ISSB meeting

Date   **November 2023**

Project   **IFRS Sustainability Disclosure Taxonomy**

Topic   **Summary of feedback on the Proposed IFRS Sustainability Disclosure Taxonomy**

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Purpose of this paper

- **The purpose of this paper** is to provide a summary of the feedback obtained during the comment period.

- **The ISSB will not be asked to make any decisions during this session.** However, ISSB members are asked to comment on any feedback that is unclear, that provides new information, or that needs further research.

- AP 7B provides summary of the content of Proposed IFRS Sustainability Disclosure Taxonomy*.

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* In this document we refer to the IFRS Sustainability Disclosures Taxonomy
as the 'ISSB Taxonomy' or the 'Taxonomy'.

Background information

- **In March 2022, the Chair and Vice-Chair published the** Exposure Drafts IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*.

- **In May 2022, the IFRS Foundation published a Staff draft of the ISSB Taxonomy** representing the disclosure requirements proposed in the 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 ISSB Taxonomy on a timely basis.

- **The deadline for comments on the staff draft closed on 30 September 2022**. The staff discussed the feedback with the ISSB at their November 2022 meeting.

- **In June 2023, the ISSB issued** IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*.

- **In July 2023, the ISSB published the Proposed ISSB Taxonomy** for digital reporting reflecting the disclosure requirements in IFRS S1 and IFRS S2 for public consultation.

- **The deadline for comments on the proposed taxonomy closed on 26 September 2023.**

Topics

Sources of feedback

IFRS ® Sustainability
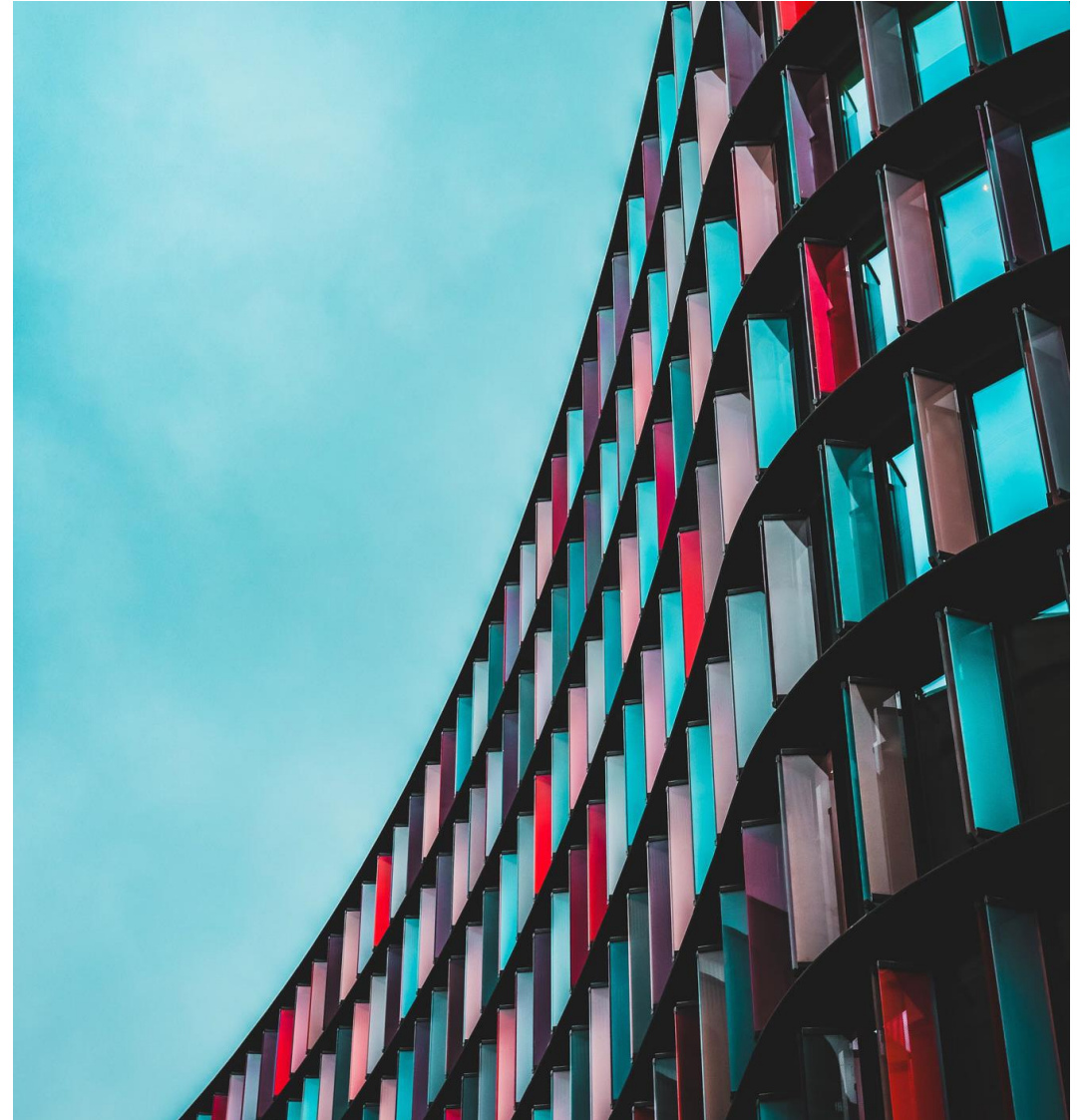
Sources of feedback

48 respondents*, including **27** survey responses and **21** comment letters in pdf. This represents a high response rate as reviewing Taxonomy proposals requires specialist knowledge. (see slide 7)

Discussion with:
- **IFRS Taxonomy Consultative Group (ITCG)** in July and October 2023; and
- **Sustainability Standards Advisory Forum** in October 2023

Targeted outreach with digital taxonomy experts representing:
- 21 investors (including 13 data aggregators);
- 12 regulators; and
- 6 standard-setters (including accounting and sustainability standard-setters).

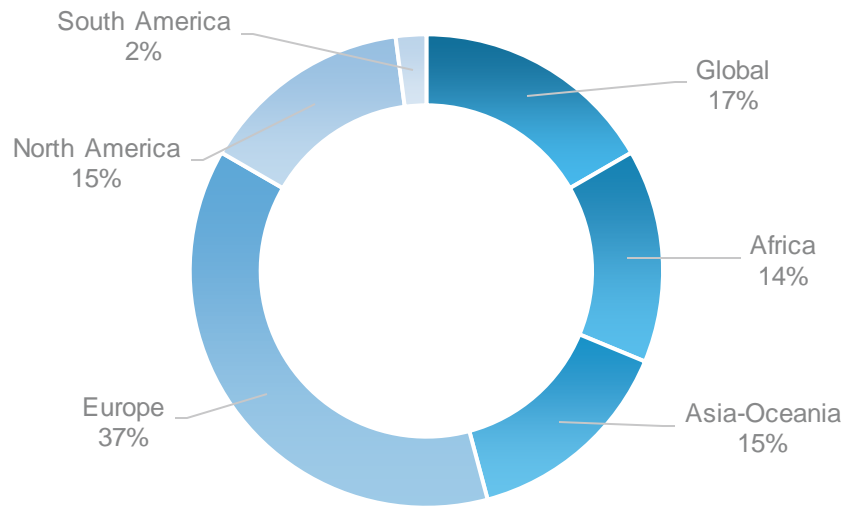**Webinar** attended by 500 participants and generated 1,459 views (both live and recording)

* The total number of responses may exceed the number of respondents as some respondents submitted more than one comment letter or survey

Summary statistics for comment letters*

✉ **48**

By location

South America
2%

Global
17%

North America
15%

Africa
14%

Europe
37%

Asia-Oceania
15%

By type of stakeholder

Standard-setters
15%

Academia
6%

Regulators
4%

Accounting profession and auditors
21%

Public interest
8%

Investors
15%

Companies
31%
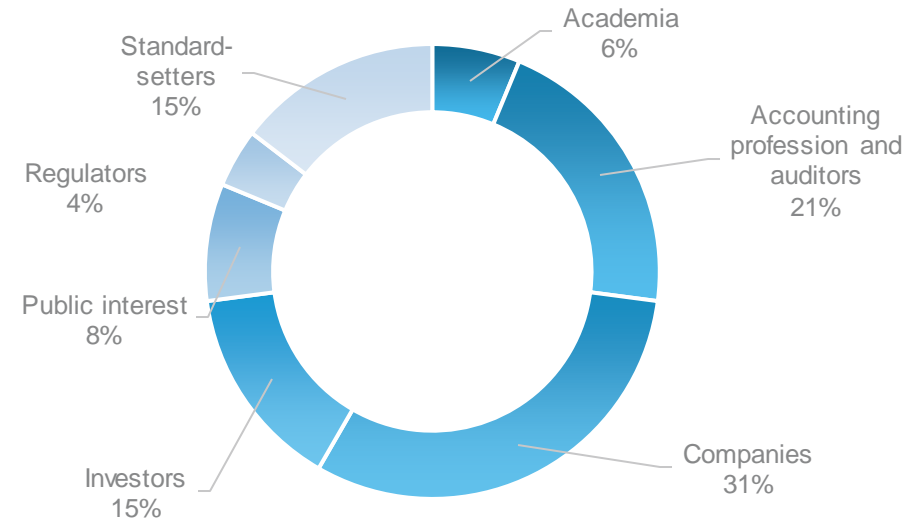
* Statistics include comment letters in pdf and survey responses

How we quantified the feedback

This presentation uses the following terms to describe the extent to which feedback was provided by **comment letters**:

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, with several exceptions
A few	A very small minority

The analysis of feedback from comment letters is supplemented with the feedback from **other stakeholders** gathered during outreach activities (including ITCG meetings).

Summary of feedback

IFRS Sustainability

Summary of questions in the proposed Taxonomy

- **Question 1:** The appropriate reflection of the disclosure requirements in IFRS S1 and IFRS S2 in the Taxonomy

- **Question 2:** Overall usability of the Taxonomy for stakeholders: preparers, regulators and investors*

- **Question 3:** Other comments on proposals

Proposed Taxonomy overall ①

- **Question 4:** Proposals related to reflecting relationship between IFRS S1 and IFRS S2

- **Question 5:** Proposals related to the granularity of tagging and extracting the narrative information, including **Question 3(a)(i):** suggestions related to the specific categorical elements proposed

Specific proposals ②

- **Question 6:** Suggestions on how to support the Taxonomy to facilitate digital reporting of sustainability-related information globally by:
- improving the Taxonomy; or
- providing additional implementation support

- **Question 7:** Other comments

Facilitating digital reporting globally ③

* In this document we refer to primary users of general purpose financial reports as 'investors'

Main messages

Almost all respondents agreed the Proposed Taxonomy appropriately reflects the requirements in IFRS S1 and IFRS S2 and will appropriately support preparers, investors and regulators in enabling the digital reporting of sustainability-related financial disclosures.*
Stakeholders generally supported the aim for a simple Taxonomy, designed to tag all information whilst minimising the need for multiple tagging, because it will help support the global implementation and consistent application of the Taxonomy.**
Most stakeholders supported the Taxonomy proposals, some provided suggestions to help with its successful global implementation and consistent application, as follows:

- Some stakeholders supported the ISSB's intention to monitor the market (implementation, usage and technology development) and refine and enhance the Taxonomy, if necessary, to reflect emerging practice.

- Many said that interoperability with other sustainability-related taxonomies is important to minimise reporting burden and to help investors compare digital information provided applying different sustainability-related frameworks.

- Some suggested the ISSB making targeted improvements to the Proposed Taxonomy. For example, to add Taxonomy elements to tag values of metrics and targets more consistently.

- Some suggested the ISSB provides implementation support to help with consistent application and improving the resulting quality information in a digital format.

* Overall feedback on Q1 and Q2 addressing the Taxonomy overall, see next slide for feedback on the specific proposals.

** Stakeholders include comment letter respondents, outreach participants and ITCG members.

Overview of the feedback

- Monitoring emerging practice
- Interoperability
- Taxonomy improvements
- Implementation support (focusing on guidance)

Topic in the Proposed Taxonomy	Question no.	Feedback received
A. Narrative information		

i. Granularity of elements
   1. Principle
   2. Application to sub-paragraphs
	5	🔍 ⁂

ii. Categorical elements	3(a)(i)	ⓘ
B. Relationship between IFRS S1 and IFRS S2 i. Identifying climate-related information	4	📑
C. Other Taxonomy features	3	
i. Metrics and targets		📑 ⓘ
ii. Entity-specific elements (extensions)		⁂ ⓘ
iii. Other comments (e.g. connecting information, element labels)	3&7	📑 ⓘ
D. Global applicability	6	⁂

More explanation on slides 13-16.

Main messages by topic (1/4)

Ai. Narrative information – granularity

Generally, stakeholders supported the aim of a **simple Taxonomy** designed to tag all information whilst minimising the need for **multiple tagging** of the same information, because it will support the **global implementation and consistent application** of the Taxonomy.

Some respondents thought proposals strike the right balance between providing useful information for investors and limiting burden on preparers. Some stakeholders supported the ISSB's intention to review the emerging reporting practice and subsequently refine and enhance the Taxonomy, if necessary.

However, some stakeholders were concerned the proposed approach **might limit interoperability** with other taxonomies.

Refer to slides 18-21 for more details.

Aii. Narrative information – categorical elements

Almost all stakeholders (including almost all investors and data aggregators) **strongly supported** the proposed categorical type elements and related textual element, with **request for additional guidance.**

Refer to slide 22 for more details.

Main messages by topic (2/4)

B. Relationship between IFRS S1 and IFRS S2

Almost all respondents supported the proposals designed to tag all information once, with additional details provided by risks and opportunities identified by an entity, where applicable.
However, some stakeholders (including some investors) were **concerned about comparability** between risks and opportunities identified by each entity and not being able to easily **identify information related to climate separately** from other information and **suggested Taxonomy improvements** to address those concerns.

Refer to slides 23-25 for more details.

Ci. Other Taxonomy features - metrics and targets

Some respondents and many other stakeholders suggested **Taxonomy improvements** related to entity-specific metrics and targets and **guidance** on tagging metrics, for example how to use the SASB Taxonomy alongside the ISSB Taxonomy.

Refer to slides 26-27 for more details.

Main messages by topic (3/4)

Cii. Other Taxonomy features - entity-specific elements

Some stakeholders suggested ways **to limit the use of extensions** or encourage **consistent use of extensions (for example by creating guidance).** A few said solutions should be provided **at the jurisdictions level.**

Refer to slides 28-29 for more details.

Ciii. Other comments

A few respondents suggested **Taxonomy improvements or guidance to better facilitate digital reporting,** for example to make element labels more useful or provide guidance on how to reflect connection between information in a digital way.

Refer to slide 30 for more details.

Main messages by topic (4/4)

D. Global applicability

Many stakeholders emphasised **the importance of interoperability** with other taxonomies. Many preparers, investors, regulators and standard-setters from both Europe and globally reiterated the importance of interoperability with the forthcoming ESRS XBRL Taxonomy being developed by EFRAG.

Refer to slide 31 for more details.

E. Implementation support

Some stakeholders suggested the ISSB provides **implementation support (focusing on guidance)** to facilitate **consistent application of the ISSB Taxonomy** to help ensure the quality of digital information. Specific consideration was requested for smaller companies or countries that have not used digital reporting previously.

Refer to slides 32-33 for more details.

Feedback by topic

A. Narrative information

- Narrative information is a relatively new area for the digital reporting, so the **ISSB aimed for a simple Taxonomy** designed to tag all information whilst minimising the need for multiple tagging (by limiting elements provided in a hierarchical structure).

  The proposals intend to **support global implementation and consistent application** by avoiding risk of jurisdictions requiring tagging at different levels.

  Subsequently, Taxonomy could be refined and enhanced, if necessary, to reflect emerging reporting practice and capabilities.

- The **ISSB proposed a principle** for creating taxonomy elements for narrative information expected to be both separately understandable to investors and readily identifiable for tagging.

- **Applying this principle**, the proposed taxonomy elements mainly correspond to requirements in the **sub-paragraph of the Standards**; and elements reflecting **other levels, if such information was particularly useful for investors**.

- The ISSB proposed **categorical elements*** to help with analysis of narrative information and related elements to tag the related text.

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* Two types of elements: one allowing a 'yes/no' response; a second allowing a choice from a specific list of categories identified by the Standard, for example 'nature-based / technological'.
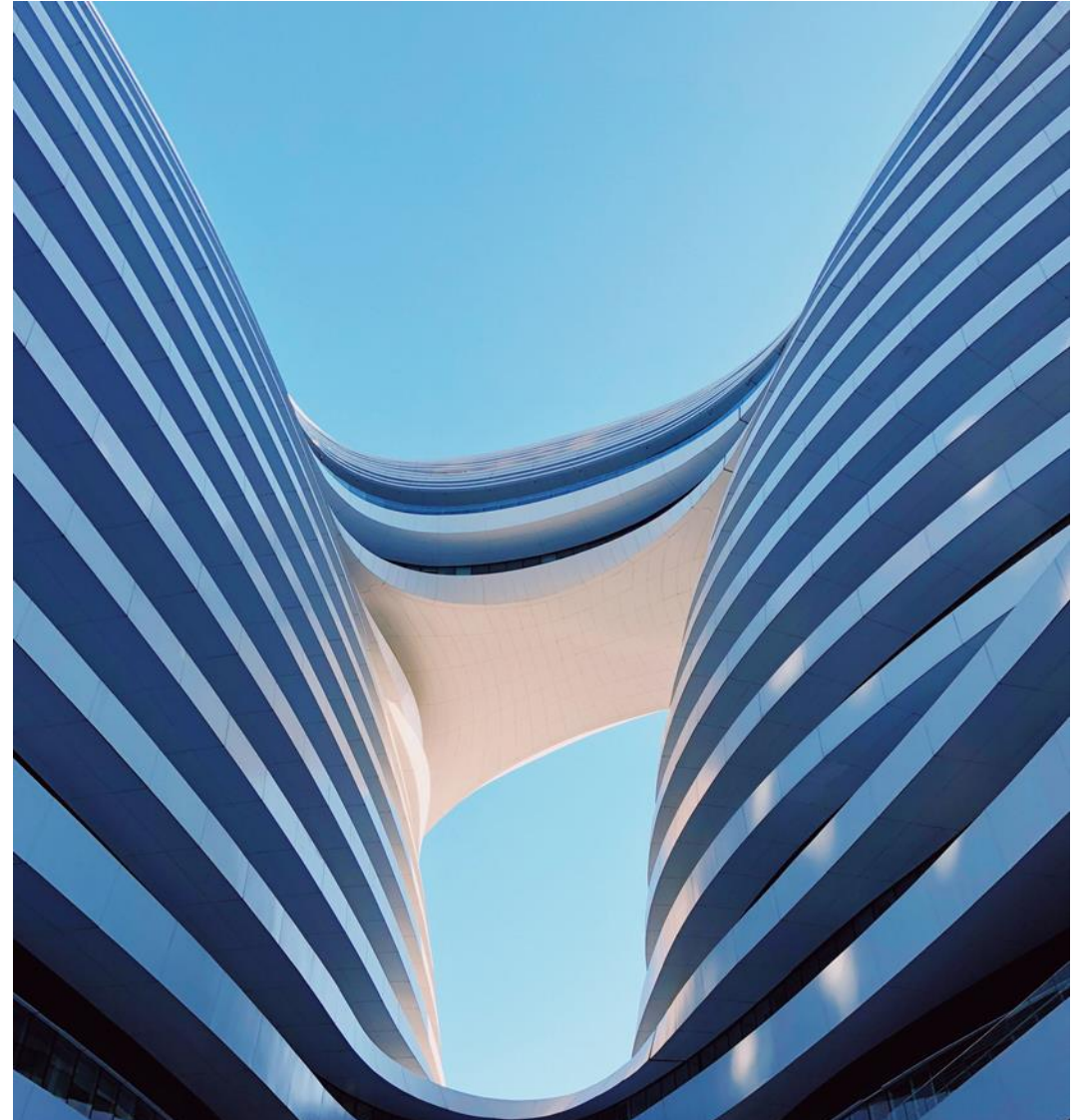
Ai. Narrative information – Granularity (1/3)

> **Generally, stakeholders supported** the aim of a **simple Taxonomy** designed to tag all information whilst minimising the need for **multiple tagging** of the same information, because it will support the **global implementation and consistent application** of the Taxonomy.
> Some respondents thought proposals strike the right balance between providing useful information for investors and limiting burden on preparers. Some stakeholders supported the ISSB's intention to review the emerging reporting practice and subsequently refine and enhance the Taxonomy, if necessary.
> **However, some stakeholders were concerned** the proposed approach **might limit interoperability** with other taxonomies.

- **Almost all respondents supported the proposed principle** of creating Taxonomy elements for narrative information expected to be both separately understandable to investors, and readily identifiable for tagging. **Most respondents supported** creating elements reflecting **mostly requirements in the first sub-paragraph level.**

- **Mixed views on** whether Taxonomy should provide elements for tagging more granular information were observed amongst **some stakeholders, including some data aggregators and regulators**.

  - Stakeholders who supported the proposals highlighted arguments for supporting the **global implementation and simpler tagging** – see slide 20 for more details.
  - Stakeholders who raised concerns about proposals highlighted arguments related to potentially **limiting interoperability with other taxonomies** and providing less options for information analysis – see slide 21 for more details.

Ai. Narrative information – Granularity (2/3)

By those supporting proposals

- **Common observations and arguments** amongst stakeholders:
  - Generally, stakeholders supported the aim of a simple Taxonomy, because it will **support global implementation and consistent application** of the Taxonomy in a consistent way.
  - Some respondents thought proposals strike the right balance between providing useful information for investors and limiting burden on preparers through **minimising the need for multiple tagging** of the same information.
  - Some stakeholders supported the ISSB's intention to review the emerging reporting practice and subsequently refine and enhance the Taxonomy, if necessary. Hence, they suggested **monitoring the market,** including reporting practice by preparers, technologies development that might impact the tagging and usage of the narrative information.
  - Investors confirmed they use narrative disclosures to **understand context** in which other disclosures are provided.
- Observations provided by a few stakeholders:
  - **A few stakeholders (including few ITCG members)** observed that more granular narrative information can be more difficult to consume using modern technologies (for example artificial intelligence, large language models) because insufficient context may be available.
  - A few respondents thought that a similar approach could be considered for the **IFRS Accounting Taxonomy to align with the ISSB Taxonomy** and support consistent tagging of narrative information in both reports.

Ai. Narrative information – Granularity (3/3)

By those concerned about proposals

- **Common arguments or concerns** amongst stakeholders:
  - **Some stakeholders** (including a few respondents and some ITCG members) emphasised the importance to consider **interoperability with other taxonomies in determining appropriate level of granularity** useful for investors to compare information with other sustainability-related standards (see also slide 31 on interoperability); and
  - Some data aggregators and regulators thought providing elements reflecting different levels of requirements in the Standard (other than sub-paragraph) could **provide more data for investors which could be grouped and analysed in different ways**.

- **A few stakeholders suggested additional level of elements in hierarchal structure because**:
  - A few stakeholders (including a few ITCG members) thought a Taxonomy should provide elements reflecting all levels of requirements in the Standard to **give regulators flexibility to decide which level to require** for tagging in their jurisdiction.
  - Additional level of elements in a hierarchy could be **used by investors to understand the information structure** and for **machines to tag higher levels automatically**.

- In addition, there were a few questions on the use of elements to tag **"other" information,** including if entities should use extensions to tag more detailed topics, within the "other" tag, that could be of interest to investors.

Aii. Narrative information – Categorical elements

Almost all stakeholders (including almost all investors and data aggregators) **strongly supported** the proposed categorical type elements and related textual element, with **request for additional guidance.**

- Investors and data aggregators noted they currently convert narrative information into data similar to the proposed categorical elements, so creating categorical elements in the ISSB Taxonomy will be useful.

- Most stakeholders said the related textual elements proposed are needed for additional context and detail on categorical elements (a few stakeholders suggested adding digital link between those elements using mechanism such as "fact-explanatory-fact").

- A few thought Booleans do not need to be provided for disclosures for which only one answer is possible because investors could infer the answer from the presence or absence of the related text element being used for tagging.

- A few thought more elements could be added, based on the requirements of the Standard.

(i) Some stakeholders requested **guidance, to help with consistent application,** on the following:

- whether to tag information not provided in the paper report, for example using Booleans to specify "False" response;

- tagging textual information that was already tagged using higher level elements as this may not be intuitive for preparers;

- tagging in Inline XBRL (considering potential issues with using hidden data to link digital data and human readable xHTML).

B. Relationship between IFRS S1 and IFRS S2

- **Corresponding requirements** are IFRS S1 disclosure requirements that are also in IFRS S2 as they are relevant to climate-related risks and opportunities. Those requirements relate to the core content of governance, strategy, risk management and metrics and targets.

- The ISSB proposed **a single set of elements** to reflect corresponding requirements in IFRS S1 and IFRS S2. This proposal:

  reflects that those requirements might result in common items of information; and

  avoids the complexity of tagging the same information twice.

- Information reflecting corresponding requirements may be provided by **each risk and opportunity. A dimensional model*** is proposed to:

  allow investors extract information separately for each risk and opportunity; and

  help investors understand entity-specific elements used for tagging sustainability-related risks and opportunities.

* A 'dimensional model' maps the reported information to a conceptual table, providing structure for entity-specific elements. This table reflects the logical structure of the data and does not specify or restrict the format of any disclosure.
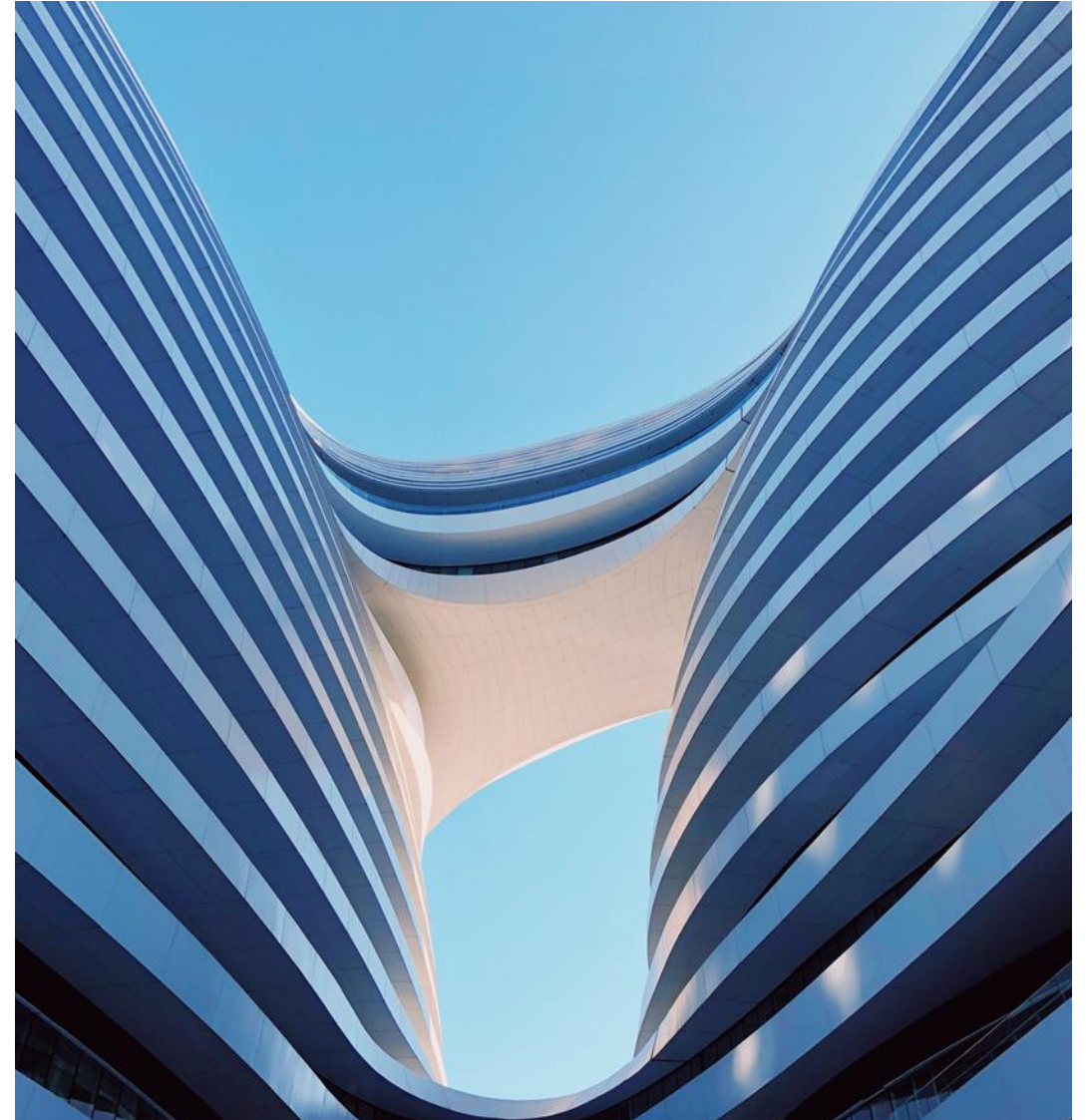
B. Relationship between IFRS S1 and IFRS S2 (1/2)

> **Almost all respondents supported the proposals** designed to tag all information once, with additional details provided by risks and opportunities identified by an entity, where applicable.
> **However, some stakeholders** (including some investors) were **concerned about comparability** between risks and opportunities identified by each entity and not being able to easily **identify information related to climate separately** from other information and **suggested Taxonomy improvements** to address those concerns.

- **Almost all respondents agreed** with the proposal to use a **single set of elements** to reflect the corresponding requirements.
    - Stakeholders emphasised the advantage of **avoiding the double tagging** of the same information.
    - A few respondents were not clear how this proposal might impact reflection of future Standards.

- **Almost all respondents agreed** with the Taxonomy proposal to use **dimensional model for entity-specific content**, for example to provide information by risks and opportunities.
    - A few respondents were not clear why elements for tagging individual risks and opportunities were highlighted only for some disclosures in a Taxonomy presentation.

- **Some stakeholders (including some investors and ITCG members)** were **concerned about comparability** between entity-specific risks and opportunities and not being able to identify easily which information is related to climate (see more details on next slide).

B. Relationship between IFRS S1 and IFRS S2 (2/2)

- Some stakeholders suggested Taxonomy should facilitate **identification of information related to climate separately** from other information.

  - Stakeholders thought that identifying entity-specific risks and opportunities as climate-related **may help with their comparability** between entities and it may **help with interoperability between various reporting frameworks** because it may allow easier comparison of information grouped as climate-related.

  - Some stakeholders suggested a mechanism to enable companies to identify their climate-related information in a digital format:

    - A few respondents thought **adding another dimension** to indicate whether disclosed information relates to climate may be an appropriate way to implement the suggested change to the Taxonomy.

    - A few stakeholders said that a mechanism for identifying climate-related information would need to allow allocating risks and opportunities to more than one "topic" and ITCG members thought adding categorical element (more specifically, **extensible enumeration)** would address it more appropriately.

- Separately, a few investors said that identifying specific, comparable risks and opportunities (for example, flooding risk) is important, and adding **common reporting practice elements** to the Taxonomy that reflect commonly disclosed risk or opportunities would be helpful.

Ci. Metrics and targets

- Climate-related **metrics specified by IFRS S2** are reflected by Taxonomy elements for each concept.

- The ISSB proposed modelling disclosures related to **entity-defined metrics and targets** using a dimensional approach – for easier tagging and analysis of information by each metric or target.

  The 'Values' of entity-defined metrics and targets would be created by an entity (as an extension).

  Disclosure requirement to explain link between metrics and targets is reflected by a text type element.

- The ISSB proposed following the SASB Taxonomy **for the industry-specific metrics from IFRS S2 Industry-based Guidance**, given they were derived from the SASB Standards.

- IFRS S1 encourages the use of the **SASB Standards for industry-based metrics not related to climate** and therefore the related SASB Taxonomy line items may be used to tag those metrics.
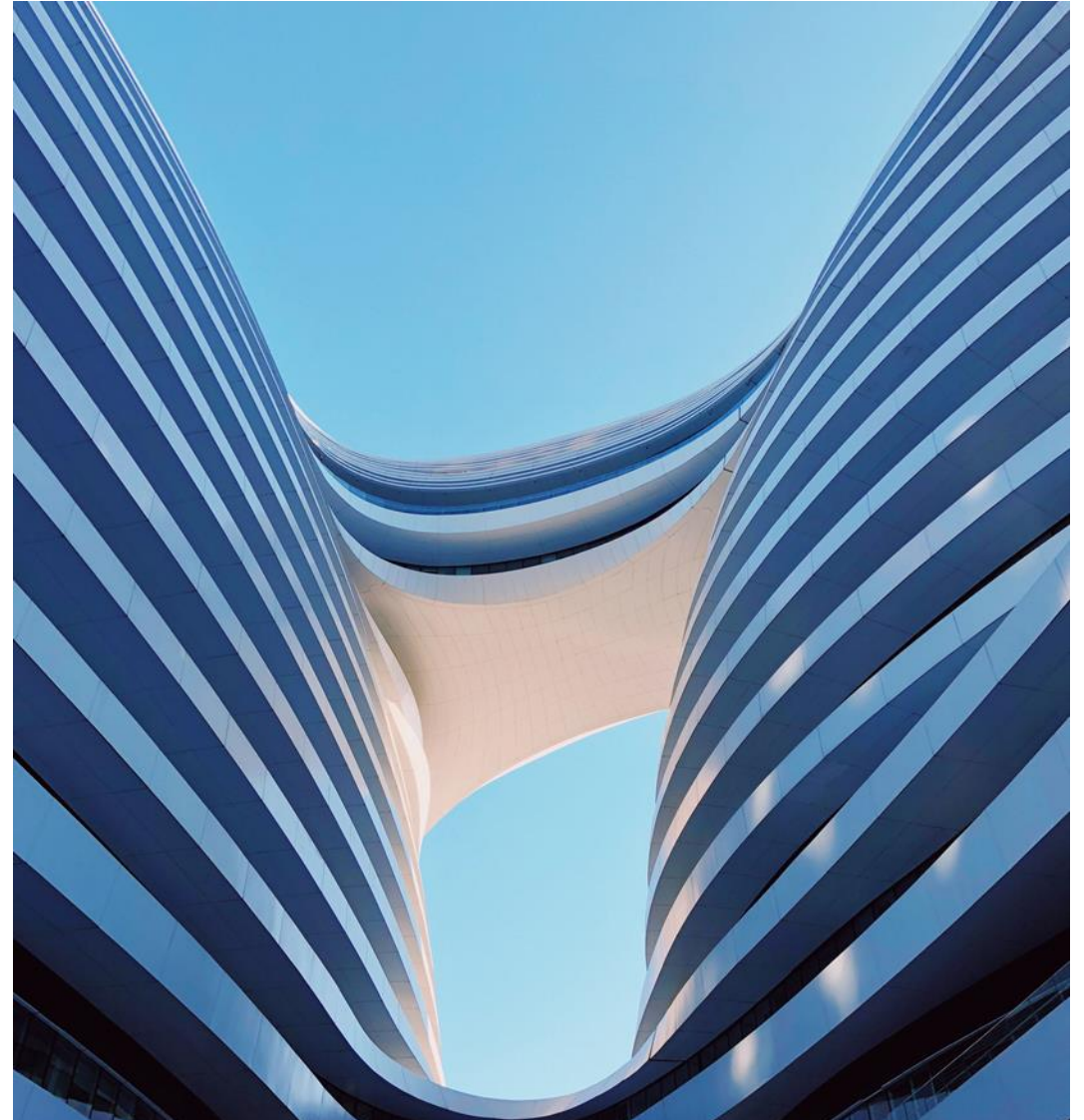
Ci. Other Taxonomy features – metrics and targets

Some respondents and many other stakeholders suggested **Taxonomy improvements** related to entity-specific metrics and targets and **guidance** on tagging metrics, for example how to use the SASB Taxonomy alongside the ISSB Taxonomy.

- A **few stakeholders suggested other ways of modelling** information related to metrics and targets:
  - A few stakeholders suggested T**axonomy should include elements** that could be used tag **values of metrics and targets** (rather than relying on entities creating elements which are more difficult to compare and use for analysis).
  - A few stakeholders thought a text type element is not the most useful data type for **tagging linking information** between metrics and targets (because it requires identifying the connection between metrics and targets manually) and suggested categorical element such as extensible enumeration for easier analysis .

- A few stakeholders suggested that **guidance** would be helpful on tagging **metrics other than those related to climate*** for example, by using the **SASB Taxonomy** and how the SASB Taxonomy could be efficiently used together with the ISSB Taxonomy.

* Referring to metrics other than those related to climate, specified by IFRS S2 and therefore reflected in the Proposed Taxonomy. This may be for example metrics disclosed following sources of guidance required and permitted by IFRS S1, for example SASB Standards.
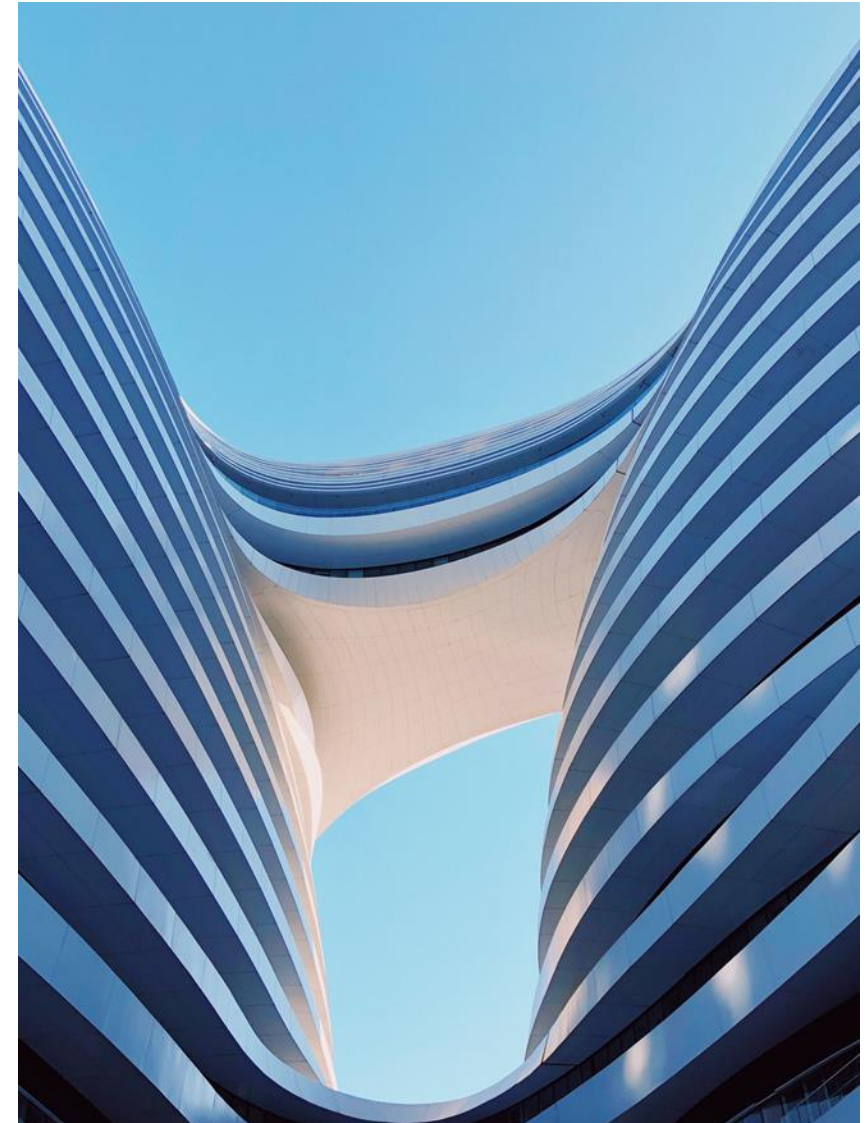
Cii. Entity-specific elements

- Entities are expected to create entity-specific elements (extensions) to represent entity specific aspects of disclosures, for example risks and opportunities or metrics and targets.

- **Entity-specific elements are more difficult to understand and compare** between entities and across periods (than standardised taxonomy elements), but they allow tagging of information in the report not specifically required by the Standards.

- **ISSB proposed dimensional model** to help investors understand some entity-specific information (see slide 23 for more details).

- **ISSB proposed using 'explicit dimensions'** in this dimensional model, consistently with the IFRS Accounting Taxonomy, to allow easier addition of elements to the ISSB Taxonomy to reflect common reporting practice once it emerges, or any specific risks and opportunities identified by subsequent Standards.

- **ISSB considered, but rejected, using 'typed dimensions'*.** These are used by some jurisdictions, especially for 'closed' or 'template-based' reporting.

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* Typed dimension is a technical way to avoid the need for an entity to create extensions, for example to tag information related to sustainability-related risks allow an entity to simply add text, for example to identify names of risks.

Cii. Other Taxonomy features – entity-specific elements

Some stakeholders suggested ways **to limit the use of extensions** or encourage **consistent use of extensions (for example by creating guidance).** A few said solutions should be provided **at the jurisdictions level.**

- Some stakeholders proposed various solutions to help with extensions, as discussed on previous slides:
  - Use **modelling approaches** that could avoid the need for extensions, or **create Taxonomy elements** to capture expected reporting practice – for example, risks and opportunities (see slide 25) or values of metrics and targets (see slide 27);
  - **Provide guidance** on when extensions should be used or could be avoided – to tag narrative information not specifically required by the Standard, covered by "other" elements (see slide 21) or use of the SASB Taxonomy (see slide 27)

- A few stakeholders suggested that some jurisdictions may prefer to not allow, or to significantly limit, use of extensions. A few stakeholders noted that taking different approaches to extensions between jurisdictions may impact comparability of information and hence solutions should be provided **at the jurisdictions level.**
  - A few suggested **guidance for regulators** on how the ISSB Taxonomy should be adopted by jurisdictions specifying approach(es) to creating additional elements by those jurisdictions or creating extensions by preparers;
  - A few suggested the ISSB could help jurisdictions that do not wish to allow extensions to adopt the ISSB Taxonomy by **creating a modified, additional version of the Taxonomy** (a separate entry point) with typed dimensions instead of explicit dimensions.

Ciii. Other Taxonomy features / Other comments

A few respondents suggested **Taxonomy improvements or guidance to better facilitate digital reporting,** for example to make element labels more useful or provide guidance on how to reflect connection between information in a digital way.

- A few respondents said the ISSB should consider **connection between information**:
    - Some said it is important to consider how to capture connection between information in a more useful way in a digital format, focusing on connections between sustainability-related financial disclosures and financial statements;
    - Some said **guidance** may be helpful on how to tag information provided in a different document by cross-reference.
- A few respondents provided thoughts on **labels of Taxonomy elements**:
    - Some said the proposed element labels are too long and need to be shortened to make it easier for stakeholders to find right element to use for tagging or analysis;
    - Some said that documentation labels could be improved, by removing when identical to standard label, or expanding in some cases to provide additional helpful information from the Standard.
- A few respondents suggested other detailed Taxonomy improvements, for example by changing the element type for some elements from textual to numerical.

D. Global applicability

Many stakeholders emphasised **the importance of interoperability** with other taxonomies. Many preparers, investors, regulators and standard-setters from both Europe and globally reiterated the importance of interoperability with the forthcoming ESRS XBRL Taxonomy being developed by EFRAG.*

Some respondents supported the ISSB's collaboration with jurisdictions and other sustainability standard-setters to facilitate interoperability between sustainability-related standards as a starting point for interoperability between the related taxonomies.

Many stakeholders, including preparers, investors, regulators and standard-setters, emphasised that the **interoperability** of the ISSB Taxonomy with other sustainability-related taxonomies will be important to:

- **Minimise reporting burden** for preparers (tagging similar sustainability-related financial information more than once); and

- **Help investors make appropriate comparison of digital information** prepared in accordance with the ISSB Standards to digital information provided applying other sustainability-related frameworks (see slide 21 on granularity of narrative information).

XBRL International said it is considering developing technological mechanisms, including concordance and global taxonomy concept registry, to help facilitate interoperability between multiple sustainability-related taxonomies. They said these mechanisms **could help address some of the concerns** raised by preparers and investors and **the support of the ISSB and other standard-setters** is needed to successfully develop these technological mechanisms.

* The ISSB, the European Commission and EFRAG confirmed high degree of climate-disclosure alignment and noted the importance of digital taxonomy to further enhance interoperability.

E. Implementation support (1/2)

Some stakeholders suggested the ISSB provides **implementation support (focusing on guidance)** to facilitate **consistent application of the ISSB Taxonomy** to help ensure the quality of digital information. Specific consideration was requested for smaller companies or countries that have not used digital reporting previously.

- **Guidance for preparers** that explains:
  - How the ISSB Taxonomy is expected to be used with other taxonomies, for example the SASB Taxonomy or the IFRS Accounting Taxonomy (see slide 27);
  - When companies should create entity-specific elements (extensions) and how to create them consistently (see slide 29);
  - Best practice on how to use cross-referencing when financial and sustainability-related information are part of same reporting package as a single report or when published separately (see slide 30).

  Stakeholders suggested creating **examples of tagging information by topic** and / or **illustrative tagging of reports.**

- **Guidance assisting regulators** in adopting the ISSB Taxonomy in their jurisdictions. In particular on:
  - The optimal architecture for taxonomies in jurisdictions, including how to add jurisdiction-specific elements into the Taxonomy (see slide 29);
  - Help jurisdictions with implementation of the digital reporting, including emerging markets.

  This guidance could **contribute to the harmonisation of filing rules globally**—differences in filing rules between jurisdictions currently impose a burden on software vendors and on companies with listings in multiple countries.

- **Other requests for guidance, including software vendors** – to help make sure the software is appropriate and ready for implementation.
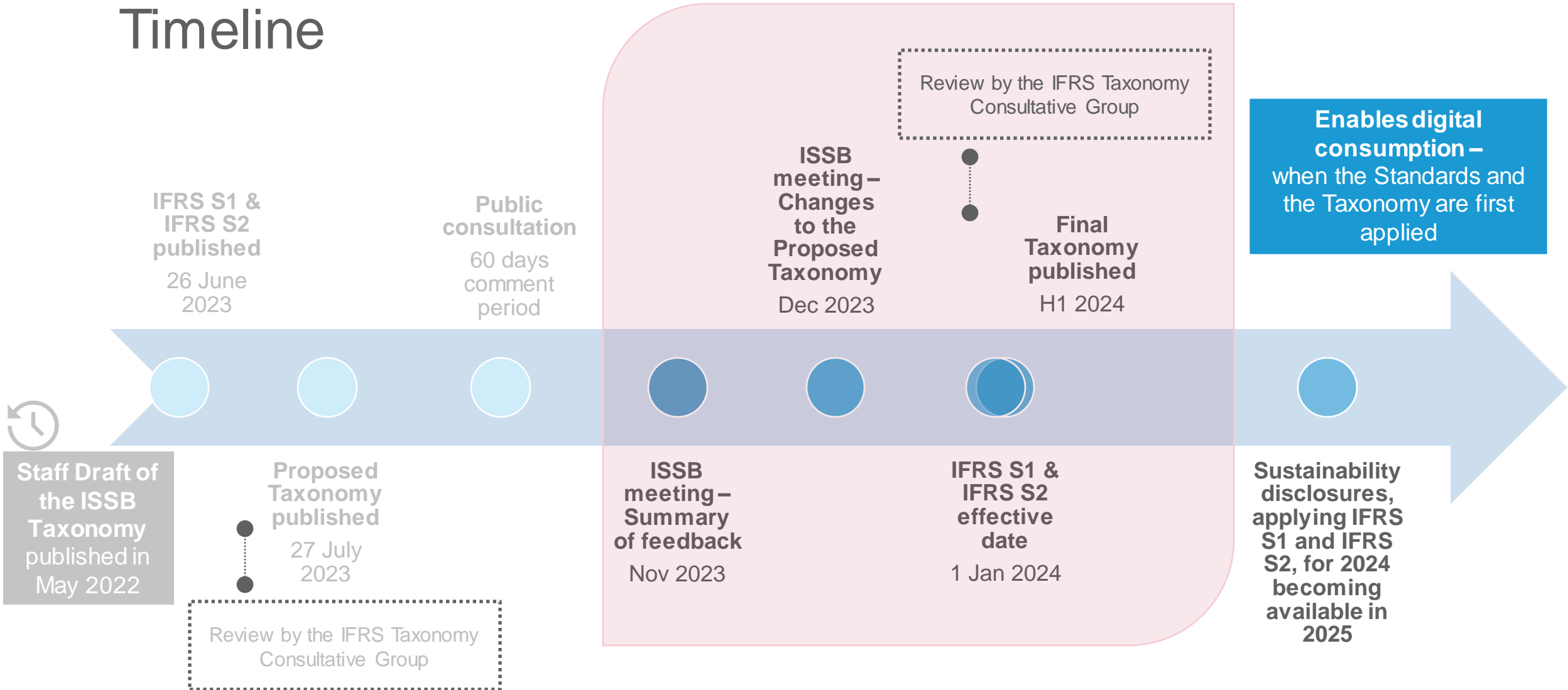
E. Implementation support (2/2)

- Specific consideration was requested to support **implementation of smaller companies or countries** that have not used digital reporting previously.

- A few stakeholders emphasised the need for an **ongoing implementation support** and Taxonomy improvements:
    - for example using forums for regulators and standard setters (either new or existing consultation groups) to collect and analyse information about implementation challenges;
    - review of common reporting practice, focusing on adding common practice elements to the Taxonomy or considering impact of technology developments;
    - field testing with the support of the jurisdictions during implementation phase of the Standards;
    - review lessons learnt from other reporting, for example IFRS Accounting Taxonomy that has similar architecture or current TCFD reporting.

IFRS
Sustainability

Next steps and questions for ISSB

Timeline

Staff Draft of the ISSB Taxonomy published in May 2022

IFRS S1 & IFRS S2 published 26 June 2023

Proposed Taxonomy published 27 July 2023

Review by the IFRS Taxonomy Consultative Group

Public consultation 60 days comment period

ISSB meeting – Summary of feedback Nov 2023

ISSB meeting – Changes to the Proposed Taxonomy Dec 2023

Review by the IFRS Taxonomy Consultative Group

Final Taxonomy published H1 2024

IFRS S1 & IFRS S2 effective date 1 Jan 2024

Enables digital consumption – when the Standards and the Taxonomy are first applied

Sustainability disclosures, applying IFRS S1 and IFRS S2, for 2024 becoming available in 2025

Question for the ISSB

1. Does the ISSB have any questions on the feedback summarised in this document?

2. Is there any feedback that is unclear, that provides new information, or that needs further research?

3. What other comments does the ISSB have on the feedback?

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