
Exposure Draft *Amendments to Greenhouse Gas Emissions Disclosures*

Proposed targeted amendments to IFRS S2
Climate-related financial disclosures

Why is the ISSB proposing amendments to IFRS S2?

Application challenges

Supporting IFRS S1 and IFRS S2 implementation is the ISSB's highest priority

- **The Transition Implementation Group on IFRS S1 and IFRS S2 (TIG)** was established to support implementation
- **Application challenges were identified** through the TIG and ISSB's other engagement activities

Amendment criteria for application challenges

Application challenges were referred to the ISSB

Amendments are considered if:

- there is **demonstrated need** for amendment
- they would not result in significant **loss of useful information**
- they would not **unduly disrupt** implementation and adoption of the Standards

Proposed amendments to IFRS S2

The ISSB agreed:

- the proposed amendments **met the criteria**
- to act on a **timely basis** to propose the amendments

The proposed amendments:

- are **targeted**
- respond to **market needs** identified during implementation
- are not focused on reducing what is required to be disclosed

What is the ISSB proposing?

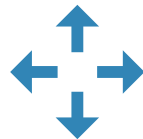
The proposed amendments are targeted toward aspects of **GHG emissions disclosures** and **provide reliefs** to existing requirements in IFRS S2

The ISSB considered the **perspectives of multiple stakeholder** groups in developing the amendments



Providing application support to companies

- Make it easier and reduce related costs to apply IFRS S2
- Optional reliefs that entities can choose to apply



Minimising disruption to jurisdictions

Optional reliefs that jurisdictions can choose to make available — without affecting their degree of alignment with ISSB Standards



Keeping investors' needs in focus

Ensure the usefulness of sustainability-related financial information provided by companies

No fundamental change in disclosures

What disclosure requirements do the proposed amendments relate to?

1

Measurement and disclosure of Scope 3 Category 15 GHG emissions

2

Use of Global Industry Classification Standard (GICS) for specific financed emissions disclosures

3

Jurisdictional relief from using the GHG Protocol Corporate Standard*

4

Applicability of the jurisdictional relief for global warming potential (GWP) values

* The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) is referred to as the 'GHG Protocol Corporate Standard' for brevity

1 Measurement and disclosure of Scope 3 Category 15 GHG emissions

Application challenge



Clarity related to the scope of emissions included in disclosure due to the perceived misalignment between requirements:

- to measure and disclose Scope 3 Category 15 GHG emissions—as a part of Scope 3 GHG emissions disclosure (IFRS S2.29(a)(i)(3)); and
- to disclose additional information about financed emissions (IFRS S2.B58–B63)

Proposed amendment

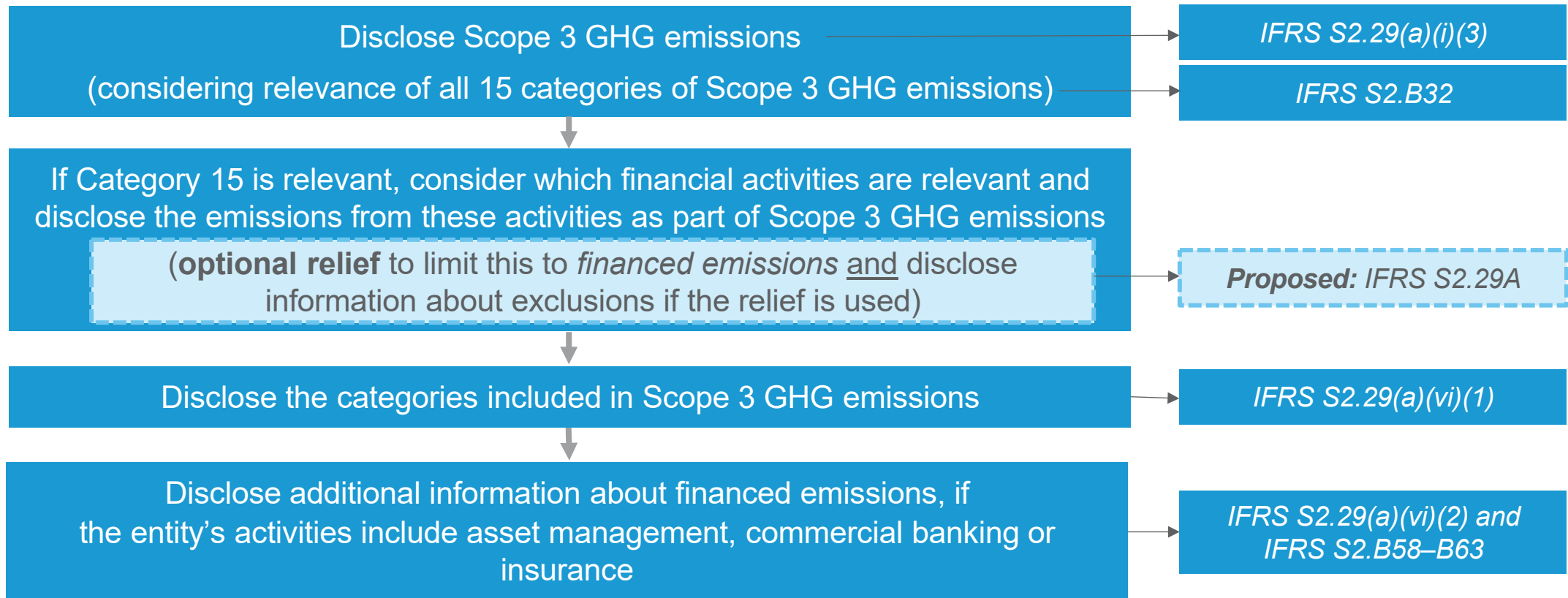


Permit an entity to limit its measurement and disclosure of Scope 3 Category 15 GHG emissions to **financed emissions**, thus allowing an entity to exclude emissions associated with:

- derivatives; and
- other financial activities (for example, facilitated emissions or insurance-associated emissions)

An entity applying this relief would be required to disclose information about the magnitude of derivatives and financial activities associated with excluded Scope 3 Category 15 GHG emissions.

1 Measurement and disclosure of Scope 3 Category 15 GHG emissions



1 Measurement and disclosure of Scope 3 Category 15 GHG emissions

IFRS S2.29(a)(i)(3)

Disclose Scope 3 GHG emissions, including Category 15 if relevant

Category 15 GHG emissions

Financed emissions

Facilitated emissions

Insurance-associated emissions

Proposed: IFRS S2.29A

An entity may limit its measurement and disclosure of Scope 3 Category 15 GHG emissions to **financed emissions**. For the purposes of the limitation, **derivatives are excluded**.

An entity applying this relief would be required to disclose information about the **magnitude of derivatives and financial activities associated with excluded** Scope 3 Category 15 GHG emissions.

2 Use of GICS for specific financed emissions disclosures

Application challenge



Legal and cost implications related to the requirement to use GICS for classifying counterparties when disclosing disaggregated financed emissions by industry (IFRS S2.B62–B63)

Proposed amendment



Retain requirement to disaggregate information using an industry-classification system, but limit the requirement to use GICS to specific circumstances—when GICS is already being used by an entity—and specify alternative industry-classification systems required in other circumstances.

An entity would be required to disclose the industry-classification system it uses to disaggregate its financed emissions information and to explain the basis for selection, if using an alternative industry-classification system.

2 Use of GICS for specific financed emissions disclosures



* Jurisdictional or exchange requirements are referred to as 'jurisdictional requirement' for brevity

3 Jurisdictional relief from using the GHG Protocol Corporate Standard

Application challenge



Lack of clarity about whether the jurisdictional relief (IFRS S2.29(a)(ii)) is available when a jurisdictional requirement* to measure GHG emissions using a method other than the GHG Protocol Corporate Standard only applies to a part of an entity.

Proposed amendment

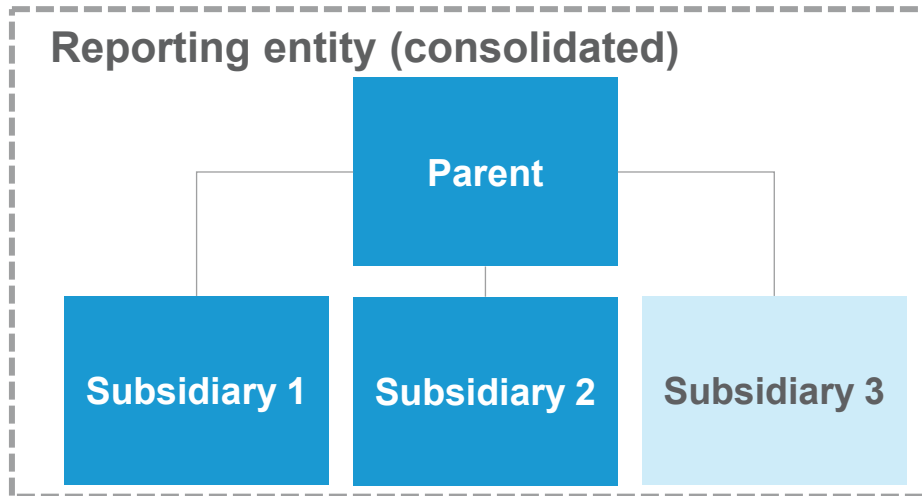


Clarify that the relief is available when a jurisdictional requirement applies to an entity, in whole or in part.

Clarify that the relief would only apply to the part of the entity subject to such a jurisdictional requirement.

* Jurisdictional or exchange requirements are referred to as 'jurisdictional requirement' for brevity

3 Jurisdictional relief from using the GHG Protocol Corporate Standard



Example

The reporting entity prepares sustainability-related financial disclosures applying ISSB Standards.

Subsidiary 3 is required by a jurisdiction to provide GHG emissions information. This jurisdictional requirement mandates Subsidiary 3 to use a specific method for measuring GHG emissions that is not the GHG Protocol Corporate Standard.

Applying the jurisdictional relief from using the GHG Protocol Corporate Standard, the entity could use the following methods for measuring its GHG emissions:

- for **Subsidiary 3**—specific method in accordance with the jurisdictional requirement, as proposed to be permitted under IFRS S2
- for **the other parts of the entity**—GHG Protocol Corporate Standard, in accordance with IFRS S2

4 Applicability of the jurisdictional relief for GWP values



Application challenge

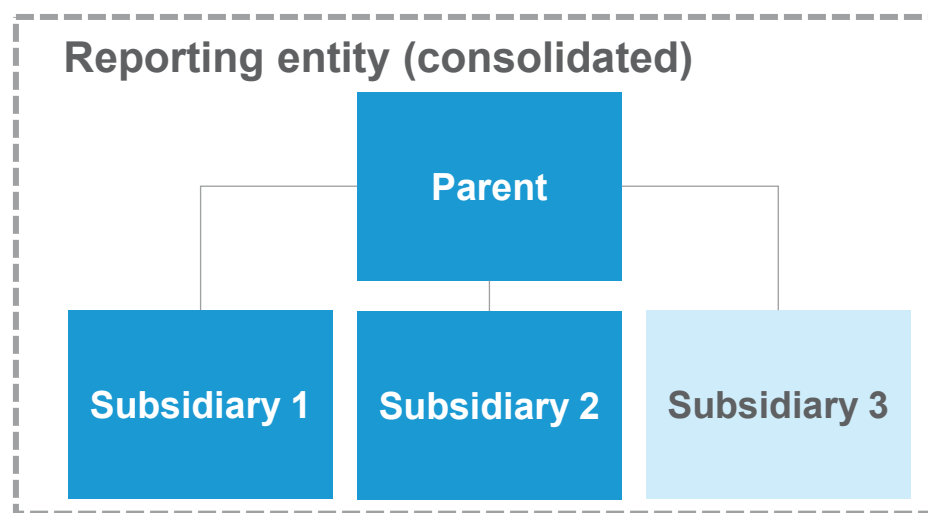
Duplicative reporting and increased costs for entities subject to a jurisdictional requirement to use GWP values other than the GWP values required by IFRS S2.B21–B22, to convert the seven constituent GHG emissions into CO₂ equivalents.



Proposed amendment

Extend the jurisdictional relief in IFRS S2 such that it would permit an entity to use the GWP values required by a jurisdiction to convert the seven constituent GHG emissions to CO₂ equivalent values for the part of the entity subject to such a jurisdictional requirement when applying IFRS S2.

4 Applicability of the jurisdictional relief for GWP values



Example

The reporting entity prepares sustainability-related financial disclosures applying ISSB Standards.

Subsidiary 3 is required by a jurisdiction to provide GHG emissions information. This jurisdictional requirement mandates Subsidiary 3 to use GWP values from the IPCC Fifth Assessment Report (AR5) for converting the seven constituent greenhouse gases into a CO₂ equivalent value.

Applying the proposed jurisdictional relief related to GWP values, the entity could measure its GHG emissions using GWP values as follows:

- for **Subsidiary 3**—GWP values from AR5, in accordance with the jurisdictional requirement, as proposed to be permitted under IFRS S2
- for **the other parts of the entity**—GWP values based on a 100-year time horizon from the latest IPCC assessment available at the reporting date*, in accordance with IFRS S2

*Currently, the Sixth Assessment Report is the latest IPCC assessment

Next steps

Comment period opens

Release of **Exposure Draft**
Amendments to Greenhouse Gas
Emissions Disclosures including
the **Basis for Conclusions**

28 April 2025

Comment period ends

Last day to submit
comments via survey
response or comment
letter

27 June 2025

Final amendments

*Aiming to complete the
project in 2025*

Q4 2025



Find the Exposure Draft and submit comments on the *Amendments to Greenhouse Gas Emissions Disclosures (Amendments to IFRS S2)* [project page](#) of the IFRS Foundation website.

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