

UPDATE: ISSB NATURE-RELATED DISCLOSURES

EFRAG SRB Meeting
18 June 2026



DISCLAIMER

The views expressed in this presentation are those of the presenter, except where indicated otherwise. EFRAG positions, as approved by the EFRAG SRB, are published as comment letters, discussion or position papers, or in any other form considered appropriate in the circumstances.

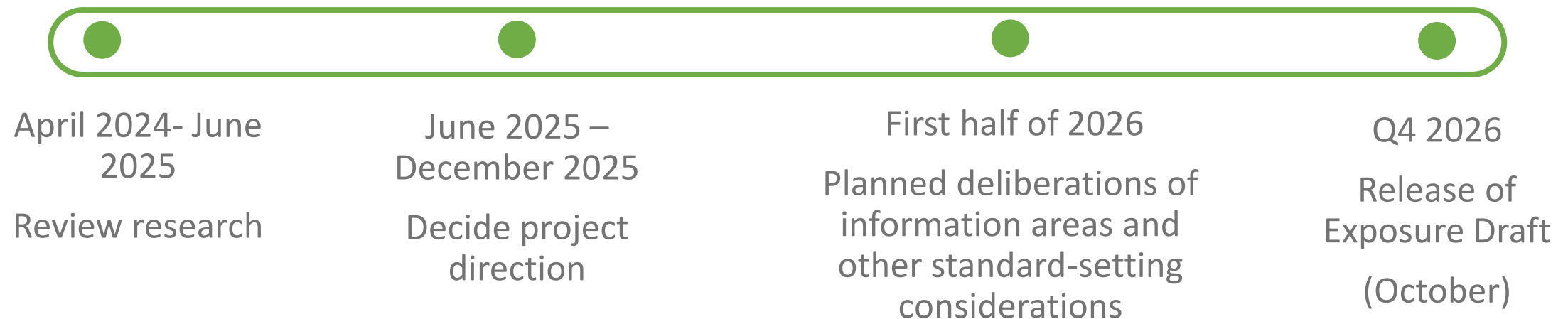


Today's goals

- ✓ Inform the SRB about the status of ISSB nature-related project
- ✓ Outline key points in the ISSB tentative decisions that relate to ESRS interoperability
- ✓ Inform the SRB about EFRAG's tentative project plan

1. Overview of ISSB's nature-related work [*Sue Lloyd, tbc*]
2. Decisions that may have implications for ESRS (selection)
3. Connection to other relevant workstreams
4. Next steps

2025 – 2026 timeline of the ISSB nature-related disclosure project



- ✓ Cover all relevant nature-related risks and opportunities
- ✓ Assume that entities are applying IFRS S1 and IFRS S2
- ✓ Take the form of a 'Practice Statement'
- ✓ Consider opportunities to align with similar requirements in GRI and ESRS

FYI – Topics discussed by ISSB to date

Date of discussion	Topic discussed
February 2026	Terms and concepts, including change to the project title to 'Nature-related Disclosures'
February 2026	Connections between climate- and nature-related risks and opportunities
March 2026	Nature-related metrics
March 2026	Nature-related transition
March 2026	Nature-related targets and consideration of international agreements and related jurisdictional commitments
April 2026	Form of standard-setting
April 2026	Location-specific information about nature-related risks and opportunities
April 2026	Interactions, including engagement, with Indigenous Peoples, Local Communities and affected stakeholders
May 2026	Information about the use of nature-related scenario analysis
May 2026	Identification of nature-related risks and opportunities



ISSB DECISIONS THAT MAY
AFFECT INTEROPERABILITY
WITH ESRS (SELECTION)

Requirements and guidance will be issued in the form of a **Practice Statement** instead of a new topical standard (IFRS S3)

Key advantages of a Practice Statement

- No disruption in S1 and S2 implementation
- It avoids adding new requirements
- Jurisdictions can decide to mandate

Key advantages of a new S3 standard

- High quality of resulting disclosure due to mandatory nature
- Equal value of nature versus climate
- Consistency with IFRS S2 and understandability of IFRS architecture

ISSB decision:

Disclose whether and how the entity uses scenario analysis to inform its:

- identification of nature-related opportunities.
- its assessment of the nature, likelihood and magnitude of the effects of nature-related risks.

Secretariat's preliminary views:

- Can be understood as an additionality to the ESRS.
- Can be understood as a more granular, explicit disclosure requirement (even if connected to ESRS 1 section 3.2.2).

ISSB decision:

- (Mandatory) use nature-related scenario analysis to provide information about the entity's resilience to nature-related risks (consistent with those in IFRS S2).
- and to emphasise that the assessment would be more location- and asset-specific than assessment described in IFRS S2.

Secretariat's preliminary views:

- Already additionality of S2 compared to ESRS E1
- Can be understood as an additionality, as ESRS SBM-3 para. 33 does not require this (nor does ESRS E1-3).

ISSB decision:

- Do not define sector-agnostic topical metrics
- Require to refer to and consider the applicability of metrics in SASB Standards
- Option to refer to and consider the applicability of other sources of guidance

Secretariat's preliminary views:

- Developing sector-agnostic metrics in short timeframe would be feasible (SASB, but also TNFD and others, include metrics that are sector agnostic)
- Added relevance of SASB for ESRS interoperability
- Implications for SASB enhancement project
- SASB as source of metrics:
see EFRAG's comment letters, including due process and field test/consideration of feasibility

ISSB DECISIONS: Engagement with Indigenous Peoples, Local Communities and Affected Stakeholders (I)

ISSB decision:

To provide guidance on the application of the existing requirements in IFRS S1 and the metrics in the SASB standards on the interactions between the entity and indigenous people, local communities and affected stakeholders, including stakeholder engagement.

Secretariat's preliminary views:

- **Clarification of the relationship between the various concepts and potential reduction to two:** affected communities and indigenous people.
- **Clarification of the architecture of social topics and its foundations** across the various affected stakeholders.
- **Role and location of the metrics** for this sector-agnostic topic (IFRS S1 vs SASB).

ISSB decision:

To require an entity to identify the types of stakeholders and communities included in the scope of its disclosure if information is material.

Secretariat's preliminary views:

- **Disclosure on type of stakeholders and engagement may provide a partial view.** It's one of the steps of due diligence but the remaining ones are not included.
- **Process-driven metric and lack of specification of the topics** that could create risks and opportunities for the entities (e.g. land rights, FPIC..)

EFRAG is working on relevant connected projects

**Update of TNFD-ESRS
mapping**

**Input to SASB
enhancement**

- Engagement with ISSB secretariat at staff level (informal input and at 'red flag' level)
- Next ISSB meeting: 22 – 26 June
- ISSB to consult on its exposure draft (duration tbd), exposure draft expected to be released in second half of October 2026
- EFRAG expected to issue a draft comment letter end of October 2026 for 60-day public consultation (tbc); final release of Comment Letter in 2027 (exact timeline tbd)
- SRB invited to provide preliminary advise on how to best prepare input to ISSB exposure draft

Follow us



35 Square de Meeûs, B-1000 Brussels
info@efrag.org - www.efrag.org



EFRAG is co-funded by the European Union through the Single Market Programme in which the EEA-EFTA countries (Norway, Iceland and Liechtenstein), as well as Kosovo participate. Any views and opinions expressed are however those of the presenter only and do not necessarily reflect those of the European Union, the European Commission or of countries that participate in the Single Market Programme. Neither the European Union, the European Commission nor countries participating in the Single market Programme can be held responsible for them.