

ISSB Sustainability Taxonomy

SUSTAINABILITY TAXONOMY

ISSB has published staff draft of the IFRS Sustainability Disclosure Taxonomy for comment. The purpose of this feedback request is to support the development of proposals for the IFRS Sustainability Disclosure Taxonomy.



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The publication is in line with the ISSB's aim to enable the digital consumption of the sustainability 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 (General Requirements Exposure Draft); and
- Climate-related Disclosures (Climate Exposure Draft) (collectively called exposure drafts)

The development of the standards aim to provide a comprehensive global baseline of sustainability-related financial disclosures for the capital markets.

ISSB has published staff draft of the IFRS Sustainability Disclosure Taxonomy for comment. The purpose of this feedback request is to support the development of proposals for the IFRS Sustainability Disclosure Taxonomy. This request is not an exposure draft or proposed taxonomy. 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 (IASB).

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, enabling investors and other users to extract and analyse it. 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 draft requests comment on the following:

Whether there should be distinct IFRS Sustainability Disclosure Taxonomy separate from the IFRS Accounting Taxonomy?

Whether there should be Taxonomy by Disclosure Standards as well as core content?

Should there be separate industry-based metrics?

Whether taxonomy is required for each of the elements of General requirement exposure draft and climate requirement exposure draft?

Are separate taxonomy elements required for narrative information?

Whether categorical elements should be used for narrative disclosure?

Whether to model disclosures related to entity-specific metrics and targets using a dimensional approach?

Should there be specific mechanism to capture connections between related pieces of information?

Whether requirements related to cross-references in the IFRS Sustainability Disclosure Taxonomy should be modelled explicitly or not?

Whether Sustainability Taxonomy should be in line with IFRS Accounting Standards Taxonomy?

The comment process aims to gather feedback from various stakeholders so that the sustainability disclosure taxonomy could be made more robust. The taxonomy will set the path for digital reporting and improving the comparability of sustainable reporting.