IFRS®
Sustainability

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Amendments to IFRS S2

IFRS® Sustainability Disclosure Standard

Amendments to Greenhouse Gas Emissions Disclosures

International Sustainability Standards Board

Amendments to Greenhouse Gas Emissions Disclosures

Amendments to IFRS S2

Amendments to Greenhouse Gas Emissions Disclosures is issued by the International Sustainability Standards Board (ISSB).

The Foundation is a not-for-profit corporation under the General Corporation Law of the State of Delaware, USA and operates in England and Wales as an overseas company (Company number: FC023235) with its principal office in the Columbus Building, 7 Westferry Circus, Canary Wharf, London, E14 4HD.

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Paragraphs 29(a)(ii) and 29(a)(vi)(2) are amended. Paragraphs 29A–29C are added. New text is underlined and deleted text is struck through. Text that is not amended but included for ease of reference is shown in grey.

Core content

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Metrics and targets

...

Climate-related metrics

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:

...

(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 ~~the entity~~ is listed to use a different method for measuring its greenhouse gas emissions (see paragraphs B23–B25);

...

(vi) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(3), and with reference to paragraphs B32–B57, disclose:

(1) the categories included within the entity's measure of Scope 3 greenhouse gas emissions, in accordance with the *Scope 3 categories* described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011); and

(2) additional information about the entity's *financed emissions* (which are part of Category 15 greenhouse gas emissions)~~ or those associated with its investments (*financed emissions*)~~, if its ~~the entity's~~ activities include

asset management, commercial banking or insurance (see paragraphs B58–B63A ~~B63~~);

...

29A In preparing disclosures to meet the requirement in paragraph 29(a)(i)(3), an entity is permitted to limit what it includes in its measure of Scope 3 Category 15 greenhouse gas emissions to only its financed emissions. That is, the entity is permitted to limit its Category 15 greenhouse gas emissions to emissions attributed to loans and investments made by the entity to investees or counterparties. 'Loans and investments' include loans, project finance, bonds, equity investments and undrawn loan commitments. For an entity that participates in asset management activities, financed emissions include greenhouse gas emissions attributed to assets under management. For the purpose of the limitation, an entity is permitted to exclude greenhouse gas emissions attributable to derivatives.

29B If an entity applies the limitation in paragraph 29A, the entity shall:

(a) explain what it has treated as a derivative to enable users of general purpose financial reports to understand how it applied the limitation. For example, the entity could explain that, in applying the limitation, it treated as derivatives items that meet the definition of a derivative in accordance with the requirements of IFRS Accounting Standards or other applicable generally accepted accounting principles or practices (GAAP) used in preparing its related financial statements.

(b) describe the financial activities it has excluded from its measure of Scope 3 Category 15 greenhouse gas emissions as a result of applying paragraph 29A, including activities associated with derivatives.

29C If an entity has included Category 15 greenhouse gas emissions in its measure of Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(3), the entity shall disclose the total Category 15 greenhouse gas emissions and the subtotal of financed emissions included in that total.

Appendix B
Application guidance

Paragraphs B21–B22, B24, B28, B37, B59, B62(a) and B63(a) are amended. Paragraphs B62A and B63A are added. Paragraphs B62(a)(i) and B63(a)(i) are deleted. Paragraphs B62(a)(ii) and B63(a)(ii) are renumbered and repositioned as paragraphs B62A(b) and B63A(b). New text is underlined and deleted text is struck through. Text that is not amended but included for ease of reference is shown in grey.

Greenhouse gases (paragraph 29(a))

Greenhouse gas emissions

...

Aggregation of greenhouse gases into CO_2 equivalent using global warming potential values

B20 Paragraph 29(a) requires an entity to disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO_2 equivalent. To meet this requirement, the entity shall aggregate the seven constituent greenhouse gases into CO_2 equivalent values.

B21 If an entity uses direct measurement to measure its greenhouse gas emissions, the entity is required to convert the seven constituent greenhouse gases into a CO_2 equivalent value using global warming potential values based on a 100-year time horizon, from the latest Intergovernmental Panel on Climate Change assessment available at the reporting date. The requirement to use such global warming potential values applies unless the entity is required, in whole or in part, by a jurisdictional authority or an exchange on which it is listed to use different global warming potential values for converting the seven constituent greenhouse gases into a CO_2 equivalent value. In such a case, the entity is instead permitted to use the global warming potential values required by such a jurisdictional authority or exchange for the part of the entity to which that requirement applies, for as long as that requirement applies to that part of the entity.

B22 If an entity uses emission factors to estimate its greenhouse gas emissions, the entity shall use—as its basis for measuring its greenhouse gas emissions—the emission factors that best represent the entity's activity (see paragraph B29). If these emission factors have already converted the constituent gases into CO_2 equivalent values, the entity is not required to recalculate the emission factors using global warming potential values based on a 100-year time horizon from the latest Intergovernmental Panel on Climate Change assessment available at the reporting date. However, if an entity uses emission factors that are not converted into CO_2 equivalent values, then the entity shall use the global warming potential values based on a 100-year time horizon from the latest Intergovernmental Panel on Climate Change assessment available at the reporting date. The requirement to use such global warming potential values applies unless the entity is required, in whole or in part, by a jurisdictional authority or an exchange on which it is listed to use different global warming potential values for converting the seven constituent greenhouse gases into a CO_2 equivalent value. In such a case, the entity is instead permitted to use the global warming potential values required by such a jurisdictional authority or exchange for the part of the entity to which that requirement applies, for as long as that requirement applies to that part of the entity.

Greenhouse Gas Protocol

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).

B24 An entity is required to use 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. If 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, the entity is permitted to use this different method for the part of the entity to which that requirement applies, rather than using the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004), for as long as such ~~the~~ jurisdictional or exchange requirement applies to that part of the entity.

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Measurement approach, inputs and assumptions

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Other methods and measurement approaches

B28 When an entity discloses its greenhouse gas emissions measured in accordance with another method, applying paragraphs 29(a)(ii), B24–B25 or C4(a), the entity shall disclose for each alternative method:

(a) the applicable method and measurement approach the entity uses to determine its greenhouse gas emissions; and

(b) the reason, or reasons, for the entity's choice of method and measurement approach and how that approach relates to the disclosure objective in paragraph 27.

...

Scope 3 greenhouse gas emissions

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B37 An entity that participates in one or more financial activities associated with asset management, commercial banking and insurance shall disclose additional information about the financed emissions associated with those activities as part of the entity's disclosure of its Scope 3 greenhouse gas emissions (see paragraphs B58–B63A~~B63~~).

...

Financed emissions

...

B59 Paragraph 29(a)(i)(3) requires an entity to disclose its absolute gross Scope 3 greenhouse gas emissions generated during the reporting period, including upstream and downstream emissions. An entity that participates in one or more of the following financial activities is required to disclose additional and specific information about its financed emissions (which are part of Category 15 greenhouse gas emissions): ~~Category 15 emissions or those emissions associated with its investments which is also known as 'financed emissions':~~

(a) asset management (see paragraph B61);

(b) commercial banking (see paragraphs B62–B62A); and

(c) insurance (see paragraphs B63–B63A).

...

Commercial banking

B62 An entity that participates in commercial banking activities shall disclose:

(a) its absolute gross financed emissions, disaggregated by Scope 1, Scope 2 and Scope 3 greenhouse gas emissions for each industry by asset class. ~~When disaggregating by:~~

~~(i) industry—the entity shall use the Global Industry Classification Standard (GICS) 6-digit industry-level code for classifying counterparties, reflecting the latest version of the classification system available at the reporting date.~~

~~(ii) asset class—the disclosure shall include loans, project finance, bonds, equity investments and undrawn loan commitments. If the entity calculates and discloses financed emissions for other asset classes, it shall include an explanation of why the inclusion of those additional asset classes provides relevant information to users of general purpose financial reports.~~

(b) its gross exposure to each industry by asset class, expressed in the presentation currency of the entity's financial statements. For:

(i) funded amounts—gross exposure shall be calculated as the funded carrying amounts (before subtracting the loss allowance, when applicable), whether prepared in accordance with IFRS Accounting Standards or other GAAP.

(ii) undrawn loan commitments—the entity shall disclose the full amount of the commitment separately from the drawn portion of loan commitments.

...

B62A When disaggregating information disclosed in accordance with paragraph B62(a)–(b) by:

(a) industry—an entity shall:

(i) select an industry-classification system that enables it to classify investees or counterparties in a manner that results in information that enables users of general purpose financial reports to understand the entity's exposure to climate-related transition risks. A system that is commonly used by other entities such as those operating in the same industry or jurisdiction (commonly used system) is more likely to support the comparability of information than a system used only by the entity (entity-specific system). If a commonly used system enables the entity to provide useful information about its exposure to climate-related transition risks—with all else being equal—the entity shall prioritise that system. An entity that participates in both commercial banking and insurance activities need not use the same system to classify investees or counterparties for its commercial banking and insurance activities (see paragraph B63A(a)(i)).

(ii) disclose:

(1) the industry-classification system it used to classify investees or counterparties; and

(2) information that enables users of general purpose financial reports to understand how the entity's selection of that system fulfils the requirements in paragraph B62A(a)(i).

(b) asset class—the disclosure shall include loans, project finance, bonds, equity investments and undrawn loan commitments. If the entity calculates and discloses financed emissions for other asset classes, it shall include an explanation of why the inclusion of those additional asset classes provides relevant information to users of general purpose financial reports.

Insurance

B63 An entity that participates in financial activities associated with the insurance industry shall disclose:

(a) its absolute gross financed emissions, disaggregated by Scope 1, Scope 2 and Scope 3 greenhouse gas emissions for each industry by asset class. ~~When disaggregating by:~~

~~(i)~~ ~~industry—the entity shall use the Global Industry Classification Standard (GICS) 6-digit industry-level code for classifying counterparties, reflecting the latest version of the classification system available at the reporting date.~~

~~(ii)~~ ~~asset class—the disclosure shall include loans, bonds and equity investments, as well as undrawn loan commitments. If the entity calculates and discloses financed emissions for other asset classes, it shall include an explanation of why the inclusion of those additional asset classes provides relevant information to users of general purpose financial reports.~~

(b) the gross exposure for each industry by asset class, expressed in the presentation currency of the entity's financial statements. For:

(i) funded amounts—gross exposure shall be calculated as the funded carrying amounts (before subtracting the loss allowance, when applicable), whether prepared in accordance with IFRS Accounting Standards or other GAAP.

(ii) undrawn loan commitments—the entity shall disclose the full amount of the commitment separately from the drawn portion of loan commitments.

...

B63A When disaggregating information disclosed in accordance with paragraph B63(a)–(b) by:

(a) industry—an entity shall:

(i) select an industry-classification system that enables it to classify investees or counterparties in a manner that results in information that enables users of general purpose financial reports to understand the entity's exposure to climate-related transition risks. A system that is commonly used by other entities such as those operating in the same industry or jurisdiction (commonly used system) is more likely to support the comparability of information than a system used only by the entity (entity-specific system). If a commonly used system enables the entity to provide useful information about its exposure to climate-related transition risks—with all else being equal—the entity shall prioritise that system. An entity that participates in both commercial banking and insurance activities need not use the same system to classify investees or counterparties for its commercial banking and insurance activities (see paragraph B62A(a)(i)).

(ii) disclose:

(1) the industry-classification system it used to classify investees or counterparties; and

(2) information that enables users of general purpose financial reports to understand how the entity's selection of that system fulfils the requirements in paragraph B63A(a)(i).

(b) asset class—the disclosure shall include loans, bonds, equity investments and undrawn loan commitments. If the entity calculates and discloses financed emissions for other asset classes, it shall include an explanation of why the inclusion of those additional asset classes provides relevant information to users of general purpose financial reports.

Appendix C
Effective date and transition

Paragraph C4(b) is amended. Paragraphs C1A–C1B and C6 and its subheading are added. New text is underlined.

Effective date

...

C1A *Amendments to Greenhouse Gas Emissions Disclosures*, issued in December 2025:

(a) amended paragraphs 29(a)(ii), 29(a)(vi)(2), B21–B22, B24, B28, B37, B59, B62(a), B63(a) and C4(b); and

(b) added paragraphs 29A–29C, B62A, B63A, C1B and C6.

C1B An entity shall apply the amendments listed in paragraph C1A for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted. If an entity applies these amendments earlier, it shall disclose that fact.

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Transition

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C4 In the first annual reporting period in which an entity applies this Standard, the entity is permitted to use one or both of these reliefs:

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(b) an entity is not required to disclose its Scope 3 greenhouse gas emissions (see paragraph 29(a)) which includes, if the entity participates in asset management, commercial banking or insurance activities, the additional information about its financed emissions (see paragraph 29(a)(vi)(2) and paragraphs B58–B63A~~B63~~).

...

Transition for *Amendments to Greenhouse Gas Emissions Disclosures*

C6 If an entity previously applied IFRS S2, in the first annual reporting period in which the entity applies *Amendments to Greenhouse Gas Emissions Disclosures*, the entity shall—unless it is impracticable to do so—adjust comparative information for the preceding period as follows:

(a) if the entity has changed how it measures greenhouse gas emissions as a result of applying the relief in paragraphs 29(a)(ii) and B24 or paragraphs B21–B22—it shall adjust the comparative information as if it had changed how it measures greenhouse gas emissions in that preceding period;

(b) if the entity disclosed Scope 3 greenhouse gas emissions in the preceding period and the measurement of these emissions included Category 15 greenhouse gas emissions—it shall adjust the comparative information to provide the total Category 15 greenhouse gas emissions and the subtotal of financed emissions included in that total as if it had applied the requirement in paragraph 29C in that preceding period; and

(c) if the entity disclosed disaggregated financed emissions information by industry in the preceding period in accordance with paragraph B62 or B63—it shall adjust the comparative information to reflect the industry-classification system it selected in accordance with paragraph B62A(a) or B63A(a) as if it had used that system in that preceding period.

Approval by the International Sustainability Standards Board of *Amendments to Greenhouse Gas Emissions Disclosures* issued in December 2025

Amendments to Greenhouse Gas Emissions Disclosures, which amended IFRS S2, was approved for issue by 11 of the 12 members of the International Sustainability Standards Board. Ms Chegar was absent for voting.

Emmanuel Faber	Chair
Jingdong Hua	Vice-Chair
Suzanne Lloyd	Vice-Chair
Richard Barker	
Jenny Bofinger-Schuster	
Verity Chegar	
Jeffrey Hales	
Hiroshi Komori	
Bing Leng	
Ndidi Nnoli-Edozien	
Veronika Pountcheva	
Elizabeth Seeger	

Amendments to the Basis for Conclusions on IFRS S2 *Climate-related Disclosures*

Paragraphs BC80A–BC80E and the subheading before paragraph BC80A are added. For ease of reading, new text is not underlined.

Core content

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Metrics and targets

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Scope 1, Scope 2 and Scope 3 greenhouse gas emissions

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Amendments to Greenhouse Gas Emissions Disclosures

BC80A Since IFRS S2 was issued in June 2023, the ISSB has supported the implementation of the Standard in various ways, including by developing educational materials and supporting capacity-building initiatives.* The Transition Implementation Group on IFRS S1 and IFRS S2 (TIG) was created to publicly discuss stakeholder implementation questions.† Additionally, the ISSB has continued to engage with jurisdictions as part of jurisdictional processes to adopt or otherwise use IFRS Sustainability Disclosure Standards. Through these activities, stakeholders informed the ISSB of challenges entities face in implementing IFRS S2 when applying specific greenhouse gas emissions disclosure requirements. These requirements relate to:

(a) the measurement and disclosure of Scope 3 Category 15 greenhouse gas emissions (see paragraph 29(a)(i)(3) of IFRS S2);

(b) the use of the Global Industry Classification Standard (GICS) in applying specific requirements related to the disclosure of additional information about financed emissions (see paragraphs B62–B63 of IFRS S2);

(c) the relief from using the GHG Protocol Corporate Standard for measuring greenhouse gas emissions, if a jurisdictional authority or an exchange on which the entity is listed requires the use of a different measurement method (see paragraphs 29(a)(ii) and B24 of IFRS S2); and

(d) the use of the global warming potential values based on a 100-year time horizon from the latest Intergovernmental Panel on Climate Change assessment available at the reporting date (see paragraphs B21–B22 of IFRS S2).

* The educational materials published to support the implementation of IFRS S1 and IFRS S2 can be found at https://www.ifrs.org/supporting-implementation/supporting-materials-for-ifrs-sustainability-disclosure-standards/.

† The meetings of the Transition Implementation Group on IFRS S1 and IFRS S2 are webcast. All meeting recordings, agenda papers and meeting summaries can be found at https://www.ifrs.org/groups/tig-ifrs-s1-and-ifrs-s2/#meetings.

BC80B These challenges were identified during the implementation phase of IFRS S2 and were not considered by the ISSB before issuing the Standard. To support entities in applying IFRS S2, particularly during implementation, the ISSB decided to amend the Standard. The ISSB concluded that the amendments issued in *Amendments to Greenhouse Gas Emissions Disclosures* would reduce complexity, the risk of duplicative reporting and the cost of applying specific greenhouse gas emissions disclosure requirements in IFRS S2. The ISSB also concluded that the amendments would not significantly reduce the usefulness of information for users of general purpose financial reports. To apply the requirements to measure and disclose greenhouse gas emissions, entities would typically need to have systems and processes in place that would allow them to manage large amounts of data. The ISSB acted in a timely manner to reduce uncertainty in implementing the Standard, recognising that many entities were in the early stages of setting up these systems and processes.

BC80C The ISSB assessed the amendments issued in *Amendments to Greenhouse Gas Emissions Disclosures* against criteria that it had previously set out to evaluate any amendments proposed during the implementation phase of IFRS S1 and IFRS S2. The ISSB had decided to consider an amendment to these Standards only if:

(a) the ISSB identifies a demonstrated need for an amendment, after exploring all other options, to respond to pervasive application challenges arising during implementation, including concerns related to diversity in practice.

(b) the amendment would not result in a significant loss of useful information compared with that provided by entities applying the requirements in IFRS S1 and IFRS S2.

(c) the amendment would not unduly disrupt entities' processes for implementing, or jurisdictional processes for adopting or otherwise using, IFRS S1 and IFRS S2. The ISSB decided it would balance the need for amendments with the potential disruption they could cause. The ISSB would seek to avoid amendments that, compared to the issued requirements, would:

    (i) reduce interoperability between IFRS Sustainability Disclosure Standards and either the European Sustainability Reporting Standards or the Global Reporting Initiative Standards.

    (ii) reduce connectivity between IFRS Sustainability Disclosure Standards and IFRS Accounting Standards.

    (iii) increase the complexity of applying the requirements in IFRS S1 or IFRS S2, reducing the proportionality of the Standards.

BC80D In developing the amendments, the ISSB considered feedback on the Exposure Draft *Amendments to Greenhouse Gas Emissions Disclosures*, published in April 2025 (2025 Exposure Draft). The ISSB received 179 comment letters and survey responses on the 2025 Exposure Draft. After considering this feedback and redeliberating the proposed amendments, the ISSB issued *Amendments to Greenhouse Gas Emissions Disclosures* in December 2025.

BC80E The ISSB also issued *Consequential Amendments to Align with Amendments to Greenhouse Gas Emissions Disclosures*, which amended the *Asset Management & Custody Activities*, *Commercial Banks* and *Insurance* SASB Standards. These amendments were made to ensure the financed emissions metrics in those SASB Standards align with the corresponding requirements in IFRS S2. These amendments replicated the amendments to IFRS S2, for example, by permitting an entity applying those SASB Standards to exclude greenhouse gas emissions attributable to derivatives when disclosing financed emissions information (see paragraph BC121F).

A footnote is added to the end of paragraph BC88. New text is underlined.

Measurement approach, inputs and assumptions

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BC88 The GHG Protocol Corporate Standard is the most commonly used standard globally for measuring greenhouse gas emissions, and is directly referenced in many jurisdictions, including Brazil, India, Mexico, the Philippines and the UK. However, some jurisdictions require entities to report their emissions in accordance with national measurement schemes. These jurisdictions include Australia, China, France, Japan, South Korea and Taiwan. Entities in these jurisdictions—and other jurisdictions that require an entity to use other approaches for measuring greenhouse gas emissions—could incur additional costs in meeting the requirements in IFRS S2. To respond to this issue, the ISSB confirmed that if an entity is required by a jurisdictional authority or an exchange on which the entity is listed to use a method of measuring greenhouse gas emissions that differs from the GHG Protocol Corporate Standard, the entity is permitted to use that method. The ISSB agreed to this relief to avoid duplicative reporting and agreed that it only applies if an entity would otherwise be required to use both the GHG Protocol Corporate Standard and another method to measure its greenhouse gas emissions as a result of applying IFRS S2.[*]

[*] *Amendments to Greenhouse Gas Emissions Disclosures*, issued by the ISSB in December 2025, clarified that the relief from using the GHG Protocol Corporate Standard for measuring greenhouse gas emissions is available to an entity that is required by a jurisdictional authority or an exchange on which it is listed to use a different method for measuring its greenhouse gas emissions, whether that requirement applies to the entity as a whole or to part of the entity (see paragraphs BC97A–BC97D).

A footnote is added to the end of paragraph BC92. New text is underlined.

BC92 GWP values are multipliers applied to seven constituent greenhouse gases (listed in paragraph BC98) to convert them into a standardised metric (CO_2e), which enables an entity to convert and aggregate various greenhouse gases into absolute greenhouse gas emissions data. The most frequently used GWP values are defined by the Intergovernmental Panel on Climate Change (IPCC). These values are refined in periodically published IPCC assessment reports. As of June 2023, the latest GWP values are defined in the IPCC Sixth Assessment Report. The ISSB decided to introduce a requirement in IFRS S2 for an entity to use GWP values based on the latest IPCC assessment report when converting the constituent greenhouse gases into CO_2e. This requirement is intended to enhance the comparability of entities' greenhouse gas emissions disclosures, and to ensure greenhouse gas emissions data reflects the latest scientific knowledge. This approach is consistent with the GHG Protocol Corporate Standard, which recommends the use of the most recent GWP values.[*]

[*] *Amendments to Greenhouse Gas Emissions Disclosures* provided relief from using global warming potential (GWP) values from the latest Intergovernmental Panel on Climate Change assessment report for converting greenhouse gases into CO_2 equivalent values. This relief is available to an entity that is required by a jurisdictional authority or an exchange on which it is listed to use different GWP values, whether that requirement applies to the entity as a whole or to part of the entity (see paragraphs BC97E–BC97H).

Paragraphs BC97A–BC97H and BC121A–121L and their subheadings are added. For ease of reading, new text is not underlined.

Applying the relief from using the GHG Protocol Corporate Standard to part of an entity

BC97A The ISSB issued *Amendments to Greenhouse Gas Emissions Disclosures* in December 2025, which amended the requirement in IFRS S2 for an entity to measure its greenhouse gas emissions in accordance with the GHG Protocol Corporate Standard unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions (referred to hereafter as the 'jurisdictional relief') (see paragraphs 29(a)(ii) and B24 of IFRS S2). The amendment arose from a question submitted to the TIG asking whether the jurisdictional relief is available if only part of an entity is subject to a jurisdictional or exchange requirement to use a different method for measuring its greenhouse gas emissions. Without the amendment, the jurisdictional relief could result in confusion for stakeholders about whether an entity is able to apply the jurisdictional relief to only a part or parts of the entity. Such confusion could result in diversity in practice and increase the amount of duplicative reporting.

BC97B In response to this application challenge, the ISSB decided to clarify that the jurisdictional relief set out in paragraphs 29(a)(ii) and B24 of IFRS S2 applies to an entity, either in whole or in part. The amendment specifies that if only part of an entity is subject to a jurisdictional or exchange requirement, the entity is permitted to use this relief but only for the part of the entity to which that jurisdictional or exchange requirement applies. The remaining part of the entity is required to measure its greenhouse gas emissions using the GHG Protocol Corporate Standard. The amendment also specifies that the relief is available only for as long as any such jurisdictional or exchange requirement applies to that part of the entity. By referring to 'part' of an entity, the amended requirement allows an entity to apply the jurisdictional relief to various parts of an entity, including a subsidiary, a branch or a particular asset (such as an energy-production facility).

BC97C The ISSB concluded that this amendment would not significantly affect comparability because it only clarifies a relief already in IFRS S2. The ISSB's view was informed by feedback from users of general purpose financial reports, most of whom broadly supported the proposed clarification. Furthermore, the disclosure of the methods an entity used to measure greenhouse gas emissions would also mitigate any negative effect on comparability. The ISSB noted that paragraph B28 of IFRS S2 requires an entity that discloses its greenhouse gas emissions measured using another method to disclose for each alternative method:

(a) the applicable method and measurement approach the entity uses to determine its greenhouse gas emissions; and

(b) the reason, or reasons, for the entity's choice of method and measurement approach and how that approach relates to the disclosure objective in paragraph 27 of IFRS S2.

BC97D The requirements in IFRS S1 related to disaggregation of information are also applicable. Paragraph B29 of IFRS S1 requires that an entity not reduce the understandability of its sustainability-related financial disclosures by obscuring material information with immaterial information or by aggregating dissimilar material items of information. Furthermore, paragraph B30 of IFRS S1 requires that an entity not aggregate items of information that do not have shared characteristics. Applying IFRS S1, an entity choosing to use the jurisdictional relief would disaggregate its greenhouse gas emissions information, for example, between the amount measured using the GHG Protocol Corporate Standard and the amount measured using an alternative measurement method, or methods, if material. Such disclosures would mitigate the potential loss of comparability by providing relevant information and transparency about the use of the relief.

Relief from using GWP values from the latest IPCC assessment

BC97E *Amendments to Greenhouse Gas Emissions Disclosures* also amended the requirements in IFRS S2 for an entity to use GWP values based on a 100-year time horizon from the latest IPCC assessment available at the reporting date to convert constituent greenhouse gases into CO_2e (see paragraphs B21–B22 of

IFRS S2). The amendment arose from a question submitted to the TIG asking whether the jurisdictional relief in paragraphs 29(a)(ii) and B24 of IFRS S2 extends to this requirement. The TIG agreed with the view that the jurisdictional relief does not extend to this requirement. However, the TIG also acknowledged that entities operating in jurisdictions that require the use of GWP values that are not from the latest IPCC assessment report face a challenge in applying this requirement because they would be required to recalculate some of their greenhouse gas emissions using different GWP values to meet the requirements of IFRS S2.

BC97F In response to this application challenge, the ISSB decided to extend the jurisdictional relief to using GWP values that are not from the latest IPCC assessment report. The amendment permits an entity to use GWP values that differ from those otherwise required by IFRS S2, if the entity is required, in whole or in part, by a jurisdictional authority or an exchange on which it is listed to use those GWP values to convert constituent greenhouse gases into CO_2e. Consistent with the clarification of the jurisdictional relief, the ISSB decided that an entity is permitted to use jurisdiction-required or exchange-required GWP values to convert constituent greenhouse gases into CO_2e if the entity is subject to a jurisdictional or exchange requirement either in whole or in part (see paragraph BC97B). In such a case, the entity is permitted to use those 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.

BC97G The ISSB concluded that this amendment would not significantly affect comparability because GWP values are only one of the inputs for measuring greenhouse gas emissions and IFRS S2 already includes a jurisdictional relief for the measurement method used to measure greenhouse gas emissions (see paragraphs BC88 and BC97A–BC97D). The ISSB's view was informed by feedback from users of general purpose financial reports, most of whom broadly supported the proposed amendment. Furthermore, the disclosure of the GWP values an entity used to measure greenhouse gas emissions would also mitigate any negative effect on comparability. The ISSB noted that an entity is required to disclose the measurement approach, inputs and assumptions it has used to measure its greenhouse gas emissions in accordance with paragraph 29(a)(iii)(1) of IFRS S2. An entity is required to disclose a description of the GWP values it used, if that disclosure provides material information about inputs to its measurement of greenhouse gas emissions.

BC97H The requirements in IFRS S1 related to disaggregation of information are also applicable (see paragraphs B29–B30 of IFRS S1). Disclosures made in accordance with these requirements would mitigate the potential loss of comparability by providing relevant information and transparency about the use of the relief.

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Amendments related to measurement and disclosure of Scope 3 Category 15 greenhouse gas emissions

Clarifying requirements related to Category 15 greenhouse gas emissions

BC121A The ISSB issued *Amendments to Greenhouse Gas Emissions Disclosures* in December 2025, which amended the requirements in IFRS S2 related to the measurement and disclosure of Scope 3 Category 15 greenhouse gas emissions. Before these amendments, the Standard included two requirements related to Category 15:

(a) that an entity disclose the amount of its Scope 3 greenhouse gas emissions, including Category 15 greenhouse gas emissions if information about those emissions is material (see paragraphs 29(a)(i)(3) and B32 of IFRS S2); and

(b) that an entity that participates in asset management, commercial banking or insurance activities disclose additional information about its *financed emissions*, which are a subset of Category 15 greenhouse gas emissions (see paragraphs 29(a)(vi)(2) and B58–B63 of IFRS S2).

BC121B The amendments arose from a question submitted to the TIG. Stakeholders pointed out a potential conflict between the requirement in IFRS S2 to measure and disclose Scope 3 greenhouse gas emissions—including Category 15 greenhouse gas emissions, if material—and the Basis for Conclusions on IFRS S2 as issued in June 2023. Paragraphs BC127 and BC129 of the Basis for Conclusions on IFRS S2 provide context for the decisions the ISSB had made when developing IFRS S2 in relation to disclosures about Category 15 greenhouse gas emissions. These paragraphs refer to specific types of Category 15 greenhouse gas emissions—namely, facilitated emissions, insurance-associated emissions and emissions attributable to derivatives. Stakeholders suggested that these paragraphs could be interpreted as explaining that the ISSB had decided either:

(a) to exclude specific types of Category 15 greenhouse gas emissions from the additional disclosure requirements in paragraphs B58–B63 of IFRS S2; or

(b) to exclude specific types of Category 15 greenhouse gas emissions from the additional disclosure requirements in paragraphs B58–B63 of IFRS S2 *and* to exclude those greenhouse gas emissions from the requirement to disclose absolute gross Scope 3 greenhouse gas emissions in paragraph 29(a)(i)(3) of IFRS S2.

BC121C To address this potential conflict, the ISSB decided to amend IFRS S2 by adding paragraph 29A. This amendment clarifies that an entity is permitted to limit its measurement and disclosure of Category 15 greenhouse gas emissions to financed emissions as defined in the Standard. The ISSB concluded that this amendment was necessary to avoid inconsistency in applying requirements related to Category 15 greenhouse gas emissions. The amendment aligns the types of Category 15 greenhouse gas emissions that an entity is required to measure and disclose (see paragraph 29(a)(i)(3)) with those for which additional information is required (see paragraphs B58–B63A of the amended IFRS S2).

BC121D Paragraph 29A of IFRS S2 frames the relief in terms of what is required to be measured and disclosed—that is, an entity's financed emissions—as opposed to framing the relief in terms of what is *not* required. Consequently, an entity is permitted to exclude from its measurement and disclosure of Category 15 greenhouse gas emissions the emissions associated with financial activities that do not give rise to financed emissions. Category 15 greenhouse gas emissions, as described in the GHG Protocol Value Chain Standard, are associated with a range of financial investments and services, which the amendments describe using the term 'financial activities'. IFRS S2 defines financed emissions as 'the portion of gross greenhouse gas emissions of an investee or counterparty attributed to the *loans and investments* made by an entity to the investee or counterparty' [emphasis added]. The ISSB noted that financed emissions are a type of Category 15 greenhouse gas emissions, distinct from other types of Category 15 greenhouse gas emissions. Examples of other types of Category 15 greenhouse gas emissions are facilitated emissions that are associated with investment banking activities, and insurance-associated emissions that are associated with insurance and reinsurance underwriting activities.

BC121E Although IFRS S2 does not define 'loans and investments', paragraph 29A of IFRS S2 explains that the term includes but is not limited to loans, project finance, bonds, equity investments and undrawn loan commitments. This list describes forms of financing that an entity could make available to a counterparty or investee. These examples of loans and investments are based on those mentioned in paragraphs B62(a)(ii) and B63(a)(ii) of the Standard as issued in 2023.[*] Paragraph 29A also explains that for an entity that participates in asset management activities, financed emissions include greenhouse gas emissions attributed to assets under management.

[*] In the *Amendments to Greenhouse Gas Emissions Disclosures*, paragraphs B62(a)(ii) and B63(a)(ii) of IFRS S2 were renumbered and repositioned as paragraphs B62A(b) and B63A(b).

BC121F The ISSB also noted that if the amendment simply referred to financed emissions, it might not be clear that an entity is permitted to exclude emissions attributable to derivatives. Thus, for the avoidance of doubt, the ISSB decided to state explicitly in the amendments that an entity is permitted to exclude emissions attributable to derivatives when measuring and disclosing its financed emissions. The 2025 Exposure Draft did not include a proposed definition of 'derivatives', primarily because published greenhouse gas emissions measurement methodologies—including the GHG Protocol Corporate Standard—do not define this term. The ISSB also noted that although IFRS Accounting Standards and other GAAP provide definitions of derivatives, such definitions were not created with the objective of reporting sustainability-related financial information. Thus, in some circumstances, the definition used for financial statement purposes might not be relevant when providing information about climate-related risks and opportunities. The difference in objectives between financial statements and sustainability-related financial disclosures might also result in unintended complexity if an entity were required to use a definition of 'derivative' from an

IFRS Accounting Standard or other GAAP for the purpose of applying paragraph 29A of IFRS S2. Such complexity could disrupt the implementation of IFRS S2. Thus, the ISSB decided that in the absence of a definition of derivatives in IFRS S2, an entity could determine what it treats as a derivative for the purpose of disclosing its financed emissions.

BC121G The ISSB recognised that the comparability of financed emissions disclosures would likely be affected if entities make different determinations about what they treat as derivatives when applying the relief in paragraph 29A of IFRS S2. Therefore, the ISSB also decided to amend IFRS S2 by adding paragraph 29B(a). This paragraph requires that an entity explain what it has treated as a derivative, to enable an understanding of how it has applied the relief. This information is useful to users of general purpose financial reports because it provides transparency about what is captured in the measurement of financed emissions. For example, an entity might disclose that it used the definition of a derivative from IFRS Accounting Standards or other applicable GAAP that the entity used for its financial statements. As another example, an entity might describe the types of instruments it has treated as derivatives.

BC121H Some feedback on the 2025 Exposure Draft about Category 15 greenhouse gas emissions went beyond the scope of the application challenge the amendments are intended to address (see paragraph BC121B). This feedback included comments about the state of measurement methodologies for Category 15 greenhouse gas emissions, the usefulness of information about these emissions and whether the relief should be temporary. Some of this feedback arose because paragraphs BC127 and BC129 of the Basis for Conclusions on IFRS S2 cite a lack of established measurement methodologies for some types of Category 15 greenhouse gas emissions as a rationale for decisions the ISSB had made before issuing IFRS S2. In response to this feedback, the ISSB decided to confirm its intention to monitor Category 15 greenhouse gas emissions measurement methodologies and to emphasise that:

(a) the amendment applies to a specific disclosure requirement—that is, the measurement and disclosure of Category 15 greenhouse gas emissions—and thus, it does not relieve an entity from other requirements to provide information about its climate-related risks and opportunities, including transition risks, that is useful to users of general purpose financial reports in making decisions relating to providing resources to the entity;

(b) the amendment does not relieve an entity from providing information about its climate-related targets, which might include targets related to Category 15 greenhouse gas emissions beyond financed emissions; and

(c) the ISSB did not reconsider the decision-usefulness of information about Category 15 greenhouse gas emissions when addressing the application challenge.

Additional information about Category 15 greenhouse gas emissions

BC121I Users of general purpose financial reports use information about greenhouse gas emissions—including, if material, Category 15 greenhouse gas emissions—along with other data points to understand an entity's exposure to transition risk. Thus, the ISSB considered whether an entity's use of the relief in paragraph 29A would create a need for the entity to disclose additional information to enable users to understand the completeness of the Category 15 greenhouse gas emissions information the entity has disclosed. To respond to this potential need, the ISSB proposed in the 2025 Exposure Draft to require that an entity using the relief disclose the amount of derivatives and financial activities excluded from its measure of Category 15 greenhouse gas emissions. Respondents recognised the benefit of transparency about what is excluded from an entity's measurement and disclosure of these emissions. However, some respondents questioned the usefulness of quantitative information being part of this disclosure. Respondents also said it might be challenging to apply the proposed requirement without definitions for 'amount', 'derivatives' and 'financial activities'.

BC121J Users of general purpose financial reports said that in the absence of standardised information about exclusions, qualitative information about the excluded financial activities could meet their needs. Qualitative information could meet users' needs if they could relate this information to other information an entity discloses about its activities and business model. An example of such other information is information in the entity's financial statements about its operating segments. Another example is information within the entity's sustainability-related financial disclosures about transition risks in relation to its business model. The ISSB noted that applying the requirements for connected information in IFRS S1 would help entities in meeting users' information needs. Thus, the ISSB decided to amend IFRS S2 by adding paragraph 29B(b), which requires that an entity using the relief in paragraph 29A describe the financial activities it has excluded from its measure of Category 15 greenhouse gas emissions as a result of applying paragraph 29A, including financial activities associated with derivatives. For example, an entity might apply the relief to exclude emissions associated with its insurance underwriting activities from its measure of Category 15 greenhouse gas emissions. The entity might then describe these excluded activities using terms consistent with the description of these activities in its related financial statement disclosures about its operating segments.

BC121K The ISSB acknowledged respondents' concerns about the absence of a definition of 'financial activities' for the purpose of applying paragraph 29B(b). However, the ISSB noted that the use of this term in IFRS S2 and the Basis for Conclusions on IFRS S2 supports an understanding that 'financial activities' refers to activities that are associated with Category 15 greenhouse gas emissions. The definition of 'Scope 3 greenhouse gas emissions' in IFRS S2 refers to the 15 categories in the GHG Protocol Value Chain Standard. Thus, to identify the population of financial activities associated with Category 15 greenhouse gas emissions—and thereby determine the population of excluded activities—an entity refers to the descriptions of the financial investments and services noted under Category 15 in the GHG Protocol Value Chain Standard.

BC121L The ISSB also decided to amend IFRS S2 by adding paragraph 29C, which requires that an entity disclose the total Category 15 greenhouse gas emissions included within its measure of Scope 3 greenhouse gas emissions, and the subtotal of financed emissions within that total. The ISSB made this decision in response to respondents' concerns that variations in how the relief is applied could reduce comparability of Category 15 greenhouse gas emissions disclosures.

The subheading before paragraph BC122 is amended. Paragraph BC122 is unamended and shown in grey for ease of reference. Footnotes are added to paragraphs BC123 and BC129. New text is underlined and deleted text is struck through.

Additional information about financed emissions ~~*Financed emissions (financial sector)*~~

BC122 Financial organisations, including commercial banks, asset managers and insurance companies, are increasingly being asked to disclose the extent of their investment and lending activity associated with sustainability-related risks and opportunities. In relation to climate-related risks and opportunities, such disclosure involves an entity disclosing the greenhouse gas emissions associated with its financial activities. The term 'financed emissions' is often used to refer to the absolute greenhouse gas emissions that banks and investors finance through their loans and investments. IFRS S2 requires entities that engage in such activities to disclose information about financed emissions as an extension of the requirement in paragraph 29(a)(vi) of IFRS S2 for an entity to disclose its Scope 3 greenhouse gas emissions, including Category 15 (investments).

BC123 The application guidance in paragraphs B58–B63 of IFRS S2 sets out requirements for the disclosure of financed emissions by entities engaged in financial activities associated with asset management, commercial banking and insurance. The guidance is based on the proposals for financed emissions that were included in Appendix B to the Exposure Draft.[*]

[*] Paragraphs B58–B63 of IFRS S2 as issued in 2023—which became paragraphs B58–B63A when *Amendments to Greenhouse Gas Emissions Disclosures* was issued—set out requirements for entities that participate in asset management, commercial banking and insurance activities to provide *additional information* about financed emissions. These disclosures, unlike those required by paragraph 29(a)(i)(3) of IFRS S2, are only required to be provided by entities that participate in those particular activities.

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BC129 The ISSB confirmed that IFRS S2 requires financed emissions disclosure only for insurance-related financial activities associated with an insurer's assets. In other words, IFRS S2 does not require disclosure of the 'associated emissions' of underwriting portfolios in the insurance and reinsurance industries.[†]...

† Financed emissions are defined as 'the portion of gross greenhouse gas emissions of an investee or counterparty attributed to the *loans and investments* made by an entity to the investee or counterparty' [emphasis added]. Financed emissions are a subset of Scope 3 Category 15 greenhouse gas emissions. In *Amendments to Greenhouse Gas Emissions Disclosures*, issued in December 2025, the ISSB clarified that although emissions associated with an entity's insurance or reinsurance underwriting activities are Category 15 greenhouse gas emissions, these emissions do not meet the definition of financed emissions. Considering the definition of financed emissions, paragraph BC129 could be more specifically phrased to state that the ISSB confirmed that IFRS S2 requires 'Category 15 greenhouse gas emissions' disclosure for only financial activities associated with an insurer's loans and investments.

Paragraphs BC129A–BC129F and the subheading before paragraph BC129A are added. For ease of reading, new text is not underlined.

Disaggregation of financed emissions information by industry

BC129A The ISSB issued *Amendments to Greenhouse Gas Emissions Disclosures* in December 2025, which amended the requirement in IFRS S2 for an entity that participates in commercial banking or insurance activities to use GICS to classify its investees or counterparties when disclosing its disaggregated financed emissions information by industry (see paragraphs B62A and B63A of IFRS S2). The ISSB included this requirement in IFRS S2 because requiring entities to use a standardised industry-classification system would support consistency and comparability in financed emissions disclosures. However, while engaging with jurisdictions, the ISSB was informed that entities face challenges in applying this requirement. These challenges include:

(a) legal and cost implications—entities that do not already use GICS would have to enter into a licensing arrangement to use GICS for the purposes of meeting the requirement; and

(b) duplicative reporting—entities that are required to use classification systems other than GICS to classify investees or counterparties for other purposes, such as regulatory reporting, would have to reclassify those investees or counterparties to meet the IFRS S2 requirement.

BC129B Feedback on the 2025 Exposure Draft confirmed that such challenges could be significant. The ISSB considered the costs for an entity that has not used GICS for classifying investees or counterparties or that has used GICS for only part of the entity. In particular, the ISSB considered the costs that such an entity would incur in adapting its systems and processes to obtain the assigned GICS codes for its investees or counterparties to meet the requirement in IFRS S2. The ISSB considered whether removing the requirement in IFRS S2 for an entity to use GICS to disaggregate financed emissions information by industry would affect the decision-usefulness of the information provided. Feedback from users of general purpose financial reports suggested that they use such information to support their understanding of an entity's exposure to climate-related transition risks from loans and investments. They also use this information to understand how the entity manages that exposure—for example, to monitor progress against any climate-related sectoral targets it has set in response to such risks. Users use this information in conjunction with information provided in accordance with other requirements in IFRS S2 to understand an entity's exposure to climate-related transition risks. This feedback suggests that although use of a standardised classification system would support comparability, the information could still be useful without such standardisation.

BC129C To strike a balance between maintaining the decision-usefulness of information and responding to the application challenge faced by entities, the ISSB decided to replace the requirement to use GICS to disaggregate financed emissions information by industry with less prescriptive requirements that no longer require the use of a specific industry-classification system. The ISSB considered alternative approaches, such as specifying a hierarchy that would have required an entity to use particular systems, for example, GICS or systems used to meet jurisdictional or exchange requirements, based on the order specified in the hierarchy. The ISSB rejected that approach based on feedback on the 2025 Exposure Draft that suggested such a hierarchy would be complex to apply. Moreover, the ISSB decided that some of the comparability benefits offered by this approach could be achieved using a less prescriptive approach. The ISSB instead amended the requirement to allow an entity to select an industry-classification system to classify investees or counterparties that enables it to provide useful information about its exposure to climate-related transition risks. The ISSB also decided to require that an entity prioritise—with all else being equal—selecting a system commonly used by other entities, such as those operating in the same industry (for example, GICS) or jurisdiction (for example, a system used to meet a jurisdictional or exchange requirement) over an entity-specific system. This requirement is intended to support comparability of information, in a similar way that the Scope 3 measurement framework requires the prioritisation of particular measurement approaches, inputs and assumptions to support the faithful representation of information (see paragraph BC116).

BC129D To further support comparability of information, the ISSB decided to require that an entity disclose the industry-classification system it used to disaggregate its financed emissions information and provide information about how it met the requirements for selecting a system for the purpose of this disclosure, in accordance with paragraph B62A(a)(i) or B63A(a)(i) of IFRS S2.

BC129E The ISSB noted that the amended requirement would not fully eliminate duplication in reporting. For example, an entity that does not use a single system to classify investees or counterparties for its relevant lending and investment activities is required to select a single system to meet the applicable IFRS S2 requirements. A few respondents to the 2025 Exposure Draft suggested allowing an entity to use different systems for different parts of the entity. The ISSB observed that information provided using different industry-classification systems cannot necessarily be aggregated because of the distinct structure of each system. Disaggregating financed emissions information using inconsistent systems across different parts of the entity would negatively affect comparability and understandability, and ultimately the usefulness, of the information. Consequently, the ISSB decided to require that an entity select and use a single system, subject to clarifying that an entity that participates in both commercial banking and insurance activities need not use the same system to classify investees or counterparties for its commercial banking and insurance activities.

BC129F The ISSB observed that an entity's selection of an industry-classification system would involve considerations about the level of disaggregation necessary to provide useful information about the entity's exposure to climate-related transition risks. The system used determines the level of disaggregation that can be achieved and thus whether material information can be provided (or would be obscured). An entity is required to apply the aggregation and disaggregation requirements in paragraphs B29–B30 of IFRS S1 and consider all facts and circumstances to determine the level of industry disaggregation that would result in useful information. It might be necessary for an entity to provide detailed disaggregation for some industries to enable an understanding of the entity's exposure to climate-related transition risks posed by its lending to or investment in entities in those industries. For example, detailed disaggregation might be necessary for investees or counterparties operating in the power generation industry because the entity's climate-related transition risks exposure could vary significantly depending on factors such as whether the investees or counterparties generate power from renewable or non-renewable sources. However, such level of detailed disaggregation might not be necessary for other industries.

A footnote is added to the end of paragraph BC135. New text is underlined.

Industry-based metrics

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BC135 The Exposure Draft proposed that an entity be required to disclose industry-based metrics. These industry-based metrics were derived from the SASB Standards following proposed targeted amendments, including the proposed introduction of disclosure requirements on financed and facilitated emissions for entities engaged in particular financial activities. The proposed amendments also include the enhancements to the international applicability of a subset of requirements in the SASB Standards. The ISSB decided to confirm and clarify the proposals on financed emissions and not to proceed with the requirements proposed on facilitated emissions (see paragraphs BC122–BC129).[*]

* In paragraph BC135, the term 'facilitated emissions' refers to Scope 3 Category 15 greenhouse gas emissions that are associated with an entity's investment banking activities.

Paragraphs BC164A–BC164B and BC175–BC177 and their subheadings are added. For ease of reading, new text is not underlined.

Effective date

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Amendments to Greenhouse Gas Emissions Disclosures (December 2025)

BC164A The ISSB issued *Amendments to Greenhouse Gas Emissions Disclosures* in response to challenges faced by entities in applying specific greenhouse gas emissions disclosure requirements. In setting the effective date for the amendments, the ISSB considered setting an early effective date because of the nature of the amendments, which are targeted to support entities in applying specific requirements in IFRS S2. Furthermore, because the timing of issuance of the amendments coincides with jurisdictional mandatory effective dates—which are either in effect or approaching—entities might want to apply the amended requirements as they implement IFRS S2. Almost all respondents to the 2025 Exposure Draft agreed with setting an early effective date. However, a few national standard-setters emphasised the importance of allowing enough time to incorporate the amendments into regulatory frameworks. The amendments are designed such that they do not affect jurisdictional alignment with IFRS Sustainability Disclosure Standards. However, the ISSB acknowledged that jurisdictions seeking to retain the same options included in IFRS S2 would benefit from an effective date that enables them to complete their regulatory processes ahead of the amendments becoming effective. To support such jurisdictional processes, the ISSB decided to require that an entity apply the amendments for annual reporting periods beginning on or after 1 January 2027. It also decided to permit early application to support entities' implementation and application of the Standard.

BC164B The ISSB also issued *Consequential Amendments to Align with Amendments to Greenhouse Gas Emissions Disclosures* in December 2025, which amended the *Asset Management & Custody Activities*, *Commercial Banks* and *Insurance* SASB Standards. The ISSB decided to set the same effective date for the amendments to these SASB Standards and also permit early application to enable comparable information to be provided by entities applying IFRS S2 and those applying these SASB Standards.

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Transition

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Amendments to Greenhouse Gas Emissions Disclosures (December 2025)

BC175 The ISSB issued *Amendments to Greenhouse Gas Emissions Disclosures* in response to challenges faced by entities in applying specific greenhouse gas emissions disclosure requirements. A few respondents to the 2025 Exposure Draft asked about the treatment of comparative information if an entity that previously applied IFRS S2 applies the amendments. IFRS S1 does not include specific transition provisions for amendments to IFRS Sustainability Disclosure Standards. However, IFRS S1 requires that an entity revise or restate comparative information—unless impracticable—in several circumstances, including if an entity identifies new information in relation to an estimated amount (see paragraph B50 of IFRS S1) or redefines or replaces a metric (see paragraph B52 of IFRS S1). The purpose of these requirements is to enable users of general purpose financial reports to understand trends in an entity's performance in relation to its sustainability-related risks and opportunities.

BC176 The ISSB decided to add specific transition requirements related to adjustments to comparative information for entities that have previously applied IFRS S2 when applying the amendments in *Amendments to Greenhouse Gas Emissions Disclosures* for the first time (see paragraph C6 of IFRS S2). The ISSB concluded that these requirements are consistent with the purpose of the requirements in IFRS S1 discussed in paragraph BC175. The ISSB anticipated that the number of affected entities would be limited because the amendments would be issued before most jurisdictional requirements become effective. Additionally, the ISSB observed that IFRS S2 includes transition reliefs intended to support entities in their first annual reporting period applying the Standard. These transition reliefs include a relief from disclosing Scope 3 greenhouse gas emissions in the first annual reporting period (see paragraph C4(b) of IFRS S2) that would further limit the extent to which entities would be affected by the requirement to adjust comparative information related to Scope 3 greenhouse gas emissions disclosure. The ISSB was of the view that the area most likely to affect entities that had already applied IFRS S2 would be the application of the amended jurisdictional relief for an entity's measurement of its Scope 1 and Scope 2 greenhouse gas emissions disclosures. The ISSB noted that an entity using the relief would be aligning its greenhouse gas emissions measurement with that required by a jurisdictional authority or exchange, so the entity could utilise the information for the preceding period that it had prepared for that purpose when adjusting the comparative information. Consequently, the ISSB concluded that the potential costs of the requirement to adjust comparative information are outweighed by the benefits for users of general purpose financial reports.

BC177 The transition requirements in paragraph C6 of IFRS S2 are applicable if an entity has changed how it measures greenhouse gas emissions as a result of applying the amendments. The requirements are also applicable if an entity disclosed Scope 3 greenhouse gas emissions and the measurement included Category 15 greenhouse gas emissions, or if the entity disclosed disaggregated financed emissions information by industry in the period preceding the first annual reporting period in which the entity applies the amendments. Additionally, the ISSB noted that paragraph 70 of IFRS S1 requires that an entity disclose comparative information for narrative and descriptive information if such information would be useful for understanding the sustainability-related financial disclosures for the reporting period.

Columbus Building
7 Westferry Circus
Canary Wharf
London E14 4HD, UK

Tel **+44 (0) 20 7246 6410**
Email **customerservices@ifrs.org**

ifrs.org