Staff paper

Agenda reference: 7

ISSB® meeting

Date	**November 2026**
Project	**IFRS Sustainability Disclosure Taxonomy**
Topic	Feedback on Proposed IFRS Sustainability Disclosure Taxonomy Update—Amendments to Greenhouse Gas Emissions Disclosures
Contacts	Owen Jones (ojones@ifrs.org)

This paper has been prepared for discussion at a public meeting of the International Sustainability Standards Board (ISSB). This paper does not represent the views of the ISSB or any individual ISSB member. Any comments in the paper do not purport to set out what would be an acceptable or unacceptable application of IFRS® Sustainability Disclosure Standards. The ISSB's technical decisions are made in public and are reported in the ISSB *Update*.

Purpose and summary

1. In July 2026, the International Sustainability Standards Board (ISSB) published IFRS® Sustainability Disclosure Taxonomy 2024—Proposed Update 1 *Amendments to Greenhouse Gas Emissions Disclosures*. The 60-day comment period closed on 28 September 2026.

2. The Proposed IFRS Taxonomy Update (PTU) proposed changes to the IFRS Sustainability Disclosure Taxonomy to reflect disclosure requirements arising from *Amendments to Greenhouse Gas Emissions Disclosures*, which amended IFRS S2 *Climate-related Disclosures* and was issued in December 2025.

3. This paper summarises the taxonomy modelling proposals, the feedback received on the PTU from comment letter respondents and the planned next steps. We are not asking the ISSB to make decisions at this meeting. We are seeking ISSB members' comments and guidance on:

   (a) the feedback and matters to address in finalising the update; and

   (b) the next steps for publication.

4. Respondents broadly supported the proposed taxonomy changes, while suggesting refinements to improve the consistency and usability of tagged information, particularly in identifying the industry-classification system used, capturing disclosures about the Scope 3 Category 15 limitation and clarifying the relationship between Category 15 and financed emissions taxonomy elements.

5. In addition, the staff are considering a maintenance change to better accommodate financed emissions disclosures by entities engaged in both commercial banking and insurance activities (paragraphs 22–23).

Structure of the paper

6. This paper is structured as follows:

   (a) summary of proposals in the PTU (paragraphs 7–13);

   (b) comment letter analysis and matters for finalisation (paragraphs 14–23);

   (c) next steps (paragraphs 24–25); and

   (d) questions for the ISSB.

Summary of proposals in the PTU

Background to the amendments to IFRS S2

7. The amendments to IFRS S2 address specific application challenges relating to greenhouse gas emissions disclosures. Specifically, the amendments:

   (a) clarify that an entity may limit measurement and disclosure of Scope 3 Category 15 greenhouse gas emissions to financed emissions as defined in IFRS S2;

   (b) permit alternative industry-classification systems, beyond the Global Industry Classification Standard (GICS), for disaggregating financed emissions information;

(c) clarify the availability of jurisdictional relief from using the Greenhouse Gas Protocol when only part of an entity is required to use a different measurement method; and

(d) introduce jurisdictional relief from using global warming potential values from the latest Intergovernmental Panel on Climate Change assessment report.

Scope 3 Category 15 greenhouse gas emissions

8. To reflect the disclosure requirements in paragraph 29B of IFRS S2, the ISSB proposed to add a text element for information about how an entity has applied the limitation of measurement and disclosure of Scope 3 Category 15 greenhouse gas emissions to financed emissions.

9. The ISSB also proposed an additional axis member and a new dimensional structure to enable an entity to tag its total Category 15 greenhouse gas emissions and the subtotal of financed emissions included in that total.

Industry-classification system

10. To reflect the option to use an industry-classification system other than GICS, the ISSB proposed to modify two financed emissions tables. The changes would replace the GICS-specific industry breakdown axis with a generic breakdown by industry.

11. The ISSB proposed to add a text element for disclosure of the industry-classification system used and an explanation of its selection.

References to renumbered paragraphs

12. The amendments to IFRS S2 renumber and reposition paragraphs relating to financed emissions disclosures. The ISSB proposed to update the affected taxonomy references to the new paragraph numbers.

Amendments not requiring new taxonomy elements

13. The ISSB did not propose taxonomy changes for the jurisdictional reliefs relating to greenhouse gas measurement methods and global warming potential values because existing narrative elements can capture the related disclosures about measurement methods, approaches and reasons for their use, at the appropriate level of granularity.

Comment letter analysis and matters for finalisation

14. As part of the PTU development process, the initial modelling approach was discussed with the IFRS Taxonomy Consultative Group (ITCG) in March 2026, and the ITCG subsequently reviewed the PTU and provided initial feedback on the proposals prior to the publication of the PTU.

Comment letter analysis

15. The ISSB received ten comment letters in response to proposals in the PTU. Table 1 and Table 2 include an analysis of comment letter respondents by stakeholder type and region.

Table 1—Comment letter respondents by stakeholder type

Stakeholder type	Count
Investor	1
Preparer	1
Regulator	2
Accounting profession and auditors	1
Standard-setter	2
Other	3
Total	**10**

Table 2—Comment letter respondents by region

Region	Count
Africa	3
Asia-Oceania	2
Europe	2
North America (excluding Mexico)	2
South and Latin America (including Caribbean)	1
Total	**10**

16. Respondents generally agreed that the proposals faithfully reflect the amendments to IFRS S2. Their comments focused principally on whether additional structure, guidance or implementation support would improve the consistency and usability of tagged information.

Industry-classification system

17. Respondents generally supported replacing the GICS-specific axis with a generic industry axis. Several respondents were however concerned about the potential impact on comparability of capturing the disclosure of which industry-classification system an entity used only as unstructured narrative, and suggested providing a more structured way to identify the industry-classification system used, for example through an enumerated list of the most common systems.

18. The staff have considered whether a taxonomy mechanism could support consistent and transparent identification of the classification system used while correctly reflecting and avoiding interpretation of the amendments. The staff are considering three options described below and summarised in Table 3:

    (a) Option 1—to finalise proposals with no changes. This approach would align with the amendments to IFRS S2 which do not list specific examples of classification systems.

    (b) Option 2—to introduce an empty extensible enumeration element to reflect the choice of the classification system used. This approach would allow preparers to create extension (i.e. entity-specific) elements to reflect their choice of

classification system used. As reporting and tagging practice develops, the Foundation might consider conducting a common practice analysis to identify commonly reported classification systems to include as part of the standard list for this extensible enumeration element. Using this approach, it might be possible to include an option for the Global Industry Classification System (GICS) since this system is mentioned in the Basis for Conclusions accompanying IFRS S2[1]. This approach can therefore also be seen as an accurate representation of requirements in IFRS S2, while providing an opportunity to improve comparability of the tagged disclosures through a future common practice review.

(c) Option 3—to introduce an extensible enumeration element to reflect the choice of classification system used, with an accompanying list of typical classification systems available in the market (see Appendix A for an example list). Preparers would still be able to create entity-specific elements to reflect the use of any system not in the provided list. This option has the benefit of best supporting comparability from the outset by allowing the classification system used to be easily and unambiguously identified in many cases. However, this option could be perceived as interpreting requirements in IFRS S2 and endorsing or giving greater prominence to particular classification systems.

[1] Furthermore, there is precedent for retaining examples listed in previous versions of Standards, related Standards or other materials as Common Practice elements where, due to their inclusion in such prior or related materials, there is a justified anticipation that they may form, or continue to form, common practice. For example, examples of classes of property, plant and equipment mentioned in IAS 16.37, and examples classes of intangible assets mentioned in IAS 38.119 are included as common practice members in the IFRS for SMEs taxonomy, even though the equivalent requirements in IFRS for SMEs do not explicitly list these classes.

Table 3—Summary of options

Option	Near-term comparability	Medium-term comparability	Alignment with the text of IFRS S2
1. Only the proposed narrative element	**Low.** Classification systems would be disclosed as unstructured text, making consistent identification and comparison more difficult.	**Low to moderate.** Comparability might improve as reporting practice develops, but the taxonomy would not provide a structured mechanism to support it.	**Strongest alignment.** Closely reflects IFRS S2, which permits alternative classification systems without identifying examples or implying a preferred system.
2. Introduce an empty extensible enumeration	**Low.** The system used would in theory be identified structurally, but all preparers would initially need to create entity-specific extension elements, resulting in inconsistent labels for the same system and low comparability in practice.	**Moderate to high.** A future common-practice review could identify frequently used systems for inclusion in the standard taxonomy, potentially progressively improving comparability.	**Strong alignment.** Provides potential for structured tagging without identifying particular systems or going beyond the choices expressly described in IFRS S2.
3. Introduce a pre-populated extensible enumeration	**Highest.** Common systems could be selected from a standard list, supporting consistent identification and comparison from initial implementation.	**Highest.** Comparability would remain strong and could improve as the list is updated to reflect reporting practice. Entity or jurisdiction-specific extensions would preserve flexibility for systems not listed.	**Weakest alignment.** Identifying anticipated commonly used systems would go beyond the exact text of IFRS S2 and could be perceived as endorsing or giving greater prominence to the listed systems.

Scope 3 Category 15 greenhouse gas emissions

19. Respondents supported the proposed narrative element for information about how an entity has limited what it includes in the disclosure of Scope 3 Category 15 greenhouse gas emissions. Some respondents suggested using a text-block data type to accommodate potentially extensive disclosures, and others requested clearer documentation labels or guidance to ensure that the element captures the complete disclosure required by paragraph 29B of IFRS S2 and can be associated with the

related numerical information. The staff will change the data type for this disclosure to text block and refine the standard and documentation labels for this element.

20. Respondents also supported the proposed dimensional structure for tagging Category 15 greenhouse gas emissions and the financed emissions included in that amount. Several respondents requested documentation within the taxonomy highlighting that financed emissions are a subtotal included within Category 15 emissions and should not be treated as an additional component. The staff will consider whether further documentation is needed to support consistent tagging and consumption of these facts.

21. Respondents agreed with updating the taxonomy references to reflect the renumbered paragraphs in IFRS S2.

Maintenance changes

22. Feedback from jurisdictions implementing the IFRS Sustainability Disclosure Taxonomy indicates that the current taxonomy does not adequately accommodate both entities that disclose financed emissions arising from commercial banking and insurance activities separately, and those that disclose these emissions on a combined basis.

23. The staff are therefore considering a maintenance change to the taxonomy to add a 'financial activity types' axis to distinguish disclosures relating to emissions arising specifically from commercial banking activities, specifically from insurance activities, or from both.

Next steps

24. The balloting process for the IFRS Sustainability Disclosure Taxonomy Update will begin with a pre-ballot review at the end of November 2026.

25. The final IFRS Taxonomy Update, together with the final taxonomy files forming the IFRS Sustainability Disclosure Taxonomy 2027, is planned for publication in April 2027.

Questions for the ISSB

Do ISSB members have any comments on:

(a) the feedback and matters for finalisation described in paragraphs 14–23—specifically on the staff's considerations around modelling the choice of industry-classification systems in paragraphs 17–18; or

(b) the next steps towards publication of the IFRS Sustainability Disclosure Taxonomy Update—*Amendments to Greenhouse Gas Emissions Disclosures*?

Appendix A—Illustrative list of industry-classification systems

Industry-classification system
ISSB and international systems
ISIC International Standard Industrial Classification
SICS Sustainable Industry Classification System
Commercial systems
BICS Bloomberg Industry Classification Standard
GICS Global Industry Classification Standard
HSICS Hang Seng Industry Classification System
ICB Industry Classification Benchmark
RBICS Revere Business Industry Classification System
TRBC Thomson Reuters Business Classification
National and regional schemes
ANZSIC Australian and New Zealand Standard Industrial Classification
CIIU-CL Clasificación Industrial Internacional Uniforme (Chile)
CNAE Classificação Nacional de Atividades Econômicas (Brazil)
CSIC Industrial Classification for National Economic Activities (China)
ISIC4-SA Saudi Standard Industrial Classification
JSIC Japan Standard Industrial Classification
KBLI Indonesia Standard Industrial Classification
KSIC Korean Standard Industrial Classification
MISC Malaysia Standard Industrial Classification
NACE Statistical Classification of Economic Activities in the European Community
NAICS North American Industry Classification System
NIC National Industrial Classification (India)
PSIC Philippine Standard Industrial Classification
SIC United States Standard Industrial Classification
SIC-ZA Standard Industrial Classification of All Economic Activities (South Africa)
SSIC Singapore Standard Industrial Classification
UK SIC UK Standard Industrial Classification