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*Paris, 26 September 2023*

International Sustainability Standards Board (ISSB)  
IFRS Foundation  
Opernplatz 14  
60313 Frankfurt am Main  
Germany

## **Request for information – Consultation on Proposed IFRS Taxonomy**

### **Question 1 – Appropriate reflection of disclosure requirements in IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures**

*Do you agree that the Proposed IFRS Sustainability Disclosure Taxonomy appropriately reflect the disclosure requirements in:*

- (a) IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information; and*
- (b) IFRS S2 Climate-related Disclosures?*

*Why or why not? If not, please specify what changes you suggest and why.*

#### **Overall feedback**

ANC recommends addressing the following identified issues:

1. Incorporating missing comparable numerical elements, such as XBRL elements reflecting IFRS S2 paragraph 29. It is crucial to introduce numerical elements for capturing data on vulnerable assets, capital expenditures, and investments.
2. Clarifying and implementing the connection between metrics, targets, and risk and opportunities in digital reports.
3. Developing mechanisms and XBRL elements to facilitate reporting of non-climate-related sustainability disclosures.
4. Ensuring the presence of a "Risks and Opportunity" dimensional axis in all relevant sections of the taxonomy.
5. Including categorical elements.
6. Addressing inappropriate non-standard XBRL labels proposed in the taxonomy.

In addition, ANC recommends exploring approaches and providing comprehensive guidelines on how tagging should be applied, with a particular focus on the taxonomy extension mechanism. This is essential to prevent greenwashing due to incomparable digital disclosures.

### **Question 2 – Usability of the IFRS Sustainability Disclosure Taxonomy**

*Do you agree that the Proposed IFRS Sustainability Disclosure Taxonomy will facilitate:*

- (a) users of general purpose financial reports to consume sustainability-related financial information digitally;*
- (b) regulators to require the digital reporting of sustainability-related financial information; and*
- (c) preparers to implement digital reporting of sustainability-related financial information, enabling tagging without undue cost?*

*Why or why not? If not, please specify what changes you suggest and why.*

#### **Overall feedback**

ANC recommends that the IFRS Foundation and ISSB provide clearer guidance on XBRL taxonomy extensions because they can affect data comparability. Enhanced guidance, including tagged illustrative reports and a more streamlined XBRL taxonomy structure to reduce the need for non-comparable extensions, can simplify the process of tagging sustainability disclosures.

Additionally, we encourage ISSB to collaborate closely with EFRAG to align the proposed taxonomy with the ESRS XBRL taxonomy. This alignment is especially important for companies in the EU, as digital tagging will be mandatory under the CSRD.

### **Question 3 – Other comments on the general features of the Proposed IFRS Sustainability Disclosure Taxonomy**

*Do you have any other comments on:*

*(a) the general features of the Proposed IFRS Sustainability Disclosure Taxonomy (paragraphs 1–41)?*

*(i) In particular, do you agree with the specific proposed categorical elements and their properties?*

*(See Appendix F—General features of the Proposed IFRS Sustainability Disclosure Taxonomy—List of categorical elements).*

*(ii) Why or why not? If not, please suggest changes to the elements or their properties.*

*(b) specific IFRS Sustainability Disclosure Taxonomy elements or the groups of elements to which they relate (see the Proposed IFRS Sustainability Disclosure Taxonomy files or its visual representation in IFRS Taxonomy Illustrated)?.*

#### **Question 3 (a)**

We encourage the ISSB to collaborate with XBRL organisations and EFRAG to develop comprehensive technical guidelines for the tagging of categorical elements in Inline XBRL documents. This will ensure that a connection is maintained from the digital value (which may be hidden) to the actual disclosure presented in the human-readable XHTML document.

#### **Question 3 (b)**

We strongly recommend the ISSB to choose the most comparable and appropriate data types for elements, prioritising numerical types (such as monetary and percentage) for disclosure requirements that involve quantitative information. For elements reflecting IFRS S2 paragraph 29, provide separate percentage and monetary item types in addition to textblock item types. This approach will capture both structured quantitative data and unstructured narrative disclosures.

### **Question 4 – Reflecting the relationship between IFRS S1 and IFRS S2**

*Do you agree with the ISSB’s proposal to create a single set of elements to reflect the corresponding disclosure requirements relating to the core content in IFRS S1 and IFRS S2 (paragraphs 42–55)?*

*Why or why not? If not, please specify what changes you suggest and why.*

#### **Overall feedback**

We recommend that the IFRS Foundation and ISSB review the potential need for additional dimensional axes to distinguish digital disclosures based on risk and opportunity. Additionally, they should consider introducing topical dimensions to accommodate various sustainability topics if the IFRS sustainability-related standards expand beyond climate change.

## Question 5 – Granularity of narrative disclosures

*The research project on human capital is described in paragraphs A15–A26 of Appendix A of the RFI. Please (a) Do you agree with the ISSB's proposal that, as a principle, distinct taxonomy elements should be created for narrative information that is expected to be both separately understandable to users of general purpose financial reports and readily identifiable for tagging (paragraph 65)? Why or why not? If not, what principle would be more appropriate?*

*(b) Do you agree that creating elements that represent the first-level subparagraphs of IFRS S1 and IFRS S2 (for example, paragraph 30(a) or 30(c) of IFRS S1 (see paragraph 67)) would generally be consistent with this principle? Why or why not?*

*If not:*

*(i) should taxonomy elements generally represent narrative data sets that are more detailed or less detailed than the first-level subparagraphs. Why?*

*(ii) should the elements suggested in response to (i) be provided in addition to the proposed elements (creating a hierarchical structure) or as an alternative to the proposed elements? Why?*

*(c) In which, if any, cases do you think elements representing another level of disclosure requirement instead of the first-level subparagraphs in IFRS S1 and IFRS S2 would be more appropriate? Why?*

### Question 5 (a)

Overall, we support the introduction of distinct XBRL textblock elements for narrative information.

### Question 5 (b)

We stress that elements should be introduced at every level where separate tagging provides value, depending on the nature of the disclosure requirement. Generally, two levels prove particularly useful for data users:

- High-level tagging, which helps users locate specific disclosures within potentially lengthy documents.
- Very granular tagging for smaller, more easily comparable narrative disclosures, enabling text analysis. This level of granularity may not exist in principle-based reporting standards.

Levels in between may not need tagging but presenting them hierarchically could be beneficial for jurisdictions to choose which levels to implement for tagging requirements.

### Question 5 (c)

We encourage the ISSB to collaborate with the EFRAG secretariat to address interoperability with the ESRS XBRL taxonomy. The differing terminology and levels of separation, as discussed earlier, pose challenges in mapping ESRS XBRL taxonomy elements to the proposed taxonomy. To minimise the reporting and tagging burden for preparers, achieving a one-to-one mapping of ESRS and IFRS S1 and S2 elements is desirable. If it is determined that introducing another (higher) level would aid in aligning both XBRL taxonomies, we request the ISSB to include these elements accordingly.

## Question 6 – Facilitating digital reporting of sustainability-related financial disclosures globally

*(a) Are there any aspects of the proposals related to the Proposed IFRS Sustainability Disclosure Taxonomy that should be changed to enhance the IFRS Sustainability Disclosure Taxonomy's ability to facilitate digital reporting of sustainability-related financial disclosures globally? If so, please specify what changes you suggest and why.*

*(b) What implementation guidance and supporting materials and other resources, if any, would be useful to those using the IFRS Sustainability Disclosure Taxonomy, what issues do you think they should focus on and why?*

### Question 6 (a)

We encourage the ISSB to collaborate with EFRAG to ensure interoperability with the ESRS XBRL taxonomy. Additionally, we request that the ISSB explore approaches for jurisdictions where XBRL taxonomy extensions may not be implemented.

### Question 6 (b)

In addition to the proposed guidance by the ISSB, we kindly request that they expand guidance on the methodology for:

- Selecting appropriate tags when tagging a report, with a focus on entity-specific or other sustainability-reporting standard-related tags.
- Tagging Inline XBRL elements, particularly categorical elements.

- Modeling XBRL taxonomy extensions to prevent the potential dilution of comparability in tagged data (greenwashing).

Moreover, ANC believes that providing tagged illustrative reports would be valuable for both preparers and users of sustainability-related disclosures. Just as these reports are prepared for the IFRS Accounting Taxonomy, we suggest that the ISSB consider creating similar tagged illustrative examples for the IFRS Sustainability Disclosure Taxonomy.

#### **Question 7 – Other comments**

*Do you have any other comments or suggestions on the Proposed IFRS Sustainability Disclosure Taxonomy?*

#### **Overall feedback**

Given that EFRAG is developing sector-specific disclosure requirements within the ESRS, we request that the ISSB provide a transparent roadmap for integrating the SASB XBRL taxonomy. We encourage the ISSB to collaborate closely with EFRAG to ensure interoperability of the forthcoming sector-specific disclosure requirements and to align XBRL elements wherever the underlying reporting standards permit.