that apply the Practice Statement when applying IFRS Sustainability Disclosure Standards would **assert compliance** with both IFRS Sustainability Disclosure Standards and the Practice Statement

Use **together** with IFRS S1 and IFRS S2

- Practice Statement sets out requirements that are **incremental**, building on requirements in IFRS S1 and IFRS S2
- Entities applying IFRS S1 and IFRS S2 could apply the Practice Statement
- Goal to balance addressing common investor needs on nature-related information with focus on supporting implementation of IFRS S1 and IFRS S2
- Requirement to disclose industry-specific metrics applies, and SASB Standards required to be considered as a source of guidance

IFRS S1 already requires disclosure of material information about nature-related risks and opportunities; the Practice Statement **provides specificity on how to report on nature-related risks and opportunities**

What the Nature-related Disclosures Exposure Draft will propose—overview

Terms and concepts

Defined terms:

- environmental resources
- ecosystem services
- nature-related risks
- nature-related opportunities
- nature-related physical risks
- nature-related transition risks

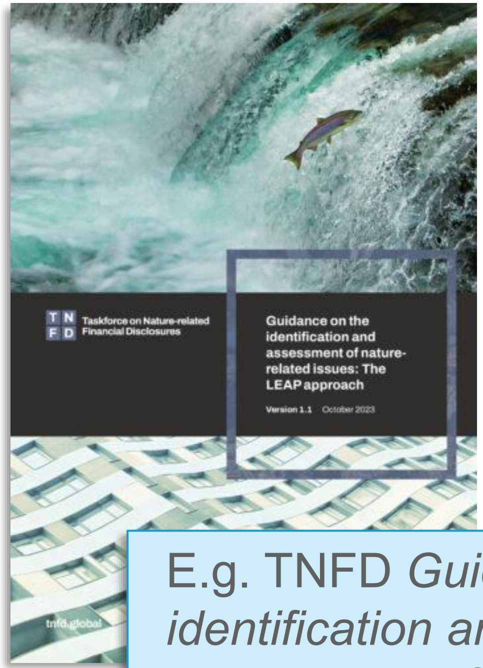
Essential concepts—examples:

- dependencies and impacts
- changes in the quality, availability or affordability of environmental resources and associated benefits
- efforts to mitigate and adapt to those changes, including efforts to conserve, restore or regenerate environmental resources and associated benefits

Terms defined in IFRS S1 and IFRS S2—such as ‘primary users of general purpose financial reports’ and ‘material information’—continue to apply

Identifying nature-related risks and opportunities

- **Existing requirements in S1** continue to apply when applying the Practice Statement, including the **proportionality mechanism** and the **sources of guidance**
- The Practice Statement, and accompanying **illustrative examples**, are designed to support preparers



E.g. TNFD *Guidance on the identification and assessment of nature-related issues: The LEAP approach* available for preparers to use in identifying nature-related risks and opportunities

Common considerations for core content areas

Link to climate

Ensure climate and nature connections are clear

Location considerations

Explain why location matters and when relevant for disclosure

Interactions, including engagement

Explain how engagement with Indigenous Peoples, Local Communities and affected stakeholders is an important consideration and when relevant for disclosure

Nature core content—highlights

Governance	Strategy	Risk management	Metrics and targets
Consideration of location of assets and activities throughout the value chain, interactions with Indigenous Peoples, Local Communities and affected stakeholders and connections with climate			
	• Use of scenario analysis for resilience assessment • Nature-related transition	• Information about scenario analysis for risk assessment	• New metrics and new source of guidance • Nature-related targets

Nature-related metrics

Sources of guidance for disclosure of metrics:

- Continued (shall) reference to SASB Standards and (may) reference to GRI Standards and ESRS from IFRS S1
- New (may) reference to TNFD disclosure metrics

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Proposed **new metrics** on assets or business activities:

- vulnerable to nature-related risks
- aligned with nature-related opportunities

Upcoming consultation

Consultation—feedback on Exposure Draft proposals

Form of standard-setting: Practice Statement

Balance: decision-usefulness for investors, cost-effectiveness for preparers

Requirements: core content, terms and concepts, metrics and sources of guidance and more

Clarity: usability and helpfulness of requirements to support high-quality reporting

Nature Exposure Draft coming October 2026

Seeking public comment on the proposals in the Nature-related Disclosure Practice Statement

Survey

Comment Letter

120-day consultation period

Planned outreach activities

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