IFRS® Sustainability

April 2025

Exposure Draft

IFRS® Sustainability Disclosure Standard

Amendments to Greenhouse Gas Emissions Disclosures

Proposed amendments to IFRS S2

Comments to be received by 27 June 2025

International Sustainability Standards Board

ISSB/ED/2025/1

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Exposure Draft ISSB/ED/2025/1 is published by the International Sustainability Standards Board (ISSB) for comment only. Comments need to be received by **27 June 2025** and should be submitted by email to commentletters@ifrs.org or online at https://www.ifrs.org/projects/open-for-comment/.

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Introduction

What is the ISSB proposing?

IN1 The International Sustainability Standards Board (ISSB) is proposing targeted amendments to IFRS S2 *Climate-related Disclosures* to provide additional relief and clarify existing relief from specific greenhouse gas emissions disclosure requirements.

IN2 Specifically, the ISSB proposes to amend the requirements in IFRS S2 related to:

(a) the measurement and disclosure of Scope 3 Category 15 greenhouse gas emissions associated with derivatives and with specific financial activities related to investment banking (facilitated emissions) and insurance and reinsurance underwriting (insurance-associated emissions);

(b) the use of the Global Industry Classification Standard in applying specific requirements related to the disclosure of information about financed emissions;

(c) the use of a method for measuring greenhouse gas emissions other than the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004), if a jurisdictional authority or an exchange on which the entity is listed requires the use of a different measurement method for a part of the entity; and

(d) the use of global warming potential (GWP) values other than the GWP values based on a 100-year time horizon from the latest Intergovernmental Panel on Climate Change assessment available at the reporting date, if a jurisdictional authority or an exchange on which the entity is listed requires the use of different GWP values.

Why is the ISSB publishing the Exposure Draft?

IN3 Supporting the implementation of IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 is the ISSB's highest priority in its work plan.[1] The ISSB has undertaken various activities to support the implementation of the Standards, including developing educational materials and supporting capacity-building initiatives.[2] It has also created the Transition Implementation Group on IFRS S1 and IFRS S2 (TIG) to publicly discuss stakeholder implementation questions.[3]

1 The *Feedback Statement on the Consultation on Agenda Priorities* can be found at https://www.ifrs.org/content/dam/ifrs/project/issb-consultation-on-agenda-priorities/agenda-consultation-feedback-statement-june-2024.pdf

2 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/

3 The meetings of the Transition Implementation Group on IFRS S1 and IFRS S2 are publicly 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

IN4 The ISSB considered application challenges identified through stakeholder questions submitted to the TIG and through the ISSB's other engagement activities, including with jurisdictions as part of jurisdictional processes to adopt or otherwise use IFRS Sustainability Disclosure Standards. The staff referred specific application challenges identified during the implementation phase of IFRS S2 to the ISSB to consider whether these challenges warrant further action. The challenges referred to the ISSB provided additional information that the ISSB had not previously considered during the redeliberation of the exposure draft of IFRS S2.

IN5 In response to these application challenges, the ISSB decided to propose targeted amendments to IFRS S2. The ISSB expects the amendments would support entities applying IFRS S2 by reducing the complexity, risk of potential duplication of reporting and related costs associated with applying specific requirements in the Standard. These amendments are not expected to significantly reduce the usefulness of sustainability-related financial information provided to users of general purpose financial reports.

IN6 In deciding to propose the amendments the ISSB noted that the amendments would provide additional relief and clarify existing relief from specific greenhouse gas emissions disclosure requirements in IFRS S2. The ISSB also noted that the risk of disruption to the implementation of the Standard from making these amendments would not be significant because all the proposed amendments relate to or provide optional reliefs which are designed in such a way that:

(a) entities would be able to choose whether to apply these reliefs, without affecting their compliance with IFRS Sustainability Disclosure Standards; and

(b) jurisdictions would be able to choose whether to make these reliefs available to entities in their jurisdictions, without affecting the jurisdiction's degree of alignment with IFRS Sustainability Disclosure Standards.

Who would be affected by the proposed amendments?

IN7 Greenhouse gas emissions disclosures provide information to users of general purpose financial reports to help them assess an entity's exposure to climate-related risks and opportunities. The proposed amendments relate to aspects of the greenhouse gas emissions disclosure requirements, which are expected to have widespread applicability to entities applying IFRS S2. Some entities are more likely than others to be affected by the proposed amendments. In particular:

(a) entities in the financial sector are more likely to be affected than other entities by the proposed amendments related to the Scope 3 Category 15 greenhouse gas emissions disclosure requirements; and

(b) entities subject to jurisdictional requirements related to the use of specific GWP values or specific greenhouse gas emissions measurement methods are more likely to be affected than other entities by the proposed amendments related to the jurisdictional relief.

When would the proposed amendments be effective?

IN8 The proposed amendments would make it easier for entities to apply IFRS S2 and assist those in the process of implementing the Standard. The ISSB proposes to make the additional relief and clarification to existing relief proposed in the amendments available to entities as soon as possible. To that end, the ISSB proposes to set the effective date so that the amendments would be effective as early as possible and to permit early application.

Next steps

IN9 The ISSB will analyse and consider the feedback it receives on the Exposure Draft and decide how to proceed. The ISSB intends to redeliberate the proposed amendments in the Exposure Draft in the second half of 2025 based on feedback from stakeholders and will seek to issue the amendments expeditiously.

Invitation to comment

The ISSB invites comments on the proposals in the Exposure Draft, particularly on the questions set out below. Comments are most helpful if they:

(a) address the questions as stated;

(b) specify the paragraph(s) in the Exposure Draft to which they relate;

(c) contain a clear rationale;

(d) identify any wording in the proposals that is not clear or would be difficult to translate; and

(e) include any alternative the ISSB should consider, if applicable.

Questions for respondents

Question 1—Measurement and disclosure of Scope 3 Category 15 greenhouse gas emissions
The ISSB proposes to permit entities to limit their disclosure of Scope 3 Category 15 greenhouse gas emissions. This limitation would permit entities to exclude some of their Scope 3 Category 15 greenhouse gas emissions, including those emissions associated with derivatives, facilitated emissions and insurance-associated emissions, when measuring and disclosing Scope 3 greenhouse gas emissions in accordance with paragraph 29(a)(i)(3) of IFRS S2.
(a) The ISSB proposes to add paragraph 29A(a), which would permit an entity to limit its disclosure of Scope 3 Category 15 greenhouse gas emissions to financed emissions, as defined in IFRS S2 (being those emissions attributed to loans and investments made by an entity to an investee or counterparty). For the purposes of the limitation, the proposed paragraph 29A(a) would expressly permit an entity to exclude greenhouse gas emissions associated with derivatives. Consequently, this paragraph would permit an entity to exclude emissions associated with derivatives, facilitated emissions or insurance-associated emissions from its disclosure of Scope 3 greenhouse gas emissions.
The proposed amendment would not prevent an entity from choosing to disclose greenhouse gas emissions associated with derivatives, facilitated emissions or insurance-associated emissions should it elect to do so.
Paragraphs BC7–BC24 of the Basis for Conclusions describe the reasons for the proposed amendment.
Do you agree with the proposed amendment? Why or why not?

continued...

...continued

Question 1—Measurement and disclosure of Scope 3 Category 15 greenhouse gas emissions	
(b)	The ISSB also proposes to add paragraph 29A(b), which would require an entity that limits its disclosure of Scope 3 Category 15 greenhouse gas emissions, in accordance with the proposed paragraph 29A(a), to provide information that enables users of general purpose financial reports to understand the magnitude of the derivatives and financial activities associated with the entity's Scope 3 Category 15 greenhouse gas emissions that are excluded. Therefore, the ISSB proposes to add: • paragraph 29A(b)(i) which would require an entity that has excluded derivatives from its measurement and disclosure of Scope 3 Category 15 greenhouse gas emissions to disclose the amount of derivatives it excluded; and • paragraph 29A(b)(ii) which would require an entity that has excluded any other financial activities from its measurement and disclosure of Scope 3 Category 15 greenhouse gas emissions to disclose the amount of other financial activities it excluded. The term 'derivatives' is not defined in IFRS Sustainability Disclosure Standards, and the ISSB does not propose to define this term. As a result, an entity is required to apply judgement to determine what it treats as derivatives for the purposes of limiting its disclosure of Scope 3 Category 15 greenhouse gas emissions, in accordance with the proposed paragraph 29A(a). The proposed paragraph 29A(b)(i) would require an entity that has excluded derivatives from its measurement and disclosure of Scope 3 Category 15 greenhouse gas emissions to explain the derivatives it excluded. Paragraphs BC7–BC24 of the Basis for Conclusions describe the reasons for the proposed disclosure requirements. Do you agree with the proposed disclosure requirements? Why or why not?

Question 2—Use of the Global Industry Classification Standard in applying specific requirements related to financed emissions
Paragraphs 29(a)(vi)(2) and B62–B63 of IFRS S2 require entities with commercial banking or insurance activities to disclose additional information about their financed emissions. These entities are required to use the Global Industry Classification Standard (GICS) for classifying counterparties when disaggregating their financed emissions information in accordance with paragraphs B62(a)(i) and B63(a)(i) of IFRS S2. (a) The ISSB proposes to amend the requirements in paragraphs B62(a)(i) and B63(a)(i) of IFRS S2 and to add paragraphs B62A–B62B and B63A–B63B that would provide relief to an entity from using GICS in some circumstances. Under the proposals, an entity can use an alternative industry-classification system in some circumstances when disaggregating financed emissions information disclosed in accordance with paragraphs B62(a)–B62(b) and B63(a)–B63(b) of IFRS S2. Paragraphs BC25–BC38 of the Basis for Conclusions describe the reasons for the proposed amendment. Do you agree with the proposed amendment? Why or why not? (b) The ISSB also proposes to add paragraphs B62C and B63C to require an entity to disclose the industry-classification system used to disaggregate its financed emissions information and, if the entity does not use GICS, to explain the basis for its industry-classification system selection. Paragraphs BC25–BC38 of the Basis for Conclusions describe the reasons for the proposed disclosure requirements. Do you agree with the proposed disclosure requirements? Why or why not?

Question 3—Jurisdictional relief from using the GHG Protocol Corporate Standard
The ISSB proposes to amend paragraphs 29(a)(ii) and B24 of IFRS S2 to clarify the scope of the jurisdictional relief available if an entity is required by a jurisdictional authority or an exchange on which it is listed to use a method other than the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) to measure greenhouse gas emissions for a part of the entity. The amendment would clarify that this relief, which permits an entity to use a different method for measuring greenhouse gas emissions, is available for the relevant part of the entity when such a jurisdictional or exchange requirement applies to an entity in whole or in part, for as long as that requirement is applicable. Paragraphs BC39–BC43 of the Basis for Conclusions describe the reasons for the proposed amendment. Do you agree with the proposed amendment? Why or why not?

Question 4—Applicability of jurisdictional relief for global warming potential values
The ISSB proposes to amend paragraphs B21–B22 of IFRS S2 to extend the jurisdictional relief in the Standard. The ISSB proposes that if an entity is required, in whole or in part, by a jurisdictional authority or exchange on which it is listed to use global warming potential (GWP) values other than the GWP values that are required by paragraphs B21–B22 of IFRS S2, the entity would be permitted to use the GWP values required by such a jurisdictional authority or an exchange for the relevant part of the entity, for as long as that requirement is applicable. Paragraphs BC44–BC49 of the Basis for Conclusions describe the reasons for the proposed amendment. Do you agree with the proposed amendment? Why or why not?

Question 5—Effective date
The ISSB proposes to add paragraphs C1A–C1B which would specify the effective date of the amendments. The ISSB expects the amendments would make it easier for entities to apply IFRS S2 and would support entities in implementing the Standard. Consequently, the ISSB proposes to set the effective date so that the amendments would be effective as early as possible and to permit early application. Paragraphs BC50–BC51 of the Basis for Conclusions describe the reasons for the proposal. Do you agree with the proposed approach for setting the effective date of the amendments and permitting early application? Why or why not?

Question 6—Other comments
Do you have any other comments on the proposals set out in the Exposure Draft?

Deadline

The ISSB will consider all comments received by 27 June 2025.

How to comment

The ISSB encourages you to submit your comments electronically using the online survey:

Survey	https://www.ifrs.org/projects/open-for-comment/

Alternatively, the ISSB will accept comment letters submitted electronically:

Online	https://www.ifrs.org/projects/open-for-comment/
Email	commentletters@ifrs.org

Your comments will be on the public record and posted on our website unless you request confidentiality and we grant your request. We normally grant such requests only if they are supported by a good reason, for example, commercial confidentiality. Please see our website for details on this policy and on how we use your personal data. If you would like to request confidentiality, please contact us at commentletters@ifrs.org before submitting your survey response or letter.

[Draft] Amendments to IFRS S2 *Climate-related Disclosures*

Paragraphs 29(a)(ii) and 29(a)(vi)(2) are amended and paragraph 29A is added. New text is underlined and deleted text is struck through. Subparagraphs that are not amended but included for ease of reference are 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 the entity's activities include asset management, commercial banking or insurance (see paragraphs B58–B63);

...

29A In preparing disclosures to meet the requirement in paragraph 29(a)(i)(3):

(a) an entity may limit what is included within the entity's measure of Scope 3 Category 15 greenhouse gas emissions to financed emissions—that is, greenhouse gas emissions attributed to loans and investments made by an entity to an investee or counterparty. The term 'loans and investments' includes 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 purposes of the limitation, an entity is permitted to exclude any greenhouse gas emissions associated with derivatives.

(b) an entity shall disclose information that enables users of general purpose financial reports to understand the magnitude of the derivatives and financial activities associated with the entity's Scope 3 Category 15 greenhouse gas emissions that are excluded in accordance with paragraph 29A(a). Specifically, the entity shall disclose:

(i) the amount of derivatives it excluded and an explanation of what it treats as derivatives for the purposes of limiting its disclosure of Scope 3 Category 15 greenhouse gas emissions; and

(ii) the amount of other financial activities it excluded.

Appendix B
Application guidance

Paragraphs B21–B22 are amended. New text is underlined and deleted text is struck through. The paragraph 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 permitted to instead 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 permitted to instead 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.

Paragraphs B24 and B28 are amended. New text is underlined and deleted text is struck through. The paragraph that is not amended but included for ease of reference is shown in grey.

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.

...

Measurement approach, inputs and assumptions

...

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.

Paragraphs B59, B62(a) and B63(a) are amended. Paragraphs B62A–B62C and B63A–B63C are added. Paragraphs B62(a)(ii) and B63(a)(ii) are renumbered and repositioned, unamended, as paragraphs B62A(b) and B63A(b) respectively. New text is underlined and deleted text is struck through. Paragraphs that are not amended but included for ease of reference are shown in grey.

Scope 3 greenhouse gas emissions

...

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)~~ or those emissions associated with its investments which is also known as 'financed emissions'~~:

(a) asset management (see paragraph B61);

(b) commercial banking (see paragraph B62); and

(c) insurance (see paragraph B63).

...

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) [Deleted]~~ 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) [Deleted]~~ 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)–B62(b) by:

(a) industry—the entity shall classify counterparties using an industry-classification system in accordance with paragraph B62B.

(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.

B62B When disaggregating by industry, the entity shall classify counterparties using one of the following industry-classification systems in this order:

(a) the Global Industry Classification Standard (GICS) 6-digit industry-level code, reflecting the latest version of the classification system available at the reporting date, if the entity uses GICS in any part of the entity to classify its lending or investment activities at the reporting date.

(b) an industry-classification system that the entity or part of the entity uses for reporting climate-related financial information to meet a jurisdictional or exchange requirement, if (a) is not applicable and the entity or any part of the entity is required by a jurisdictional authority or an exchange on which it is listed to use that industry-classification system to classify its lending or investment activities at the reporting date. If the entity is subject to multiple jurisdictional or exchange requirements and uses more than one industry-classification system for such purposes, the entity shall select one classification system to use.

(c) an industry-classification system that the entity or part of the entity uses for financial reporting purposes to meet a jurisdictional or exchange requirement, if (a)–(b) are not applicable and the entity or any part of the entity is required by a jurisdictional authority or an exchange on which it is listed to use that industry-classification system to classify its lending or investment activities at the reporting date. If the entity is subject to multiple jurisdictional or exchange requirements and uses more than one industry-classification system for such purposes, the entity shall select one classification system to use.

(d) an industry-classification system that enables the entity to classify counterparties by industry in a manner that results in information that is useful to users of general purpose financial reports, if (a)–(c) are not applicable.

B62C An entity shall disclose the industry-classification system used to disaggregate its financed emissions information. If the entity does not use GICS for this purpose, the entity shall explain the basis for its industry-classification system selection.

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) [Deleted] ~~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) [Deleted] ~~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)–B63(b) by:

(a) industry—the entity shall classify counterparties using an industry-classification system in accordance with paragraph B63B.

(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.

B63B When disaggregating by industry, the entity shall classify counterparties using one of the following industry-classification systems in this order:

(a) the Global Industry Classification Standard (GICS) 6-digit industry-level code, reflecting the latest version of the classification system available at the reporting date, if the entity uses GICS in any part of the entity to classify its lending or investment activities at the reporting date.

(b) an industry-classification system that the entity or part of the entity uses for reporting climate-related financial information to meet a jurisdictional or exchange requirement, if (a) is not applicable and the entity or any part of the entity is required by a jurisdictional authority or an exchange on which it is listed to use that industry-classification system to classify its lending or investment activities at the reporting date. If the entity is subject to multiple jurisdictional or exchange requirements and uses more than one industry-classification system for such purposes, the entity shall select one classification system to use.

(c) an industry-classification system that the entity or part of the entity uses for financial reporting purposes to meet a jurisdictional or exchange requirement, if (a)–(b) are not applicable and the entity or any part of the entity is required by a jurisdictional authority or an exchange on which it is listed to use that industry-classification system to classify its lending or investment activities at the reporting date. If the entity is subject to multiple jurisdictional or exchange requirements and uses more than one industry-classification system for such purposes, the entity shall select one classification system to use.

(d) an industry-classification system that enables the entity to classify counterparties by industry in a manner that results in information that is useful to users of general purpose financial reports, if (a)–(c) are not applicable.

B63C An entity shall disclose the industry-classification system used to disaggregate its financed emissions information. If the entity does not use GICS for this purpose, the entity shall explain the basis for its industry-classification system selection.

Appendix C
Effective date and transition

Paragraphs C1A–C1B are added. New text is underlined.

Effective date

...

C1A *Amendments to Greenhouse Gas Emissions Disclosures*, issued in [Month, Year]:

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

(b) added paragraphs 29A, B62A–B62C, B63A–B63C and C1A–C1B.

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

Consequential amendments to the SASB Standards

Table A1 lists the SASB Standards that reference paragraphs in IFRS S2 for which amendments are proposed. The references to IFRS S2 are made in the technical protocols of these SASB Standards. The ISSB would make necessary consequential amendments to these SASB Standards to align the references with any amendments to IFRS S2.

Table A1—Consequential amendments to the SASB Standards

Type of amendment	SASB Standards	Disclosure topic
Updating references to specific paragraphs of IFRS S2 in the technical protocols included in the SASB Standards	Asset Management & Custody Activities	Financed Emissions
	Commercial Banks	Financed Emissions
	Insurance	Financed Emissions

Approval by the ISSB of Exposure Draft *Amendments to Greenhouse Gas Emissions Disclosures* published in April 2025

The Exposure Draft *Amendments to Greenhouse Gas Emissions Disclosures* was approved for publication by all 14 members of the International Sustainability Standards Board.

Emmanuel Faber	Chair
Jingdong Hua	Vice-Chair
Suzanne Lloyd	Vice-Chair
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