

Nature-related Disclosures

Frequently Asked Questions on form of standard-setting | April 2026

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Background

During its April 2026 meeting in Beijing, the International Sustainability Standards Board (ISSB) has agreed to propose nature-related disclosures in a Draft IFRS Practice Statement. When it consults publicly on the Draft IFRS Practice Statement, the consultation will include a question on whether an IFRS Practice Statement is the right form of standard-setting for nature-related disclosures.

The ISSB reached this agreement considering the analysis of alternative approaches to the form of standard-setting included in staff paper 3D for the April 2026 ISSB meeting ([ap3d-form-of-standard-setting.pdf](#)).

The ISSB aims to publish a Draft IFRS Practice Statement in October 2026 for public consultation. The Draft IFRS Practice Statement will be accompanied by a Basis for Conclusions explaining the ISSB's rationale for the proposals.

The ISSB's proposals will build on the reporting already required by IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*. IFRS S1 already requires that companies provide material information on all of the sustainability-related risks and opportunities that could reasonably be expected to affect a company's prospects thus already requires that information be provided about nature-related risks and opportunities when material for a company's investors. The proposals in the Draft IFRS Practice Statement will build on that requirement, addressing nature-related disclosures specifically. The ISSB is drawing on the Taskforce on Nature-related Financial Disclosures (TNFD) framework to specify particular aspects about material information on nature-related risks and opportunities for companies to disclose.

Applying a Practice Statement would have the full effect of an ISSB Standard for companies applying it. This means that companies applying a Practice Statement would provide the same information as companies applying an ISSB Standard having the same content of such a Practice Statement.

At the same time, the Draft IFRS Practice Statement provides the ISSB with a pathway to a standard-based outcome in the future.

Q1—What is an IFRS Practice Statement?

- An IFRS Practice Statement is a stand-alone and prominent part of IFRS Foundation materials, which is subject to the full IFRS Foundation due process. The requirements for public consultation are the same as for a new IFRS Standard or an amendment to an existing IFRS Standard. It is a form of standard-setting within the IFRS Foundation.
- An IFRS Practice Statement is available for companies to apply and for jurisdictions to mandate. The application of an IFRS Practice Statement is not required for a company to assert compliance with IFRS Standards. Similarly, the adoption of an IFRS Practice Statement is not required for a jurisdiction to be described as an adopter of IFRS Standards.
- However, if a company chooses, or is required by its lawmakers or regulators, to apply an IFRS Practice Statement and wishes to assert compliance with it, the company would be required to comply with all the requirements in an IFRS Practice Statement. Therefore, when an IFRS Practice Statement is applied the effect is the same as the application of an ISSB Standard.

Q2—Why did the ISSB decide to propose an IFRS Practice Statement rather than a new ISSB Standard, or amendments to existing ISSB Standards?

- The ISSB considers that proposing nature-related disclosures in the form of an IFRS Practice Statement—as opposed to a stand-alone new ISSB Standard or amendments to IFRS S1 or to IFRS S2—would appropriately balance several considerations, including that a Practice Statement would:
 - provide prominence and visibility to nature-related disclosures and signal clearly the importance of nature-related financial information;
 - minimise disruption to the implementation and adoption of IFRS S1 and IFRS S2, leaving IFRS S1 and IFRS S2 unchanged at this stage; and
 - allow the ISSB to assess developments in nature-related disclosures and consider the architecture of ISSB Standards in due course, focusing on supporting the implementation of IFRS S1 and IFRS S2 at this time.

- A Practice Statement can provide a pathway to a future ISSB Standard. The publication of a Draft IFRS Practice Statement would not prevent the ISSB from publishing nature-related content in an ISSB Standard (stand-alone or in another form) at a later stage, subject to public consultation and taking into consideration any feedback on the Practice Statement, including any feedback on market practice from voluntary or mandatory use of the Practice Statement.
- Companies applying ISSB Standards are required to apply all Standards that are in effect at the time to be able to state they comply with ISSB Standards. Currently, ISSB Standards include IFRS S1 and IFRS S2 (although many jurisdictions are limiting the reporting to climate reporting in the near term). A company applying IFRS S1 and IFRS S2 would be able to state compliance with ISSB Standards without the need to apply the Practice Statement, unless required to do so by a jurisdictional authority.
- Many companies are in the process of implementing IFRS S1 and IFRS S2, which is a significant undertaking. Proposing additional mandatory reporting by introducing a new ISSB Standard at this time risks creating disruption at a critical moment.
- More than 40 jurisdictions around the world are in the process of adopting or otherwise using ISSB Standards. As many jurisdictions are in the process of adopting ISSB Standards, the inclusion of nature-related disclosures in a new ISSB Standard could create a barrier to a jurisdiction's continued adoption of ISSB Standards if the jurisdictional circumstances do not allow the adoption of the new nature-related ISSB Standard.
- The inclusion of nature-related disclosures in a Practice Statement does not require a jurisdiction to mandate the Practice Statement in order for the jurisdiction to be described as an 'adopter' of ISSB Standards.
- A Practice Statement provides the flexibility that if a jurisdiction wishes to mandate reporting on nature-related risks and opportunities, it could mandate application of the Practice Statement (by some or all companies) to support the provision of high-quality, comparable information about nature-related risks and opportunities.

Q3—What is the benefit for nature reporting of the ISSB proposing an IFRS Practice Statement, over and above use of the TNFD recommendations?

- IFRS S1 requires companies to provide material information about all sustainability-related risks and opportunities, including nature-related risks and opportunities that could reasonably be expected to affect a company's prospects. Although application of an IFRS Practice Statement is not required for a company to assert compliance with ISSB Standards or for a jurisdiction to be described as an adopter of ISSB Standards, the IFRS Practice Statement will specify aspects about material information on nature-related risks and opportunities for companies to disclose, drawing on the TNFD framework and complementing IFRS S1 and IFRS S2, which are being mandated in many jurisdictions.

- The Practice Statement is designed to facilitate improved nature reporting building on the TNFD recommendations. Companies applying a Practice Statement would provide the same information as would be the case applying an ISSB Standard with the same content of the Practice Statement.
- A Practice Statement would be available to jurisdictions to mandate and to companies to apply to provide information on nature-related risks and opportunities that could reasonably be expected to affect a company's prospects. A jurisdiction could choose to mandate application of the Practice Statement based on jurisdiction-specific considerations.
- A company applying ISSB Standards and the Practice Statement would be reporting on nature-related risks and opportunities in the context of its reporting in accordance with ISSB Standards. This means that the reporting would be connected to reporting on other risks and opportunities, including climate-related risks and opportunities, and would be part of the general purpose financial reporting package with connections to the financial statements and subject to the concepts in IFRS S1 such as materiality and the qualitative characteristics of useful financial information.
- A company that chooses to apply the Practice Statement would be required to assert compliance with the Practice Statement as a signal to investors of the completeness and 'quality' of its nature reporting being that set out in the ISSB Standards with nature content consistent with the Practice Statement.

Q4—How are TNFD and ISSB working together?

- The TNFD and ISSB have been working together since they were both formed in late 2021. The ISSB has been a long-standing knowledge partner to the TNFD and the work of the ISSB informed the development of the TNFD recommendations.
- The ISSB decided in late 2025 to undertake standard-setting on nature-related disclosures to complement IFRS S1 and IFRS S2 to meet investors' information needs on nature-related risks and opportunities and to draw on the TNFD's work.
- As the ISSB progresses its nature-related disclosure standard-setting and enhances the nature-related aspects of the ISSB's SASB Standards, TNFD is supporting the ISSB through sharing research, knowledge and technical expertise.
- The ISSB has been considering the TNFD framework in all of its decision-making on its Nature-related Disclosures project, including to inform terms and concepts to set the scope of the materials, to explain how nature-related risks and opportunities can arise from dependencies and impacts on nature and in establishing particular required disclosures.
- TNFD's decision in late 2025 to pause the commencement of any further technical guidance work was taken to help facilitate the ISSB's standard-setting, a step strongly welcomed by the ISSB.

- TNFD and the ISSB are working together with the objective of supporting high quality nature-related disclosures and to reduce fragmentation in such reporting.

Q5—How does a Practice Statement support comparability?

- IFRS S1, which is being used by companies around the world, already requires disclosure of information about sustainability-related risks and opportunities, including information about nature-related risks and opportunities that could reasonably be expected to affect a company's prospects.
- The Practice Statement will provide specific materials about nature-related disclosures thus supporting improved and more consistent reporting. Use of the Practice Statement would support reduced fragmentation in nature-related disclosures and build on the reporting currently required by IFRS S1 and IFRS S2 and nature-related materials in the industry-based SASB Standards.
- Investor demand can drive widespread use of Practice Statements, particularly as it is a way to help companies provide material information on nature-related risks and opportunities in accordance with IFRS S1.

Q6—How widely used are IFRS Practice Statements?

- IFRS Practice Statements are an established part of the IFRS Foundation's literature. They are non-mandatory in the sense that a company is not required to comply with Practice Statements to assert compliance with IFRS Standards. However, they are influential. They are developed through full due process of the IFRS Foundation and jurisdictions can require companies to comply fully with Practice Statements as they see fit.
- The use of IFRS Practice Statements varies by jurisdictions.

Q7—For how long will the Draft IFRS Practice Statement be open for comment?

- The ISSB will determine the length of the comment period at a future meeting.
- The ISSB normally allows a minimum period of 120 days for comment on an exposure draft as required by the IFRS Foundation Due Process Handbook.

Q8—Are there any similarities between the role of IFRS S2 for climate and a Practice Statement for nature?

- IFRS S1 already requires companies to provide information on all of their sustainability-related risks and opportunities that could reasonably be expected to affect their prospects.
- IFRS S2 and the Practice Statement are similar in setting out particular disclosures on a topic to complement the general requirements in IFRS S1.
- If a company uses IFRS S1 and identifies that climate-related risks and opportunities could reasonably be expected to affect its prospects, it needs to provide information on those risks and opportunities and it then uses IFRS S2 to provide the information.

- If a company uses IFRS S1 and identifies that nature-related risks and opportunities could reasonably be expected to affect its prospects, it needs to provide information on those risks and opportunities and it could use the Practice Statement to provide the information.

This document is not part of IFRS Standards and does not add to or otherwise change the requirements in the Standards. It was developed to aid stakeholders' understanding of our Standards. Views expressed in the document do not necessarily reflect those of the International Accounting Standards Board, the International Sustainability Standards Board or the IFRS Foundation. The document should not be relied upon as professional or investment advice.