
ISSB Meeting

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Project	Biodiversity, Ecosystems and Ecosystem Services
Topic	Background on other BEES-related standards and frameworks
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Purpose

1. This paper provides background information on the disclosure standards and frameworks that the staff has evaluated to inform the ISSB's research project on risks and opportunities related to biodiversity, ecosystems and ecosystem services (BEES). It briefly describes key characteristics of each standard or framework, identifies common disclosure elements and provides information about their current use in the market.
2. This paper is an informational supplement to Agenda Paper 3B *Comparison of other BEES-related standards and frameworks to IFRS S1 and SASB Standards*, which presents more detailed findings from the staff's analysis. The staff will not ask the ISSB to make any decisions in the session.

Structure of the paper

3. The paper is structured as follows:
 - (a) Background and overview of other BEES-related disclosure standards and frameworks (paragraph 4)

- (b) Description and attributes of each standard or framework (paragraphs 5–18);
- (c) Similarities and differences among the standards and frameworks (paragraphs 19–21); and
- (d) Market use of standards and frameworks (paragraphs 22–26).

Background and overview of other BEES-related disclosure standards and frameworks

4. The staff has reviewed the following materials:
- (a) The 14 disclosure recommendations and the core global disclosure metrics of the Taskforce on Nature-related Financial Disclosures (TNFD);
 - (b) The following Global Reporting Initiative Sustainability Reporting Standards (GRI Standards)¹:
 - (i) *GRI 2: General Disclosures 2021*;
 - (ii) *GRI 101: Biodiversity 2024*; *GRI 304: Biodiversity 2016*;
 - (iii) *GRI 301: Materials 2016*;
 - (iv) *GRI 303: Water and Effluents 2018*;
 - (v) *GRI 305: Emissions 2016* (only disclosures related to ozone-depleting substances, nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions); and
 - (vi) *GRI 306: Waste 2020*.
 - (c) The following European Sustainability Reporting Standards (ESRS):
 - (i) *ESRS 2 General disclosures*;
 - (ii) *ESRS E2 Pollution*;

¹ GRI pollution-related disclosures are currently under revision. See [GRI topic standard project for pollution](#).

- (iii) ESRS E3 *Water and marine resources*;
 - (iv) ESRS E4 *Biodiversity and ecosystems*; and
 - (v) ESRS E5 *Resource use and circular economy*.
- (d) The following Climate Disclosure Standards Board (CDSB) guidance:
- (i) Application guidance for biodiversity-related disclosures; and
 - (ii) Application guidance for water-related disclosures.

Description and attributes of each standard or framework

TNFD recommendations

5. The TNFD recommendations, issued in September 2023 for voluntary use by preparers, consist of 14 principles-based disclosure recommendations organised by the same four areas of core content that give structure to the IFRS Sustainability Disclosure Standards: governance, strategy, risk management and metrics/targets. The TNFD also has produced additional guidance to aid preparers in implementing and applying the recommendations.
6. The TNFD recommendations cover an entity's nature-related dependencies, impacts, risks and opportunities throughout its value chain. The TNFD recommendations are designed for use by preparers including both companies in the 'real economy' and financial institutions.
7. As a baseline, the TNFD recommendations are intended to facilitate the disclosure of material information for users of general purpose financial reports, consistent with IFRS S1. However, when preparers need or choose to do so, they may also use the recommendations to provide information to a broader set of stakeholders, using a different approach to determine the information that is material (such as the 'impact

materiality’ approach of the GRI Standards or the ‘impact materiality’ definition incorporated in the ‘double materiality’ approach of the ESRS).²

GRI Standards

8. The GRI Standards are structured as a system of interrelated standards that are organised into three series: GRI Universal Standards, GRI Sector Standards, and GRI Topic Standards. The Universal Standards are used by all entities when reporting in accordance with the GRI standards. Entities use the Sector Standards according to the sectors in which they operate, and the Topic Standards according to their list of ‘material topics.’³
9. *GRI 2: General Disclosures 2021* contains disclosures that the entity uses to provide information about its reporting practices and other organisational details, such as its activities, governance and policies. This information is intended to provide stakeholders with insight into the profile and scale of the entity and to provide a context for understanding the entity’s impacts.
10. The Topic Standards contain disclosures for the entity to report information about its impacts in relation to a wide range of topics. GRI’s nature-related Topic Standards include *GRI 101: Biodiversity 2024* (GRI 101 is effective with reporting from 1 January 2026, at which time it will replace *GRI 304: Biodiversity 2016*), *GRI 301: Materials 2016*, *GRI 303: Water and Effluents 2018*, *GRI 305: Emissions 2014*⁴ and *GRI 306: Waste 2020*.
11. The GRI standards cover such topics and information as governance, strategy, impact management and metrics/targets related to an entity’s nature-related impacts

² TNFD (September 2023) [Recommendations of the Taskforce on Nature-related Financial Disclosures](#), page 42.

³ GRI’s use of the term ‘materiality’ is different to that of the ISSB. GRI defines ‘material topics’ as topics that represent the entity’s most significant impacts on the economy, environment and people, including impacts on their human rights. See [GRI 3: Material Topics 2021](#), section 2.

⁴ Only the disclosures related to ozone-depleting substances, nitrogen oxides, sulphur oxides and other significant non-greenhouse gas air emissions were considered in this research.

throughout its value chain. Impacts are defined by GRI as the ‘effect the organisation has or could have on the economy, environment, and people, including on their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development.’

12. Entities can use the GRI Standards to report on a range of nature-related information, including information about management approaches to biodiversity, materials, water and waste as well as locations of the most significant biodiversity impacts, drivers of biodiversity loss, policies to halt/reverse biodiversity loss, changes to the state of biodiversity and the ecosystem services and their beneficiaries affected by the organisation’s activities. GRI Standards call for the reporting of both qualitative and quantitative information. Among the quantitative information are metrics related to, among other things, the size and condition of ecosystems; water withdrawals, quality of discharge, and consumption; materials used and recycled and waste generated and reused, recycled or recovered.

European Sustainability Reporting Standards (ESRS)

13. The ESRS were issued in July 2023 and are mandatory standards for specified entities in the European Union and for some non-EU companies with business activities of a particular size in the European Union (see paragraph 24). ESRS are effective in phases, from financial years starting on or after 1 January 2024 to 1 January 2028, depending on an entity’s size.
14. ESRS include 10 sustainability-focused thematic standards and two cross-cutting standards applicable to all reporting entities. The ESRS standards considered in this paper include ESRS 2 *General disclosures* and four nature-related thematic standards—ESRS E2 *Pollution*, ESRS E3 *Water and marine resources*, ESRS E4 *Biodiversity and ecosystems*, and ESRS E5 *Resource use and circular economy*.
15. ESRS require the disclosure of information such as an entity’s:

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- (a) governance, strategy, and processes to identify and assess impacts, risks and opportunities; and
 - (b) specific topic disclosures on policies, impact/risk/opportunity management, actions, targets and metrics for pollution (air, soil, water), water and marine resources, and resource use and circular economy.
 - (c) In addition to the above, ESRS E4 *Biodiversity* also requires disclosure of biodiversity and ecosystems considerations in business strategy, nature-related transition plans, anticipated financial effects from biodiversity and ecosystem-related risks and opportunities, and information such as various factors on location of sites of an entity's own operations determined to have significant impacts, dependencies, risks or opportunities.

Climate Disclosure Standards Board Framework application guidance

- 16. The CDSB Framework is a voluntary framework that includes seven principles and twelve general requirements for the disclosure of sustainability-related information, including information about an entity's governance, strategy, risks and opportunities, impacts, performance and outlook. CDSB was consolidated into the IFRS Foundation in January 2022 and the ISSB has assumed responsibility for the CDSB materials.
- 17. The CDSB Framework Application Guidance is referenced in IFRS S1 paragraph 58(b)(i) as a source upon which an entity may base its judgement when identifying information to disclose under IFRS S1 in the absence of an applicable ISSB Standard.
- 18. CDSB produced two application guidance documents—one for water-related disclosure and one for biodiversity-related disclosure—to assist companies in the disclosure of material information within their general purpose financial report. The guidance was designed to supplement the CDSB Framework.

Similarities and differences among the standards and frameworks

19. This section discusses similarities and differences among the four other BEES-related standards and frameworks. Agenda Paper 3B discusses the similarities and differences between these four standards/frameworks, on one hand, and IFRS S1 and the SASB Standards, on the other.
20. The other standards and frameworks exhibit similarities and differences that may be instructive for any future work undertaken by the ISSB on BEES-related disclosure. For example, all the standards and frameworks are generally similar in terms of their:
- (a) scope of coverage (ie, they cover all sectors, types of ecosystems, and the entire value chain);
 - (b) applicability to all types of preparers (ie, they apply both to companies in the ‘real economy’ and to financial institutions);
 - (c) requiring or recommending disclosure of information about the location of a preparer’s operational sites and value chain, although the standards and frameworks vary as to how they define a reportable location:
 - (i) TNFD recommends disclosure of locations that meet the TNFD criteria for priority locations—ie, locations that the entity has identified as having ‘material dependencies, impacts, risks and opportunities’ and/or locations where an entity interfaces with areas of importance for biodiversity, high ecosystem integrity, high physical water risks, and/or importance for the delivery of ecosystem service provision including benefits to Indigenous Peoples, local communities and stakeholders (TNFD Strategy D).
 - (ii) ESRS E4 *Biodiversity* defines locations (sites) as those negatively affecting biodiversity-sensitive areas, having negative impacts with regards to land degradation, desertification or soil sealing and/or

- affecting threatened species.⁵ For each site, ESRS E4 requires disclosure of the impacts and dependencies identified and the ecological status with reference to a specific ecosystem baseline level.
- (iii) GRI 101-5 provides for disclosure of an entity’s locations with the most significant impacts on biodiversity and, for each such location, whether it is in or near an ecologically sensitive area using the same four criteria as the TNFD. The Standard provides for disclosure of the entity’s activities at each of these locations as well as size in hectares.
 - (iv) The CDSB *Application guidance for biodiversity-related disclosure* lists geographic context and location as a key characteristic of interactions between biodiversity and an entity and as such is important for entities to consider during the process of preparing biodiversity-related disclosures. In REQ-02 *Management’s environmental policies, strategy and targets*, the guidance says the primary user should be able to understand how biodiversity and ecosystems, which underpin and support the entity’s ability to succeed, are reflected in its ambitions in meeting business goals, including consideration and disclosure of important information about geographic areas and locations.⁶
- (d) focus on disclosure of qualitative and quantitative information of both a historical and forward-looking nature;

⁵ ESRS E4 *Biodiversity* DR SBM-3 paragraph 16: ‘A biodiversity sensitive site is defined as Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas (“KBAs”), as well as other protected areas, as referred to in Appendix D of Annex II to Commission Delegated Regulation (EU) 2021/2139 (ESRS Glossary).’

⁶ The CDSB guidance gives the following consideration in determining important locations to disclose—operational (or value chain) areas that are in or within close proximity to important areas for biodiversity (for example, protected areas, community reserves, world heritage sites, key biodiversity areas, critical habitats, biodiversity hotspots). Operational (or value chain) areas important to local stakeholders due to the final ecosystem services provided (for example, areas shared with local fisheries). See ‘useful details or indicators to disclose’ in Table 1 under Geographical Areas in CDSB *Application guidance for biodiversity-related disclosure*.

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- (e) focus on disclosure of information related to an entity's consultation processes with stakeholders including BEES-related effects on Indigenous Peoples and local communities;
 - (f) disclosure in accordance with ESRS and TNFD about whether and how an entity considers systemic risks in its identification and assessment of its BEES-related risks and opportunities; and
 - (g) focus on similar BEES-related topics of disclosure:⁷
 - (i) *biodiversity, species and ecosystems*—information on the state of nature (ecosystem condition and extent, and species population size and extinction risk) in locations in which an entity depends on or impacts nature, including at ecologically sensitive areas (protected areas, key biodiversity areas, etc.) (see paragraph 20(c) of this paper);
 - (ii) *land use and land use change*—information on an entity's total spatial footprint, area converted, restored, rehabilitated or conserved, and extent of sustainably managed ecosystems;
 - (iii) *pollution*⁸—information on an entity's pollution releases to air (non-greenhouse gases), soil and water, hazard and impact assessment and management of spills or releases;
 - (iv) *resource use and extraction*—information on use and management of natural resources such as raw materials, wild species and crops harvested and high-impact commodities.

⁷ It should be noted that these groupings do not represent proposed ISSB categories, definitions or focus areas. They were established purely to categorise and compare the findings in this analysis. Any proposed definitions, groupings or categories to be used in future research or standard-setting are still to be determined.

⁸ A GRI Topic Standard project for pollution is underway, looking at revisions to GRI 305-6 and 7 (emissions of ozone-depleting substances and nitrogen oxides, sulphur oxides, and other significant air emissions) and GRI 306-3 (significant spills). It will also look at pollution more broadly including emissions to air, soil and water, and critical incident management.

- (v) *waste and circularity*—information on an entity’s efficiency and use of materials including sourcing, production, packaging and consumption, waste generation and disposal, recyclability and recovery; and
- (vi) *water and wastewater*—information on an entity’s water withdrawals, consumption and discharge in total and in areas of water stress and management of water as a resource.

21. The general differences among the standards and frameworks include:

- (a) *intended users of information*—the standards and frameworks vary somewhat in their respective intended users. The GRI Standards aim to facilitate disclosure of impact-related information to a broad group of stakeholders including investors, while ESRS are focussed on meeting the information needs of both investors and a wider group of stakeholders using a ‘double materiality’ approach. The TNFD recommendations emphasise a baseline focus on primary users as defined by the IFRS Foundation but also acknowledge the information needs of a broader group of stakeholders, leaving it to the discretion of preparers which audiences their disclosures target. The CDSB application guidance focuses on primary users, as defined by the IFRS Foundation.
- (b) *disclosure of information on impacts and dependencies*—in addition to information about BEES-related risks and opportunities, the TNFD, ESRS and CDSB materials call for disclosure of additional information on BEES-related impacts and dependencies,⁹ while the GRI Standards focus on information about impacts.¹⁰

⁹ The coverage of dependencies and impacts aligns with the Target 15 of the Global Biodiversity Framework, which calls for authorities to ‘take legal, administrative or policy measures to encourage and enable business ... to regularly monitor, assess, and transparently disclose their risks, dependencies and impacts on biodiversity ...’

¹⁰ GRI 101’s focus on impacts also considers the consequences for the reporting entity itself. For example, while GRI 101 does not directly address an entity’s dependencies, some may be covered when an entity affects the ecosystem assets and services on which it depends (see GRI 101-8-a).

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- (c) *level of detail*—the TNFD recommendations and the CDSB Framework generally consist of less detailed disclosure requirements, while the GRI Standards and ESRS include disclosure elements that are more detailed and prescriptive.
 - (d) *strategy and risk management disclosure*—the TNFD, ESRS and CDSB materials include relatively comprehensive sets of disclosure elements related to an entity’s identified risks and opportunities, its strategy to address those risks and opportunities, and key elements of its risk management process. The GRI Standards focus on impacts and, other than calling for the disclosure of related policies, include little in the way of disclosure on strategy or the risk management process.

Market use of standards and frameworks

- 22. Market use of each of the standards and frameworks differs, in part due to when they were issued, their effective dates and whether they are mandatory or voluntary. The current versions of the standards and frameworks that staff analysed were issued relatively recently with effective dates ranging from 2018 to 2028. As a result, many preparers are in the early stages of implementing and applying them and gaining experience in preparing disclosures. Precise numbers of companies using a particular standard or framework are difficult to determine. The staff’s analysis relied on the estimates from the standard setters and from other external sources.
- 23. A 2024 KPMG survey indicated that the GRI Standards are the most widely used sustainability standards, with adoption by the world’s largest 250 companies at 77 percent, and 71 percent among the largest 100 companies in each of 58 jurisdictions.¹¹ This survey, however, does not distinguish between use of different GRI Standards such as BEES-related Topic Standards. Another indicator of interest in GRI Standards

¹¹ KPMG (2024) [The move to mandatory reporting: Survey of sustainability reporting 2024](#).

is that *GRI 101 Biodiversity 2024* was downloaded approximately 100,000 times from the GRI website, representing 10 percent of all GRI standards downloads in 2024.

24. ESRS apply to companies within the scope of the Corporate Sustainability Reporting Directive (CSRD). Determining when a company needs to apply ESRS and when they need to start reporting depends on many different factors including size, whether they are listed or unlisted, and whether the parent-entity is based in the European Union. ESRS reporting is or will soon be mandatory for approximately 50,000 entities in the European Union and for some non-EU companies with business activities of a particular size in the European Union. Therefore, a significant number of entities will soon be issuing reports that include application of the BEES-related ESRS.
25. As of January 2025, over 520 entities have committed to getting started with voluntary reporting of BEES-related information in line with the TNFD recommendations. These entities have committed to making public TNFD-aligned disclosures alongside their financial statements for their financial year 2024 or financial year 2025. The TNFD provides a list on their website of over 40 illustrative examples of ‘TNFD-aligned’ reports and is aware of over 90 ‘TNFD-aligned’ reports already published based on 2023 and 2024 financial year outcomes.¹²
26. Consistent with these findings, a preliminary staff review of FY2023 reports filed by about 2,300 companies globally indicated that about 60 percent referenced GRI Standards, about 45 percent referenced SASB Standards, and about 15 percent and 5 percent referenced TNFD and ESRS, respectively.¹³

¹² ‘TNFD-aligned’ reports include one or more TNFD elements, but are not necessarily considered fully in line with all 14 of the TNFD recommendations. Organisations publicly stating their use of, and alignment with, TNFD Adopters are expected to apply the general requirements in the TNFD recommendations to create consistency and comparability in the information disclosed.

¹³ The companies were drawn from an index that captures large and mid-cap companies across developed and emerging markets. In this context, ‘reference’ means that a standard or framework was *mentioned* in a report but does not indicate whether the company used or aligned with such standards and frameworks or the extent to which the reports were aligned.