

September 30, 2022



Emmanuel Faber, Chair of the ISSB
International Sustainability Standards Board
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Dear Mr. Faber:

Re: ISSB's staff request for feedback to inform future development of the IFRS Sustainability Disclosure Taxonomy for digital reporting

We appreciate the opportunity to comment on the IFRS Sustainability Disclosure Taxonomy. XBRL US is a nonprofit standards organization, with a mission to improve the efficiency and quality of reporting in the U.S. by promoting the adoption of business reporting standards. XBRL US is a jurisdiction of XBRL International, the nonprofit consortium responsible for developing and maintaining the technical specification for XBRL. We support this initiative to develop data standards to render sustainability data in digitized format for ease of preparation and analysis.

XBRL is a free and open data standard widely used in the United States, and in over 200 implementations worldwide, for reporting by public and private companies, as well as government agencies. Our letter responds to the specific questions raised in the Request for feedback.

Question 1 - Distinct Taxonomy

We agree with the staff approach to maintain the IFRS Sustainability Disclosure Taxonomy separately from the IFRS Accounting Taxonomy. As noted in the proposal, this approach will allow reporting entities that use the IFRS Accounting Taxonomy or that may use other GAAP reporting standards, such as US GAAP, to be able to use the IFRS Sustainability Disclosure Taxonomy.

We strongly urge the ISSB however, to guard against the creation of concepts in the IFRS Sustainability Disclosure Taxonomy that may be duplicates of, or inconsistent with concepts already defined in financial reporting taxonomies used by reporting entities. For example, if Revenues need to be reported as a component of sustainability disclosures, reporting entities should be required to use the Revenues concept in the financial reporting taxonomy that they use to tag the Revenues value within their financial statements. Financial metrics such as these should not be duplicated in the IFRS Sustainability Disclosure Taxonomy. Doing so would cause confusion in the market and result in inconsistencies in the data produced.

Question 2 - Taxonomy grouping

We support the proposal to structure the taxonomy content both in accordance with the IFRS Sustainability Disclosure Standard and based on the aspects of core content to facilitate the ease of identifying concepts needed by reporting entities when tagging their disclosures. As noted in the staff comments, many taxonomies today provide multiple presentations for the taxonomy content which can be helpful at further explaining the relationship between concepts as well as enhancing searchability. To further improve the ability for reporting entities to find the appropriate concepts, we encourage the ISSB to include as much metadata as possible about each individual concept in the taxonomy. More descriptive information about each concept removes ambiguity, enhances the efficiency of concept selection, and most importantly, will result in more consistent data generated for data consumers. More certainty around what is reported will generate better quality data that is unambiguously understandable to data users. We also encourage the ISSB to provide guidance about the structure of the various groupings of content so that applications leveraging the taxonomy can more effectively present this information to users, i.e., preparers, data aggregators, and analysts.

The taxonomy groupings should be logical and intuitive to all stakeholders of the taxonomy, and the ISSB should be open to enhancing these groupings over time as reporting entities use the taxonomy. Information about the useability of the taxonomy can be gleaned from the consistency of the data that is produced. The ISSB may also wish to conduct research among reporting entities and data users *after* the taxonomy has been in use for some time, to further gauge functionality and to test that the reported data is yielding appropriate results.

Question 3 - Relationships between the General Requirements Exposure Draft and Climate Exposure Draft in the Taxonomy

We agree with establishing separate line items rather than dimensions given the "newness" of the standard. The ISSB however should ensure that each line item is distinctly different, that the concepts are clearly and consistently grouped in the taxonomy, and that guidance is provided by regulators to ensure that reporting entities can identify the appropriate concepts for facts reported. The approach proposed may result in the tagging of a single fact with multiple tags which would ensure that data users can find the data needed. As noted in the proposal, regulators should be advised to clarify their requirements on "double-tagging" of a single fact with more than one tag.

We agree with the ISSB that adopting a dimensional approach may be unnecessarily complex and confusing for reporting entities.

Question 4 - Granularity of narrative information

We support the approach of providing both narrow scope and wider scope narrative concepts in the taxonomy to accommodate different levels of reporting and to satisfy the requirements of various regulatory jurisdictions. These options may result in inconsistencies in the way entities report, but over time, will provide useful information that regulators can use to refine their requirements on what needs to be reported within their jurisdictions.

To facilitate better understanding of the reported data, narrow scope concepts should be identified as children of wider scope parent elements so that the relationships between concepts are fully understood.

Question 5 - Categorical elements

The use of boolean (true/false) concepts and/or enumerated elements will generate data that is more easily consumed into databases and analytics tools, because of its specificity. Creating accompanying textual concepts that are linked to the boolean response could be useful for regulators to guard against possible "greenwashing" by giving reporting entities the ability to clarify the rationale behind a true or false response.

Question 6 - Modeling metrics

We agree with the staff recommendation to create elements equivalent to the SASB concepts. While the SASB Taxonomy is not widely used by public companies to XBRL-tag sustainability documents, the SASB metrics are used by reporting entities in many countries around the world, and therefore would be accepted both by reporting entities and by data consumers. We encourage the ISSB to use the SASB metrics and to ensure that the SASB metric names are retained in the taxonomy where possible for ease of use.

We also agree with the approach advocated by the ISSB for reporting entities to create their own sustainability targets using typed dimensions. This approach gives reporting entities the flexibility to articulate their goals and gives users of this data the ability to track the company's progress at meeting company goals over time.

Question 7 - Representing related information

Connecting financial performance data to ESG metrics is very important. Extensible enumerations may be helpful as an XBRL feature to assist in linking related information.

Question 8 - Connections between reports

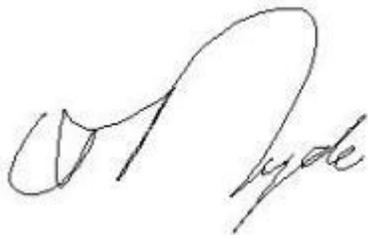
We agree with the staff recommendation that guidance provided to regulators and reporting entities suggest that information subject to cross-reference be provided by reporting entities in tagged format. While this would require additional work on the part of the reporting entities, many reporting entities today reference other documents, web sites, or sections of reports. The importance of the data within these cross-referenced documents can only be captured by data users by requiring them to be tagged as well.

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

We agree with the approach chosen by staff to create new elements in the IFRS Sustainability Disclosure Taxonomy that are analogous to those in the IFRS Accounting Taxonomy. The similarity between elements will be easier for reporting entities to adopt. Reusing existing elements from the IFRS Accounting Taxonomy would be confusing both to those reporting their financials using the IFRS Accounting Taxonomy, and to those who use a different accounting standard such as US GAAP.

We appreciate the opportunity to provide input to the IFRS Foundation Request for Feedback. We would welcome the opportunity to discuss our feedback further, or to respond to any questions that you may have. I can be reached at (917) 582 - 6159 or campbell.pryde@xbrl.us.

Respectfully,

A handwritten signature in black ink, appearing to read 'Campbell Pryde', is positioned above the typed name.

Campbell Pryde,
President and CEO