**IFRS** ®
Sustainability

# IFRS Taxonomy Consultative Group (ITCG) meeting

Date        **5 December 2022**

Project     **IFRS Sustainability Disclosure Taxonomy**

Topic       **Summary of feedback on the staff draft of the IFRS Sustainability Disclosure Taxonomy**

Contacts    **Iza Ruta (iruta@ifrs.org)**
            **Owen Jones (ojones@ifrs.org)**

# Purpose of this session

**Objective**

- **The purpose of this paper** is to provide a summary of the feedback obtained during the feedback period. Agenda paper 2B provides a summary of content in the Staff Request for Feedback on the staff draft of the IFRS Sustainability Disclosure Taxonomy.

- **ITCG** members are asked to discuss the feedback, and give their advice on areas that require further research or consideration.

# Background

- In March 2022, the Chair and Vice-Chair published the exposure drafts [draft] IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* ([draft] S1), and [draft] IFRS S2 *Climate-related Disclosures* ([draft] S2).

- **In May 2022 the Foundation published a staff draft of a Taxonomy** for digital reporting representing the disclosure proposals in these two exposure drafts. The staff draft was accompanied by a Request for Feedback **soliciting public feedback** on staff recommendations on fundamental matters that need to be considered early to enable the ISSB to publish the IFRS Sustainability Disclosure Taxonomy on a timely basis.

- ITCG members discussed the request for feedback questions and staff proposals at their July 2022 meeting.

- The deadline for comments closed on 30 September 2022. The staff discussed the feedback (including feedback received from ITCG) with the ISSB at their November 2022 meeting.

# Questions for ITCG members

1. Do you have any comments on the feedback summarised in this paper?

2. Which issues do you think most require further research or consideration?
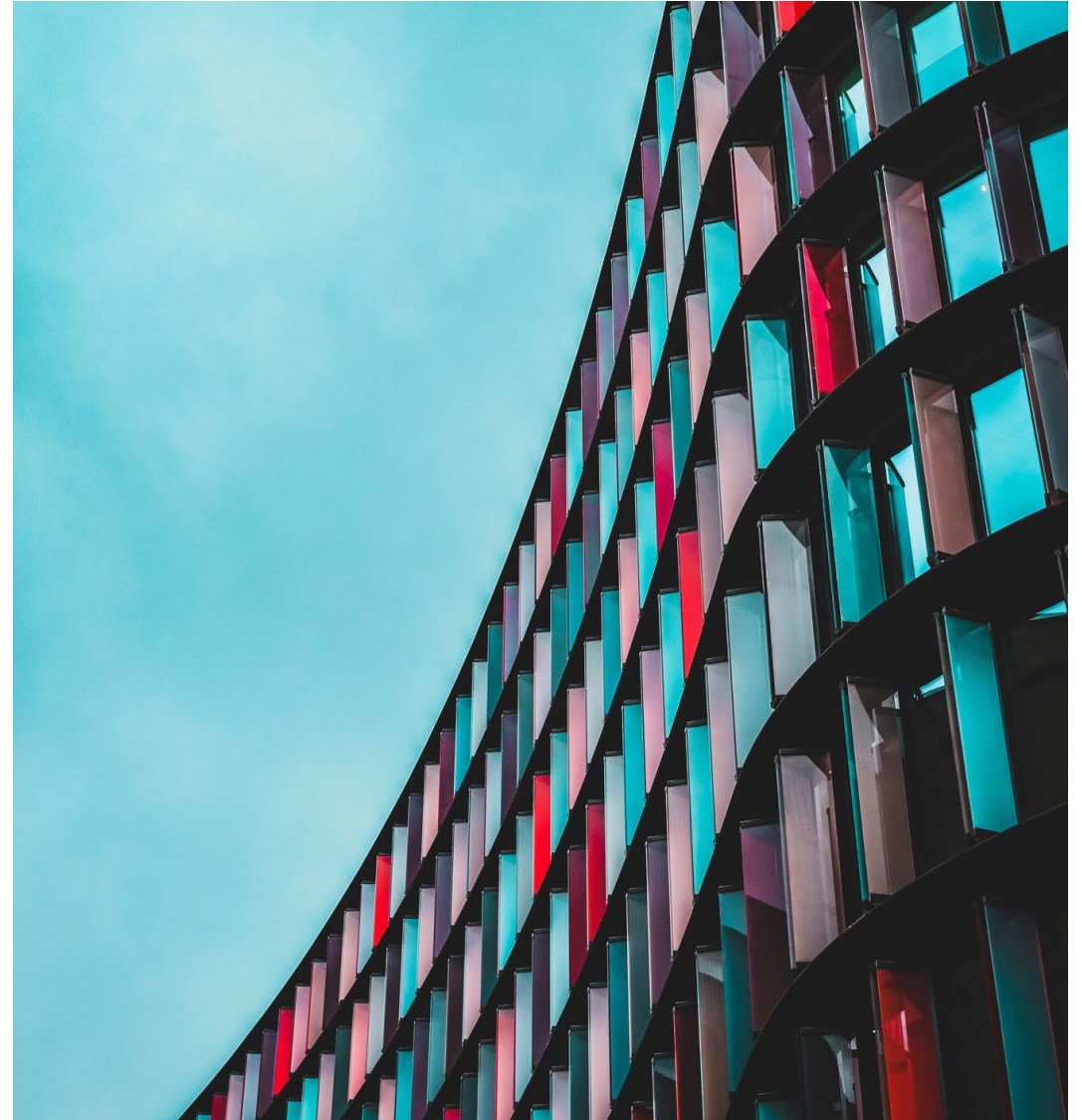
# Agenda

# Topics

# Sources of feedback

# Sources of feedback

**20** survey responses and **23** comment letters on the staff request for feedback - deadline on 30 September 2022

Discussion with the IFRS Taxonomy Consultative Group (ITCG) in July 2022

Meetings with regulatory and standard-setting stakeholders*

Targeted market outreach with a very limited number of companies. Participants tagged their existing sustainability related reports using the staff draft IFRS Sustainability Disclosures Taxonomy and discussed their experience with us.†

Reminder: in September 2022 ISSB discussed feedback on the [draft] S1 (AP3A) and [draft] S2 (AP4A) which included 593 comment letters responding to Question 15 related to the digital reporting.

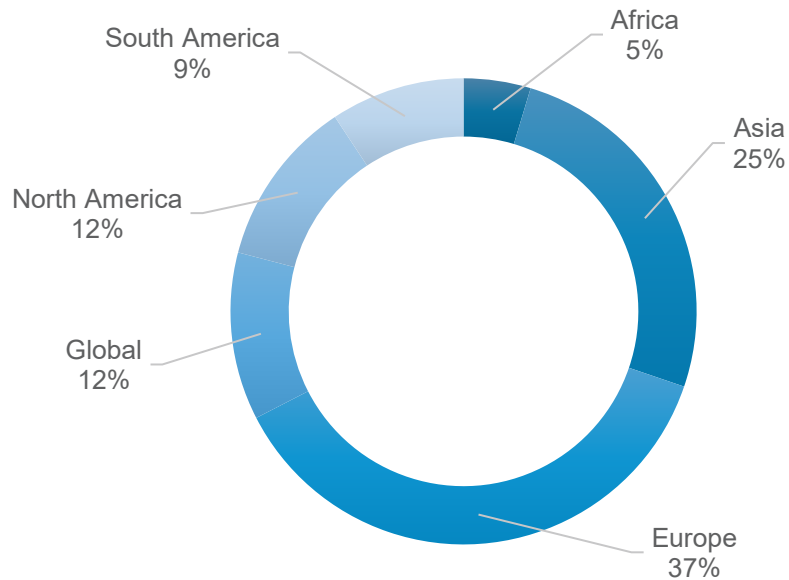*Feedback consistent with that summarised here.

†Subsequent targeted market outreach with users of reports is ongoing, an oral update will be provided during the meeting
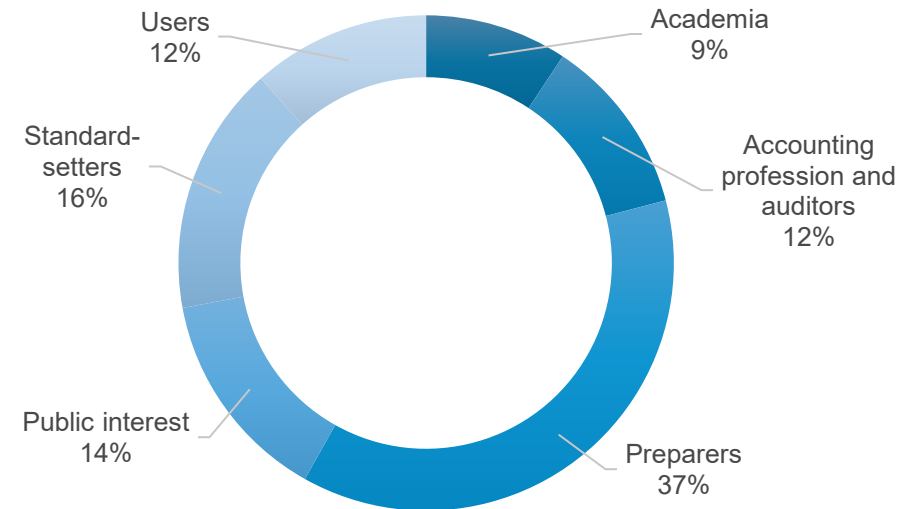
# Statistics for comment letters' respondents

✉ **43**

## By location 🗺



- South America 9%
- Africa 5%
- Asia 25%
- North America 12%
- Global 12%
- Europe 37%

## By type of stakeholder 👥



- Users 12%
- Academia 9%
- Standard-setters 16%
- Accounting profession and auditors 12%
- Public interest 14%
- Preparers 37%

Public interest group include some individuals and sustainability related organisation (NGOs).

# How we quantified the feedback

This presentation uses the following terms to describe the extent to which feedback was provided by respondents:

| Term | Extent of response among respondents |
|---|---|
| Almost all | All except a very small minority |
| Most | A large majority, with less than a few exceptions |
| Many | A large majority, with more than a few exceptions |
| Some | A small minority, but more than a few |
| A few | A very small minority |

# Summary of feedback

# Main messages

> **Many expressed support for the development of the digital Taxonomy** for sustainability-related financial information – seen as improving accessibility of information in a cost-efficient way*.
>
> However, respondents **suggested additional efforts needed** for the successful implementation:

- Many highlighted the need for **cooperation with stakeholders** for consistent, global implementation – especially with regulators and standard setters to ensure alignment with ongoing jurisdictional initiatives on sustainability disclosures

- Many suggested **educational or supporting materials** to help with consistent application, especially for the relatively new and complex areas for tagging eg narrative reporting

- Some thought **field testing** would be useful for areas where taxonomy design decisions might depend on the reporting practice

- **Implementation in phases** – some suggested tagging numerical information or metrics first and narrative information at a later stage to relieve some pressure from stakeholders

- **Ongoing taxonomy improvements** via review of common reporting practice or providing an easy way to raise implementation issues, was suggested by a few respondents

    (detailed suggestions for each bullet are referenced in later slides)

* overall feedback broadly consistent with responses to digital reporting questions in [draft] S1 and [draft] S2

# Overview of the feedback (1/2)

- Field testing
- Cooperation with stakeholders
- Guidance
- Later implementation
- Taxonomy improvements

| Topic | Topic in staff request* | Overall | Main messages by topic | | |
|---|---|---|---|---|---|
| A. Taxonomy architecture | | ☑ | 👥 | | 📌 |
| i. Taxonomy design and connection with other Taxonomies | 1 | | | | |
| ii. Treatment of similarities with the IFRS Accounting Taxonomy | 9 | | | | |
| B. Connections within disclosures | | | | | |
| i. Connectivity between information in the report | 7 | ☑ | 👥 | | 📌 |
| ii. Cross-references to other documents | 8 | ☑ | 👥 | 📚 | 📌 |

☑ Agreement, simple Taxonomy change / small impact on stakeholders

💡 Agreement, some suggestions for improvements or guidance

❓ Mixed views but no clear suggestions, significant impact on the taxonomy

* List of topics in the staff request for feedback is on slide 9 and further explained in agenda paper 7B

# Overview of the feedback (2/2)

Legend:
- 🔍 Field testing
- 👥 Cooperation with stakeholders
- 📚 Guidance
- ▷▷| Later implementation
- 📌 Taxonomy improvements

| Topic | Topic in staff request | Overall | Main messages by topic |
|---|---|---|---|
| **C. Presentation and high-level modelling** | | | |
| i. Presentation by aspect of core content | 2 | 💡 | 🔍 📚 📌 |
| ii. Modelling similarities between [draft] S1 and [draft] S2 | 3 | ❓ | 🔍 ▷▷\| 📌 |
| **D. Narrative information** | | | |
| i. Granularity of elements | 4 | 💡 | 🔍 📚 ▷▷\| 📌 |
| ii. Categorical elements | 5 | 💡 | 🔍 📚 📌 |
| **E. Metrics and targets** | | | |
| i. Metrics similar to SASB – presentation and modelling | 2 / 6 | 💡 | 📚 |
| ii. Entity-specific metrics | 6 | ☑ | 📚 |
| **F. Other comments** | | | |

☑ Agreement, simple Taxonomy change / small impact on stakeholders

💡 Agreement, some suggestions for improvements or guidance

❓ Mixed views but no clear suggestions, significant impact on the taxonomy

IFRS
Sustainability

# Topics considered in the staff request for feedback

- 'GAAP' neutral building block?
- Separate from the IFRS Accounting Taxonomy?

**Taxonomy design** ① 

- Content grouped by
  - ISSB ED and
  - aspects of core content
- Industry-based metrics grouped by industry

**Taxonomy presentation** ② 

- Disclosures related to core content in each ISSB ED are reflected as a separate list of distinct items

**Relationships between ISSB EDs** ③ 

- How much detail to ask preparers to tag?
- Distinct items for narrative that is:
  - separately understandable
  - easily identifiable

**Degree of detail for narrative information** ④ 

- Should categorical items be used for disclosures that are true/false responses or specific responses from a list?

**Categorical information** ⑤ 

**Additional explanation for each topic can be found in agenda paper 7B**

- How best to reuse work on SASB Taxonomy and smooth transition?
- How to handle entity-specific metrics and targets?

**Modelling metrics** ⑥ 

- Is there a need for a specific mechanism to capture connections between pieces of disclosed information?

**Representing connected information** ⑦ 

- Do requirements related to cross-references need to be modelled in the Taxonomy?

**Connections between reports** ⑧ 

- Should content be consistent with the IFRS Accounting Taxonomy for similar disclosure requirements?

**Similar IFRS disclosures** ⑨

# Next steps

# Next steps



**Finalise S1 and S2**

**Standards Issued**

**Approval by ISSB**

**Discuss comments at ISSB Meeting**

**Approval by ISSB**

**Consider feedback**

**Develop approach**

**Develop proposed Taxonomy**

**Public consultation and market outreach**

**Consider comments**

**Final Taxonomy**

Consult Taxonomy consultative group

Review by Taxonomy consultative group

Review by Taxonomy consultative group

Feedback by topic

# A. Taxonomy architecture

The request for feedback aimed to elicit comment on the implications for taxonomy users of possible high-level taxonomy architectures.

- The staff recommended publishing distinct Taxonomies for IFRS Sustainability Disclosures and IFRS Accounting (rather than a single combined taxonomy), so that the IFRS Sustainability Disclosures Taxonomy:
    - could more easily be used with non-IFRS accounting taxonomies;
    - could be more easily used as a baseline building block by jurisdictions;
    - would be more practical for the IFRS Foundation to manage, given its two separate boards which are each responsible for distinct areas.

- The staff recommended, where possible, the use of similar modelling in both the IFRS Accounting Taxonomy and the staff draft IFRS Sustainability Disclosure Taxonomy for disclosure requirements that are similar in both sets of Standards.
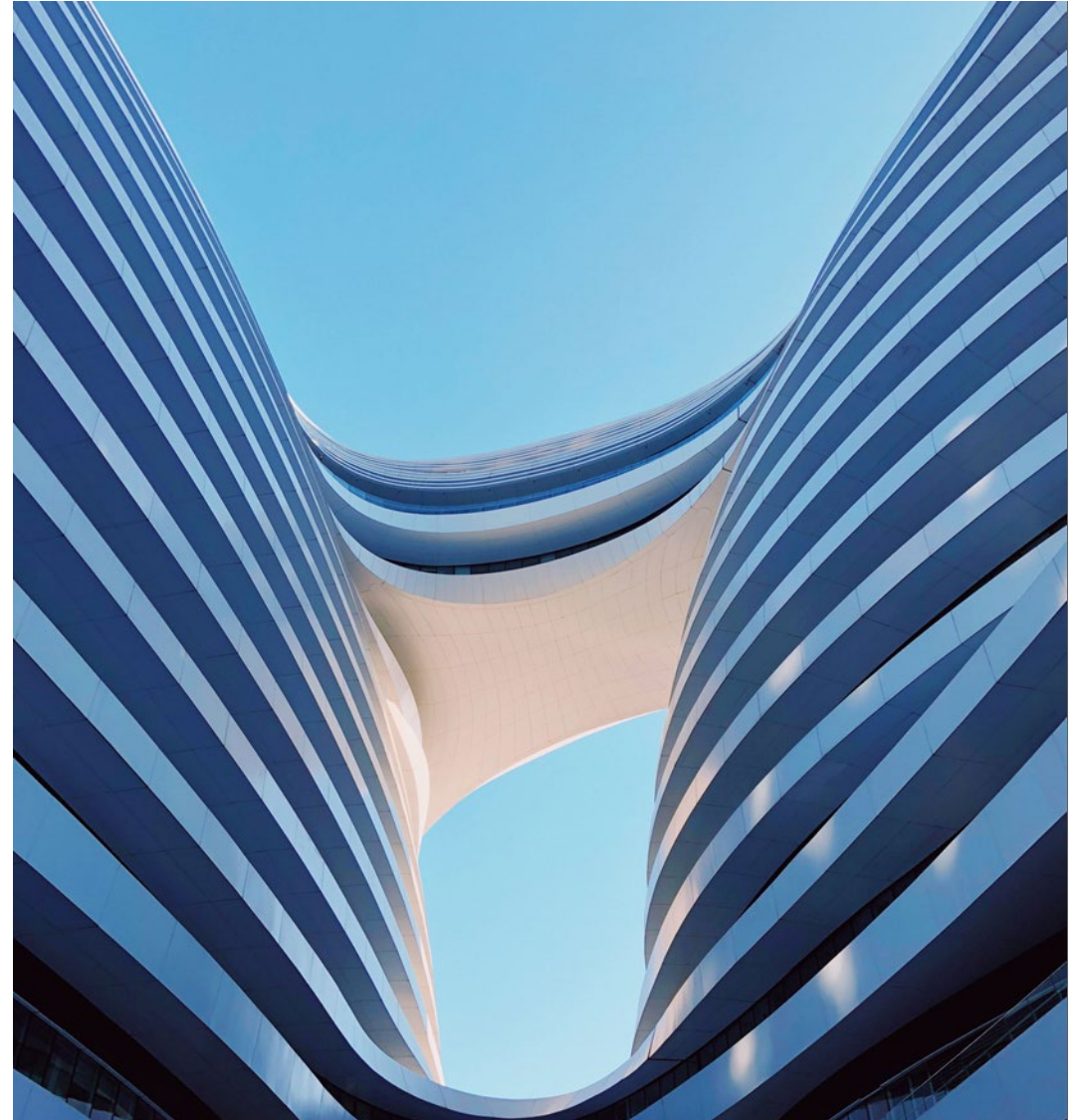
# A. Taxonomy architecture

☑ **Most agreed with the recommended separation** of IFRS Sustainability Disclosure Taxonomy from the IFRS Accounting Taxonomy. Some highlighted the need for interoperability with the Accounting Taxonomy as well as other Taxonomies.

- A few respondents emphasised the need for **both IFRS Taxonomies to work well together** (for example any improvements should be introduced to both Taxonomies).

- Some emphasised the need to consider **interoperability with other sustainability or accounting frameworks** and taxonomies, for example developments in the US or EU, and GRI. Stakeholders noted that overlap between elements, and different taxonomy architectures, could be confusing.

- Most **agreed with the recommendation to have similar modelling** for similar disclosures between IFRS Accounting and IFRS Sustainability Disclosures Taxonomy. However, some said that the resulting similar labels between elements could be confusing when choosing the appropriate element and suggested creating a separate, shared taxonomy for common elements, or differentiating labels.

# B. Connections within disclosures

The request for feedback aimed to obtain suggestions of technical approaches to achieve the representation of connections between disclosure requirements in digital reporting, and whether it would on balance be beneficial to do so.

- The staff recommended that no explicit technical mechanism be considered to capture any information, additional to that required by rest of [draft] S1 or [draft] S2, disclosed to meet the requirements of paragraphs 42-43 of [draft] S1 ('*provide information that enables users…to assess the connections between various sustainability-related risks and opportunities, and to assess how information about these…is linked to information in the general purpose financial statements.' and 'describe the relationships between different pieces of information'*).

- The staff recommended similarly in relation to paragraphs 75-77 of [draft] S1 cross-references, which allow that '*Information required by an IFRS Sustainability Disclosure Standard can be included by cross-reference…to information in another location'.* Instead the staff recommended that preparers should tag cross-referred information **in the document which is referred to** (and that regulators require this).
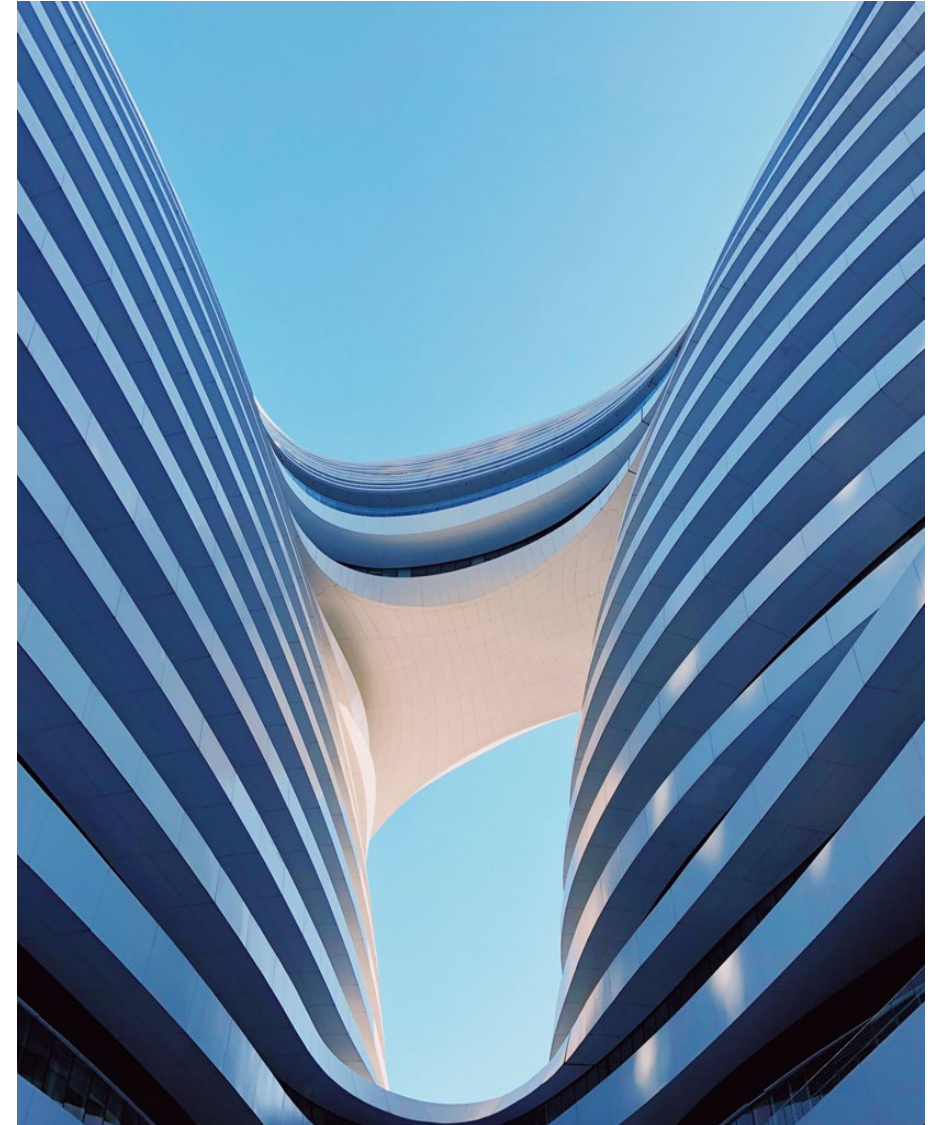
# B(i). Connectivity between related information

**Most stakeholders thought it would be helpful if a mechanism was provided to convey connections between information.** There were mixed views on whether narrative elements staff recommended would suffice. A few suggested cooperation with stakeholders to develop a globally accepted solution.

- A few thought that providing a mechanism would be important to ensure this information was available in both digital and paper statements.

- A few thought that linking with the related information in the financial statement is important.

- Some suggested technical solutions that could potentially be used as mechanisms to convey such information: dimensional approaches, extensible enumerations, arcs or footnotes.

- A few suggested **cooperation with stakeholders to raise the need to develop a globally accepted solution**.

# B(ii). Connectivity between reports – cross-references

**Many stakeholders agreed with the staff recommendation that cross-references should not be specifically modelled.** However, a few thought narrative tags to indicate the cross-reference may be helpful in the absence of a more complete technological solution. A few others suggested issuing guidance, and cooperation with stakeholders.

- Stakeholders agreed it would be most beneficial to users if **information provided in any referenced documents was tagged in the same way** as if it was part of the main document. A few suggested **guidance** may be helpful to ensure consistent, global application; a few suggested **cooperation with stakeholders to achieve this**.

- However, a few thought a detailed technological solution may be difficult to get implemented consistently in all jurisdictions and instead suggested **including elements** to allow tagging textual information about cross-references. These elements could perhaps include a URL to the appropriate section and information from the main document about referenced part of the report.

- A few noted issues with cross-references exist already in paper-based reporting. For example auditing of the cross-referenced information or difficulty of locating the referred to information precisely.

# C. Presentation and high-level modelling

The request for feedback aimed to elicit feedback on how best to aid users of the taxonomy to find, understand and use taxonomy content.

- The staff recommended grouping the taxonomy elements required to represent the disclosure elements in two parallel hierarchies (with most taxonomy elements derived from the main text of the exposure drafts appearing in both):
  a) based on the IFRS Sustainability Disclosure Standard from which they are derived ([draft] S1 or [draft] S2); and
  b) based on the four aspects of core content—governance, strategy, risk management and metrics and targets.

- The staff recommended representing the requirements of [draft] S1 and [draft] S2 with distinct concepts (line items), without attempting to represent any relationship between them in the structure of the model.
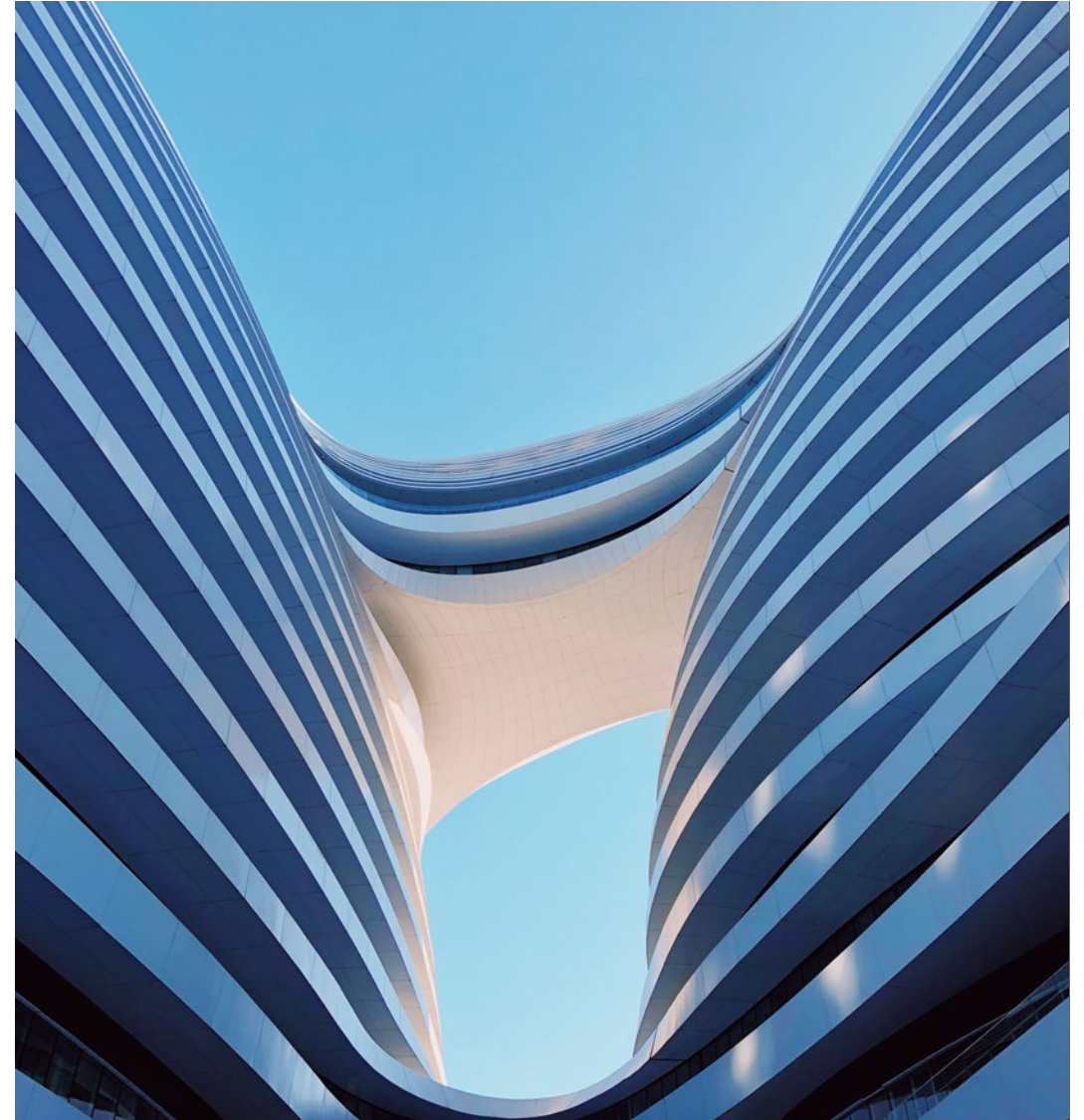
# C(i). Presentation – additional view by aspect of core content

**Mixed views** on whether two recommended presentations of elements (one by Standard and another by aspect of core content) is helpful or confusing.

Many agreed with the two recommended presentations of elements for the disclosures. However, some thought it might be confusing.

- A few were not clear if they needed to use both to find the appropriate element.
- A few anticipated potential issues with adding future elements for forthcoming IFRS Sustainability Disclosure Standards or common reporting practice.
- A few noted the layout by Standard allowed easier cross-check with the disclosure requirements.

- Consequently, stakeholders suggested:
  - **field testing** to review how stakeholders navigate taxonomy,
  - creating **guidance** to clarify the expected use of both layouts,
  - **starting with layout by Standard** and only adding another one once practice emerges,
  - **using other metadata** to provide information about relationship between elements.

# C(i). Presentation – targeted market outreach

- All participants used the presentation by Standard, noting it allowed easier cross-check with the disclosure requirements. They thought this presentation:

    - could be used as a checklist to see if requirements were appropriately met.

    - helped assess which parts of current reporting may correspond to [draft] S1 and [draft] S2 requirements. However, some expected that reporting may change once the Standards are applied and preparers may then find the presentation by aspect of core content more useful.

- One participant **also** used the presentation by aspect of core content – they thought such presentation may be more helpful for preparers who currently use TCFD requirement which are organised by the core content.

- Many indicated that two presentations are confusing and **guidance** will be helpful to explain that both presentations include the same elements so a preparer does not feel they need to check both presentations.

- Some said that element labels and references are more often used to find the appropriate elements compared to presentation. Consequently, a few highlighted that **supporting materials** that link elements with the requirements in the Standard would be helpful.

# C(ii). Modelling of similarities between [draft] S1 and [draft] S2 (1/2)

**?** **Mixed views** **about recommended line item approach** (creating separate, similarly-named elements for the similar areas of [draft] S1 and [draft] S2). Arguments in favour focussed on **simplicity**, argument against on **repetitiveness**

- Stakeholders commented on the **line item approach**:
  - it is **simpler to use:**
    - which may be especially important when tagging narrative information which is relatively new and complex area for tagging*
    - by a preparer when only one Standard is applicable or in a jurisdiction that did not adopt all future Standards because of the separate elements for each Standard.
  - use of **similar elements** for both [draft] S1 and [draft] S2 Standards **may cause confusion** and lead to incorrect tagging. Consequently, a few suggested **creating sufficiently distinct labels for similar elements.**
  - it will result in many similar elements for similar disclosures in future Standards.

---

* Refer for more details to section D(i)
discussing granularity of narrative information.

# C(ii). Modelling of similarities between [draft] S1 and [draft] S2 (2/2)

- Stakeholders commented on the **alternative dimensional approach**\*:

  - **avoids repetition** - Taxonomy is smaller and easier to navigate because it does not result in multiple, similar elements for potentially **similar** requirements in **future Standards.**

  - **could be more complex** to apply and use which may be especially challenging if used for tagging narrative information which is new and potentially complex area.

- Some were **concerned about the need for double tagging** (driven by, for example, the fact that all climate risks are sustainability risks) which would require more work from preparers and may cause confusion leading to inconsistent tagging. Stakeholders were unsure or had different views about which, if any, approach would reduce need for double tagging.

- A few stakeholders **suggested field testing this area**, a few others suggested tagging of narrative information could be required later, as a **secondary priority** after tagging numerical information or metrics, such as **when new Standards are issued and modelled in the Taxonomy.**

_____

\* using elements (line items) which reflect concepts (which are largely common to both Standards) along with a dimension (an Axis with Members) to provide an additional attribute that indicates the distinction between the requirement originating from each Standard (sustainability vs climate risks and opportunities). For more information refer to slide 11 of agenda paper 7B.

# C(ii). Modelling of [draft] S1 and [draft] S2 – targeted market outreach

Feedback was broadly aligned with the comment letters, with some additional thoughts provided.

- Participants thought that using line items for tagging is easier and they suggested differentiating labels more to make the distinction clearer to avoid errors when tagging.

- **Participants thought dimensional approach is more complex** because it requires using a combination of line item and dimension for tagging each fact hence preparers may forget to add dimension. It may also be more difficult to tag narrative reporting which is relatively new and complex.

- One participant thought their preference for line items approach may change as more Standards with similar requirements are developed by the ISSB. However, there was no clear conclusion.

- One participant observed that confusion was likely to be less of an issue for users of the data, compared to preparers, as users would typically map taxonomy elements to their own models in a systematic fashion, rather than often be hunting for a 'closest match' to the content of a specific disclosure.

- There was confusion on how to tag overlap between sustainability and climate disclosures, hence **guidance or examples** were suggested to help preparers with consistent tagging.

# D. Narrative information

The request for feedback aimed to identify any issues or suggestions relating to any greater degree of, or focus on, narrative content in sustainability disclosures.

- The staff recommended a principle that distinct taxonomy elements should be created for narrative information that is expected to be both separately understandable to primary users of sustainability-related financial information, and easily identifiable for tagging.

- Applying this principle, the staff proposed a hierarchy of specific narrative disclosures.

- Where the Standards specify the disclosure of a discrete response from a list of categories identified in the standard*, the staff recommended the inclusion of elements that would directly code these responses (categorical elements) as well as elements to capture the text of the response.

---

* For example: 'yes/no', which of a specific list of categories identified by the standard are included in a particular disclosed amount, 'nature-based / technological'.
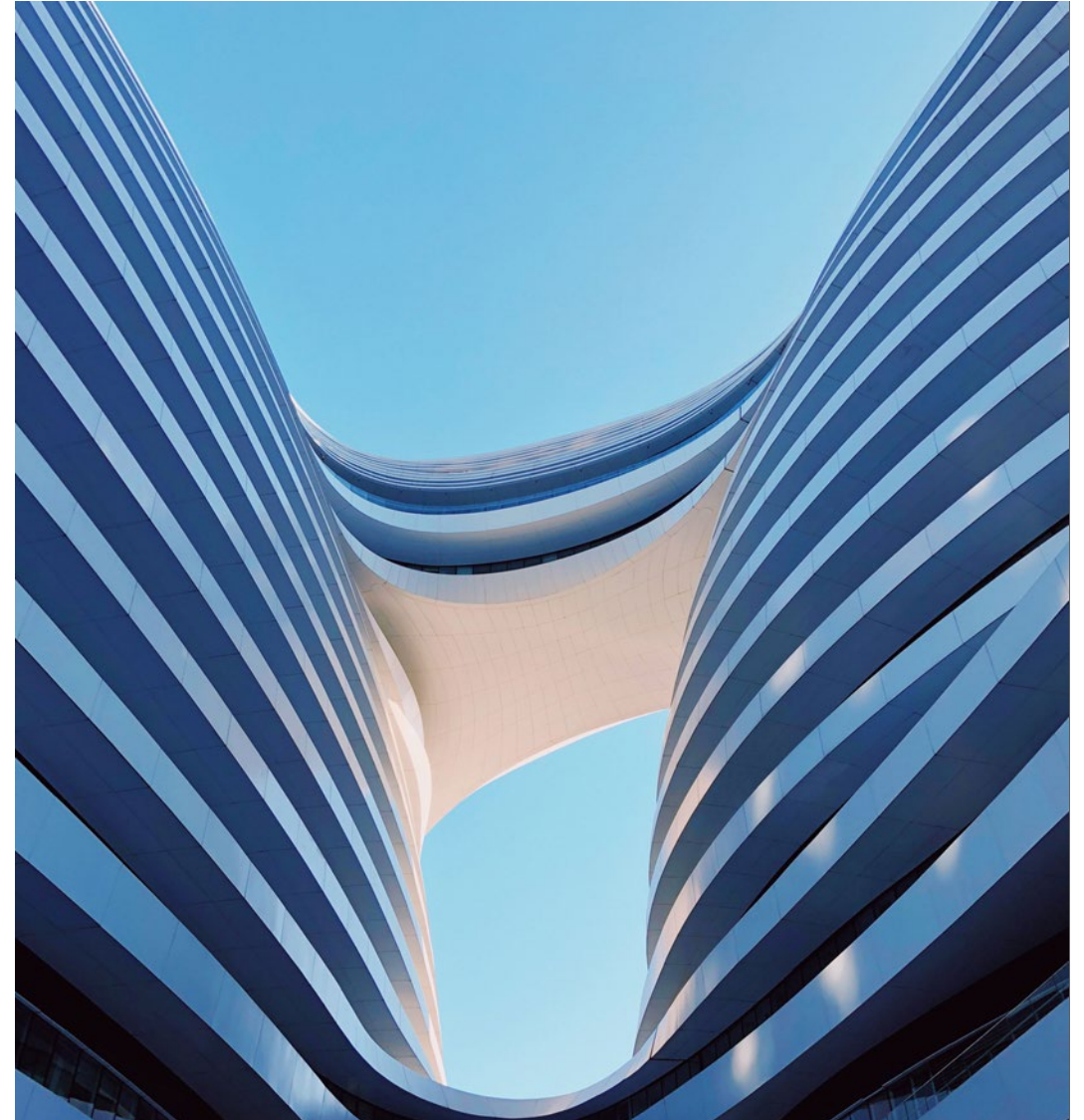
# D(i). Granularity of narrative information (1/2)

> **Most stakeholders agreed** that the recommended granularity of narrative elements is **a good starting point**, given that extensive tagging of narrative information is a relatively new practice in digital reporting.

- Tagging and using narrative information in a digital format is relatively new area compared to numerical information.
  - A few stakeholders were concerned about the cost and complexity of tagging narrative information and potential lack of usefulness due to inconsistent tagging. They said narrative information related to a single disclosure requirement could be dispersed across various pages or the same information may respond to several disclosure requirements making tagging difficult.
  - However, some thought digital reporting may help finding relevant information and will result in some consistency (it will also help new technologies, for example AI, with analysis).
- Due to limited experience with narrative reporting in the digital format:
  - some suggested **field testing**, while a few others thought **future analysis of practice** could improve the taxonomy.
  - a few suggested **additional research** for example review of literature or of text block tagging for ESEF reporting might provide useful insights.
  - a few suggested tagging of narrative information should be required as **a secondary priority after** tagging numerical information or metrics.

# D(i). Granularity of narrative information (2/2)

- Some thought that the recommended **hierarchical structure of narrative elements,** with broader and narrower elements, **would suit a range of stakeholders' needs**.

  - Some thought hierarchical structure could provide helpful information to users.

  - A few said that a hierarchical structure may result in **inconsistent tagging requirements in jurisdictions** and it may result in inconsistent tagging by preparers, however those stakeholders thought that this issue will improve over time as practice emerges.

  - Some thought that **detailed tagging using narrower elements is more costly** and complex for preparers **but will likely provide benefit to users**. A few others were concerned that too detailed tagging may result in inconsistent tagging and limited benefit to users.

- A few thought a **hierarchical structure may result in the need for double tagging** while in contrast a few thought it **may help avoid double tagging** and could be used by technology, for example tagging using narrower elements may automatically be assigned to the wider element.

- A few suggested that **guidance** on the intended use of tags would be helpful to ensure consistent tagging.

# D(i). Granularity of narrative information – targeted market outreach (1/2)

- Most participants thought consistent tagging may be difficult to achieve because:
  - tagging of narrative information is subjective–preparers may use different tags for the same area of the report or the same tags in different areas of the report. This may happen especially when disclosures related to one tag are provided on different pages of the report and under a different heading.
  - elements in a hierarchical structure may not be applied consistently, for example some might only use narrower elements.
  - preparers tend to ensure all information is tagged, rather than all relevant tags used, hence the need to tag using multiple elements might result in missing some elements.
- Some suggested **guidance** would be needed to ensure consistent tagging because tagging narrative reporting is new and tagging requirements seem complex.
- However, some thought tagging of narrative information would be helpful for users because it will ensure some rigidity in applying disclosure requirements and will allow easier identification of similar topics for various companies. Some also thought that preparers might benefit from tagging and improve their disclosures.

# D(i). Granularity of narrative information – targeted market outreach (2/2)

Early feedback from data consumers indicates that:

- users generally request as much detail as possible;

- users and their suppliers are likely to always want to extract more granularity than the Standards specify or the Taxonomy implements, no matter how detailed those specified requirements are; and

- not all granular data is equally important–often some groups of the most granular data requested (or discussed in academic research) may well not be used widely or at all in practice.

# D(ii). Categorical elements* (1/2)

> **Most stakeholders agreed with introduction of categorical elements to IFRS Taxonomies,** however some suggested reconsidering the list of elements to be included.

- Most stakeholders agreed that categorical elements could be helpful in analysis of narrative information.
    - They said categorical elements are used in other taxonomies and the digital ecosystem should be relatively prepared for it.
    - Some emphasised the need to also create text elements to provide additional context or explanation which the staff recommended whenever relevant disclosure requirement was present.

- Some suggested review of the list of elements:
    - Some disclosures may not fit the list of answers provided or could suggest a requirement to tag disclosures not directly provided in the report (see next slide for the examples).
    - A few suggested **field testing** to review the appropriateness of the suggested elements or **guidance** may be helpful when use of the elements in open for interpretation.
    - A few suggested additional categorical elements.

* Some narrative information could be represented by an element which provides a list of options for tagging, for example [True] or [False]. For more information refer to slide 15-16 in Agenda Paper 7B.

# D(ii). Categorical elements (2/2)

- Examples of categorical elements that may be problematic to use for tagging in practice:
  - A few stakeholders were **concerned they might be required to tag "negative statements"** ie disclosures not directly provided in the report.
    - For example they were concerned that they might may be required to tag "False" for the element corresponding to [draft] S2 paragraph 17 (iv) "(an entity shall disclose) whether it has changed the process, or processes, it uses to identify climate-related risks for risk management purposes used compared to the prior reporting period" when such change had not occurred and such information was not provided in the report.
  - Some **disclosures may not fit the list of answers provided**, for example "yes, but some exceptions apply" or "it depends".
    - For example, the disclosure that should be tagged with element "Carbon offsets will be nature-based or based on technological carbon removals" in practice might be "x% of carbon offsets are carbon based and y% of carbon offsets are based on technological carbon removals". A few suggested dimensional modelling may be more appropriate for those situations.

# D(ii). Categorical elements – targeted market outreach

Feedback was broadly aligned with the comment letters, with additional thoughts provided:

- Participants were concerned about consistent tagging and **suggested guidance** for the following situations:
  - Tagging may be missing because any categorical information will likely first be tagged using text blocks, and preparers would need to specifically check the list of Boolean elements to ensure they tag such information.
  - Tagging may be missing for negative statements which are not included in the report – similar to points raised in comment letters.
  - It is not clear what part of the report (what specific text) should be tagged (since it is very unlikely that the precise phrase matching the conceptual value, such as 'true', will be present in the report). This may be especially challenging if the disclosure does not provide a definitive answer.
- Many highlighted that textual information would be (still) necessary because it will often provide additional context.
- Most participants suggested 'comply-or-explain' for disclosure requirements, which they noted would also as a by-product may help avoid issues with absent negative statements.

# E. Metrics and targets

- The staff recommended closely following the implementation of the SASB Taxonomy for the industry-specific metrics of Appendix B of [draft] S2, given they were closely derived from SASB metrics, so as to reuse the work on the SASB taxonomy as far as possible.

- Consequently, the staff recommended presenting the elements representing Appendix B organised by industry.

- The staff recommended modelling disclosures related to entity-specific metrics and targets using a dimensional approach – representing the disclosures required *about* entity-specific metrics and targets as specific concepts in the taxonomy, repeated as necessary for as many metrics and targets as required.
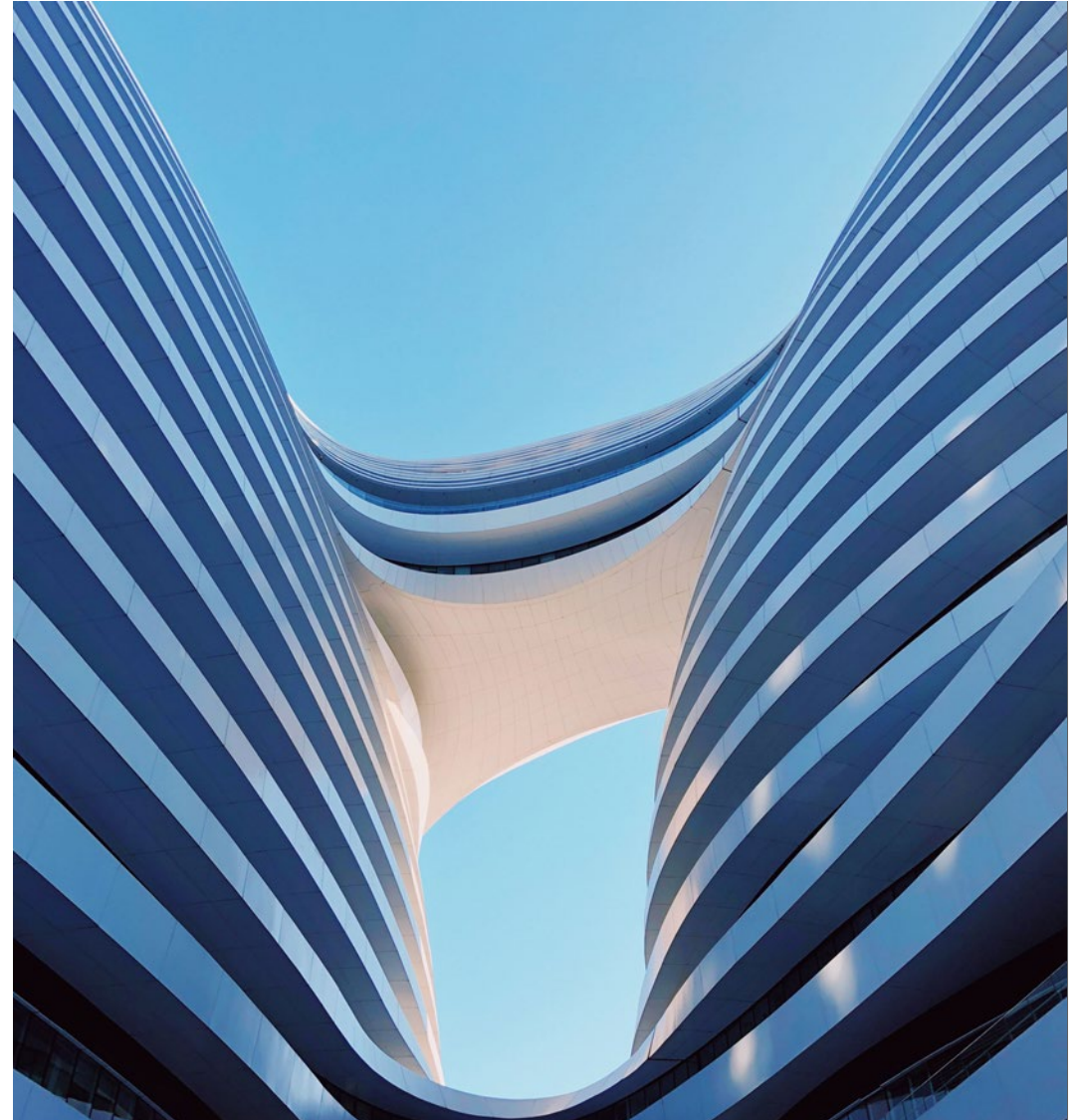
# E(i). Industry-based metrics

**Most agreed** with the recommendation to create elements and structures similar to SASB Taxonomy and **most agreed** to present those elements separately organised by industries. However, some highlighted need for consistency with IFRS Accounting Taxonomy and guidance for multi-industry companies.

- Many agreed with the industry-based metrics following the patterns of the SASB Taxonomy.

  - Some **welcomed building on existing sustainability initiatives** but a few thought similar elements may cause confusion if both Taxonomies are used (see point below).

  - However, a few considered **exact alignment with the existing IFRS Accounting Taxonomy architecture more important** than following any patterns in the SASB Taxonomy and suggested creating a **separate mapping for current users of the SASB Taxonomy**.

- Some wondered if it would be easy to **find the appropriate tag for a company with multiple industries** or presenting information not required for their industry. Some noted many repetitions of elements between industries. Consequently, they suggested **guidance** to clarify the expected use of the Taxonomy elements.

- A few were not clear **whether the existing SASB Taxonomy (or other taxonomies) could be used to tag areas not covered by [draft] S2**, and thought **guidance** may be helpful to clarify this area.

# E(i). Industry-based metrics – targeted market outreach

- Many participants were not sure how to tag SASB metrics not covered by [draft] S2. They thought **guidance** would be helpful in this area and provided the following alternatives:
  - Using extensions for SASB metrics.
  - Using both taxonomies but consider what to do with overlapping elements to avoid inconsistent tagging
  - Using SASB Taxonomy for all metrics until ISSB covers more metrics
- Some thought **educational materials** would be helpful on how SASB metrics relate to ISSB metrics because it would facilitate understanding by various stakeholders.
- Some also wondered if extensions are needed when some metrics are expressed in different units. For example, GHG metric is required in % of reduction while preparer may report absolute emission.
- Some thought that previous experience with SASB requirements and taxonomy made tagging relatively simple.

# E(ii). Entity-specific metrics and targets

☑ **Most agreed** **with the recommended dimensional approach\*** for **entity-specific metrics** and targets that allow easier linking of disclosures related to those metrics and targets via the same Axis.

- A few were not clear how to use the dimensional modelling the staff recommended and suggested some **examples or guidance**.

---

\* Dimensional approach could be used as a technical way to connect information about entity-specific metrics with elements reflecting disclosure requirements for those metrics. It also allows easier discovery of such metrics. For more information please refer to slides 18-19 of agenda paper 7B.

# F. Other comments

A few highlighted the need for **simplicity**:

- easier to adopt sustainability taxonomy that would require fewer elements to be tagged

- simpler taxonomy easier for companies to apply

A few suggested considering limiting or prohibiting entity-defined elements (extensions).

Some suggested to consider how to facilitate adoption of parts of taxonomy only.

Tagging highly styled documents in pdf or other format using text blocks may result in losing formatting in XBRL viewers. Some technology work may be needed in this area.

# Follow us online

| | | | |
|---|---|---|---|
| 🖥 ifrs.org | | in IFRS Foundation | |
| 🐦 @IFRSFoundation | | in International Accounting Standards Board | |
| ▶ IFRS Foundation | | in International Sustainability Standards Board | |