Staff paper

Agenda reference: 2

Transition Implementation Group on IFRS S1 and IFRS S2

Date	**November 2026**
Topic	**Reference to GHG Protocol Corporate Standard in IFRS S2—Land Sector and Removals (LSR) Standard**
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This paper has been prepared for discussion at a public meeting of the Transition Implementation Group on IFRS S1 and IFRS S2 (TIG). 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® Sustainability Disclosure Standards. The ISSB's technical decisions are made in public and are reported in the ISSB *Update*.

Introduction

1. We have received a submission about the requirement in IFRS S2 *Climate-related Disclosures* for an entity to measure its greenhouse gas (GHG) emissions in accordance with the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)* (GHG Protocol Corporate Standard) and whether an entity is required to apply the GHG Protocol *Land Sector and Removals Standard* (LSR Standard) when applying this requirement.[1]

2. The objective of this paper is to provide background and analysis to support discussion by the Transition Implementation Group on IFRS S1 and IFRS S2 (TIG).

3. The TIG provides a public forum for the discussion of implementation questions related to the IFRS Sustainability Disclosure Standards and provides information for the ISSB to determine what, if any, action will be needed to address those questions.

[1] The GHG Protocol published the *Land Sector and Removals Standard* (LSR Standard) in January 2026 (version 1.0) and updated it in June 2026 (version 1.1) to make administrative and non-substantive changes. The staff's analysis—including quotations and references to sections and page numbers—is based on version 1.1 of the LSR Standard, available on the GHG Protocol's website: https://ghgprotocol.org/sites/default/files/2026-06/Land-Sector-and-Removals-Standard-v1.1.pdf

4. This paper:

   (a) sets out the relevant requirements in IFRS S2;

   (b) summarises the implementation question raised in the submission;

   (c) outlines the staff's analysis related to the implementation question; and

   (d) asks the members of the TIG for their views on the question raised.

Relevant requirements

5. The following paragraphs set out the main requirements in IFRS S2 and considerations in the Basis for Conclusions on IFRS S2 *Climate-related Disclosures* relevant to the implementation question.

6. Paragraph 29(a) of IFRS S2 sets out the requirements related to the measurement and disclosure of GHG emissions. This includes the requirements to disclose Scope 1, Scope 2, and Scope 3 GHG emissions (paragraph 29(a)(i) of IFRS S2); the requirement to measure GHG emissions in accordance with the GHG Protocol Corporate Standard (paragraph 29(a)(ii) of IFRS S2); and the requirement to disclose information about the approach an entity uses to measure its GHG emissions (paragraph 29(a)(iii) of IFRS S2):

> 29 An entity shall disclose information relevant to the cross-industry metric categories of:
>
> (a) greenhouse gases—the entity shall:
>
> (i) disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO_2 equivalent (see paragraphs B19–B22), classified as:
>
> (1) Scope 1 greenhouse gas emissions;
>
> (2) Scope 2 greenhouse gas emissions; and
>
> (3) Scope 3 greenhouse gas emissions;

(ii) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless the 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 greenhouse gas emissions (see paragraphs B23–B25);

(iii) disclose the approach it uses to measure its greenhouse gas emissions (see paragraphs B26–B29) including:

(1) the measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions;

(2) the reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and

(3) any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes.

7. Paragraph B23 of IFRS S2 clarifies that an entity is required to apply the requirements in the GHG Protocol Corporate Standard only to the extent that they do not conflict with IFRS S2:

> B23 Paragraph 29(a)(ii) requires an entity to disclose its greenhouse gas emissions measured in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004). For the avoidance of doubt, an entity

> shall apply the requirements in the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) only to the extent that they do not conflict with the requirements in this Standard. For example, the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) does not require an entity to disclose its Scope 3 greenhouse gas emissions, however, the entity is required to disclose Scope 3 greenhouse gas emissions in accordance with paragraph 29(a).

8. The Basis for Conclusions accompany but are not part of IFRS Sustainability Disclosure Standards. The Basis for Conclusions summarise the considerations of the ISSB in developing Standards and thus provide useful context to understand the requirements in Standards, but do not in themselves establish requirements.

9. Paragraph BC90 of the Basis for Conclusions on IFRS S2 explains the ISSB's rationale for referring to a specific version of the GHG Protocol Corporate Standard in IFRS S2:

> BC90 Some respondents to the Exposure Draft raised concerns about the requirement in IFRS S2 for an entity to use a third-party method, observing that any changes to the method would be outside the ISSB's control and not subject to the IFRS Foundation's due process. The GHG Protocol Corporate Standard was first published in 2001 and is expected to be updated periodically to clarify the method for measuring greenhouse gas emissions. The ISSB considered these respondents' concerns and decided that IFRS S2 refers to the 2004 version of the GHG Protocol Corporate Standard, which was the latest version available when the Exposure Draft was published (31 March 2022). If the GHG Protocol Corporate Standard were to be updated, the ISSB will assess the likely effects of those changes before proposing any changes to IFRS S2 to reflect those updates. The ISSB will update IFRS S2 to

include a reference to a modified version of the GHG Protocol Corporate Standard only after it has made this assessment and sought feedback on any proposed change in accordance with the IFRS Foundation's due process.

Implementation question received

10. The submission relates to the requirement in paragraph 29(a)(ii) of IFRS S2 for an entity to measure its GHG emissions in accordance with the GHG Protocol Corporate Standard.[2] Specifically, the submission asks whether an entity is required to apply the LSR Standard to meet the requirement in IFRS S2 to measure its GHG emissions in accordance with the GHG Protocol Corporate Standard.

11. The question has arisen following the publication of the LSR Standard by the GHG Protocol in 2026. The LSR Standard states that it 'builds upon and supplements the GHG Protocol's *A Corporate Accounting and Reporting Standard* (Revised Edition) … and *Corporate Value Chain (Scope 3) Accounting and Reporting Standard*', and 'establishes requirements and recommendations to account for, report, and track GHG emissions, CO_2 removals, and other relevant metrics that reflect anthropogenic activities in the land sector, as well as other CO_2 removal technologies' (Section 1.2 of LSR Standard).

12. Requirement 1 of the LSR Standard states that 'companies reporting a corporate- or organization-level GHG inventory in conformance with the Greenhouse Gas Protocol **shall** follow the *Land Sector and Removals Standard* and *Guidance* if the company has significant land sector activities in its operations or value chain and/or if the company chooses to account for and report CO_2 removals or CO_2 capture with geologic storage...' (page 5 of the LSR Standard). The effective date of the LSR Standard is 1 January 2027.

[2] IFRS S2 *Climate-related Disclosures* provides a relief for an entity from measuring its GHG emissions in accordance with GHG Protocol Corporate Standard, if it is required by a jurisdictional authority or an exchange on which it is listed to use a different method for measuring its GHG emissions. *Amendments to Greenhouse Gas Emissions Disclosures* issued in December 2025, clarified that this jurisdictional relief applies to an entity, either in whole or in part.

13. Paragraph 29(a)(i) of IFRS S2 requires an entity to disclose its absolute gross GHG emissions and paragraph 29(a)(ii) requires an entity to measure its GHG emissions in accordance with the GHG Protocol Corporate Standard.

14. Because the LSR Standard states that entities reporting a GHG inventory in conformance with the GHG Protocol must apply the LSR Standard in specified circumstances, and establishes requirements and recommendations related to the measurement and disclosure of GHG emissions, the question has arisen about whether an entity with land-sector activities is required to apply the LSR Standard when applying paragraph 29(a)(ii) of IFRS S2. The answer affects whether entities applying IFRS S2 would need to apply the requirements related to measurement in the LSR Standard, once it is effective.

Staff analysis

Reference to the GHG Protocol Corporate Standard in paragraph 29(a)(ii) of IFRS S2

15. Paragraph 29(a)(ii) requires an entity to measure its GHG emissions 'in accordance with the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* (2004)'. The reference identifies the GHG Protocol Corporate Standard by title and date and specifies its use for the purpose of measuring GHG emissions.

16. Paragraph BC90 of the Basis for Conclusions on IFRS S2 explains why IFRS S2 refers to the GHG Protocol Corporate Standard in this way. Respondents to the exposure draft of IFRS S2 raised concerns that changes to a third-party method would be outside the ISSB's control and not subject to the IFRS Foundation's due process. Paragraph BC90 explains that, in response, the ISSB decided that IFRS S2 'refers to the 2004 version of the GHG Protocol Corporate Standard, which was the latest version available when the Exposure Draft was published (31 March 2022)'.

17. Paragraph BC90 also states that the GHG Protocol Corporate Standard 'is expected to be updated periodically', and that if it 'were to be updated, the ISSB will assess the likely effects of those changes before proposing any changes to IFRS S2'. It states that the ISSB will update IFRS S2 to include a reference to a modified version 'only after it has made this assessment and sought feedback on any proposed change in accordance with the IFRS Foundation's due process'.

18. In the staff's view, this indicates that any changes to the GHG Protocol Corporate Standard after the reference was established would take effect for the purposes of IFRS S2 only if and when the ISSB amends the reference following due process. Changes are not intended to take effect automatically.

19. IFRS S2 does not require an entity to be in conformance with the GHG Protocol nor does it require an entity to meet all the requirements of the GHG Protocol. Paragraph 29(a)(ii) of IFRS S2 requires an entity to use the 2004 version of the GHG Protocol Corporate Standard for the specific purpose of measuring GHG emissions. IFRS S2 does not require the use of the GHG Protocol Corporate Standard beyond that specified purpose (for example, to determine what information about an entity's GHG emissions to disclose).[3] Furthermore, paragraph B23 of IFRS S2 states that an entity is required to apply the requirements in the GHG Protocol Corporate Standard only to the extent that they do not conflict with the requirements in IFRS S2. An entity applying IFRS S2 must meet the requirements in IFRS S2, including requirements related to the measurement and disclosure of GHG emissions that are not included in the GHG Protocol Corporate Standard. For example, paragraph B39 of IFRS S2 requires an entity, when measuring its Scope 3 GHG emissions, to use 'all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort'. Therefore, whether an entity is in conformance with the GHG

[3] IFRS S2 also references the *Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard* (2011) as part of the definition of Scope 3 GHG emissions and as part of the requirement for an entity to disclose the Scope 3 categories that are included in its measure of Scope 3 GHG emissions (see Question 2 of *Greenhouse Gas Emissions Disclosure Requirements applying IFRS S2* Climate-related Disclosures—*Educational material*)

Protocol is separate from, and is not determinative of, whether the entity has met the requirements in IFRS S2.

Applicability of the LSR Standard

20. This section of the paper applies the considerations set out in paragraphs 15–19 of this paper to the question of whether an entity is required to apply the LSR Standard to meet the requirement in IFRS S2 to measure its GHG emissions in accordance with the GHG Protocol Corporate Standard.

21. The LSR Standard was published in 2026, after the publication of the exposure draft of IFRS S2 in March 2022 and the issuance of IFRS S2 in June 2023. The LSR Standard therefore did not exist when the reference in paragraph 29(a)(ii) was established and did not form part of the 2004 version of the GHG Protocol Corporate Standard to which IFRS S2 refers.

22. Requirement 1 of the LSR Standard refers to what is required when reporting 'in conformance with the Greenhouse Gas Protocol' (page 5 of the LSR Standard). However, as noted in paragraph 19, IFRS S2 does not require an entity to be in conformance with the GHG Protocol. Whether an entity applies the LSR Standard for the purpose of being in conformance with the GHG Protocol is therefore separate from whether IFRS S2 requires the application of the LSR Standard.

Staff view

23. Based on the analysis in paragraphs 15–22 of this paper, it is the staff's view that an entity is **not required** to apply the LSR Standard to meet the requirement in paragraph 29(a)(ii) of IFRS S2 to measure its GHG emissions in accordance with the GHG Protocol Corporate Standard, because:

    (a) paragraph 29(a)(ii) of IFRS S2 refers to the 2004 version of the GHG Protocol Corporate Standard for the purpose of measuring GHG emissions. The LSR Standard was published in 2026 and therefore did not exist when the reference

in paragraph 29(a)(ii) of IFRS S2 was established. It therefore does not form part of the 2004 version of the GHG Protocol Corporate Standard to which IFRS S2 refers.

(b) paragraph BC90 of the Basis for Conclusions on IFRS S2 explains that changes to the GHG Protocol Corporate Standard take effect for the purposes of IFRS S2 only if and when the ISSB amends the reference following the IFRS Foundation's due process. Therefore, the publication of the LSR Standard does not automatically change what IFRS S2 requires.

24. The staff also note that Requirement 1 of the LSR Standard refers to reporting 'in conformance with the Greenhouse Gas Protocol'. As explained in paragraph 19, IFRS S2 requires the use of the 2004 version of the GHG Protocol Corporate Standard for the specific purpose of measuring GHG emissions, and it does not require an entity to be in conformance with the GHG Protocol. Accordingly, whether an entity applies the LSR Standard for the purpose of being in conformance with the GHG Protocol is separate from whether the entity is required to apply the LSR Standard to meet the requirements in IFRS S2.[4] As explained in paragraph 23, the staff's view is that IFRS S2 does **not require** an entity to apply the LSR Standard.

25. The staff acknowledge that entities are not prohibited from using the LSR Standard when applying IFRS S2. However, an entity that does so may only apply its requirements to the extent that they do not conflict with the requirements in IFRS S2. Paragraph 29(a)(iii) of IFRS S2 requires an entity to disclose information about the approach it uses to measure its GHG emissions, including the measurement approach, inputs and assumptions. As part of applying this requirement, an entity that uses the LSR Standard when applying IFRS S2 might disclose information about its use of the LSR Standard if that provides material information about its measurement of GHG emissions.

[4] This paper concerns only the requirements in IFRS S2. It does not express a view on what the LSR Standard requires of entities applying it independently of the requirements in IFRS S2, including Requirement 1 of the LSR Standard. Requirement 1 states that companies reporting a corporate- or organisation-level GHG inventory 'in conformance with the Greenhouse Gas Protocol' shall follow the LSR Standard in specified circumstances.

Staff note

26. The GHG Protocol is undertaking a project to update its corporate suite of standards and guidance.[5] Per the GHG Protocol's standard development plan, this project will culminate in the issuance of a consolidated 'GHG Protocol Corporate Standard: Corporate Accounting and Reporting Standard (Version 3.0)' (the Corporate Standard Version 3.0).[6] The GHG Protocol plans to publicly consult on the draft standard during Q2 2027 and aims to issue the revised Corporate Standard Version 3.0 by the end of 2028.

27. Consistent with the considerations set out in paragraphs 15–19, the completion of the GHG Protocol's project, and the issuance of the Corporate Standard Version 3.0, would not, by itself, change the requirements in IFRS S2. The ISSB would need to assess the likely effects of those changes before proposing any changes to IFRS S2 to reflect updates to the GHG Protocol Corporate Standard. The ISSB would update IFRS S2 to include a reference to a modified version of the GHG Protocol Corporate Standard only after it has made this assessment and sought feedback on any proposed change in accordance with the IFRS Foundation's due process.

Question for the TIG

28. The staff present the following question for the TIG members.

Question for TIG members
1. What are your views on the question and analysis presented?

[5] Information about the GHG Protocol's project to update its corporate suite of standards and guidance is available on GHG Protocol's website: https://ghgprotocol.org/ghg-protocol-corporate-suite-standards-and-guidance-update-process

[6] The GHG Protocol's standard development plan is available on the GHG Protocol's website: https://ghgprotocol.org/sites/default/files/2026-07/Consolidated-StandardDevelopmentPlan%28SDP%29-2026.07.29.pdf