EMJ.LIFE | PRE-DISCLOSURE INFRASTRUCTURE

RESPONSE TO THE ISSB

PROPOSED IFRS SUSTAINABILITY DISCLOSURE TAXONOMY UPDATE

Amendments to Greenhouse Gas Emissions Disclosures

AGREE WITH TARGETED IMPLEMENTATION RECOMMENDATIONS

Submitted by EMJ LIFE HOLDINGS PTE. LTD.

Singapore | 13 August 2026

Classification flexibility requires classification provenance.

Response Overview

Consultation	IFRS Sustainability Disclosure Taxonomy 2024 - Proposed Update 1
Subject	Amendments to Greenhouse Gas Emissions Disclosures
Reference	ISSB/PTU/2026/1
Respondent	EMJ LIFE HOLDINGS PTE. LTD., Singapore
Overall position	Agree with targeted implementation recommendations
Comment deadline	28 September 2026

Executive Summary

CORE CONCLUSION

Flexibility in selecting an industry-classification system should be accompanied by machine-readable classification provenance. Without that provenance, implementation burden may fall while digital comparability also falls.

EMJ LIFE HOLDINGS PTE. LTD. supports the proposed changes to reflect the December 2025 amendments to IFRS S2 Climate-related Disclosures. The addition of a narrative element for the Category 15 limitation, a table for total Category 15 greenhouse gas emissions and the financed-emissions subtotal, and a general Industry axis for an entity-selected classification system broadly reflect the amended disclosure requirements.

Our principal recommendation concerns the replacement of the GICS-specific axis with a general Industry axis. The policy change appropriately permits different industry-classification systems, but the resulting digital facts will not be reliably comparable unless each classification member carries, or can be unambiguously linked to, the classification system, version, code, hierarchy level and any entity-specific modification from which it originates.

We also recommend explicit modelling and implementation guidance for the included-subtotal relationship between Category 15 and financed emissions, linkage between the limitation explanation and related numerical facts, classification changes between periods, and the period before the amended Taxonomy is available for use.

Summary of Position

Consultation item	Position	Principal recommendation
Q1(a)(i)	Agree, with clarification	Link the Category 15 limitation explanation to the affected reporting period, boundary and numerical facts.
Q1(a)(ii)	Agree, with material recommendations	Add machine-readable classification provenance and clarify subtotal and comparison semantics.
Q1(b)	Agree	Update all references and publish a controlled cross-reference record.
General comments	Further action requested	Address classification changes, transition timing and validation relationships.

1. Institutional Profile and Scope of Response

EMJ LIFE HOLDINGS PTE. LTD. is a Singapore-based institutional technology company developing Evidence Infrastructure through EMJ.NEXUS. Our work focuses on connecting institutional claims to traceable, contestable, version-governed and independently assessable evidence across organisational and regulatory boundaries.

EMJ.LIFE is an IFRS Foundation ISSB and SASB Level III commercial licensee, a TNFD Forum member and a TISFD Alliance member. Our implementation work includes structured sustainability disclosure requirements, ISSB and SASB relationships, the Sustainable Industry Classification System, Scope 3 information, evidence mapping and taxonomy version governance.

These credentials and activities explain the context of this response; they do not confer authority to interpret IFRS Sustainability Disclosure Standards or speak for the IFRS Foundation. EMJ.LIFE does not certify compliance, replace assurance or determine the correctness of an entity's greenhouse gas inventory.

2. Response to Question 1

Question 1(a)(i) - Scope 3 Category 15 limitation

POSITION **Agree, with implementation clarification**

We agree that the proposed text element, 'Explanation of limitation of measure of Scope 3 Category 15 GHG emissions', accurately reflects the closely related disclosures required by paragraph 29B of IFRS S2: explaining what the entity treated as a derivative and describing the financial activities excluded from the measure.

A single text element is reasonable because the two disclosures explain one limitation decision and are most useful when consumed together. The documentation label appropriately indicates both components.

We recommend implementation guidance stating that the tagged explanation should be capable of being associated with the affected reporting period, organisational boundary and related Category 15 and financed-emissions facts. This is important when an entity reports multiple periods, portfolios, business units or measurement boundaries. The explanation should not become an unscoped narrative fact that cannot be connected to the numbers it qualifies.

RECOMMENDED CLARIFICATION

The limitation explanation and the numerical facts affected by that limitation should remain digitally connected through consistent contexts or an explicit fact-to-explanatory-fact relationship.

Question 1(a)(ii) - Category 15, financed emissions and industry disaggregation

POSITION **Agree, with material recommendations on provenance and subtotal semantics**

We agree with creating a Scope 3 GHG emissions table that uses the existing Absolute gross Scope 3 GHG emissions element together with the Scope 3 emissions categories axis. Modelling Financed emissions as a child of Category 15-Investments appropriately indicates that financed emissions form part of Category 15 rather than a separate Scope 3 category.

The final Taxonomy and implementation materials should make the included-subtotal relationship explicit. Financed emissions should be understood as an 'of which' subtotal included within total Category 15 emissions. Validation guidance should discourage double counting and should recognise that the financed-emissions subtotal may not equal total Category 15 emissions when other Category 15 activities are included.

We also agree with replacing the GICS-specific axis in the commercial banking and insurance tables with a general Industry axis. This accurately reflects the amended IFRS S2 requirement allowing an entity to select an industry-classification system. However, a general axis creates a new comparability risk: visually identical or similarly labelled industry members may be based on different classification systems, versions or hierarchy levels.

CORE RECOMMENDATION

Each reported industry member should carry, or be unambiguously linked to, machine-readable classification provenance: system name, system version, classification code, hierarchy level, effective date and an indicator of entity-specific modification or extension.

The proposed narrative element for the selected classification system and explanation of selection remains valuable, but narrative disclosure alone is not sufficient for reliable automated comparison. Software and data users should not need to infer the classification identity and version from free text.

3. Classification Provenance

Permitting classification systems beyond GICS recognises legitimate differences in jurisdiction, business model and risk analysis. It could allow an entity to use GICS, SASB SICS, ISIC, NACE, NAICS, a prudential taxonomy, another public system or an entity-developed structure. This flexibility should be preserved.

Digital comparability nevertheless requires users to distinguish semantic equivalence from label similarity. The term 'Banks', for example, may identify different scopes depending on the system, version and hierarchy level. The same investee could also be classified differently across systems.

We therefore recommend the following minimum metadata:

- classification system name and issuing organisation;
- classification system version or effective date;
- classification code and hierarchy level assigned to each reported member;
- whether the system or member has been modified or extended by the reporting entity;
- a stable identifier or URI where one is available; and
- the reporting period in which that classification assignment applies.

Metadata field	Why it matters	Illustrative controlled value
classificationSystem	Identifies the governing classification	GICS, SICS, NACE, ISIC
classificationVersion	Controls meaning over time	Version / release year
classificationCode	Identifies the reported category	Official code or stable identifier
hierarchyLevel	Distinguishes sector, industry and sub-industry	Controlled level value
entityModified	Flags non-standard scope	true / false
effectivePeriod	Links classification to reporting period	Start/end date or reporting period

4. Classification Changes and Comparative Information

A change from one industry-classification system to another, a version update or an entity-specific remapping can change the apparent distribution of financed emissions without any underlying change in emissions or exposure. Users therefore need to distinguish operational change from classification change.

We recommend that the final documentation label or implementation guidance for 'Industry-classification system used for financed emissions and explanation of selection' expressly address:

- a change in classification system or version from the comparative period;
- the reason for the change;
- whether comparative information has been reclassified or restated;
- the effect of the change on comparability; and
- any material change in the mapping of investees or counterparties between categories.

The existing Retrospective application and retrospective restatement axis may support some transition disclosures, but classification change is a specific source of comparability risk and should be visible in the implementation guidance.

5. Question 1(b) - Renumbered Paragraphs

References affected by paragraph renumbering

POSITION **Agree**

We agree with updating the references for the identified elements to reflect the repositioning of paragraphs B62(a)(ii) and B63(a)(ii) as paragraphs B62A(b) and B63A(b). Accurate references are necessary for discoverability, taxonomy maintenance and traceability to the amended requirements.

We recommend publishing the former and new references in a controlled cross-reference record accompanying the final Taxonomy Update. This would help preparers, software providers and mapping systems update prior implementations without interpreting a reference change as a substantive change to the element's meaning.

6. General Comments and Transition

We agree that the jurisdictional reliefs relating to a method other than the Greenhouse Gas Protocol and to global warming potential values can be captured using existing narrative elements. The final documentation should make the availability of those elements easy to identify and should indicate that the existing elements also cover the amended reliefs.

The amendments apply for annual reporting periods beginning on or after 1 January 2027, while the amended Taxonomy may become available after the disclosure requirements are already effective. We understand why the ISSB does not propose a separate early-application element. However, the release materials should provide a controlled interim-tagging pathway and applicability metadata for entities reporting before the updated Taxonomy is available.

The transition guidance should identify:

- which existing elements and extension practices should be used before the update is available;
- the effective reporting periods covered by the new elements and amended axes;
- how interim entity extensions should be migrated to official elements; and
- how comparative information should be maintained when classification systems or tagging structures change.

7. Consolidated Recommendations

1. Add machine-readable classification provenance for every industry classification used in financed-emissions disaggregation.
2. Clarify that financed emissions are an included subtotal within Category 15 and support this relationship through validation or calculation guidance.
3. Ensure the Category 15 limitation explanation can be digitally connected to the affected reporting period, boundary and numerical facts.
4. Address classification-system and version changes, including reclassification of comparative information and effects on comparability.
5. Publish an interim-tagging and migration pathway for the period before the updated Taxonomy becomes available.
6. Publish a controlled cross-reference record for renumbered IFRS S2 paragraphs.

8. Closing Remarks

The proposed Taxonomy Update broadly reflects the amended IFRS S2 requirements and responds to implementation challenges without unnecessarily expanding the active tagging structure. We support its direction.

The central implementation issue arises from the shift from one named classification system to an entity-selected system. Flexibility is appropriate, but the resulting industry facts must retain their classification identity. A narrative explanation helps users understand management's selection; machine-readable provenance allows systems to determine whether data is genuinely comparable.

CLOSING PRINCIPLE

Classification flexibility should not produce classification opacity. Preserve the system, version, code, hierarchy and modification history behind each reported industry fact.

Appendix A - Response Matrix

Item	Position	Rationale	Requested action
Q1(a)(i)	Agree	One text element appropriately	Connect explanation to affected facts

Item	Position	Rationale	Requested action
		captures one limitation decision.	and contexts.
Category 15 table	Agree	The hierarchy reflects total, category and included subtotal.	Clarify subtotal and anti-double-counting semantics.
Industry axis	Conditional support	A general axis reflects classification flexibility but weakens implicit comparability.	Add system, version, code, level and modification metadata.
Q1(b)	Agree	References should reflect the amended Standard.	Publish a former-to-current reference record.
Transition	Further action	Requirements may apply before the updated Taxonomy is available.	Publish interim-tagging and migration guidance.

Appendix B - Publication and Submission Boundary

This is an independent submission by EMJ LIFE HOLDINGS PTE. LTD. It is not issued, reviewed or endorsed by the IFRS Foundation, the ISSB, TNFD or TISFD. References to licensing and memberships describe the respondent's operating context only.

EMJ.LIFE does not interpret compliance with IFRS Sustainability Disclosure Standards, verify greenhouse gas inventories, certify digital filings, replace audit or assurance, or speak on behalf of a standard setter or regulator.

Source Document

IFRS Foundation, IFRS Sustainability Disclosure Taxonomy 2024 - Proposed Update 1: Amendments to Greenhouse Gas Emissions Disclosures, ISSB/PTU/2026/1, July 2026. Comments due 28 September 2026.

Official consultation page: https://www.ifrs.org/projects/open-for-comment/