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## ISSB meeting

Date	<b>September 2025</b>
Project	<b>Amendments to Greenhouse Gas Emissions Disclosures (Amendments to IFRS S2)</b>
Topic	<b>Jurisdictional relief from using the GHG Protocol Corporate Standard and its applicability for GWP values</b>
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This paper has been prepared for discussion at a public meeting of the International Sustainability Standards Board (ISSB). This paper does not represent the views of the ISSB or any individual ISSB member. Any comments in the paper do not purport to set out what would be an acceptable or unacceptable application of IFRS<sup>®</sup> Sustainability Disclosure Standards. The ISSB's technical decisions are made in public and are reported in the ISSB *Update*.

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## Purpose

1. In April 2025, the International Sustainability Standards Board (ISSB) published the [Exposure Draft Amendments to Greenhouse Gas Emissions Disclosures](#). The Exposure Draft sets out proposed targeted amendments to IFRS S2 *Climate-related Disclosures* in response to application challenges related to greenhouse gas emissions requirements.
2. Agenda Paper 9 sets out the structure of the agenda papers for this meeting, background on the proposed amendments to IFRS S2, the summary statistics of stakeholder feedback, and the next steps.
3. This paper focuses on the proposed amendments relating to the applicability of the jurisdictional relief in IFRS S2 as it relates to:
  - (a) the use of a method for measuring greenhouse gas emissions (GHG emissions) other than the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) (GHG Protocol Corporate Standard), if a

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- jurisdictional authority or an exchange on which the entity is listed requires the use of a different measurement method for a part of the entity; and
- (b) the use of global warming potential (GWP) values other than the GWP values based on a 100-year time horizon from the latest Intergovernmental Panel on Climate Change assessment available at the reporting date (GWP values from the latest IPCC assessment), if a jurisdictional authority or an exchange on which the entity is listed requires the use of different GWP values.
4. At this meeting, the ISSB will be asked to vote on the staff recommendations on these proposed amendments to IFRS S2.

## Structure of the paper

5. This paper is structured as follows:
- (a) Summary of the staff recommendations;
  - (b) Proposed relief to clarify the jurisdictional relief from using the GHG Protocol Corporate Standard;
  - (c) Applicability of the jurisdictional relief for GWP values;
  - (d) Questions for the ISSB; and
  - (e) Appendix A—Extracts from Questions for respondents in the Exposure Draft.

## Summary of the staff recommendations

6. The staff recommends that the ISSB finalise the proposed amendment to clarify that the jurisdictional relief from using the GHG Protocol Corporate Standard is available when an entity is required, in whole or in part, by a jurisdictional authority or an exchange on which it is listed to use a different method for measuring its GHG emissions. The staff also recommends that the amendment specify that the entity would be permitted to use this different method for the part of the entity to which that

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- jurisdictional or exchange requirement applies, for as long as such jurisdictional or exchange requirement applies to that part of the entity.
7. The staff recommends that the ISSB finalise the proposed amendment to extend the jurisdictional relief set out in paragraphs 29(a)(ii) and B24 of IFRS S2 in relation to the measurement of GHG emissions to permit an entity, in specific circumstances, to use GWP values that differ from those otherwise required in the Standard. The relief would be available if an entity, in whole or in part, is required by a jurisdictional authority or an exchange on which it is listed to use GWP values other than the GWP values based on a 100-year time horizon from the latest Intergovernmental Panel on Climate Change assessment available at the reporting date for converting the seven constituent greenhouse gases into CO<sub>2</sub> equivalent values. The staff also recommends that the amendment specify that the entity would be permitted to use these different GWP values for the part of the entity to which that jurisdictional or exchange requirement applies, for as long as such jurisdictional or exchange requirement applies to that part of the entity.
8. The staff recommends that the ISSB does not introduce new requirements regarding the disclosure of the use of a measurement method other than the GHG Protocol Corporate Standard or the use of alternative GWP values or an explicit requirement to disaggregate GHG emissions measured using such alternatives, but instead place reliance on the existing requirements: to disclose information about other measurement methods used to measure GHG emissions (paragraph B28 of IFRS S2 including the modification proposed in the Exposure Draft to clarify information is required for each alternative measurement method used); to disclose the inputs and assumptions used to measure GHG emissions (paragraph 29(a)(iii)(1) of IFRS S2); and to disaggregate information when material (paragraphs B29 and B30 of IFRS S1).

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## Proposed relief to clarify the jurisdictional relief from using the GHG Protocol Corporate Standard

### Overview of the proposed amendment

9. The ISSB proposes to amend IFRS S2 to clarify the scope of the jurisdictional relief available if an entity is required by a jurisdictional authority or exchange on which it is listed to use a method for measuring GHG emissions other than the GHG Protocol Corporate Standard. The proposed amendment would clarify that the relief is available when such a requirement from a jurisdictional authority or exchange on which it is listed (jurisdictional or exchange requirement) applies to an entity in whole or in part and is applicable to the relevant part of the entity. A summary of why the ISSB proposed the amendment to IFRS S2 and how the proposed amendment would work can be found in paragraphs BC40–BC43 of the Basis for Conclusions on the Exposure Draft.

### Feedback summary

#### ***Feedback from respondents who broadly agree with the proposed amendment to clarify the jurisdictional relief***

10. Most respondents broadly agree with Question 3 in the Exposure Draft which asks the question about the proposed amendment to clarify the scope of jurisdictional relief from using the GHG Protocol Corporate Standard (jurisdictional relief).
11. Respondents broadly support the proposed amendment to provide the clarification needed in response to the related application challenges. Respondents' comments are grouped into:
- (a) comments about the proposed amendment as a practical approach to support the implementation of IFRS S2;
  - (b) comments about the application of the amended jurisdictional relief; and

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- (c) comments about the importance of transparency related to the use of the jurisdictional relief.

***Comments about the proposed amendment as a practical approach to support the implementation of IFRS S2***

12. Respondents that broadly agree with the proposals included comments about how the proposed amendment would provide a practical approach to support the implementation of IFRS S2 for entities that are required to measure GHG emissions using a different method to meet existing jurisdictional requirements. For example, Chartered Accountants Australia and New Zealand and CPA Australia agree with the proposed amendment noting it would remove duplicative measurement efforts by entities for those that measure GHG emissions using other frameworks.

The proposed amendments to paragraphs 29(a)(ii) and B24 of IFRS S2 in relation to the jurisdictional relief available if an entity is required to use a method other than the GHG Protocol Corporate Standard (GHG Protocol) would provide clarity to those reporting entities that are required to measure greenhouse gas emissions either in part or in whole with jurisdictional or exchange requirements (i.e., other than in line with the GHG Protocol corporate standard). We support the proposed amendments particularly for those reporting entities that already measure scope 1 and 2 GHG emissions using other frameworks, such as the National Greenhouse and Energy Reporting Scheme (NGERS) in Australia. This would remove duplicative measurement efforts as entities would only need to consider requirements of their jurisdiction rather than duplicating measurement against the GHG protocol as well. (Comment letter 35: Chartered Accountants Australia and New Zealand and CPA Australia).

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13. Related to comments about the clarification of the relief providing a practical approach, a few respondents who agree with the proposed amendment commented that the proposal would provide entities with clarity in applying the jurisdictional relief in IFRS S2.
14. Respondents who broadly support the proposal included most of the investors who responded to Question 3 of the Exposure Draft. Investors that provided reasons for their views provided comments about the importance of reducing the costs associated with duplicative reporting to enabling the establishment of the global baseline of sustainability-related financial disclosures.

We support the proposed amendments to provide jurisdictional reliefs from using the GHG Protocol Corporate Standard (Question 3) and for global warming potential (GWP) values (Question 4). We believe the proposed amendments appropriately reduce the complexity, risk of potential duplication of reporting, and related costs associated with applying specific requirements of IFRS S2. Further, we believe allowing this degree of flexibility at the subsidiary level is critical to incentivize completeness of disclosures for entities applying IFRS S2 on a voluntary basis. These proposed amendments rightly recognize that global regulators have introduced varied GHG emissions accounting standards and GWP values in their jurisdictional-specific regulations. As jurisdictions seek to concurrently adopt the ISSB standards and advance climate-related policymaking, they need confidence that the ISSB's guidance provides alignment – or at least space for relief – and does not complicate climate policymaking efforts. (Comment letter 41: Boston Trust Walden).

15. Respondents feedback noted that the GHG Protocol Corporate Standard is the predominant method used by entities around the world and in most jurisdictions for measuring GHG emissions. However, the feedback also confirms that the proposed

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amendment would be helpful for entities operating in a number of jurisdictions such as:

- (a) Australia—National Greenhouse and Energy Reporting Scheme (NGER);
- (b) China—National Unified Carbon Accounting Standards System;
- (c) Colombia—National Climate Change Policy;
- (d) Costa Rica—Cantonal Carbon Neutrality Country; and
- (e) Mexico—General Law on Climate Change (2012).

***Comments about the application of the amended jurisdictional relief***

16. A few respondents provided specific feedback on the application of the amended jurisdictional relief. A few respondents raised questions about the meaning of ‘in part’ and how it applied in particular circumstances, for example whether the relief would be available when a jurisdictional requirement applies only to an entity’s ‘facility’ (for example, an energy production facility), rather than the entity as a whole. In contrast, The Australian Accounting Standards Board (AASB), a national standard-setter, observes that the amendment would enable an entity to apply the relief to a number of circumstances, including when a jurisdictional requirement applies to an entity as whole, a subsidiary, or a facility.

This targeted amendment is particularly important in the Australian context considering the National Greenhouse and Energy Reporting (NGER) Scheme—Australia’s longstanding national framework for reporting GHG emissions, energy production, and energy consumption. For context, the NGER Scheme requires entities that meet certain thresholds to report annually on their emissions, energy production and consumption. Two types of thresholds determine an entity’s obligation to report under the NGER Scheme: facility thresholds and corporate group thresholds. In circumstances where a facility-level threshold is triggered, reporting under the NGER Scheme is only required for

those individual facilities, rather than at the corporate group level. The AASB welcomes the proposed clarification because it would allow an entity to apply the relief “in part” (e.g. facility-level or subsidiary-level) or “in whole” (group-level), depending on the circumstances, and thereby remove or reduce the need for duplicative reporting. (Comment letter 68: AASB).

***Comments about the importance of transparency related to the use of the jurisdictional relief***

17. A few respondents specifically highlight the importance of transparency about whether and how an entity is using such reliefs, which would facilitate comparability of disclosures. Respondents’ comments relate to the following topics:
- (a) *disclosure of any alternative measurement method(s) used:* A few respondents who broadly agree with the proposed amendment noted a suggestion for the proposals to include a clarification to paragraph B28 of IFRS S2 which requires the disclosure of alternative measurement method(s) used such as to specifically require the disclosure of information about which part of the entity uses each alternative method.
  - (b) *disaggregation of GHG emissions by measurement method used:* A few respondents highlight that the disaggregation of GHG emissions by measurement method could provide useful information. Some of these respondents highlight that an entity would provide disaggregated information applying the aggregation and disaggregation requirement in accordance with paragraphs B29–B30 of IFRS S1 when disclosing GHG emissions using multiple measurement methods<sup>1</sup>, while others suggest introducing a specific disaggregation requirement.

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<sup>1</sup> The staff notes that this is applicable when such disaggregation would result in the provision of information that is material.



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***Feedback from respondents who broadly disagree with the proposed amendment to clarify the jurisdictional relief***

18. Some respondents broadly disagree with Question 3 in the Exposure Draft. A few respondents raise concerns about the incremental effect the relief might have on the comparability of GHG emissions disclosures. FirstRand Limited, a financial services company from South Africa, notes that the jurisdictional relief available to an entity in part would have incremental effects on the comparability of GHG emissions disclosures.

We are concerned that the relief available if an entity is required by a jurisdictional authority or an exchange on which it is listed to use a method other than the Greenhouse Gas Protocol to measure greenhouse gas emissions applies only to that part of the entity that is required by the jurisdictional authority or exchange to apply the alternative method. We are of the view that this would result in internal inconsistency and lack of comparability of the greenhouse gas emission amounts disclosed in that entity's report. (...) (Comment letter 66: FirstRand Limited).

19. A few respondents who disagree with the proposed amendment disagree with the principle of permitting the measurement of GHG emissions using inconsistent measurement methodologies within a reporting entity. Some of those respondents contrasted this relief with requirements in accounting standards that require the use of consistent accounting policies—including those related to measurement—within a reporting entity.

We do not agree. In our view, quantitative information that is aggregated—such as a group's greenhouse gas emissions—should be generated based on the same measurement method. Otherwise, the aggregated information “Greenhouse gas emissions of the group” can hardly be considered useful for decision-making purposes. Our reasoning is based on the

conventions established in financial reporting which should be followed by analogy when reporting on sustainability issues as a matter of principle. (...) We believe that the same conventions should be followed when preparing sustainability disclosure, and we recommend the ISSB reconsidering the respective proposal of the ED. (Comment letter 25: DRSC).

***Feedback on the existing jurisdictional relief in IFRS S2***

20. Many respondents provided feedback on other aspects of the jurisdictional relief rather than specifically related to the proposal to clarify the scope of the jurisdictional relief in specific circumstances. Such comments were raised by other respondents who described their response as ‘agreeing’, ‘disagreeing’ or ‘neither agreeing nor disagreeing’ with Question 3. As a result, the summary feedback and quantification are not separated between these two groups of respondents to Question 3.
21. This feedback on the existing jurisdictional relief includes comments about whether the relief should be extended further (scope of the relief), the permanency of the relief (duration), and concerns about comparability:
  - (a) *Scope of the relief:* A few respondents suggested extending the scope of the relief, beyond jurisdictional or exchange requirements. They said that allowing a wider choice of measurement methods for measuring GHG emissions might better reflect an entity’s circumstances. This feedback contrasted with many respondents, including most investors responding to this question, that said that the ISSB should ensure that the relief is limited to particular circumstances, namely when an entity or part of the entity is subject to a jurisdictional or exchange requirement (consistent with the proposals).
  - (b) *Duration of the relief:* A few respondents provided feedback about the duration of the relief. These respondents suggested that, to ensure comparability of reported GHG emissions, the jurisdictional relief should include a time-bound transition period after which the use of the GHG

Protocol Corporate Standard would be mandatory. A few other respondents said that it is important the ISSB closely monitor market development around the use of the jurisdictional relief and re-assess the need for the jurisdictional relief in due course.

- (c) *Concerns about comparability:* Some respondents who provided feedback on the existing jurisdictional relief also raised concerns about the effect the relief might have on the comparability of GHG emissions disclosures. In some cases it is not clear whether these comments relate to the proposed clarification or the existing relief in IFRS S2 (which was not the subject of the Exposure Draft).

## Staff analysis of stakeholder feedback

22. The ISSB proposes to amend paragraphs 29(a)(ii) and B24 of IFRS S2 to **clarify** the scope of the jurisdictional relief available if an entity is required by a jurisdictional authority or an exchange on which it is listed to use a method other than the GHG Protocol Corporate Standard to measure GHG emissions for a part of the entity. The amendment would also clarify that this relief—which permits an entity to use a different method for measuring GHG emissions—is available for the relevant part of the entity and applies for as long as that requirement is applicable.
23. Some of the feedback from respondents raises broader points including those already applicable to the existing jurisdictional relief in IFRS S2 and thus reflects feedback beyond the scope of the proposed targeted amendment (included in paragraphs 20–21 of this paper). The proposed amendment sought to clarify the availability of the relief when a jurisdictional or exchange requirement applies only to a part of an entity, rather than to re-consider:
- (a) the existing jurisdictional relief from using the GHG Protocol Corporate Standard in IFRS S2; or
  - (b) extending that relief more broadly to other circumstances beyond jurisdictional or exchange requirements.

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24. The staff analysis and recommendations focus on feedback on matters consulted in the Exposure Draft, that is feedback on the proposed clarification of the jurisdictional relief from using the GHG Protocol Corporate Standard when a jurisdictional or exchange requirement applies only to a part of an entity.

***Analysis of comments on the clarification of the jurisdictional relief from using the GHG Protocol Corporate Standard***

25. Feedback from respondents confirms the need for the proposed clarification to provide entities with a better understanding of the jurisdictional relief and support the application of the relief (see paragraph 12–13). This feedback aligns with the ISSB’s considerations about how the proposed clarification would reduce the costs and reporting burden associated with duplicative reporting (see paragraph BC53 of the Basis for Conclusion on the Exposure Draft). For example, an entity operating in a jurisdiction that requires an alternative measurement method, such as Australia which requires the use of the NGER to measure GHG emissions, would benefit from the amendment as it reduces the cost of applying both methods—the GHG Protocol Corporate Standard to meet the requirements of IFRS S2 and the NGER to meet the jurisdictional requirement.
26. Feedback from respondents also confirms how the proposed clarification would support the implementation of IFRS S2, particularly in some jurisdictions that require an alternative method for measuring GHG emission (see paragraph 15 that includes jurisdictional requirements that were highlighted by respondents in the feedback on the Exposure Draft). This is consistent with the overarching intent of the proposed amendment to respond to application challenges and support entities in applying IFRS S2—in particular, to assist those in the process of implementation.
27. Feedback from investors confirms the ISSB’s assessment that the proposed amendment would not result in significant loss of useful information for primary users. The staff do not identify significant concern from investors, most of whom broadly support the proposed clarification. However, some respondents provided feedback on the effects of the amendment on comparability (see paragraph 18). The

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staff notes that the ISSB considered the potential effects to the comparability of information when proposing the amendment, but concluded that the benefits of the amendment would likely outweigh the costs (see paragraph BC53 of the Basis for Conclusion on the Exposure Draft that outlines the costs-benefits analysis).

28. In reaching that conclusion, the ISSB considered factors that mitigates the effect of this clarification on comparability, including:
- (a) *existence of jurisdictional relief in IFRS S2*:: because the jurisdictional relief is already available, clarifying that the relief is available including in situations whereby only a part of an entity is subject to a jurisdictional or exchange requirement, is not expected to have a significant incremental effect on comparability. Consequently, the ISSB concluded that the benefits of the amendment would likely outweigh the costs (see paragraph BC53 of the Basis for Conclusion on the Exposure Draft that outlines the cost-benefit analysis).
  - (b) *disclosure of alternative measurement method used*: an entity is required to disclose information related to the use of an alternative method for measuring GHG emissions in accordance with paragraph B28 of IFRS S2 (paragraph BC43 of the Basis for Conclusions on the Exposure Draft). In addition, the ISSB noted the applicability of the requirements related to disaggregation of information in accordance with paragraphs B29–B30 of IFRS S1. Such disclosures would mitigate the potential loss of comparability by providing relevant information and transparency to primary users about the use of the relief when this information is material.
29. Additionally, a few respondents raise concern about the use of inconsistent GHG measurement methods *within a reporting entity* as it relates to the usefulness of information (see paragraph 19). The staff acknowledges this feedback but believes that the effect of the use of inconsistent methods on the usefulness of information would be mitigated by disclosures about the alternative measurement methods used when such information is material (see paragraph 28(b)).

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30. A few respondents comment on the importance of monitoring the use of the jurisdictional relief and its effects on the decision-usefulness of GHG emissions disclosures and re-assessing the need for this relief (see paragraph 21(b)). The staff notes that the ISSB is required to conduct a post-implementation review (PIR) of IFRS S2, in accordance with the IFRS Foundation [Due Process Handbook](#). Assessing the effects of the jurisdictional relief on the decision-usefulness of information could be considered in the context of such PIR.
31. The staff thinks that feedback from respondents confirms the ISSB's assessment that the potential incremental loss of comparability resulting from the amendment are outweighed by its potential benefits in supporting entities' implementation of IFRS S2. Investor feedback supports this assessment. Most investors responding to this question support the proposed amendment because they agree with the importance of supporting the implementation of the Standard (see paragraph 14).

***Disaggregation of GHG emissions by measurement method used***

32. Feedback from respondents shows the importance of transparency about the use of the jurisdictional relief including to support comparisons between entities that may be made by users of general purpose financial reports. A few respondents suggest adding a specific requirement for an entity to disaggregate GHG emissions between the amount measured using the GHG Protocol Corporate Standard and the amount measured using an alternative measurement method(s). The ISSB considered such a requirement when proposing the amendment (see paragraph BC43 of the Basis for Conclusions on the Exposure Draft).
33. Paragraph B29 of IFRS S1 requires that an entity to not reduce the understandability of its sustainability-related financial disclosures by obscuring material information with immaterial information or by aggregating material items of information that are dissimilar to each other. Further, paragraph B30 of IFRS S1 requires that information not be aggregated when it does not have shared characteristics. An entity applying the jurisdictional relief would need to consider these requirements which would result in

the disaggregation of GHG emissions information if that information would result in the disclosure of material information. This is an important design feature of IFRS Sustainability Disclosure Standards, that is, that IFRS S2 is applied together with IFRS S1. The staff thinks repeating requirements that are included in IFRS S1 in IFRS S2 could unintentionally imply other applicable requirements in IFRS S1 that are not repeated are not applicable when applying IFRS S2 (for example, if in other cases the need for disaggregation is not specifically reiterated whereas it is in this case it could affect the application of this overarching requirement in IFRS S1).

34. The staff notes that relying on the requirements to disclose information about other measurement methods used to measure GHG emissions (paragraph B28 of IFRS S2) and the requirement to disaggregate information when material (paragraphs B29 and B30 of IFRS S1) is also helpful because the effect of applying a different approach to measuring GHG emissions could vary significantly depending on facts and circumstances. Thus the principles-based nature of these disclosure requirements is helpful. For example, whether disclosure of the application of other methods for measuring GHG emissions or disaggregation of information is warranted will depend on factors such as the portion of emissions subject to the other method(s) and the extent to which the other method results in substantive differences in the amount of GHG emissions relative to the measuring GHG emissions using the GHG Protocol Corporate Standard.

### **Staff recommendations on the proposed amendment**

35. The staff recommends that the ISSB finalise the proposed amendment to clarify that the jurisdictional relief from using the GHG Protocol Corporate Standard is available when an entity is required, in whole or in part, by a jurisdictional authority or an exchange on which it is listed to use a different method for measuring its GHG emissions. The staff also recommends that the amendment specify that the entity would be permitted to use this different method for the part of the entity to which that

jurisdictional or exchange requirement applies, for as long as such jurisdictional or exchange requirement applies to that part of the entity.

36. The staff recommends that the ISSB does not introduce new requirements regarding the disclosure of the use of a measurement method other than the GHG Protocol Corporate Standard or an explicit requirement to disaggregate GHG emissions measured using such alternatives, but instead place reliance on the existing requirements to disclose information about other measurement methods used to measure GHG emissions (paragraph B28 of IFRS S2 including the modification proposed in the Exposure Draft to clarify information is required for each alternative measurement method used) and to disaggregate information when material (paragraphs B29 and B30 of IFRS S1).

## **Applicability of the jurisdictional relief for GWP values**

### **Overview of the proposed amendment**

37. The ISSB proposes to amend IFRS S2 to extend the jurisdictional relief set out in paragraphs 29(a)(ii) and B24 of the Standard in relation to the measurement of GHG emissions to permit an entity, in specific circumstances, to use GWP values that differ from those otherwise required in the Standard. The relief would be available if an entity, in whole or in part, is required by a jurisdictional authority or an exchange on which it is listed to use GWP values other than the GWP values from the latest IPCC assessment for converting the seven constituent greenhouse gases into a CO<sub>2</sub> equivalent value. In such circumstances, the entity would be permitted to use the GWP values required by such a jurisdictional authority or exchange instead of the GWP values from the latest IPCC assessment for the relevant part of the entity, for as long as such a jurisdictional or exchange requirement applies to that part of the entity. A summary of why the ISSB proposed the amendment to IFRS S2 and how the proposed amendment would work can be found in paragraphs BC45–49 of the Basis for Conclusions on the Exposure Draft.



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## Feedback summary

### ***Summary of feedback from respondents who broadly agree with the proposed amendment***

38. Most respondents broadly agree with Question 4 which asks the question about the proposed amendment to extend the jurisdiction relief in IFRS S2 to the use of GWP values that differ from those otherwise required in the Standard.
39. Respondents broadly support the proposed amendment to provide the relief in response to the related application challenges. Respondents' comments are grouped into:
- (a) comments about the proposed amendment as logically consistency with the jurisdictional relief from using the GHG Protocol Corporate Standard and as a practical approach to support the implementation of IFRS S2;
  - (b) comments about reduced comparability;
  - (c) comments about the importance of transparency related to the use of the jurisdictional relief; and
  - (d) comments about the need to monitor market development related to the use of the jurisdictional relief.

### ***Comments about the proposed amendment as logically consistency with the jurisdictional relief from using the GHG Protocol Corporate Standard and as a practical approach to support the implementation of IFRS S2***

40. Respondents provide comments explaining their reasons for supporting the proposed amendment including:
- (a) *logically consistent with the jurisdictional relief from using the GHG Protocol Corporate Standard:* that the proposed amendment is consistent with ISSB's rationale for providing the jurisdictional relief from the use of GHG Protocol Corporate Standard as well as the proposed amendment to clarify the scope of that jurisdictional relief.

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- (b) *practical approach to support the implementation of IFRS S2*: that the proposed amendment provides a practical approach to support the implementation of IFRS S2 for those entities that are required to use different GWP values for converting greenhouse gases into a CO<sub>2</sub> equivalent value to meet existing jurisdictional requirements.
41. Respondents who broadly support the proposal included most of the investors who responded to Question 4 in the Exposure Draft. Investors that provided reasons for their views comment about the importance of the proposed amendment supporting the establishment of the global baseline of sustainability-related financial disclosures; consistent with feedback on Question 3 in the Exposure Draft (see paragraph 14).
42. Respondents' feedback confirms that GWP values from the latest IPCC assessment remain the most comparable benchmark for converting greenhouse gases into CO<sub>2</sub> equivalent values. However, the feedback also confirms that the proposed amendment would be helpful in particular circumstances where entities are subject to jurisdictional requirements, including:
- (a) Australia—National Greenhouse and Energy Reporting Scheme (NGER) that currently mandates GWP values from the IPCC Fifth Assessment Report;
  - (b) Korea—National Emissions Trading Scheme (K-ETS) that currently mandates GWP values from the IPCC Second Assessment Report;
  - (c) Singapore—Measurement, Reporting and Verification (MRV) requirements under Singapore's Carbon Pricing Act (CPA) that currently mandates GWP values from the IPCC Fifth Assessment Report; and
  - (d) United States of America—Greenhouse Gas Reporting Program (GHGRP) that currently mandates GWP values from the IPCC Fifth Assessment Report.

***Comments about reduced comparability***

43. While most respondents are supportive of the proposed amendment, some respondents raise concerns about the potential effects of the proposed amendment on comparability. Respondents noted that, although GWP values from the latest IPCC

assessment may not be significantly different compared to an outdated IPCC assessment, the effects of this difference on the GHG emissions measured could be significant. This could affect comparability of GHG emissions provided by entities applying the proposed relief. For example, the Philippines Commission on Audit, a regulator, highlighted how particular aspects of GWP values have been revised over time and the potential effects on entities' GHG emissions disclosures.

(...) We note, however, that while the ISSB states in Paragraph BC48 that differences in GWP values used by entities are not expected to significantly affect comparability, the actual numerical impact of using outdated GWP values can be material in high emission sectors (Power, Transport, Industry, Agriculture, and Fuel Production) as identified in the United Nations Environment Programme (UNEP)'s 2024 Emissions Gap Report. These sectors frequently report emissions from non-CO<sub>2</sub> gases, such as methane and nitrous oxide (N<sub>2</sub>O), for which GWP factors have changed significantly across IPCC assessment reports. A 2024 study by the European FluoroCarbons Technical Committee (EFCTC) noted that the GWP of methane increased by approximately +33%, and that of N<sub>2</sub>O decreased by –12%, when comparing the IPCC Second Assessment Report (SAR) to the Sixth Assessment Report (AR6). (Comment letter 62: Commission on Audit).

***Comments about the importance of transparency related to the use of the jurisdictional relief***

44. Some respondents specifically highlighted the importance of transparency about whether and how an entity is using such reliefs, to facilitate comparability of disclosures. Respondents' comments relate to:
- (a) *disclosure of alternative GWP values used*: Some respondents emphasise the importance of disclosure about alternative GWP values used applying the relief and some suggest the ISSB specifically require such disclosure.

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- (b) *disaggregation of GHG emissions by GWP values used:* A few respondents highlight that the disaggregation of GHG emissions as a result of using different GWP values could provide useful information. Some of these respondents highlight that an entity would provide such information applying the aggregation and disaggregation requirement in accordance with paragraphs B29–B30 of IFRS S1 when disclosing GHG emissions using multiple GWP values and that such information was material, while others suggest introducing a specific disaggregation requirement.

***Comments about the need to monitor market development related to the use of the jurisdictional relief***

45. Some respondents comment about the importance of the ISSB monitoring market development. These comments include:
- (a) *the need to re-assess the relief in due course:* A few respondents said that it is important for the relief to be re-assessed after the IFRS Sustainability Disclosure Standards have become widely implemented globally, because of the potential effects of such relief on comparability.
- (b) *the need to re-assess the requirement to use GWP values based on a 100-year time horizon from the latest IPCC assessment available in due course:* A few respondents said that the ISSB should monitor the development in climate assessment, including the global consensus on the GWP values used as the main benchmark for climate-related disclosures (for example, the growing relevance of GWP values based on shorter time horizons, such as the 20-year values).

***Summary of feedback from respondents who broadly disagree with the proposed amendment***

46. Some respondents broadly disagree with Question 4 in the Exposure Draft. Respondents that disagree with the proposed amendment highlight the importance of

using GWP values that support the provision of comparable and consistent GHG emissions disclosures.

- (a) *comparability of GHG emissions disclosures*: A few respondents raise concerns that using different GWP values could have effects on the comparability of GHG emissions.
- (b) *scientific and global consistency*: Related to the comments about comparability, a few respondents that disagree with the proposed amendment highlight that the proposed amendment would allow the use of GWP values that are not consistent with the latest global scientific consensus.
- (c) *consistency within an entity*: A few respondents who disagree with the proposed amendment highlighted the importance of using a consistent set of GWP values throughout the group (also see paragraph 19 for a similar concern raised related to the clarification of the jurisdictional relief about the use of the GHG Protocol Corporate Standard to measure GHG emissions).

## Staff analysis of stakeholder feedback

47. Feedback from respondents indicates support for the proposal to extend the jurisdictional relief to the use of GWP values that differ from those otherwise required in the Standard. This feedback aligns with the ISSB's considerations about how the proposed amendment would reduce the costs and reporting burden associated with duplicative reporting (see paragraph BC53 of the Basis for Conclusion on the Exposure Draft that outlines the costs-benefits analysis). Feedback from respondents also confirms that the proposed amendment would support the implementation of IFRS S2, particularly in some jurisdictions that require alternative GWP values (see paragraph 40(b) on practical approach and paragraph 42 on the list of relevant jurisdictional requirements). This is consistent with the overarching intent of the proposed amendment to respond to application challenges and support entities in applying IFRS S2—in particular, to assist those in the process of implementation.

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48. Feedback from investors confirms the ISSB's assessment that the proposed amendment would not result in a significant loss of useful information for primary users. The staff did not identify significant concern from investors, most of whom broadly support the proposed amendment. However, some respondents provided feedback on the effects of the amendment on comparability (see paragraph 43). In considering the proposed amendment, the ISSB highlighted that, because the jurisdictional relief is already available, extending such a relief is not expected to have a significant incremental effect on comparability. Consequently, the ISSB concluded that the benefits of the amendment would likely outweigh the costs (see paragraph BC53 of the Basis for Conclusion on the Exposure Draft that outlines the cost-benefit analysis).
49. In reaching that conclusion, the ISSB considered factors that can mitigate the incremental effect of this amendment on comparability, including the disclosure of measurement approach, inputs and assumptions used to measure GHG emissions. An entity is required to disclose such information in accordance with paragraph 29(a)(iii)(1) of IFRS S2. When disclosing such information, an entity might consider whether information about the GWP values used is relevant to this disclosure (see paragraph BC49 of the Basis for Conclusions on the Exposure Draft). In addition, the staff notes the applicability of the requirements related to disaggregation of information in accordance with paragraphs B29–B30 of IFRS S1 (similar to how these requirements would apply to an entity applying the jurisdictional relief from the use of GHG Protocol Corporate Standard; see paragraph 28(b)). Such disclosures would mitigate the potential loss of comparability by providing relevant information and transparency about the use of the relief.
50. A few respondents raise concerns about the use of inconsistent GWP values within a reporting entity as it relates to the usefulness of information (see paragraph 46(c)). Staff acknowledges this feedback but believes that the effect of the use of inconsistent GWP values on the usefulness of information would be mitigated by disclosures about GWP values used, as part of disclosures about measurement approach, inputs and

assumptions used to measure GHG emissions when that information is material (see paragraph 49).

51. A few respondents comment on the importance of monitoring the use of the jurisdictional relief and its effects on the decision-usefulness of GHG emissions disclosures and re-assessing the need of this relief (see paragraph 45). The staff notes that the ISSB is required to conduct a PIR of IFRS S2, in accordance with the IFRS Foundation [\*Due Process Handbook\*](#). Assessing the effects of the jurisdictional relief on the decision-usefulness of information could be part of such PIR.
52. The staff thinks that the feedback from respondents confirms the ISSB's assessment that the potential loss of comparability resulting from the amendment are outweighed by its potential benefits in supporting entities' implementation of IFRS S2. Most investors responding to this question support the proposed amendment because they agree with the importance of reducing costs for entities associated with duplicative reporting and enabling the implementation of the Standard (see paragraph 41).

***Disclosure of information about alternative GWP values used and disaggregation of GHG emissions by GWP values used***

53. Feedback from respondents shows the importance of transparency about the use of the jurisdictional relief. A few respondents suggest adding a specific requirement for an entity to disclose any alternative GWP values used. The staff notes that the ISSB considered such a requirement when proposing the amendment and decided not to propose additional disclosure requirements for entities that apply this proposed relief (see paragraph BC49 of the Basis for Conclusions on the Exposure Draft).
54. Paragraph 29(a)(iii)(1) of IFRS S2 requires the disclosure of measurement approach, inputs and assumptions used to measure GHG emissions. To the extent the use of the relief would result in the provision of information that is material in relation to inputs to the measurement of GHG emissions, an entity would be required to provide that information applying paragraph 29(a)(iii)(1) of IFRS S2.

55. A few respondents also suggest adding a specific requirement to disaggregate GHG emissions between the amount converted using GWP values from the latest IPCC assessment and the amount converted using an alternative GWP values. The staff also do not think this is necessary because requirements in paragraphs B29–B30 of IFRS S1 requires disaggregation of information where such disaggregation would provide material information. For the same reason set out in paragraph 34, the staff believes the ISSB should not add such a requirement.

### **Staff recommendations on the proposed amendment**

56. The staff recommends that the ISSB finalise the proposed amendment to extend the jurisdictional relief set out in paragraphs 29(a)(ii) and B24 of IFRS S2 in relation to the measurement of GHG emissions to permit an entity, in specific circumstances, to use GWP values that differ from those otherwise required in the Standard. The relief would be available if an entity, in whole or in part, is required by a jurisdictional authority or an exchange on which it is listed to use GWP values other than the GWP values based on a 100-year time horizon from the latest Intergovernmental Panel on Climate Change assessment available at the reporting date for converting the seven constituent greenhouse gases into CO<sub>2</sub> equivalent values. The staff also recommends that the amendment specify that the entity would be permitted to use these different GWP values for the part of the entity to which that jurisdictional or exchange requirement applies, for as long as such jurisdictional or exchange requirement applies to that part of the entity.
57. The staff recommends that the ISSB does not introduce new requirements regarding the disclosure of the use of alternative GWP values or an explicit requirement to disaggregate GHG emissions measured using such alternatives, but instead place reliance on the existing requirements to disclose the inputs and assumptions used to measure GHG emissions (paragraph 29(a)(iii)(1) of IFRS S2), and to disaggregate information when material (paragraphs B29 and B30 of IFRS S1).



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## Questions for the ISSB

58. The staff presents the following questions for the ISSB:

### Questions for the ISSB

1. Does the ISSB have any comments or questions on the summary of stakeholder feedback in response to Questions 3 and 4 of the Exposure Draft, the staff analysis and recommendations presented in this paper?
2. Does the ISSB agree with the staff recommendations on the proposed amendment related to the proposed relief to clarify the jurisdictional relief from using the GHG Protocol Corporate Standard, as set out in paragraphs 35–36?
3. Does the ISSB agree with the staff recommendations on the proposed amendment related to the applicability of jurisdictional relief for GWP values, as set out in paragraphs 56–57?

## Appendix A—Extracts from Questions for respondents in the Exposure Draft

- A1. Question 3 in the Exposure Draft *Amendments to Greenhouse Gas Emissions Disclosures*

### Question 3—Jurisdictional relief from using the GHG Protocol Corporate Standard

The ISSB proposes to amend paragraphs 29(a)(ii) and B24 of IFRS S2 to clarify the scope of the jurisdictional relief available if an entity is required by a jurisdictional authority or an exchange on which it is listed to use a method other than the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) to measure greenhouse gas emissions for a part of the entity. The amendment would clarify that this relief, which permits an entity to use a different method for measuring greenhouse gas emissions, is available for the relevant part of the entity when such a jurisdictional or exchange requirement applies to an entity in whole or in part, for as long as that requirement is applicable.

Paragraphs BC39–BC43 of the Basis for Conclusions describe the reasons for the proposed amendment.

Do you agree with the proposed amendment? Why or why not?

- A2. Question 4 in the Exposure Draft

### Question 4— Applicability of jurisdictional relief for global warming potential values

The ISSB proposes to amend paragraphs B21–B22 of IFRS S2 to extend the jurisdictional relief in the Standard. The ISSB proposes that if an entity is required, in whole or in part, by a jurisdictional authority or exchange on which it is listed to use global warming potential (GWP) values other than the GWP values that are

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required by paragraphs B21–B22 of IFRS S2, the entity would be permitted to use the GWP values required by such a jurisdictional authority or an exchange for the relevant part of the entity, for as long as that requirement is applicable.

Paragraphs BC44–BC49 of the Basis for Conclusions describe the reasons for the proposed amendment.

Do you agree with the proposed amendment? Why or why not?