



IFRS[®]
Sustainability

May 2022

Staff Request for Feedback

Staff draft of the IFRS[®] Sustainability Disclosure Taxonomy

The International Sustainability Standards Board (ISSB) has not approved this staff request for feedback, the staff draft of the IFRS Sustainability Disclosure Taxonomy or the IFRS Taxonomy Illustrated of the staff draft IFRS Sustainability Disclosure Taxonomy. This document, the staff draft and IFRS Taxonomy Illustrated are publicly available for the purpose of seeking feedback to help the ISSB develop the IFRS Sustainability Disclosure Taxonomy.

Document objective:

Feedback from this staff request for feedback (request) will support IFRS Foundation research to inform the development of proposals for the IFRS Sustainability Disclosure Taxonomy. This request is not an exposure draft or proposed taxonomy. This staff request sets out the initial thinking for staff recommendations to the ISSB for consideration when developing the proposed IFRS Sustainability Disclosure Taxonomy (staff recommendations) and alternative approaches considered, but rejected, when preparing the staff draft of the IFRS Sustainability Disclosure Taxonomy. The staff recommendations focus on fundamental matters that need to be considered early to enable the ISSB to publish the IFRS Sustainability Disclosure Taxonomy on a timely basis.

Accompanying documents:

Staff draft of the IFRS Sustainability Disclosure Taxonomy, IFRS Taxonomy Illustrated of the staff draft IFRS Sustainability Disclosure Taxonomy.

Next steps:

The ISSB will consider staff research and feedback and develop a proposed IFRS Sustainability Disclosure Taxonomy for public consultation in accordance with the IFRS Foundation *Due Process Handbook*.

Comments sought by:

30 September 2022

Staff Request for Feedback on

the staff draft of the IFRS[®] Sustainability Disclosure Taxonomy

Comments sought by 30 September 2022

Staff Request for Feedback on the *staff draft of the IFRS® Sustainability Disclosure Taxonomy* is published by the IFRS Foundation (Foundation) for comment only. Comments need to be received by 30 September 2022 and should be submitted by email to commentletters@ifrs.org or online at <https://www.ifrs.org/projects/open-for-comment/>.

All comments will be on the public record and posted on our website at www.ifrs.org unless the respondent requests confidentiality. Such requests will not normally be granted unless supported by a good reason, for example, commercial confidence. Please see our website for details on this policy and on how we use your personal data. If you would like to request confidentiality, please contact us at commentletters@ifrs.org before submitting your letter.

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Introduction

Background

The IFRS Foundation created the International Sustainability Standards Board (ISSB) to respond to an urgent demand for globally consistent disclosures about entities' risks and opportunities from climate change and other sustainability issues. The ISSB's aim is to develop standards that provide a comprehensive global baseline of sustainability-related financial disclosures for the capital markets (IFRS Sustainability Disclosure Standards). The ISSB also intends to enable the digital consumption of these disclosures by developing an IFRS Sustainability Disclosure Taxonomy that reflects disclosure requirements in IFRS Sustainability Disclosure Standards.

On 31 March 2022, the ISSB published its first two proposed IFRS Sustainability Disclosure Standards:

- *General Requirements for Disclosure of Sustainability-related Financial Information*¹ (General Requirements Exposure Draft); and
- *Climate-related Disclosures*² (Climate Exposure Draft) (collectively called exposure drafts).

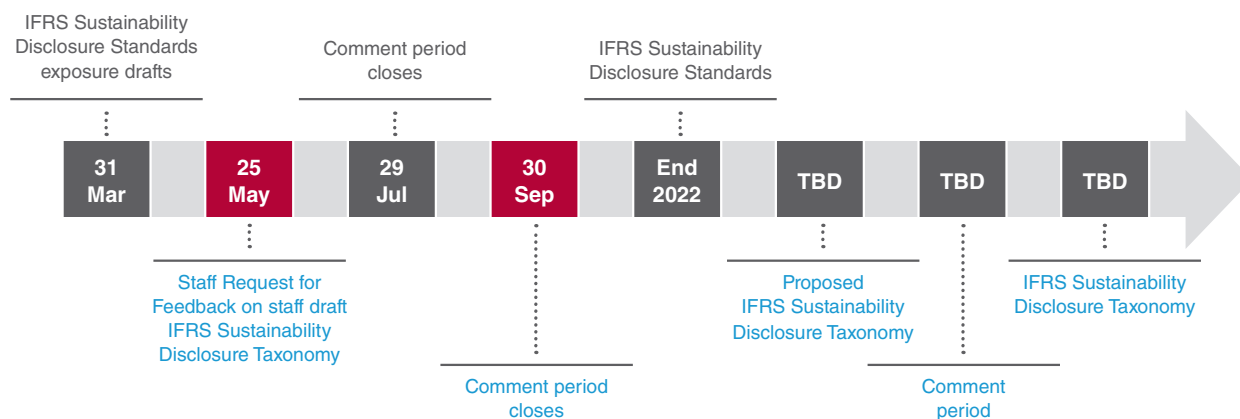
What is the purpose of this staff request for feedback?

The purpose of this staff request for feedback (request) is to support initial research by the IFRS Foundation staff to inform the development of proposals for the IFRS Sustainability Disclosure Taxonomy. This request is not an exposure draft or proposed taxonomy.

This request sets out the initial thinking for staff recommendations to the ISSB for consideration when developing the proposed IFRS Sustainability Disclosure Taxonomy (staff recommendations) and alternative approaches considered, but rejected, when preparing the staff draft of the IFRS Sustainability Disclosure Taxonomy. The staff recommendations focus on fundamental matters that need to be considered early to enable the ISSB to publish the IFRS Sustainability Disclosure Taxonomy on a timely basis.

The staff has prepared a staff draft of the IFRS Sustainability Disclosure Taxonomy that is based on the proposals in the exposure drafts and reflects staff recommendations discussed in this request. However, because this request focuses on the recommended ISSB taxonomy strategy, it does not detail every assumption made in preparing the staff draft of the Taxonomy.

Standards development



Taxonomy development

Next steps

The ISSB expects to publish the proposed IFRS Sustainability Disclosure Taxonomy (proposed Taxonomy) concurrently with or shortly after it issues the IFRS Sustainability Disclosure Standards. The proposed Taxonomy will be published for public consultation in accordance with the IFRS Foundation *Due Process Handbook*. The ISSB will then consider feedback on the proposed Taxonomy and the need for further changes before publishing the IFRS Sustainability Disclosure Taxonomy.

1 <https://www.ifrs.org/content/dam/ifrs/project/general-sustainability-related-disclosures/exposure-draft-ifrs-s1-general-requirements-for-disclosure-of-sustainability-related-financial-information.pdf>.

2 <https://www.ifrs.org/content/dam/ifrs/project/climate-related-disclosures/issb-exposure-draft-2022-2-climate-related-disclosures.pdf>.

Thereafter, the IFRS Sustainability Disclosure Taxonomy will be updated regularly after public consultations to reflect amendments to IFRS Sustainability Disclosure Standards, common reporting practice and emerging reporting issues.

The role of the IFRS Sustainability Disclosure Taxonomy

Digitalisation of financial reports improves their accessibility, allowing information in such reports to be more easily extracted and analysed. The IFRS Sustainability Disclosure Taxonomy would facilitate the extraction and analysis of sustainability-related financial disclosures prepared by applying IFRS Sustainability Disclosure Standards.

The IFRS Sustainability Disclosure Taxonomy would be the counterpart to the IFRS Accounting Taxonomy developed to enable extraction and analysis of financial information provided when entities apply presentation and disclosure requirements in IFRS Accounting Standards issued by the International Accounting Standards Board (the IFRS Accounting Taxonomy).³ Such a taxonomy would classify information disclosed by entities applying IFRS Sustainability Disclosure Standards, to allow such information to be digitally identified, exchanged and compared across time and between entities; it would not be a taxonomy used to assess or categorise the sustainability rating or attributes of an entity or product.

The IFRS Sustainability Disclosure Taxonomy would provide elements, or tags, that reflect the information required to be disclosed by the IFRS Sustainability Disclosure Standards. These elements would be akin to barcodes applied to a supermarket's products in that they would provide information about the underlying item—information that computers could be programmed to read and reproduce in various structures. For example, a tagged number could inform a computer that the number represents 'Scope 1 greenhouse gas emissions', in metric tonnes of CO₂ equivalent, for the year 2022, measured in accordance with the *Greenhouse Gas Protocol Corporate Standard* and disclosed by an entity applying IFRS Sustainability Disclosure Standards for ABC Company.

A preparer could then use this taxonomy to tag information about sustainability risks and opportunities in its general purpose financial reports. Tagging would make this information machine-readable,⁴ enabling investors and other users to extract and analyse it.⁵ For example, users of the information could use the element for 'Gross Scope 1 greenhouse gas emissions' to easily extract tagged information for a single company, or for a range of companies in one reporting period or in a range of periods.

The extent of the digital reporting benefits available to investors will depend, in part, on jurisdictional requirements and roles played by other stakeholders in digital reporting (digital ecosystem). For example, the benefits of digital reporting are likely to be greater if a jurisdiction requires detailed tagging of specific data points rather than high-level tagging that captures multiple data points. If the ISSB issues an IFRS Sustainability Disclosure Taxonomy based on staff recommendations in this request, preparers and investors would still depend on jurisdictions' adoption decisions and roles played by others in the digital ecosystem.

³ The IFRS Accounting Taxonomy was previously known as the IFRS Taxonomy.

⁴ Typically, these reports will be prepared in a format called inline XBRL, which allows a file to contain both a human-readable report and the accompanying machine-readable information. The IFRS Accounting Taxonomy is published as an XBRL taxonomy, which enables the preparation and understanding of such reports. For more information, see the XBRL International website: <http://www.xbrl.org>.

⁵ Throughout this document, the terms 'primary users' and 'users' refer to existing and potential investors, lenders and other creditors who must rely on general purpose financial reports for much of the financial information they need.

Request for feedback

Questions

Question 1—Distinct taxonomy

Do you agree with the staff recommendation to create a distinct IFRS Sustainability Disclosure Taxonomy separate from the IFRS Accounting Taxonomy? (Paragraphs 1–10)

Why or why not? If not, what alternative approach would you suggest and why?

Question 2—Taxonomy grouping

Do you agree with the staff recommendation to organise the general content of the IFRS Sustainability Disclosure Taxonomy, by both:

- IFRS Sustainability Disclosure Standard; and
- aspects of core content?

Do you agree with the staff recommendation to organise the content in the IFRS Sustainability Disclosure Taxonomy related to industry-based metrics separately and organised by the industry for which they are specified? (Paragraphs 11–30)

Why or why not? If not, what alternative approach would you suggest and why?

Question 3—Relationship between the *General Requirements Exposure Draft* and *Climate Exposure Draft* in the Taxonomy

Do you agree with the staff recommendation to reflect the proposed disclosure requirements related to each aspect of core content as a separate list of distinct elements (line items) for each of the [draft] IFRS Sustainability Disclosure Standards? (Paragraphs 31–53)

Why or why not? If not, what alternative approach would you suggest and why?

Question 4—Granularity of narrative information

Do you agree with the staff recommendation that, as a principle, 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? (Paragraphs 55–68)

Why or why not? If not, should taxonomy elements generally be provided to represent more detailed or less detailed narrative data sets? Why?

This principle, applied to the disclosure requirements proposed in the exposure drafts, has resulted in the staff recommending the creation of:

- narrow scope narrative elements typically corresponding to disclosures to be provided to meet proposed requirements listed in first-level subparagraphs of the exposure drafts (Paragraph 62)
 - In which, if any, cases do you think the most detailed taxonomy elements that should be included in the Taxonomy correspond to a different level of the requirements proposed in the two exposure drafts?
- wider scope narrative elements corresponding to wider (paragraph level) proposed disclosure objectives and to entire aspects of proposed core content (see paragraph 64 and Appendix D)
 - In which, if any, cases would additional or alternative narrative elements covering wider disclosures be beneficial?

Question 5—Categorical elements

Do you agree with the staff recommendation to use categorical elements for narrative disclosures that can be represented as either true or false responses or choices from lists of responses? Why or why not? (Paragraphs 69–81)

Do you agree with the staff recommendation to create specific categorical elements and their properties? (See Appendix F) Why or why not? If not, do you think any additional categorical elements are needed and, if so, which ones?

Question 6—Modelling metrics

Do you agree with the staff recommendation to:

- create elements, equivalent to those in the SASB Taxonomy, for defined metrics common to IFRS Sustainability Disclosure Standards and SASB Standards in the IFRS Sustainability Disclosure Taxonomy? (Paragraphs 82–94)
- model disclosures related to entity-specific metrics and targets using a dimensional approach? (Paragraphs 95–99)

Why or why not? If not, what alternative approach would you suggest and why?

Question 7—Representing related information

Should the IFRS Sustainability Disclosure Taxonomy include a specific mechanism to capture connections between related pieces of information – for example, connections between sustainability-related financial information and information in the financial statements or connections between pieces of sustainability-related financial information? If you do, are you aware of a mechanism that can be used without imposing undue costs on preparers and users of digital reporting? If so, please explain that mechanism. (Paragraphs 101–110)

Alternatively, do you think that the narrative elements in the staff draft of the IFRS Sustainability Disclosure Taxonomy would adequately capture such connections for users of the information without imposing undue costs for preparers and users of digital reporting? (Paragraph 103)

Question 8—Connections between reports

Do you agree with the staff recommendation that requirements related to cross-references in the IFRS Sustainability Disclosure Taxonomy should not be modelled explicitly? (Paragraphs 111–123)

Why or why not? If not, what alternative approach would you suggest and why?

Question 9—Similar disclosures in IFRS Accounting Standards and in the [draft] IFRS Sustainability Disclosure Standards

Do you agree with the staff recommendation to, in principle, model disclosure requirements of the [draft] IFRS Sustainability Disclosure Standards in the staff draft of the IFRS Sustainability Disclosure Taxonomy in the same way similar disclosure requirements of the IFRS Accounting Standards are modelled in the IFRS Accounting Taxonomy, except for categorical information? (Paragraphs 124–132)

Do you agree with the modelling in the staff draft of the IFRS Sustainability Disclosure Taxonomy for disclosures that are similar to their counterparts in the IFRS Accounting Standards? (Appendix G) Are there any other disclosures that are sufficiently similar between those set out in the [draft] IFRS Sustainability Disclosure Standards and those in IFRS Accounting Standards, and for which consistent modelling should be considered?

Question 10—Other comments

Do you have any other comments or suggestions on the staff draft of the IFRS Sustainability Disclosure Taxonomy?

How to comment

Please submit your comments electronically:

Comment letter and survey online	https://www.ifrs.org/projects/work-plan/ifrs-sustainability-disclosure-taxonomy/request-for-feedback-and-comment-letters/
Comment letter by email	commentletters@ifrs.org

Your comments will be on the public record and posted on our website unless you request confidentiality and we grant your request. We normally grant such requests only if they are supported by a good reason, for example, commercial confidence. Please see our website for details on this policy and on how we use your personal data. If you would like to request confidentiality, please contact us at commentletters@ifrs.org before submitting your letter or survey response.

Deadline

We will consider all written comments received by **30 September 2022**.

Staff recommendations for the IFRS Sustainability Disclosure Taxonomy

Distinct taxonomy

The issue

- 1 The IFRS Foundation maintains a taxonomy to facilitate the digital extraction and analysis of information in the financial statements prepared applying IFRS Accounting Standards as issued by the IASB (the IFRS Accounting Taxonomy). The IFRS Sustainability Disclosure Standards could be represented either as a distinct taxonomy, or as a taxonomy combined with or otherwise linked to the IFRS Accounting Taxonomy.

Staff recommendation

- 2 The staff has prepared the staff draft of the IFRS Sustainability Disclosure Taxonomy as a distinct taxonomy separate from the IFRS Accounting Taxonomy.
- 3 Paragraph 8 of the *General Requirements* Exposure Draft states that ‘an entity may apply IFRS Sustainability Disclosure Standards when the entity’s related financial statements are prepared in accordance with IFRS Accounting Standards or other GAAP’. A separate IFRS Sustainability Disclosure Taxonomy would meet the needs of various preparers – those that apply IFRS Sustainability Disclosure Standards with other GAAP could use it, and those that apply both IFRS Sustainability Disclosure Standards and IFRS Accounting Standards could use both taxonomies together.
- 4 If both IFRS Accounting Standards and IFRS Sustainability Disclosure Standards were used in a jurisdiction, that jurisdiction might not require electronic filing of the entire general purpose financial report (including financial statements and sustainability-related financial disclosures) or might require application of a proprietary (rather than IFRS Foundation) taxonomy for either the financial statements or the sustainability-related disclosures.
- 5 Packaging the IFRS Sustainability Disclosure Taxonomy as distinct from the IFRS Accounting Taxonomy would enable a jurisdiction to adopt one or both the IFRS Foundation’s taxonomies and enable an entity to use the IFRS Sustainability Disclosure Taxonomy when accounting standards other than IFRS Accounting Standards are applied.
- 6 Furthermore, the IFRS Foundation *Constitution* sets out processes for approvals of due process documents including the taxonomies by the IASB or the ISSB. Publishing separate taxonomies would be consistent with these requirements.

The alternatives rejected and why

- 7 The staff considered preparing a single IFRS Taxonomy because it would be simpler to understand and apply by those who use both IFRS Accounting and Sustainability Disclosures Standards. However, the staff has found that the arguments in favour of two distinct taxonomies (paragraphs 4–6) outweigh those in favour of a single taxonomy.
- 8 Another approach considered was separating shared components of the two taxonomies (elements in a taxonomy structure) into one or more common components (shared taxonomies) that could be referenced by both taxonomies.
- 9 Over time, the main shared concepts that might be identified in the respective taxonomy representations of IFRS Accounting Standards and IFRS Sustainability Disclosure Standards might not relate specifically to technical accounting or sustainability matters, but relate instead to generic concepts – that would not be specific to the underlying set of Standards (such as maturities, geographic areas, methods of indicating retrospective restatement, early adoption of Standards or information about the reported document or preparer).
- 10 If that were the case, separating the elements representing these generic concepts into one or more common components could increase the coherence of the two taxonomies and improve the ease of tagging when the taxonomies were used together, while keeping the two IFRS Taxonomies independent. However, such a separation would require changes to the structure of the IFRS Accounting Taxonomy in order to extract these common components. The staff plans to review the need for any such shared taxonomy components as the IFRS Sustainability Disclosure Standards and IFRS Accounting Standards develop.

Question 1—Distinct taxonomy

Do you agree with the staff recommendation to create a distinct IFRS Sustainability Disclosure Taxonomy separate from the IFRS Accounting Taxonomy? (Paragraphs 1–10)

Why or why not? If not, what alternative approach would you suggest and why?

Taxonomy grouping**The issue**

- 11 Elements within the IFRS Sustainability Disclosure Taxonomy should be organised (grouped) in a way that makes it easy for preparers and primary users to navigate, understand and use the taxonomy. Enabling preparers to easily find the elements they need would facilitate consistent tagging and thus help digital consumption of financial reporting.
- 12 The way taxonomy elements are grouped within a taxonomy does not dictate how preparers should organise their human-readable reports. Taxonomy grouping also does not dictate how data resulting from the tagging of those reports can be viewed or analysed by users of that data.
- 13 It is possible to organise all elements in one or multiple types of groupings or to have a grouping specific to some elements only.

Staff recommendation

- 14 In preparing the staff draft of the IFRS Sustainability Disclosure Taxonomy, the staff has grouped the taxonomy elements required to represent the disclosure elements in two hierarchies (with most taxonomy elements derived from the main text of the exposure drafts appearing in both):
 - (a) based on the [draft] IFRS Sustainability Disclosure Standard from which they are derived; and
 - (b) based on the aspects of core content – governance, strategy, risk management and metrics and targets.
- 15 The staff has grouped industry-based metrics separately, by industry rather than by IFRS Sustainability Disclosure Standard or by aspects of core content.

Table 1—High-level element groupings in the staff draft of the IFRS Sustainability Disclosures Taxonomy

Element groupings and top-level headings ^{6, 7}	
Standard-by-Standard layout of elements	[200000] General Requirements for Disclosure of Sustainability-related Financial Information
	Governance
	Strategy
	Risks and opportunities
	Strategy and decision-making
	Financial position, financial performance and cash flows
	Resilience
	Risk management
	Metrics and targets
	General features
	[210000] Climate-related disclosures
	Governance
	Strategy
	Risks and opportunities
	Strategy and decision-making
	Financial position, financial performance and cash flows
	Resilience
	Risk management
	Metrics and targets
Core content layout of same elements	[700000] Governance
	General requirements
	Climate-related disclosures
	[710000] Strategy
	Risks and opportunities
	General requirements
	Climate-related disclosures
	Strategy and decision-making
	General requirements
	Climate-related disclosures
	Financial position, financial performance and cash flows
	General requirements
	Climate-related disclosures
	Resilience
	General requirements
	Climate-related disclosures
	[720000] Risk management
	General requirements
	Climate-related disclosures
	[730000] Metrics and targets
	General requirements
	Climate-related disclosures

continued...

⁶ Note that the numbers within square brackets, although included in the names of the groups in the staff draft of the IFRS Sustainability Disclosure Taxonomy, have no particular meaning, and are chosen to show an order in which the groups should be presented.

⁷ The various elements used to tag disclosures will be shown beneath these top-level headings.

...continued

Element groupings and top-level headings ^{6, 7}	
Industry-based metrics ⁸	[805100] Industry Metrics–Consumer Goods–Apparel, Accessories & Footwear (CG-AA)
	[805200] Industry Metrics–Consumer Goods–Appliance Manufacturing (CG-AM)
	...65 further Industries...
	[855900] Industry Metrics–Transportation–Road Transportation (TR-RO)

Two parallel groupings

- 16 The grouping of elements in the IFRS Accounting Taxonomy is based largely on the layout of the financial statements. The elements are placed in groups relating to the statements of financial position, financial performance, cash flows and changes in equity, and notes. A new IFRS Accounting Standard will often require an entity to provide information that would typically be disclosed in a separate note. Consequently, elements relating to each new IFRS Accounting Standard are generally included in their own new group. Requirements for information to be presented in the primary statements have typically been introduced through amendments to IAS 1 *Presentation of Financial Statements*. Typically, therefore, the organisation of the IFRS Accounting Standards, the organisation of the IFRS Accounting Taxonomy, and the organisation of typical financial statements are closely linked.
- 17 In contrast, we expect that the layout of information disclosed by preparers to meet requirements in the IFRS Sustainability Disclosure Standards may vary more than does the layout of disclosures in financial statements. Providing two sets of groupings might help preparers find appropriate tags for their disclosures. It might also help primary users find the elements that represent information in which they would be interested.
- 18 Grouping taxonomy content based on the Standard from which it is derived would be simple and straightforward and could make locating elements easier for preparers and users when they are looking for elements corresponding to disclosures specified in a particular IFRS Sustainability Disclosure Standard. This approach also would be consistent with the approach taken in the IFRS Accounting Taxonomy.
- 19 On the other hand, grouping taxonomy content based on the aspects of core content identified in the *General Requirements* Exposure Draft would reflect the basic structure used in that Exposure Draft and in the *Climate* Exposure Draft. That structure also is expected to be used in future IFRS Sustainability Disclosure Standards.
- 20 A preparer might base its layout of sustainability-related financial disclosures on the core content, addressing each aspect (governance, strategy, risk management and metrics and targets) in turn. A core content grouping of the taxonomy elements might aid such a preparer in identifying the appropriate taxonomy elements with which to tag disclosures, from across the range of IFRS Sustainability Disclosure Standards.
- 21 In contrast, for a preparer whose reporting is grouped into discrete sections for which there is a directly applicable IFRS Sustainability Disclosure Standard (for example, preparing a section of the general purpose financial report that only addresses climate-related issues), the Standard-by-Standard grouping described in paragraph 18 might be more helpful.
- 22 The fact that an element was shown in multiple places within a taxonomy would not mean that the corresponding information in a report would be tagged multiple times. Multiple groupings simply allow a preparer to identify the appropriate taxonomy element (or combination of elements) that represents the meaning of particular information in its report in various ways, by:
- (a) browsing through the elements laid out in the order that paragraphs in the particular standards are laid out;
 - (b) working through a logical hierarchy from the related aspect of core content; or
 - (c) searching by the specific reference to the defining subparagraph of the Standard or a fragment of the name of the element.
- 23 Similarly, the grouping of elements in a taxonomy does not affect the ability of a user to extract information from tagged reports, it only helps them identify the appropriate taxonomy element (or combination of elements).

6 Note that the numbers within square brackets, although included in the names of the groups in the staff draft of the IFRS Sustainability Disclosure Taxonomy, have no particular meaning, and are chosen to show an order in which the groups should be presented.

7 The various elements used to tag disclosures will be shown beneath these top-level headings.

8 Only 68 out of the 77 SICs industries are included in Appendix B of the *Climate* Exposure Draft, because only these industries include climate-related metrics. In future, it is likely that more of the remaining SICs industries will be included by one or more future thematic ISSB Standards.

- 24 The only difference the grouping of elements built into a taxonomy can make is how easy or complex it typically is to decide which taxonomy elements represent a particular piece of data. This difference is comparable to the effects a good (or bad) table of contents or index can have on the ability to easily find the desired parts of a book.

A third grouping

- 25 It is expected that, once the ISSB issues other IFRS Sustainability Disclosure Standards, a preparer would apply more than one Standard. It is also anticipated that preparers would often disclose a composite set of industry metrics—all the appropriate metrics for the preparer's industry or activities, irrespective of the IFRS Sustainability Disclosure Standard that introduced them. Preparers and users might find it useful and practical for the staff to include all the content representing industry-based metrics in a separate place in the staff draft of the IFRS Sustainability Disclosure Taxonomy. These metrics would be arranged by industry as in the SASB Taxonomy (see also paragraphs 83–88 on the modelling of SASB-derived metrics).

Tagging of information where there is not a specifically applicable IFRS Sustainability Disclosure Standard

- 26 Paragraphs 53 and 54 of the *General Requirements* Exposure Draft state that, in the absence of an IFRS Sustainability Disclosure Standard applicable to a sustainability-related risk or opportunity, an entity's management would use judgement in disclosing information about that risk or opportunity. In making its judgements management could consider:

the metrics associated with the disclosure topics included in the industry-based SASB Standards, the ISSB's non-mandatory guidance (such as the CDSB Framework application guidance for water- and biodiversity-related disclosures), the most recent pronouncements of other standard-setting bodies whose requirements are designed to meet the needs of users of general purpose financial reporting, and the metrics used by entities in the same industries or geographies.

- 27 Preparers would tag disclosures for which there is no applicable IFRS Sustainability Disclosure Standard or specific taxonomy elements using either:
- (a) the taxonomy elements representing the proposed disclosure requirements of the *General Requirements* Exposure Draft. Many tables in the staff draft of the IFRS Sustainability Disclosure Taxonomy include a 'Sustainability-related risk or opportunity [axis]' allowing disclosures to be tagged for each such 'risk or opportunity' that a preparer discloses; or
 - (b) metrics, other suitable taxonomies, or entity-specific elements for disclosures that are not captured by the Taxonomy elements representing the proposed requirements of the *General Requirements* Exposure Draft.

The alternatives rejected and why

- 28 As an alternative to the recommendation in paragraphs 14–25 to provide one grouping of the industry metrics and two alternative groupings of the remaining taxonomy elements, the staff considered using a single grouping to present all the content in the staff draft of the IFRS Sustainability Disclosure Taxonomy. However, as stated in paragraph 17, the staff expects that when entities apply the IFRS Sustainability Disclosure Standards to their disclosures, the layout of those disclosures may vary. Therefore, a single type of grouping, whether Standard-by-Standard or by the aspects of core content, may not work for all sustainability-related financial disclosures prepared in accordance with IFRS Sustainability Disclosure Standards.
- 29 The staff also considered including the elements representing industry-based metrics within the sections of the taxonomy layout arranged by Standard or by aspects of core content. However, the staff did not take such an approach because there would be little benefit. All the industry-based metrics would fall within the *Climate* Exposure Draft 'metrics and targets' section, and within the *Climate* section of the 'metrics and targets' aspect of core content. In future, although each new thematic standard may include another list of industry-based metrics, it is likely there would be overlaps between the lists of each such standard. Many metrics may appear in more than one standard. This extensive repetition could make the taxonomy difficult to navigate. Simply aggregating all industry-based metrics into one combined grouping as recommended may be easier to navigate.
- 30 Identifying which industry-based metrics were included in which Standard(s) would still be possible. Just as for all the other taxonomy elements identified to represent information reported according to the requirements of a Standard, a suitable reference to the location within the specifying Standard(s) would be associated with each industry-based metric. All the industry-based metrics specified by the *Climate* Exposure Draft will be associated with references that indicate they are specified by the IFRS S2 Standard. For example, the metric 'Raw Materials, Percentage Third-party Certified' is associated with a reference to the 'IFRS S2' Standard, section 'CG-AA-440a.2'.

Question 2—Taxonomy grouping

Do you agree with the staff recommendation to organise the general content of the IFRS Sustainability Disclosure Taxonomy, by both:

- IFRS Sustainability Disclosure Standard; and
- aspects of core content?

Do you agree with the staff recommendation to organise the content in the IFRS Sustainability Disclosure Taxonomy related to industry-based metrics separately and organised by the industry for which they are specified? (Paragraphs 11–30)

Why or why not? If not, what alternative approach would you suggest and why?

Relationship between the *General Requirements Exposure Draft* and *Climate Exposure Draft* in the Taxonomy

The issue

- 31 The *General Requirements* and the *Climate Exposure Drafts* focus on core content—an entity’s governance, strategy and risk management and its sustainability-related metrics and targets.
- 32 The proposed disclosure requirements in the *General Requirements Exposure Draft* are similar to the corresponding proposed requirements for core content in the *Climate Exposure Draft*.

Table 2—Parallel governance requirements proposed in the exposure drafts

<i>General Requirements Exposure Draft</i>	<i>Climate Exposure Draft</i>
13 To achieve this objective, an entity shall disclose information about the governance body or bodies (which can include a board, committee or equivalent body charged with governance) with oversight of sustainability-related risks and opportunities, and information about management’s role in those processes. Specifically, an entity shall disclose: (a) the identity of the body or individual within a body responsible for oversight of sustainability-related risks and opportunities; (b) how the body’s responsibilities for sustainability-related risks and opportunities are reflected in the entity’s terms of reference, board mandates and other related policies; (c) how the body ensures that the appropriate skills and competencies are available to oversee strategies designed to respond to sustainability-related risks and opportunities; (d) how and how often the body and its committees (audit, risk or other committees) are informed about sustainability-related risks and opportunities ...	5 To achieve this objective, an entity shall disclose information about the governance body or bodies (which can include a board, committee or equivalent body charged with governance) with oversight of climate-related risks and opportunities, and information about management’s role in those processes. Specifically, an entity shall disclose: (a) the identity of the body or individual within a body responsible for oversight of climate-related risks and opportunities; (b) how the body’s responsibilities for climate-related risks and opportunities are reflected in the entity’s terms of reference, board mandates and other related policies; (c) how the body ensures that the appropriate skills and competencies are available to oversee strategies designed to respond to climate-related risks and opportunities; (d) how and how often the body and its committees (audit, risk or other committees) are informed about climate-related risks and opportunities ...

- 33 Paragraph 78 of the *General Requirements* Exposure Draft states that ‘when IFRS Sustainability Disclosure Standards require the disclosure of common items of information, an entity shall avoid unnecessary duplication’. Furthermore, paragraphs 6 and 18 of the *Climate* Exposure Draft state that when an entity integrates its oversight of sustainability-related risks and opportunities, it is required to integrate its disclosures on governance and risk management, rather than separately disclosing each significant sustainability-related risk and opportunity.
- 34 Such integrated disclosures could make tagging complex for preparers, because they might have difficulty assigning discrete sections of text to a particular requirement and might have difficulty tagging items correctly. Such difficulties might make it more complex for users of sustainability-related financial information to identify required information accurately.
- 35 The staff considered whether and how best to reflect in the IFRS Sustainability Disclosure Taxonomy the relationship between similar disclosure requirements proposed in both exposure drafts (and requirements that would be in any future Sustainability Disclosure Standards, which also are expected to focus on core content).

Staff recommendation

- 36 The staff recommends reflecting the proposed disclosure requirements related to core content in each of the [draft] IFRS Sustainability Disclosure Standards as a separate list of specific elements (line items). Please refer to the example modelling for the governance disclosures in Appendix C.
- 37 The staff recommends this approach because it:
- (a) would be consistent with the approach taken in the IFRS Accounting Taxonomy;
 - (b) might be less confusing for preparers and users of sustainability-related financial information concerned with sets of disclosure requirements that differ more markedly than do the requirements of the two [draft] IFRS Sustainability Disclosure Standards;
 - (c) would limit the risk that stakeholders will view the proposed IFRS Sustainability Disclosure Taxonomy as an interpretation of the relationship between the disclosure requirements in the [draft] Standards (and in future IFRS Sustainability Disclosure Standards), especially if disclosure requirements in the exposure drafts were to diverge in future due to amendments; and
 - (d) would limit the potential need for remodelling if the disclosures in future IFRS Sustainability Disclosure Standards do not closely follow the pattern of those proposed in the *General Requirements* Exposure Draft.
- 38 The main disadvantages of this approach are that it:
- (a) requires elements for each new IFRS Sustainability Disclosure Standard to be separately created, even when a disclosure requirement in another Standard is directly analogous. Therefore, most elements in the proposed IFRS Sustainability Disclosure Taxonomy that reflect core content disclosures proposed in *General Requirements* Exposure Draft have equivalents reflecting the equivalent proposed core content in the *Climate* Exposure Draft, see Appendix C. This equivalency could increase the risk of errors. This would be partly because many elements would have a high similarity with another element (that reflected equivalent disclosures in the other exposure draft). It would also partly be simply because a preparer or user would need to find appropriate elements within a longer list. Consequently, preparers and users might be more likely to choose inappropriate elements by mistake.
 - (b) does not show the relationship between similar elements from both [draft] Standards. This might result in a preparer inconsistently tagging disclosures that cover information related to sustainability-related risks and opportunities generally (such as the overall governance processes) and to climate-related risks and opportunities specifically, because the preparer might tag the information using only one tag.
- 39 To achieve consistent tagging and increase the usability of the tagged information, a preparer could ‘double tag’ – tag disclosures that would fulfil the proposed requirements of the [draft] IFRS Sustainability Disclosure Standards both with the tags applicable to the proposed requirements set out in the *Climate* Exposure Draft and with the tags applicable to the proposed requirements set out in the *General Requirements* Exposure Draft.
- 40 Double-tagging would help to ensure that users of the sustainability-related financial information could accurately find climate-related or general sustainability-related financial disclosures simply by using the appropriate tag. However, jurisdictions would need to allow or to mandate double-tagging.
- 41 The grouping of elements by aspect of core content (as proposed in the discussion of grouping of taxonomy elements in paragraphs 11–25) also could help preparers appropriately tag integrated disclosures because the IFRS Sustainability Disclosure Taxonomy would group elements related to each aspect together.

The alternatives rejected and why

- 42 The staff considered, but rejected, an alternative option to providing separate lists of elements for the requirements in each of the [draft] IFRS Sustainability Disclosure Standards. That rejected option would have focused on the relationship between the proposed requirements in both [draft] Standards by using an axis in a dimensional approach to emphasise the parallels between the proposed requirements.
- 43 As shown in Table 3 for the proposed disclosure requirements about governance, under a dimensional approach, the staff would create base elements related to the proposed requirements in the *General Requirements* Exposure Draft. Those base elements could then be reused with a specific dimensional identifier (a specific member used on a particular axis) to tag the parallel requirements proposed in the *Climate* Exposure Draft.
- 44 The same approach would be taken for any future IFRS Sustainability Disclosure Standards, which would simply be allocated with an additional member to be used with this axis.

This logical modelling would not prescribe how the information should be disclosed in a general purpose financial report, which need not be tabular. The same tags could be used regardless of how the information is laid out in a report.

Table 3—Rejected dimensional logical model of governance disclosures

	Sustainability Disclosures Standard [Axis]	
	General Requirements for Disclosure of Sustainability-related Financial Information [Member]	Climate-related Disclosures [Member]
Identity of body or individual within body responsible for oversight of sustainability-related risks and opportunities (IFRS S1.13(a), IFRS S2.5(a))		
Disclosure of how responsible body's responsibilities for sustainability-related risks and opportunities are reflected in entity's terms of reference, board mandates and other related policies (IFRS S1.13(b), IFRS S2.5(b))		
Disclosure of how responsible body ensures that appropriate skills and competencies are available to oversee strategies designed to respond to sustainability-related risks and opportunities (IFRS S1.13(c), IFRS S2.4(c))		
Disclosure of how and how often responsible body and its committees are informed about sustainability-related risks and opportunities (IFRS S1.13(d), IFRS S2.5(d))		

- 45 As an example, assume that a preparer provided separate disclosures identifying a '*sustainability-risk committee*' and a '*climate-risk committee*'. If the preparer were required to follow a dimensional approach, information tagged only with, for example, the 'Identity of body or individual within body responsible for oversight of sustainability-related risks and opportunities' line item would represent the body responsible for general sustainability-related risks and opportunities. That line item could, therefore, be used to tag the text '*sustainability-risk committee*'. Were the same line item used combined with the 'Climate-related Disclosures [Member]' associated with the 'Sustainability Disclosure Standard [Axis]', it would represent the body responsible for climate-related risks and opportunities. This combination would, therefore, be used to tag '*climate-risk committee*'.

- 46 In contrast, using the line-item approach the staff recommends, an entity could use two different line-item elements to tag those two pieces of information: ‘Identity of body or individual within body responsible for oversight of **sustainability**-related risks and opportunities’ for the first and ‘Identity of body or individual within body responsible for oversight of **climate**-related risks and opportunities’ for the second.
- 47 The main benefit of the dimensional approach is that it would reflect the relationship between similar requirements, which could be helpful for preparers and users of sustainability-related financial information, especially in relation to the integrated disclosures of aspects of core content discussed in paragraphs 31–35.
- 48 For example, under the dimensional approach users of digital sustainability-related financial information might find it easier to consider broader sustainability-related financial information if climate-related information were unavailable because the two types of information would be reported using the same element, but with different dimensional properties. In contrast, under the line-item approach, the connection between a climate disclosure element and the equivalent general sustainability disclosure element is less obvious because the line items used differ.
- 49 The dimensional approach would also lead to a more limited number of (similar) elements in the IFRS Sustainability Disclosures Taxonomy, which could make it easier for preparers to find the appropriate element to tag (resulting in fewer errors).
- 50 The main disadvantage of this approach is that the extensive use of axes might be more complex and less intuitive for preparers and users of sustainability-related financial disclosures and might especially confuse preparers tagging and querying simple narrative information.
- 51 Because the main advantage of the dimensional approach is that it reflects the relationships and commonalities between disclosures in IFRS Sustainability Disclosure Standards, it could easily become confusing (or indeed misleading) when the relationship was not consistent throughout those Standards or becomes less so as more IFRS Sustainability Disclosure Standards are developed.
- 52 The staff also considered using a hybrid approach in which two sets of line items or the dimensional approach would represent parts of IFRS Sustainability Disclosure Standards, depending on the level of similarity between the disclosures. A dimensional approach would be used for very similar parts of the two exposure drafts, and two sets of line items would be used for less similar parts.
- 53 The staff rejected this hybrid approach because the mix of approaches could be confusing for stakeholders. The concerns relating to the dimensional approach mentioned earlier would also apply to elements using that approach within the hybrid approach.

Question 3—Relationship between the <i>General Requirements</i> Exposure Draft and <i>Climate</i> Exposure Draft in the Taxonomy

Do you agree with the staff recommendation to reflect the proposed disclosure requirements related to each aspect of core content as a separate list of distinct elements (line items) for each of the [draft] IFRS Sustainability Disclosure Standards? (Paragraphs 31–53)

Why or why not? If not, what alternative approach would you suggest and why?
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Modelling narrative disclosures

- 54 This section discusses modelling narrative disclosures, specifically:
- (a) the appropriate level of detail of a narrative disclosure that should be captured by individual taxonomy elements (granularity of information); and
 - (b) the modelling for directly comparable narrative disclosures across periods and between entities (use of categorical elements).

Granularity of information

The issue

- 55 Investors use narrative information and numerical information differently. For example, although numerical information might be directly used in investors’ models—not least to make comparisons between entities and across time periods—narrative information often needs to be read in context and can be less directly comparable than is numerical information.

- 56 It is often useful, therefore, to capture each reported number separately as a distinct item of information. For example, an entity's total comprehensive income and its profit or loss for the year can each be captured in a single figure, and do not require the context of the other to be understood. In contrast, narrative information with more context might be more useful; in other words, larger pieces of text covering wider subjects in a coherent fashion might be more useful than the smallest possible pieces of information that can be extracted.
- 57 The staff identified two factors to consider when determining the appropriate level of detail that should be represented by narrative-information elements of the IFRS Sustainability Disclosure Taxonomy:
- (a) how that information would be consumed; and
 - (b) how easy it would be for preparers to tag such information.
- 58 From a primary user's perspective, very granular tagging of narrative disclosures might be of limited use because such information would not be directly used in analysis or in making comparisons. Rather, the benefits of tagging narrative disclosures are primarily:
- (a) to facilitate identification of any directly comparable information; and
 - (b) to identify suitable chunks of information that a user could consider, as a whole, to understand what is being disclosed, or to which techniques such as machine learning, natural language processing and sentiment analysis could be applied to extract and summarise details from the specific disclosures.
- 59 Tagging in too little detail also would be unhelpful. When each single item of data contains too much text or text too varied in subject, it is hard for users to understand and extract the information needed for effective analysis.
- 60 From a preparer's perspective:
- (a) too many elements would unhelpfully increase the size of the IFRS Sustainability Disclosure Taxonomy and the complexity of tagging because an entity would need to search for the appropriate element among many elements and would be required to apply more tags; and
 - (b) many interrelated elements increase the risk of error because the more similar elements are, the greater the risk of an entity choosing a less appropriate element.

Staff recommendation

- 61 The objective of the modelling in the staff draft of the IFRS Sustainability Disclosure Taxonomy is to provide distinct elements only for discrete parts of narrative information the staff anticipates will be separately understandable to users of sustainability-related financial information. The elements also are intended to be easily identified for tagging in the general purpose financial report.
- 62 The most detailed elements that the staff has recommended after applying these criteria generally align with the proposed requirements expressed in the first-level subparagraphs of the two exposure drafts (with some exceptions discussed in paragraph 66). These subparagraphs typically relate to requirements that could result in relatively distinct and coherent disclosures that users might understand as discrete pieces of information because they are described in adequate detail and are sufficiently independent of other information.
- 63 However, in most cases, the proposed requirements set out in the first-level subparagraphs are non-exhaustive examples of information an entity would be required to disclose to meet wider disclosure objectives. Some users of sustainability-related financial information also might be interested in simply finding all information about an aspect of core content.
- 64 Therefore, the staff recommends elements corresponding to the disclosure objectives in paragraphs and to aspects of core content (for example, governance). Including these elements should ensure that all information related to the objectives will be represented. See Appendix D for an illustration of how these levels of tags are expected to be used, and the resulting data set that would be available to users of sustainability-related financial information.
- 65 Appendix E contains an example of how the objective set out in paragraph 61, and the consequent recommendations of paragraphs 62 and 64, were applied to a section of the *General Requirements* Exposure Draft, showing the elements the staff recommends. The resulting staff draft of the Taxonomy includes approximately 150 narrative elements.

- 66 As discussed in paragraph 62, in general, the most detailed useful information separately tagged reflects proposed requirements in the subparagraphs. However, in some circumstances, lower-level sub-subparagraphs meet the objective discussed in paragraph 61. For example, this could be the case for:
- (a) narrative disclosures that could be tagged in a way that would allow more direct comparisons between entities and time periods. Such types of information have characteristics similar to numerical information – these types of information are separately understandable and useful for users as discrete pieces of information. The staff has made an additional set of recommendations regarding such ‘categorical’ elements discussed in paragraphs 69–81.
 - (b) narrative disclosures that, although proposed by parts of subparagraphs (or even lower-level or smaller fragments of the exposure drafts), are expected to be separately understandable to users of sustainability-related financial information. For example, the staff assessed that information about carbon offsets will form a discrete, separately understandable disclosure. Therefore, the staff recommends creating an element to reflect the proposed requirement in paragraph 13(b)(iii)(1) of the *Climate Exposure Draft* for disclosure of the extent to which targets rely on the use of carbon offsets.
- 67 Implementing the recommended approach to tagging narrative disclosures would depend not only on the elements provided within the taxonomy, but also on regulatory requirements. For example, some jurisdictions that use the IFRS Accounting Taxonomy only require entities to tag narrative information at a broad, undetailed level (which is known as ‘block tagging’). In those jurisdictions, elements relating to more detailed narrative information would not be used by preparers, and as a result users could not access this information directly, only as part of the information captured by higher level tags. Using the example in Appendix D, in some jurisdictions, for example, entities might be required only to tag the whole governance disclosure using the widest-scoped governance-related element and would not be required to individually tag any smaller parts of that disclosure. However, if the IFRS Sustainability Disclosure Taxonomy included both general and detailed elements, the benefits and comparability of digital reporting would be maximised only if regulators require entities that provide digital sustainability-related financial information to use all elements.

The alternatives rejected and why

- 68 The staff considered, and rejected, two alternative approaches:
- (a) creating elements at a higher level only, such as elements representing aspects of core content or paragraphs only. Using this approach for the proposed disclosure requirement set out in paragraph 25 of the *General Requirements Exposure Draft*, the staff would have created only one element (to tag information about how sustainability-related risks are identified, assessed and managed). However, the staff rejected this approach because users of sustainability-related financial information might want to extract more detailed information separately from the more general disclosure without difficulty. For example, users might want to extract information about the process by which sustainability-related risks are identified, as would be required by the proposal set out in paragraph 26(b) of the *General Requirements Exposure Draft*, separately from the information about the process(es) an entity uses to monitor and manage the sustainability-related risks, as would be required by the proposal set out in paragraph 26(d).
 - (b) consistently creating elements at a more detailed level, such as the proposed requirements found in sub-subparagraphs such as (i) or (ii), or deeper. Applying this approach, the staff would have, for example, created separate elements to reflect disclosures about how an entity assesses the likelihood and effects associated with sustainability-related risks (see paragraph 26(b)(i) of the *General Requirements Exposure Draft*) and how an entity prioritises sustainability-related risks (see paragraph 26(b)(ii)). However, the staff rejected consistently creating elements at a more detailed level because frequently the proposed requirements were not distinct enough – users of sustainability-related financial information would be likely to consider this information only in the context of a wider set of disclosures, and preparers might not always be able to tag such specific information.

Question 4—Granularity of narrative information

Do you agree with the staff recommendation that, as a principle, 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? (Paragraphs 55–68)

Why or why not? If not, should taxonomy elements generally be provided to represent more detailed or less detailed narrative data sets? Why?

This principle, applied to the disclosure requirements proposed in the exposure drafts, has resulted in the staff recommending the creation of:

- narrow scope narrative elements typically corresponding to disclosures to be provided to meet proposed requirements listed in first-level subparagraphs of the exposure drafts (Paragraph 62)
 - In which, if any, cases do you think the most detailed taxonomy elements that should be included in the Taxonomy correspond to a different level of the requirements proposed in the two exposure drafts?
- wider scope narrative elements corresponding to wider (paragraph level) proposed disclosure objectives and to entire aspects of proposed core content (see paragraph 64 and Appendix D)
 - In which, if any, cases would additional or alternative narrative elements covering wider disclosures be beneficial?

Categorical elements*The issue*

- 69 Extracting and analysing narrative information is more difficult and time consuming than doing so with numerical information. However, some narrative disclosures are similar to numerical information in that they are directly comparable between entities and across periods and could be tagged to directly facilitate that comparison. If such data were provided in a categorical format (for example, a true / false format), users of sustainability-related financial information would be able to quickly search databases for information, without needing to interpret the textual disclosures of each entity.
- 70 The staff identified two types of categorical elements:
- (a) elements allowing an entity to choose only ‘true or false’ answers, such as whether or not an entity adopted an IFRS Sustainability Disclosure Standard earlier than required; and
 - (b) elements allowing an entity to choose specified answers from a list (and creating entity-specific answers in some cases), such as whether carbon offset will be nature-based or based on technological carbon removals.
- 71 Categorical data is most useful for comparative purposes when the possible options can be standardised, so responses can easily be identified. The suitability of a categorical representation of narrative information, therefore, decreases when:
- (a) the possible outcomes are unknown (where, for instance, an IFRS Sustainability Disclosure Standard does not provide examples); or
 - (b) there is extensive variability in the possible approaches—for example, when disclosures provided in practice are expected to frequently range beyond the examples provided in an IFRS Sustainability Disclosure Standard.

Staff recommendation

- 72 The staff recommends introducing categorical elements to the IFRS Sustainability Disclosure Taxonomy.
- 73 The staff recommends creating categorical elements when it is expected that representing the narrative information in this form would be useful to users of sustainability-related financial information, such as when the staff expects users would search for, or use, the information separately from other information; for example, to compare information between periods of time or to identify changes that might affect trend analysis.
- 74 The staff only recommends categorical elements when the staff expects the information would often be disclosed separately (and be easily identifiable) from other information. Otherwise, preparers might have problems with the appropriate tagging.

- 75 Although this recommendation has disadvantages, they could be adequately mitigated. For example:
- (a) the information conveyed by categorical elements may not represent the text in the paper format in its entirety. Such elements might reflect only, for example, a ‘true or false’ answer, whereas the reported text information might provide additional information and, with it, some nuance that could be lost. However, the full reported text, and any further information or nuance it might convey would also be captured in a suitable text element.
 - (b) categorical elements such as Booleans and extensible enumerations have not so far been used in the IFRS Accounting Taxonomy and introducing them might create some additional cost for some stakeholders. For example, some software might require updates to use those types of elements appropriately. However, those element types are recognised in XBRL specifications, are already used in some jurisdictions, and stakeholders might already be familiar with them.
- 76 Some disclosures for which the staff recommends creating categorical elements might be linked to additional explanations for which the staff recommends creating textual elements. For example, paragraph 13(f) of the *General Requirements* Exposure Draft proposes to require disclosure of information about ‘whether and how related performance metrics are included in remuneration policies’. To reflect this requirement in the Taxonomy, the staff recommends creating a categorical element reflecting whether ‘Sustainability-related performance metrics are included in remuneration policies’ that allows a preparer to choose answers from the list ‘True’ or ‘False’. The staff also recommends creating an accompanying textual element ‘Description of how sustainability-related performance metrics are included in remuneration policies’. The staff recommends creating such textual elements because the staff expects that users would search for, analyse and use such information separately from other information.
- 77 When identifying possible categorial elements and related elements explained in paragraph 76, the staff did not make the same initial assumption about the typical level of aggregation as the staff did in relation to proposals for general narrative information (paragraphs 61–66). Comparing categorical information between entities and between periods of time is similar to comparing numerical information and suits much more detailed information.
- 78 Instead, the staff assessed whether entities could meet some proposed requirements in the exposure drafts by providing a known and relatively limited number of responses. See Appendix F for the detail of staff recommendations, including the list of categorical elements proposed.

The alternatives rejected and why

- 79 For proposed disclosure requirements which are similar to requirements in the IFRS Accounting Standards (see paragraphs 124–132), and for which a known and limited number of responses is expected, the staff considered creating text elements only because the IFRS Accounting Taxonomy models these requirements using text elements.
- 80 However, the staff rejected this approach because it would be inconsistent with the approach the staff recommends in relation to other similar disclosures the [draft] IFRS Sustainability Disclosure Standards propose requiring, for which the staff recommends categorical elements. The staff could have rejected categorical elements altogether and used text elements for such disclosures, but sustainability-related financial disclosures could include more narrative information than the disclosures required by IFRS Accounting Standards. Consequently, the need to facilitate easier analysis of text information, if possible, would be more pressing.
- 81 Using categorical elements would better facilitate the use of digital information. If the staff recommendation for using categorical elements is accepted by the ISSB and such elements are used in the IFRS Sustainability Disclosure Taxonomy, the staff also plans to consider the use of categorical elements in the IFRS Accounting Taxonomy.

Question 5—Categorical elements

Do you agree with the staff recommendation to use categorical elements for narrative disclosures that can be represented as either true or false responses or choices from lists of responses? Why or why not? (Paragraphs 69–81)

Do you agree with the staff recommendation to create specific categorical elements and their properties? (See Appendix F) Why or why not? If not, do you think any additional categorical elements are needed and, if so, which ones?

Modelling metrics

82 The metrics and targets identified in both exposure drafts fall into three distinct categories:

- (a) industry-based metrics;
- (b) cross-industry metrics; and
- (c) entity-defined metrics and targets.

Industry-based metrics

The issue

83 Paragraph B2 of the *Climate* Exposure Draft states that ‘The industry-based disclosure requirements have been derived from SASB Standards’.⁹ The SASB published its final version of a taxonomy representing SASB Standards and metrics in September 2021. Paragraph B3 further states that not all SASB disclosure topics or metrics are included in the *Climate* Exposure Draft, and paragraph B11 explains proposed differences between SASB Standards and the industry-based requirements in the *Climate* Exposure Draft. Paragraph B12 explains that industry-based requirements are accompanied by the relevant SASB metric code from which they were derived to assist preparers who have used SASB Standards in their transition to IFRS Sustainability Disclosure Standards.

84 The staff considered the extent to which the IFRS Sustainability Disclosure Taxonomy should be consistent with the SASB Taxonomy, and how any relationship should be represented technologically in the IFRS Sustainability Disclosure Taxonomy. The relationship could help stakeholders to compare information provided in accordance with SASB and ISSB requirements and ease the transition to the IFRS Sustainability Disclosure Taxonomy for preparers and users who are already familiar with the SASB Taxonomy.

85 It would typically be considered good taxonomy development practice to reuse the corresponding elements from the SASB Taxonomy when identical disclosure requirements occur in the IFRS Sustainability Disclosure Standards and in the SASB Standards and need to be represented in the IFRS Sustainability Disclosure Taxonomy.

Staff recommendation

86 The staff recommends creating elements in the IFRS Sustainability Disclosure Taxonomy that are equivalent to the elements in the SASB Taxonomy that represent disclosure requirements derived from SASB Standards included in the *Climate* Exposure Draft either unchanged, or merely globalised in such a way that they remain broadly comparable with the SASB disclosures. The suggested elements have been given identical names to their SASB equivalents, rather than names that follow IFRS Taxonomy naming conventions. The staff has followed the SASB presentation and grouping structures, modified when necessary, to fit the IFRS Taxonomy’s technical architecture. The metric codes in presentation structures and references of elements in the IFRS Sustainability Disclosure Standards are used in the same way as those in the SASB Taxonomy.

87 The staff has added metrics for the proposed requirements discussed in paragraph B11 of the *Climate* Exposure Draft, using the same patterns, conventions and approaches as for the SASB metrics. Other changes identified in Appendix B of the *Climate* Exposure Draft compared to the SASB requirements that required changes to taxonomy elements have been reflected in the IFRS Sustainability Disclosure Taxonomy, again using the patterns and conventions the SASB Taxonomy uses. Such changes included changes to metric names, or to the breakdowns or classification systems expected to be used when disclosing those metrics.

88 The staff suggests that deriving element names from the SASB Taxonomy and retaining the patterns and conventions used in the SASB Taxonomy would be the most effective way to facilitate interoperability between the SASB Taxonomy and the IFRS Sustainability Disclosure Taxonomy. Preparers and users of sustainability-related financial information would not technically use the same element for tagging and comparing information between reports that use the two taxonomies: it would, however, be a simple exercise to map elements between those taxonomies, because they would have identical names and metric codes.

The alternatives rejected and why

89 The staff considered simply reusing relevant elements from the SASB Taxonomy instead of creating new, similarly named, IFRS Sustainability Disclosure Taxonomy elements—the elements and presentation structure would look the same and elements would have an SASB ‘ownership identifier’ (namespace) which would make them technically the same elements. Such reuse would be similar to cross-referencing to the parts of the SASB

⁹ The SASB Standards are a set of 77 industry-specific sustainability accounting standards designed to help entities disclose material, decision-useful information to investors, and are a key resource of the Value Reporting Foundation, which is expected to be consolidated with the IFRS Foundation by June 2022.

Standards carried into the IFRS Sustainability Disclosure Standards unchanged and could mean that preparers and users of sustainability-related financial information could use one identical element to identify and extract information from both taxonomies.

90 The staff rejected this approach because:

- (a) some industry-based requirements have been changed from those for the SASB Standards and new ones have been added so that only a subset of the SASB Taxonomy elements would be appropriate to reuse;
- (b) the absence of a separate schema file in the SASB Taxonomy with only element definitions would make it technically complicated to do so; and
- (c) it would not adequately convey that by taking these requirements into the [draft] IFRS Sustainability Disclosure Standard, the ISSB has assumed responsibility for their definition including the definition of those that are identical to SASB requirements.

91 In contrast, the staff also considered ignoring any relationship with the SASB Taxonomy, and instead, simply developing a taxonomy to reflect the IFRS Sustainability Disclosure Standards.

92 Developing a fresh taxonomy might be considered the simplest approach, because it would free the ISSB from aligning the IFRS Sustainability Disclosure Taxonomy with the SASB Taxonomy.

93 However, the staff rejected this approach, because it would not take advantage of the work already done by the SASB in modelling the SASB Taxonomy. Furthermore, the constraints imposed on the IFRS Sustainability Disclosure Taxonomy (the naming and layout of the industry-specific metrics) from the staff's proposed approach are relatively minor, because IFRS Sustainability Disclosure Standards metrics are organised similarly to those of the SASB Standards represented in the SASB Taxonomy. As such, the staff would be likely to have produced similar modelling to that in the SASB Taxonomy anyway.

Cross-industry metrics

94 Categories of cross-industry metrics, applicable to all preparers, are specified individually in paragraph 21 of the *Climate Exposure Draft*. The staff has modelled them as individual line items and have followed the style and presentation approach used for the industry-based metrics in the SASB Taxonomy.

Entity-defined metrics and targets

The issue

95 In contrast to the industry-specific and cross-industry metrics, entity-defined metrics and targets are not defined in the exposure drafts but would be defined by each preparer when applying its proposals. The exposure drafts include proposed requirements to disclose information to help users of sustainability-related financial information understand these metrics and targets.

96 An entity would be required to create entity-specific taxonomy elements to tag entity-specific metrics. It also would be helpful to users of sustainability-related financial information to provide structures in the IFRS Sustainability Disclosure Taxonomy that would help them to identify those metrics and any related disclosures.

Staff recommendation

97 The staff has modelled entity-specific disclosures using a dimensional approach, in which the proposed disclosure requirements about entity-defined metrics and targets in the exposure drafts were represented as line items, and specific entity-specified metrics and targets would then be created by an entity as members of a defined axis that the staff has provided in the Taxonomy. Conceptually, the information on climate-related targets, for example, would be tagged as if it were disclosed in a table, with the required disclosure for targets in the rows and the names of the targets in columns.¹⁰ This tagging would make it simple for entities to provide, and for users to extract and analyse, the required information for each climate-related target. Similar modelling would apply to disclosures of sustainability-related targets and entity-specific metrics proposed by the *General Requirements Exposure Draft*.

¹⁰ This logical modelling in no way prescribes how the information should be disclosed in a general purpose financial report, which needs not be tabular. The same tags can be used regardless of how the information is laid out in a report.

Table 4—Proposed logical model of information about climate-related targets

Disclosure of climate-related targets	Climate-related targets [Axis]			
	Entity-specific elements identifying each target, for example:			
	'Target1'	'B'	'zero net'	...
Description of climate-related target (IFRS S2.23(b))				
Description of metrics used to assess progress towards climate-related target (IFRS S2.23(a))				
Whether climate-related target is absolute target or intensity target (IFRS S2.23(c))				
Description of objective of climate-related target (IFRS S2.23(d))				
Description of how climate-related target compares with those created in latest international agreement on climate change (IFRS S2.23(e))				
Climate-related target has been validated by third party [true false] (IFRS S2.23(e))				
Climate-related target was derived using sectoral decarbonisation approach [true false] (IFRS S2.23(f))				
Period over which climate-related target applies (IFRS S2.23(g))				
Base period from which progress for climate-related target is measured (IFRS S2.23(h))				
Description of milestones or interim climate-related targets (IFRS S2.23(i))				

The alternatives rejected and why

- 98 The staff considered an alternative approach—expecting entities to tag all entity-specific metrics and targets using only entity-specific extension elements. The staff could have provided a naming pattern for the elements or the staff could have set a suitable anchor point¹¹ and by providing a link to the closest element defined in the IFRS Sustainability Disclosure Taxonomy, suggested that entities use anchoring to aid understanding of entity-specific metrics and targets.
- 99 The staff considered this approach suboptimal, on balance, because entity-specific extension elements, even when well-anchored, can be more difficult to use and interpret than elements provided within the taxonomy, and the information relating to metrics and targets is likely to be of particular interest.

Question 6—Modelling metrics

Do you agree with the staff recommendation to:

- create elements, equivalent to those in the SASB Taxonomy, for defined metrics common to IFRS Sustainability Disclosure Standards and SASB Standards in the IFRS Sustainability Disclosure Taxonomy? (Paragraphs 82–94)
- model disclosures related to entity-specific metrics and targets using a dimensional approach? (Paragraphs 95–99)

Why or why not? If not, what alternative approach would you suggest and why?

¹¹ By anchor point, we mean the taxonomy element that is most closely related.

Connections between disclosures

- 100 The requirements proposed in the exposure drafts give rise to two types of connections between disclosures that are relevant to developing the IFRS Sustainability Disclosure Taxonomy:
- (a) relationships between information (paragraphs 101–110)—when one disclosure (for example use of scarce natural resources in the production process) is related to other disclosures (for example disclosure of the risk of natural resource shortages, risk mitigation strategies and historical production costs, or information in the financial statements). The *General Requirements* Exposure Draft requires entities to describe the relationships between pieces of information.¹²
 - (b) connections between reports (paragraphs 111–123)—applying the proposals set out in the *General Requirements* Exposure Draft, an entity would be permitted to satisfy the requirements in different parts of a report and across multiple reports by including information by cross-reference.¹³

Relationships between information

The issue

- 101 Paragraphs 42–43 of the *General Requirements* Exposure Draft proposes that:
- An entity shall provide information that enables users of general purpose financial reporting to assess the connections between various sustainability-related risks and opportunities, and to assess how information about these risks and opportunities are linked to information in the general purpose financial statements.
- An entity shall describe the relationships between different pieces of information ... For example, to allow users of general purpose financial reporting to assess connections in information, an entity might need to explain ... how its use of natural resources and changes within its supply chain could amplify, change or reduce its significant sustainability-related risks and opportunities. The entity may need to link this information to the potential or actual effect on its production costs ... This information may also need to be linked to information in the financial statements and to specific metrics and targets. Information that describes connections shall be clear and concise.
- 102 On paper or PDF, these links could be reflected by disclosures, which, as well as describing the relationships, contain text such as ‘also see paragraphs 3–6 of section X for related disclosures about Y’. The issue is whether digital tools should be used to improve the accessibility of information that describes connections between related disclosures.

Staff recommendation

- 103 Information about such connections would be captured in the narrative taxonomy elements for a specific disclosure requirement, in a manner akin to the way it is reflected on paper or in PDF. For example, a taxonomy element for risk-management strategy might capture an entity’s discussion of the production-cost effects of its strategy for reducing sustainability-related risks that is disclosed within the discussion of the entity’s risk-management strategy.
- 104 The staff is not recommending further improving the accessibility of the information that highlights connections.
- The alternatives rejected and why*
- 105 A more explicit mechanism to reflect the existence of a connection between pieces of information is possible in the digital representation of sustainability-related financial disclosures. Such a mechanism would link facts to other facts that provide related information.¹⁴
- 106 Applying this mechanism, the relationships discussed in the extract of paragraph 43 of the *General Requirements* Exposure Draft, for example, might be represented as links:
- (a) from facts describing an entity’s significant sustainability-related risks and opportunities; and
 - (b) to an explanatory fact describing how its use of natural resources and changes within its supply chain could amplify, change or reduce those risks or opportunities.
- 107 This explanatory fact could then be linked to a description of or to values illustrating the potential effect on its production costs and to the actual effect on its historical production costs in its financial statements.

¹² See paragraphs 42–44 of the *General Requirements for Disclosure of Sustainability-related Financial Information* (*General Requirements* Exposure Draft).

¹³ See paragraphs 75–77 of the *General Requirements* Exposure Draft.

¹⁴ For example, at a technology level, using a fact-explanatory Fact footnote arc role in an XBRL file.

- 108 This mechanism would enable analysis software to emphasise related information when viewing a particular disclosure.
- 109 The mechanism required to enable such interlinking of related information already exists within the XBRL specifications, so no specific taxonomy design features would be needed in the IFRS Sustainability Disclosure Taxonomy to support or enable interlinking.
- 110 However, this mechanism in XBRL is not widely used, so improving the accessibility of connections between related pieces of information would require the involvement of many parts of the reporting digital ecosystem, including:
- (a) jurisdictional regulators to require the use of this feature;
 - (b) preparers to apply this feature; and
 - (c) analysis software providers to make available software that allows for visualisation of these connections by users of the information.

Question 7—Representing related information
--

Should the IFRS Sustainability Disclosure Taxonomy include a specific mechanism to capture connections between related pieces of information—for example, connections between sustainability-related financial information and information in the financial statements or connections between pieces of sustainability-related financial information? If you do, are you aware of a mechanism that can be used without imposing undue costs on preparers and users of digital reporting? If so, please explain that mechanism. (Paragraphs 101–110)
--

Alternatively, do you think that the narrative elements in the staff draft of the IFRS Sustainability Disclosure Taxonomy would adequately capture such connections for users of the information without imposing undue costs for preparers and users of digital reporting? (Paragraph 103)
--

Connections between reports

The issue

- 111 The proposals in paragraphs 75–77 of the *General Requirements* Exposure Draft would allow an entity to include information needed to satisfy a disclosure requirement by cross-referring to another report, as long as that information is available on the same terms and at the same time as other information in the general purpose financial reporting and it does not make the complete set of sustainability-related financial disclosures less understandable. Therefore, the staff considered the potential impact of such cross-referencing and any technical approaches that might be necessary to facilitate digital consumption of cross-referenced information.
- 112 In digital financial statement reporting, generally, only information directly included in the paper version of a report is tagged. Information included by cross-reference rarely is tagged (because the actual information resides in a location or document outside the scope of the regulatory tagging requirement) and is not provided in digital format.
- 113 Sustainability reporting practice suggests that disclosure requirements might be satisfied by cross-reference to information in other reports to a larger extent than in financial statement reporting.
- 114 Consequently, if the same pattern of not tagging information included by cross-reference in another report or otherwise outside the scope of tagging were to apply to sustainability-related financial disclosures, the tagged information would be incomplete to the extent it is included by such a cross-reference. It also means that the digital representation of the report would differ depending on whether the cross-reference was used.

Staff recommendation

- 115 The staff recommends that requirements related to cross-references should not be explicitly modelled in the IFRS Sustainability Disclosure Taxonomy, because no suitable taxonomy-level modelling approach has been identified.
- 116 Further, information included by cross-reference would need to be tagged to be machine-readable. Therefore, the staff would recommend in the guides for preparers and regulators that information subject to cross-reference be tagged, regardless of which report it is included in. Such an approach would be consistent with paragraph 76 of the *General Requirements* Exposure Draft which states that ‘information incorporated by cross-reference becomes part of the complete set of sustainability-related financial disclosures’, and paragraph 75 which states that such information should be ‘available to users of general purpose financial reporting on the same terms and at the same time as the information to which it is cross-referenced’. Therefore, information provided by cross-reference to other reports should be tagged in those reports the same way as it would be tagged if it were part of the main

report. The staff plans to provide this guidance in guides for using the taxonomy designed to help preparers and regulators.

117 Effectively implementing this approach might require changes in reporting practice, including:

- (a) jurisdictional regulators would need to consider whether and how such practice would be considered in regulation, how the scope of tagging required would be defined, and how data collection would work; and
- (b) preparers would need to consider the process of tagging additional reports, which might raise some practicality concerns.

118 The staff also recognises this approach might benefit from the development or enhancement of XBRL technology if preparers and primary users are to represent and make use of connections between multiple reports.

The alternatives rejected and why

119 The staff considered whether it would be sufficient to create text elements to capture only narrative information related to the cross-reference in the digital format as provided in print or PDF (for example, 'see page 46 of the Green Report (2020)'). This approach would be consistent with the approach in the IFRS Accounting Taxonomy to reflect similar requirements in IFRS Accounting Standards.

120 However, the staff rejected this approach because it would not allow digital access to the information in the cross-referenced report on a similar basis to that in the main report. It would also not be practicable because, unlike IFRS Accounting Standards where cross-referencing is only allowed for a few specific requirements, in the IFRS Sustainability Disclosure Standards the allowance is more general. As noted in paragraph 111 of this document, paragraph 75 of the *General Requirements* Exposure Draft states that any 'information required by an IFRS Sustainability Disclosure Standard can be included by cross-reference', subject to particular conditions.

121 The staff also explored another alternative approach whereby a digital representation of the cross-referenced information is included within the digital representation of the main report. This approach would require a preparer to include 'hidden' tags¹⁵ in its main report which would provide the cross-referenced information, even though that information is not directly included in the human-readable version of that report (but is instead in the human-readable form of the cross-referenced report).

122 Whether information was directly included within the main report or incorporated by cross-reference (to another report) would, under such an approach, be irrelevant in relation to the digital representation of a report. And it would avoid any potential complexity with the need to tag, or include in a submission, a referenced report (or reports) when only a small part might be relevant for the sustainability-related financial disclosures.

123 The staff rejected this approach because including potentially large quantities of hidden tagged data, which do not have a corresponding visual representation, within a report is a novel idea, that could require the enhancement of tools used to prepare digital reports. The expected difference between information directly presented in a visual or printed representation of the report and information in the digital representation could also reduce a major perceived benefit of inline XBRL tagging, which is that the 'paper' and 'data' representations are directly connected and essentially the same.

Question 8—Connections between reports

Do you agree with the staff recommendation that requirements related to cross-references in the IFRS Sustainability Disclosure Taxonomy should not be modelled explicitly? (Paragraphs 111–123)

Why or why not? If not, what alternative approach would you suggest and why?

Similar disclosures in the IFRS Accounting Standards and in the [draft] IFRS Sustainability Disclosure Standards

The issue

124 Some of the proposed requirements in the *General Requirements* Exposure Draft are similar to the requirements in IFRS Accounting Standards. For example, paragraph 91 of the *General Requirements* Exposure Draft would require an entity whose sustainability-related financial disclosures comply with all of the relevant requirements in IFRS Sustainability Disclosure Standards to include an explicit and unqualified statement of compliance. Paragraph 16

¹⁵ Hidden tags facilitate the reporting of data which either does not exist in the preparer's presentation or which cannot be transformed into the required format using the available inline XBRL transformations. This feature allows the inclusion of XBRL tags in a report without linking them to any value in the preparer's presentation. However, the links between XBRL tags and the corresponding information in the preparer's presentation are an important feature of inline XBRL, and hidden tags could only be used when necessary.

of IAS 1 *Presentation of Financial Statements* includes a similar requirement to make an explicit and unreserved statement of compliance with IFRS Accounting Standards.

- 125 As discussed in paragraphs 83–88 of this document, the staff recommends that the modelling for industry metrics (that are largely derived from SASB Standards) be based on the SASB Taxonomy. Likewise, it is beneficial for the modelling for requirements similar to requirements in the IFRS Accounting Standards to be similar to the equivalent modelling in the IFRS Accounting Taxonomy.
- 126 The IFRS Accounting Taxonomy is already used in some jurisdictions. Using similar modelling for similar disclosures would make it easier for preparers, users of sustainability-related financial information and providers of relevant software to understand disclosures and would make it easier for them to apply tagging practice by analogy.
- 127 However, because the IFRS Sustainability Disclosure Taxonomy would be a new product, the staff also considered there to be an opportunity to check whether there is any scope for better taxonomy modelling of some disclosure requirements.

Staff recommendation

- 128 The staff recommends the use of similar modelling in both the IFRS Accounting Taxonomy and the IFRS Sustainability Disclosure Taxonomy for similar disclosure requirements in the respective Standards, unless the staff recommends categorical elements, which are not used in the IFRS Accounting Taxonomy (see paragraphs 72–78).
- 129 If followed, the proposed approach will create a new set of elements with the same element names and labels as the elements used in the IFRS Accounting Taxonomy when a disclosure requirement is analogous. This approach will facilitate the identification of these elements in the IFRS Sustainability Disclosure Taxonomy. However, the ‘ownership identifier’ (namespace) in the element name will be different (see Table 5 for an example and Appendix G for the list of all elements), making them technically different elements.

Table 5—Example of analogous elements in the IFRS Accounting Taxonomy and staff draft IFRS Sustainability Disclosure Taxonomy

	IFRS Accounting Taxonomy	Staff draft IFRS Sustainability Disclosure Taxonomy
Element label	Explanation of reason it is impracticable to determine amounts for correction related to prior period errors	Explanation of reason it is impracticable to determine amounts for correction related to prior period errors
Element name	ifrs-full:ExplanationOfReasonWhyItIsImpracticableToDetermineAmountsForCorrectionRelatedToPriorPeriodErrors	ifrs-sds:ExplanationOfReasonWhyItIsImpracticableToDetermineAmountsForCorrectionRelatedToPriorPeriodErrors
Reference	IAS 8.49(d)	IFRS S1.90(c)
Element type	text	text block
Element label	Statement of IFRS compliance [text block]	Entity provided explicit and unqualified statement of compliance of sustainability-related financial disclosures with all relevant requirements of IFRS Sustainability Disclosure Standards [true false]
Element name	ifrs-full:StatementOfIFRSCompliance	ifrs-sds:EntityProvidedExplicitAndUnqualifiedStatementOfComplianceOfSustainabilityRelatedFinancialDisclosuresWithAllRelevantRequirementsOfIfrsSustainabilityDisclosureStandardsTrueFalse
Reference	IAS 1.16	IFRS S1.91
Element type	text block	Boolean

The alternatives rejected and why

- 130 The staff considered reusing elements from the IFRS Accounting Taxonomy instead of creating a new set of elements, when the disclosure requirement is the same in both IFRS Accounting and IFRS Sustainability Disclosure Standards. However, because IFRS Sustainability Disclosure Standards are intended to be ‘GAAP-neutral’, the staff recommends the IFRS Sustainability Disclosure Taxonomy be separate with no linkage to the IFRS Accounting Taxonomy (see paragraphs 1–6).
- 131 The staff also considered moving the elements representing all such equivalent requirements into a third, shared taxonomy that could be referenced independently by both the IFRS Accounting Taxonomy and the IFRS Sustainability Disclosure Taxonomy (see paragraphs 8–10), but rejected that approach.
- 132 The staff considered using consistent modelling for narrative information that could be expressed in a categorical format (see paragraphs 79–81). The recommended approach in paragraphs 72–78 could better facilitate the use of digital information. If this recommendation is finalised, the staff plans to consider using the recommended approach in the IFRS Accounting Taxonomy.

Question 9—Similar disclosures in IFRS Accounting Standards and in the [draft] IFRS Sustainability Disclosure Standards
--

Do you agree with the staff recommendation to, in principle, model disclosure requirements of the [draft] IFRS Sustainability Disclosure Standards in the staff draft of the IFRS Sustainability Disclosure Taxonomy in the same way similar disclosure requirements of the IFRS Accounting Standards are modelled in the IFRS Accounting Taxonomy, except for categorical information? (Paragraphs 124–132)

Do you agree with the modelling in the staff draft of the IFRS Sustainability Disclosure Taxonomy for disclosures that are similar to their counterparts in the IFRS Accounting Standards? (Appendix G) Are there any other disclosures that are sufficiently similar between those set out in the [draft] IFRS Sustainability Disclosure Standards and those in IFRS Accounting Standards, and for which consistent modelling should be considered?

Appendix A—Glossary

categorical element	A taxonomy element representing data that can be one of a limited (typically fixed) number of possible values.
extending a taxonomy / taxonomies	Constructing a taxonomy using one or more other taxonomies as a starting point, typically reusing many taxonomy elements defined by that other taxonomy / those other taxonomies and adding new elements.
general purpose financial reporting	The provision of financial information about a reporting entity that is useful to primary users in making decisions relating to providing resources to the entity. Those decisions relate to: (a) buying, selling or holding equity and debt instruments; (b) providing or selling loans and other forms of credit; or (c) exercising rights to vote on, or otherwise influence, management's actions that affect the use of the entity's economic resources. General purpose financial reporting encompasses—but is not restricted to—an entity's general purpose financial statements and sustainability-related financial disclosures.
preparer	An entity that is required, or chooses, to prepare general purpose financial statements.
primary users of general purpose financial reporting (primary users)	Existing and potential investors, lenders and other creditors.
reporting entity	See preparer .
tag	The XBRL concept, axes and other information applied to a part of a business report to create an individual piece of information in an XBRL report.
tagging	The process of creating an XBRL report by selecting XBRL elements (such as concepts and axes) and other information and applying them to values in a business report to create pieces of information in the XBRL report. Tagging is one possible approach to creating XBRL reports.
tagging agents	Companies that assist preparers with converting a business report to an XBRL report by tagging the information within it.
taxonomy	A (digital reporting) taxonomy (termed as an 'ontology' in other contexts) links and defines a number of components that provide the meaning for facts in a digital report. For example, a taxonomy for an accounting standard would include definitions of concepts such as 'Profit', 'Turnover', and 'Assets'. Taxonomies may contain a very rich set of information, including multi-language labels, references to authoritative definitions (for example, accounting standards or relevant local laws) and validation rules. Physically, a taxonomy for digital disclosure is typically implemented using the XBRL specification (see www.xbrl.org), and usually stored in a set of files hosted on a website.
taxonomy element	Concepts (taxonomy elements that provide meaning for reported facts) and other structural elements (such as tables, axes and members of those axes) in a taxonomy . For example, 'Profit', 'Turnover', and 'Assets' would be typical concepts, and 'Short', 'Medium' and 'Long' might be members (options) on a 'Time horizon' axis.
taxonomy extension	A taxonomy constructed using one or more other taxonomies as a starting point. Typically, many taxonomy elements defined by those other taxonomies will be reused, and new elements will be added.
users	See primary users .

Appendix B—IFRS Sustainability Disclosure Taxonomy terminology

B1 This Appendix contains brief explanations of the IFRS Sustainability Disclosure Taxonomy terms used elsewhere in this document.

Primary content—IFRS Sustainability Disclosure Taxonomy elements	
The IFRS Sustainability Disclosure Taxonomy contains elements that represent sustainability-related disclosures in general purpose financial reporting prepared in accordance with IFRS Sustainability Disclosure Standards. These elements are described using: • line items—which represent the concepts being reported. They can be numerical or narrative, reflecting the figures and narrative reported, for example, ‘Identity of body or individual within body responsible for oversight of sustainability-related risks and opportunities’ and ‘Global Scope 1 Emissions’. • axes and members—information categories and components that concepts can be broken down into or reported by, for example, ‘Time horizon’. All axes in the IFRS Sustainability Disclosure Taxonomy have a default member that applies whenever a preparer does not combine a line item with a specific member to tag the value of a disclosure. • tables—logical groupings of IFRS Sustainability Disclosure Taxonomy axes, members and line items.	These IFRS Sustainability Disclosure Taxonomy elements have: • element names and element identifiers—unique computer tags used to identify and mark up the data. • element standard labels—human-readable names reflecting the meaning of an element. Some elements have additional labels that provide more specific descriptions to, for example, indicate a total (total label). Such additional labels do not alter the financial reporting meaning of the element, but are used for displaying IFRS Sustainability Disclosure Taxonomy presentation relationships. • element types (ET)—categories of permitted data values, for example, text (T), text block (TB), Boolean (B), enumeration (E), monetary (M), decimal (DEC), percentage (PER), year (YYYY). • Text element types are used for simple narrative disclosures, for example, one sentence explanation. They are also used when IFRS Standards do not specify the details of a disclosure requirement, but that disclosure requirement is expected to be expressed in a free-text format by a preparer. • Text block element types are used for a set of information which may include, for example, numerical disclosures, narrative explanations and tables. • Boolean and enumeration types are used to indicate a choice, for example, between true or false (Boolean) or from a list of options a preparer can extend (enumeration). • element properties, such as: • the period—which indicates whether the element is expected to be reported for a period of time (duration) or at a particular point in time (instant).

Supporting content—Documentation and references for IFRS Sustainability Disclosure Taxonomy elements	
The IFRS Sustainability Disclosure Taxonomy provides supporting content explaining the meaning of an element.	This content includes: • references—which link an element to the authoritative literature, for example, IFRS S1.90(c). • element reference types (ER)—which define the source of an element, for example, disclosure (D), example (E) and common practice (CP). Common practice elements are only developed once a requirement has been applied in practice. • documentation labels—which provide a textual definition of each element. The sources of these definitions are the IFRS Sustainability Disclosure Standards and their accompanying materials, when available.
Supporting content—Relationships between IFRS Sustainability Disclosure Taxonomy elements (linkbases)	
The IFRS Sustainability Disclosure Taxonomy calculation linkbase explains how elements may relate mathematically to each other.	For example, this content includes: • summations of elements to a total or subtotal.
The IFRS Sustainability Disclosure Taxonomy uses the presentation linkbase to provide presentation views under which the line items, axes and members (or combinations of these as tables) have been grouped. Presentation views support human-readable viewing and navigation of the IFRS Sustainability Disclosure Taxonomy.	The IFRS Sustainability Disclosure Taxonomy has specific presentation elements: • headings (abstract elements); and • presentation groups. These elements are not used when tagging general purpose financial reports. These headings and presentation groups also have standard labels.
The IFRS Sustainability Disclosure Taxonomy uses the definition linkbase to provide views under which the combined line items, axes and members (tables) have been grouped. These views support computer-readable use of the IFRS Sustainability Disclosure Taxonomy.	For example, the content includes: • a definition for each table; and • a default member for each axis.

Appendix C—Parallel requirements in the exposure drafts

C1 The proposed disclosure requirements related to governance in paragraph 13 of Exposure Draft *General Requirements for Disclosure of Sustainability-related Financial Information* (General Requirements Exposure Draft) and paragraph 5 of the Exposure Draft *Climate-related Disclosures* (Climate Exposure Draft) are almost identical, as illustrated in Table 6.

Table 6—Parallel governance requirements in the exposure drafts

General Requirements Exposure Draft	Climate Exposure Draft
13 To achieve this objective, an entity shall disclose information about the governance body or bodies (which can include a board, committee or equivalent body charged with governance) with oversight of sustainability-related risks and opportunities, and information about management's role in those processes. Specifically, an entity shall disclose: (a) the identity of the body or individual within a body responsible for oversight of sustainability-related risks and opportunities; (b) how the body's responsibilities for sustainability-related risks and opportunities are reflected in the entity's terms of reference, board mandates and other related policies; (c) how the body ensures that the appropriate skills and competencies are available to oversee strategies designed to respond to sustainability-related risks and opportunities; (d) how and how often the body and its committees (audit, risk or other committees) are informed about sustainability-related risks and opportunities...	5 To achieve this objective, an entity shall disclose information about the governance body or bodies (which can include a board, committee or equivalent body charged with governance) with oversight of climate-related risks and opportunities, and information about management's role in those processes. Specifically, an entity shall disclose: (a) the identity of the body or individual within a body responsible for oversight of climate-related risks and opportunities; (b) how the body's responsibilities for climate-related risks and opportunities are reflected in the entity's terms of reference, board mandates and other related policies; (c) how the body ensures that the appropriate skills and competencies are available to oversee strategies designed to respond to climate-related risks and opportunities; (d) how and how often the body and its committees (audit, risk or other committees) are informed about climate-related risks and opportunities...

- C2 The proposed modelling for disclosures related to the governance core content of the *General Requirements Exposure Draft* and the *Climate Exposure Draft* are illustrated in Table 7.

Table 7—Proposed representation of governance disclosures

Element label	Reference
Identity of body or individual within body responsible for oversight of sustainability -related risks and opportunities	IFRS S1.13(a) ¹⁶
Disclosure of how responsible body's responsibilities for sustainability -related risks and opportunities are reflected in entity's terms of reference, board mandates and other related entity policies	IFRS S1.13(b)
Disclosure of how responsible body ensures that appropriate skills and competencies are available to oversee strategies designed to respond to sustainability -related risks and opportunities	IFRS S1.13(c)
Disclosure of how and how often responsible body and its committees are informed about sustainability -related risks and opportunities	IFRS S1.13(d)
...	
Identity of body or individual within body responsible for oversight of climate -related risks and opportunities	IFRS S2.5(a)
Disclosure of how responsible body's responsibilities for climate -related risks and opportunities are reflected in entity's terms of reference, board mandates and other related policies	IFRS S2.5(b)
Disclosure of how responsible body ensures that appropriate skills and competencies are available to oversee strategies designed to respond to climate -related risks and opportunities	IFRS S2.5(c)
Disclosure of how and how often responsible body and its committees are informed about climate -related risks and opportunities	IFRS S2.4(d)

- C3 Individual elements are provided for the proposed disclosure requirements of each exposure draft. For these similarly drafted paragraphs, providing individual elements results in two highly parallel sets of elements. However, where there are greater differences between aspects in the exposure drafts (for example, governance and strategy), this approach allows the elements provided to precisely match the proposed requirements of each exposure draft.

¹⁶ In this document, references to the *General Requirements for Disclosure of Sustainability-related Financial Information (General Requirements Exposure Draft)* are assigned as 'IFRS S1' and those to the *Climate-related Disclosures (Climate Exposure Draft)* as 'IFRS S2'.

Appendix D—Intended use of hierarchical narrative taxonomy tags

- D1 Consider an illustrative example of a section of a sustainability-related financial disclosure that might be produced by an entity (the text is provided for illustration only and does not reflect any specific meaning):

Governance

Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis nostrud exercitation ullamco laboris nisi ut aliquip ex ea commodo consequat.

Setting targets

Duis aute irure dolor in reprehenderit in voluptate velit esse cillum dolore eu fugiat nulla pariatur. Performance metrics are included in remuneration policies. This is achieved by setting 10% of performance bonus to be contingent on achieving targeted reductions in key sustainability impact measures. Excepteur sint occaecat cupidatat non proident, sunt in culpa qui officia deserunt mollit anim id est laborum.

Lorem ipsum dolor

Ut enim ad minim veniam, quis nostrud exercitation ullamco laboris nisi ut aliquip ex ea commodo consequat. Duis aute irure dolor in reprehenderit in voluptate velit esse cillum dolore eu fugiat nulla pariatur.

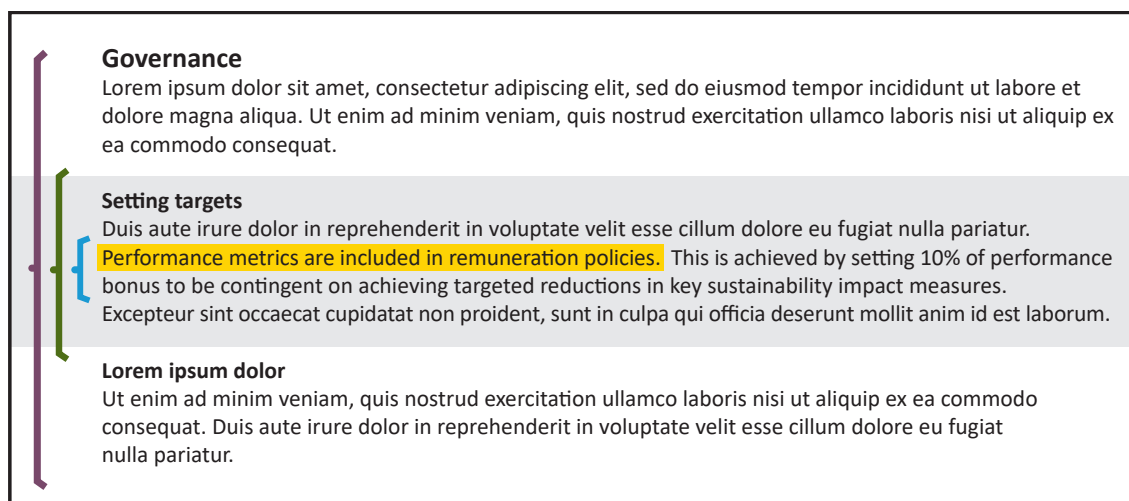
- D2 Consider the corresponding illustrative set of taxonomy elements in Table 8.

Table 8—Illustrative taxonomy elements relating to governance

Element label	ET ¹⁷
Disclosure about governance processes, controls and procedures used to monitor and manage sustainability-related risks and opportunities (IFRS S1 12)	TB
Disclosure of how responsible body and its committees oversee setting of sustainability-related targets and monitor progress (IFRS S1 13(f))	TB
Sustainability-related performance metrics are included in remuneration policies (IFRS S1 13(f))	B
Description of how sustainability-related performance metrics are included in remuneration policies (IFRS S1 13(f))	TB

- D3 The intention is that a preparer would apply the elements in Table 8 to tag the report in Figure 1.

Figure 1—Illustration of hierarchical application of narrative tags



¹⁷ 'ET' refers to element type. Element type 'TB' refers to text block, 'B' refers to Boolean (true or false).

D4 Applying those elements and tagging the report, would result in the data in Table 9.

Table 9—Illustration of tagged information

Element	Value
Disclosure of governance processes, controls and procedures used to monitor and manage sustainability-related risks and opportunities (IFRS S1 12)	Governance Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis nostrud exercitation ullamco laboris nisi ut aliquip ex ea commodo consequat. Setting targets Duis aute irure dolor in reprehenderit in voluptate velit esse cillum dolore eu fugiat nulla pariatur. Performance metrics are included in remuneration policies. This is achieved by setting 10% of performance bonus to be contingent on achieving targeted reductions in key sustainability impact measures. Excepteur sint occaecat cupidatat non proident, sunt in culpa qui officia deserunt mollit anim id est laborum. Lorem ipsum dolor Ut enim ad minim veniam, quis nostrud exercitation ullamco laboris nisi ut aliquip ex ea commodo consequat. Duis aute irure dolor in reprehenderit in voluptate velit esse cillum dolore eu fugiat nulla pariatur.
Disclosure of how responsible body and its committees oversee setting of sustainability-related targets and monitor progress (IFRS S1 13(f))	Setting targets Duis aute irure dolor in reprehenderit in voluptate velit esse cillum dolore eu fugiat nulla pariatur. Performance metrics are included in remuneration policies. This is achieved by setting 10% of performance bonus to be contingent on achieving targeted reductions in key sustainability impact measures. Excepteur sint occaecat cupidatat non proident, sunt in culpa qui officia deserunt mollit anim id est laborum.
Sustainability-related performance metrics are included in remuneration policies (IFRS S1 13(f))	True
Description of how sustainability-related performance metrics are included in remuneration policies (IFRS S1 13(f))	Performance metrics are included in remuneration policies. This is achieved by setting 10% of performance bonus to be contingent on achieving targeted reductions in key sustainability impact measures.

Appendix E—Granularity of information—Example of modelling

- E1 IFRS Sustainability Disclosure Standards will focus on information about governance, strategy, risk management and metrics and targets in relation to sustainability-related risks and opportunities. Disclosure requirements relating to the first three areas generally apply to narrative reporting.
- E2 For example, paragraphs 12 and 13 of the *General Requirements* Exposure Draft state that:
- 12 The objective of *sustainability-related financial disclosures on governance* is to enable users of general purpose financial reporting to understand the governance processes, controls and procedures used to monitor and manage sustainability-related risks and opportunities.
- 13 To achieve this objective, an entity shall disclose information about the governance body or bodies (which can include a board, committee or equivalent body charged with governance) with oversight of sustainability-related risks and opportunities, and information about management’s role in those processes. Specifically, an entity shall disclose:
- (a) the identity of the body or individual within a body responsible for oversight of sustainability-related risks and opportunities;
- (b) how the body’s responsibilities for sustainability-related risks and opportunities are reflected in the entity’s terms of reference, board mandates and other related policies;
- ...
- (f) how the body and its committees oversee the setting of targets related to significant sustainability-related risks and opportunities, and monitor progress towards them ... including whether and how related performance metrics are included in remuneration policies ...
- E3 As discussed in paragraphs 61–67 of this document, the staff recommends creating taxonomy elements to reflect the proposed requirements included in each of the first-level subparagraphs (that is, subparagraphs (a)–(g)) of paragraph 13 of the Exposure Draft; and one element to capture, as a whole, disclosures to meet the overall objective of governance, represented by paragraph 12.
- E4 The staff would also (applying our proposed principles) create an element for each paragraph within an aspect of core content that proposes disclosure requirements, where those paragraphs represent a coherent disclosure subject. In the example in paragraph E2, that would be an additional element to reflect the disclosure of ‘information about the governance body or bodies (which can include a board, committee or equivalent body charged with governance) with oversight of sustainability-related risks and opportunities, and information about management’s role in those processes’ required by paragraph 13.
- E5 However, governance core content only consists of paragraphs 12 and 13—an overall objective for governance disclosure, consisting of a single paragraph-level requirement. In this case (and others like it) the staff does not recommend creating a distinct element for the paragraph-level disclosure of paragraph 13. This is because, given paragraph 13 is the only explicit requirement under the governance disclosure, an element for it would in most cases be used to tag the same disclosures as represented by the aspect-level element for paragraph 12, and so would be redundant. See the illustrative example of tagging in Appendix D, where no meaningfully distinct chunk of disclosure sits within the overall governance disclosure and yet outside the disclosure related to paragraph 13(f).
- E6 The staff suggests taking this approach because the staff expects that some users of sustainability-related financial information might simply want to identify all information about governance that paragraph 12 of the Exposure Draft proposes to require an entity to disclose. Other users might be interested specifically in some of the information that a single subparagraph of paragraph 13 of the Exposure Draft proposes to require an entity to disclose, for example, the proposed requirement to disclose how an entity’s governance body oversees the setting of sustainability targets set out in paragraph 13(f).
- E7 The staff also anticipates that the proposed requirements in the subparagraphs would typically be disclosed distinctly in the general purpose financial report (for example, in separate sentences or tables), so tagging this information separately should not be complex.
- E8 In our view, users can understand the proposed disclosure of the information about ‘whether and how related performance metrics are included in remuneration policies’ required by paragraph 13(f) on its own, without reference to additional information. In particular the staff identified that ‘whether performance metrics are included in remuneration policies’ is essentially a clear, highly understandable, ‘yes’ or ‘no’ disclosure and recommend representing that as a simple true or false response using a ‘Boolean’ element; see paragraphs 69–81 and Appendix F for more details on categorical elements.

E9 The staff, therefore, recommends the elements in Table 10 for capturing the disclosures required in the extract.

Table 10—Illustration of proposed granularity of narrative elements

Element label	ET ¹⁸	Reference ¹⁹
Disclosure of governance processes, controls and procedures used to monitor and manage sustainability-related risks and opportunities	TB	IFRS S1.12
Identity of body or individual within body responsible for oversight of sustainability-related risks and opportunities	TB	IFRS S1.13(a)
Disclosure of how responsible body's responsibilities for sustainability-related risks and opportunities are reflected in entity's terms of reference, board mandates and other related policies	TB	IFRS S1.13(b)
...		
Disclosure of how responsible body and its committees oversee setting of sustainability-related targets and monitors progress	TB	IFRS S1.13(f)
Sustainability-related performance metrics are included in remuneration policies [true false]	B	IFRS S1.13(f)
Description of how sustainability-related performance metrics are included in remuneration policies	TB	IFRS S1.13(f)
...		

¹⁸ 'ET' refers to element type. Element type 'TB' refers to text block and 'B' refers to Boolean.

¹⁹ In this document, references to the *General Requirements* Exposure Draft are assigned as 'IFRS S1' and those to the *Climate* Exposure Draft as 'IFRS S2'.

Appendix F—Categorical elements recommended

- F1 As discussed in paragraphs 72–78 of this document, the staff recommends creating the Boolean elements in Table 11 that represent ‘true or false’ answers.
- F2 Several elements in the table have associated textual elements to tag relevant explanation or further details reflecting the requirements proposed by the exposure drafts (see paragraph 76). Furthermore, several elements might be expected to be used to tag multiple items of information in a report, where similar disclosures are required to be made for each of a class of things—for example, per target, or per risk or opportunity. These features are identified in footnotes to the relevant element labels.
- F3 Appendix D contains an example of how such elements would be used in practice for tagging, and how they would fit within the hierarchy of tagging for narrative disclosures. The staff suggests reviewing either the staff draft of the IFRS Sustainability Disclosure Taxonomy, or the accompanying staff draft of the IFRS Taxonomy Illustrated document to understand how the proposed categorical elements fit within the wider Taxonomy structure.

Table 11—Proposed Boolean elements

Element label	List	Reference ²⁰
Sustainability-related performance metrics are included in remuneration policies ²¹	True / False	IFRS S1.13(f)
Entity changed process(es) used to identify, assess and prioritise sustainability-related risks compared to prior reporting period	True / False	IFRS S1.26(b)(iv)
Measurement of sustainability-related metric is validated by external body ²²	True / False	IFRS S1.31(b)
Amounts disclosed in sustainability-related financial disclosures are not entirely comparable due to change in length of reporting period	True / False	IFRS S1.67(c)
Entity provided explicit and unqualified statement of compliance of sustainability-related financial disclosures with all relevant requirements of IFRS Sustainability Disclosure Standards	True / False	IFRS S1.91
Entity applied new or amended Standard earlier than its mandatory effective date	True / False	IFRS S1.B1, IFRS S2.C1
Climate-related performance metrics are included in remuneration policies ²³	True / False	IFRS S2.5(f)
Carbon offset will be subject to third-party offset verification or certification scheme ²⁴	True / False	IFRS S2.13(b)(iii)(2)
Entity is unable to disclose quantitative information on current and anticipated financial effects of significant climate-related risks and opportunities ²⁵	True / False	IFRS S2.14(e)
Analysis of resilience of strategy to climate-related changes, developments or uncertainties has been conducted by comparing diverse range of climate-related scenarios	True / False	IFRS S2.15(b)(i)(2)

continued...

20 In this document, references to the *General Requirements* Exposure Draft are assigned as ‘IFRS S1’ and those to the *Climate* Exposure Draft as ‘IFRS S2’.

21 Accompanied by text block element ‘Description of how sustainability-related performance metrics are included in remuneration policies’.

22 Disclosed per sustainability-related metric developed by the preparer, accompanied by text block element ‘Description of external body which validated sustainability-related metric’.

23 Accompanied by text block element ‘Description of how climate-related performance metrics are included in remuneration policies’.

24 Disclosed per carbon offset (where applicable), accompanied by text block element ‘Description of verification or certification scheme(s) to which carbon offset will be subject’.

25 Disclosed per climate-related risk or opportunity (where appropriate), accompanied by text block element ‘Explanation of why entity is unable to disclose quantitative information on current and anticipated financial effects of significant climate-related risks and opportunities’.

...continued

Element label	List	Reference ²⁰
Entity used climate-related scenario aligned with latest international agreement on climate change	True / False	IFRS S2.15(b)(i)(4)
Entity used climate-related scenario analysis to assess climate resilience of its strategy ²⁶	True / False	IFRS S2.15(b)(ii)(7)
Entity changed process(es) used to identify, assess and prioritise climate-related risks compared to prior reporting period	True / False	IFRS S2.17(b)(iv)
Climate-related target has been validated by third party ²⁷	True / False	IFRS S2.23(e)
Climate-related target was derived using sectoral decarbonisation approach ²⁵	True / False	IFRS S2.23(f)

F4 The staff also recommends creating the enumeration elements in Table 12 that represent lists with defined answers.

Table 12—Recommended extensible enumeration elements

Element label	List	Reference ²⁸
Sustainability-related metric is absolute measure or expressed in relation to another metric	Absolute measure / Measure expressed in relation to another metric	IFRS S1.31(a)
Industry(ies) used when identifying disclosures about sustainability-related risks or opportunities ²⁹	<i>Industries listed in the Sustainable Industry Classi- fication System[®] (SICS[®])</i>	IFRS S1.55
Climate-related risk or opportunity ³⁰	Climate-related risk / Climate-related opportunity	IFRS S2.9(a)
Type of climate-related risk ³¹	Physical risk Acute physical risk Chronic physical risk Transition risk Regulatory transition risk Technological transition risk Market transition risk Legal transition risk Reputational transition risk	IFRS S2.9(c)
Carbon offsets will be nature-based or based on technological carbon removals ³²	Nature-based / Technologi- cal carbon removals	IFRS S2.13(b)(iii)(3)

continued...

20 In this document, references to the *General Requirements* Exposure Draft are assigned as 'IFRS S1' and those to the *Climate* Exposure Draft as 'IFRS S2'.

26 Accompanied by text block element 'Explanation of why entity was unable to use climate-related scenario analysis to assess climate resilience of its strategy'.

27 Disclosed per climate-related target.

28 In this document, references to the *General Requirements* Exposure Draft are assigned as 'IFRS S1' and those to the *Climate* Exposure Draft as 'IFRS S2'.

29 Multiple values (more than one industry) can be reported as one response.

30 Disclosed per climate-related risk or opportunity, multiple values (both climate-related risk and climate-related opportunity) can be reported as one response.

31 Disclosed per climate-related risk.

32 Disclosed per carbon offset (where applicable).

...continued

Element label	List	Reference ²⁸
Amount intended to be achieved is through carbon removal or emission avoidance ³³	Carbon removal / Emission avoidance	IFRS S2.13(b)(iii)(3)
Type of risk associated with climate-related scenarios used ³⁴	Transition risk / Physical risk	IFRS S2.15(b)(i)(3)
Categories included within measure of Scope 3 greenhouse gas emissions ³⁵	<i>Scope 3 emissions categories listed in definition of the term 'Scope 3 emissions' in IFRS S2 Appendix A</i>	IFRS S2.21(a)(vi)(2)
Climate-related target is absolute target or intensity-based target ³⁶	Absolute / Intensity-based	IFRS S2.23(c)

²⁸ In this document, references to the *General Requirements* Exposure Draft are assigned as 'IFRS S1' and those to the *Climate* Exposure Draft as 'IFRS S2'.

³³ Disclosed per carbon offset (where applicable).

³⁴ Multiple values (both transition risk and physical risk) can be reported as one response.

³⁵ Multiple values (more than one emissions category) can be reported as one response.

³⁶ Disclosed per climate-related target.

Appendix G—List of elements that reflect similar disclosures in the IFRS Accounting Standards and in the [draft] IFRS Sustainability Disclosure Standards

G1 As discussed in paragraph 128 of this document, the staff recommends the use of similar modelling in both the IFRS Accounting Taxonomy and the staff draft IFRS Sustainability Disclosure Taxonomy for similar disclosure requirements in the respective Standards, unless the staff recommends categorical elements (such as Boolean and enumeration elements), which are not used in the IFRS Accounting Taxonomy.

Table 13—Elements that reflect similar disclosures in the IFRS Accounting Standards and in the [draft] IFRS Sustainability Disclosure Standards

	IFRS Accounting Taxonomy	Staff draft IFRS Sustainability Disclosure Taxonomy
Element label	Description of reason for using longer or shorter reporting period	Description of reason for using reporting period longer or shorter than 12 months
Element name	ifrs-full:DescriptionOfReasonForUsingLonger-OrShorterReportingPeriod	ifrs-sds:DescriptionOfReasonForUsingReportingPeriodLongerOrShorterThan12MonthsExplanatory
Reference	IAS 1.36(a)	IFRS S1.67(b)
Element type	text	text block
Element label	Description of fact that amounts presented in financial statements are not entirely comparable	Amounts disclosed in sustainability-related financial disclosures are not entirely comparable due to change in length of reporting period [true false]
Element name	ifrs-full:DescriptionOfReasonWhyFinancialStatementsAreNotEntirelyComparable	ifrs-sds:AmountsDisclosedInSustainabilityRelatedFinancialDisclosuresAreNotEntirelyComparableDueToChangeInLengthOfReportingPeriod-TrueFalse
Reference	IAS 1.36(b)	IFRS S1.67(c)
Element type	text	Boolean
Element label	Description of nature of accounting errors in prior periods [text block]	Description of nature of errors in prior periods
Element name	ifrs-full:DescriptionOfNatureAmountAndCorrectionOfAccountingErrorsInPriorPeriodsEstimate	ifrs-sds:DescriptionOfNatureOfErrorsInPriorPeriodsExplanatory
Reference	IAS 8.49(a)	IFRS S1.90(a)
Element type	text block	text block
Element label	Explanation of reason it is impracticable to determine amounts for correction related to prior period errors	Explanation of reason it is impracticable to determine amounts for correction related to prior period errors
Element name	ifrs-full:ExplanationOfReasonWhyItIsImpracticableToDetermineAmountsForCorrectionRelatedToPriorPeriodErrors	ifrs-sds:ExplanationOfReasonWhyItIsImpracticableToDetermineAmountsForCorrectionRelatedToPriorPeriodErrors
Reference	IAS 8.49(d)	IFRS S1.90(c)
Element type	text	text block

continued...

...continued

Element label	Statement of IFRS compliance [text block]	Entity provided explicit and unqualified statement of compliance of sustainability-related financial disclosures with all relevant requirements of IFRS Sustainability Disclosure Standards [true false]
Element name	ifrs-full:StatementOfIFRSCompliance	ifrs-sds:EntityProvidedExplicitAndUnqualified-StatementOfComplianceOfSustainabilityRelatedFinancialDisclosuresWithAllRelevantRequirementsOfIfrsSustainabilityDisclosureStandardsTrueFalse
Reference	IAS 1.16	IFRS S1.91
Element type	text block	Boolean
Element label	Description of fact that new or amended IFRS Standard is applied early	New or amended IFRS Sustainability Disclosure Standard is applied early [true false]
Element name	ifrs-full:DescriptionOfFactThatNewOrAmendedIFRSStandardIsAppliedEarly	ifrs-sds:NewOrAmendedIfrsSustainabilityDisclosureStandardIsAppliedEarlyTrueFalse
Reference	IAS 1.139U, IAS 16.81N, IAS 37.105, ...	IFRS S1.B1, IFRS S2.B1
Element type	text	Boolean
With dimension	Initially applied IFRSs [axis]	IFRS Sustainability Disclosure Standards [axis]
Element label	Retrospective application and retrospective restatement [axis]	Retrospective application and retrospective restatement [axis]
Element name	ifrs-full:RetrospectiveApplicationAndRetrospectiveRestatementAxis	ifrs-sds:RetrospectiveApplicationAndRetrospectiveRestatementAxis
Reference	IAS 8.28(f)(i), IAS 8.29(c)(i), IAS 1.106(b), ...	IFRS S1.34(c), IFRS S1.64(a), IFRS S1.90, ...
Element type	axis	axis
Element label	Range [axis]	Range [axis]
Element name	ifrs-full:RangeAxis	ifrs-sds:RangeAxis
Reference	IFRS 2.45(d), IFRS 14.33(b), IFRS 17.120, ...	IFRS S1.22, IFRS S1.23
Element type	axis	axis
Element label	Geographical areas [axis]	Geographical areas [axis]
Element name	ifrs-full:GeographicalAreasAxis	ifrs-sds:GeographicalAreasAxis
Reference	IFRS 8.33, IFRS 15.B89(b), IFRS 17.96(b), ...	
Element type	axis	axis
Element label	External credit grades [axis]	External credit grades [axis]
Element name	ifrs-full:ExternalCreditGradesAxis	ifrs-sds:ExternalCreditGradesAxis
Reference	IFRS 7.35M, IFRS 7.IG20C, ...	
Element type	axis	axis