

IFRS S2 amendments | GHG emissions disclosures (1/2)¹

Area	What are the changes?	What's the impact?
Disclosing Scope 3 Category 15 GHG emissions	Scope 3 Category 15 GHG emissions measurement and disclosures can be limited to financed emissions, as defined in IFRS S2. Financed emissions in IFRS S2 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...” Loans and investments include loans, project finance, bonds, equity investments and undrawn loan commitments. Additionally, a company may specifically exclude emissions from derivatives. A company is required to disclose: - total Scope 3 Category 15 GHG emissions and a subtotal for financed emissions; - an explanation of what it treats as derivatives; and - a description of the financial activities excluded, including the activities associated with derivatives.	A company does not need to include emissions from the following asset classes or activities in its Scope 3 emissions, even if they are material: - derivatives; - investment banking activities; - underwriting activities in the insurance and reinsurance industry (insurance-associated emissions); and - other Category 15 GHG emissions that are not financed emissions. The relief is not time-bound. There is no change to the requirement for all types of companies to disclose financed emissions, if material. This includes emissions from assets under management.
Disaggregating financed emissions by industry	A company with commercial banking or insurance activities is no longer required to use GICS to disaggregate its financed emissions. Instead, it may select a commonly used industry-classification system when disclosing its disaggregated financed emissions. A company is required to disclose the industry-classification system used and explain the reason for selecting it. A company participating in both commercial banking and insurance activities may use separate classification systems for each activity.	A company may use its existing industry-classification system to disaggregate its financed emissions. However, it may need to explain how that system supports understanding of the company's climate-related transition risks and comparability with other companies. This amendment may particularly benefit companies already required to use a different classification system for prudential regulatory reporting, or those applying a commonly-used system used by other companies operating in the same industry or jurisdiction.

IFRS S2 amendments | GHG emissions disclosures (2/2)¹

Area ¹	What are the changes?	What's the impact?
Using alternative GWP values in certain circumstances	A company is permitted to use the GWP values required by its local regulator or stock exchange instead of GWP values from the latest Intergovernmental Panel on Climate Change (IPCC) assessment for the part of the company to which the local requirements apply.	A company no longer needs to use two different sets of GWP values to meet both IFRS S2 and local jurisdictional requirements. However, a company is still required to disclose the measurement approach, inputs and assumptions used to measure its GHG emissions, which may include: • the GWP values used; and • if applicable, why it has not used the GWP values from the latest IPCC assessment. The relief is available when the relevant regulator or stock exchange requires the company to use alternative GWP values.
Using a method other than the GHG Protocol Corporate Standard² to measure GHG emissions	A company may use a GHG emissions measurement method required by a local regulator or stock exchange instead of the GHG Protocol Corporate Standard, but only for the part of the company to which the local requirements apply.	A parent entity applying IFRS S2 may consolidate GHG emissions information from across its group that is prepared using different measurement methods (as required by local regulators or stock exchanges). This amendment reduces duplicate reporting for groups with subsidiaries in jurisdictions with differing measurement requirements.

1. *Amendments to Greenhouse Gas Emissions Disclosures – Amendments to IFRS S2* issued on 11 December 2025.

2. *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)* (the GHG Protocol Corporate Standard).



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