

**ISSB Exposure Draft Amendments to Greenhouse Gas Emissions Disclosures—Survey**

**Instructions:**

1. The last date to provide a response is **June 27, 2025**.
2. The response needs to be submitted through a portal here - [Click Here](#)
3. The questions marked \* are mandatory.
4. Please do not include any charts or graphs as the survey format would not support the inclusion of the same.
5. Survey responses will be on the public record and posted on our website unless the respondent requests confidentiality. Such requests will not normally be granted unless supported by a good reason, for example, commercial confidentiality. If you would like to request confidentiality, please contact us at [commentletters@ifrs.org](mailto:commentletters@ifrs.org) before submitting your survey response.

**About you \***

Please provide your full name and email address:

First Name: Radhika

Last Name: Biwalkar

Email: radhika.biwalkar@msci.com

Are you responding as an individual, or on behalf of an organisation?

Organisation

Please provide the name of the organisation you are responding on behalf of:

MSCI ESG Research LLC

Are you responding on behalf of a global/international organisation?

- Yes
- No

Which jurisdiction are you (if responding as an individual) or your organisation (if responding on behalf of an organisation) based in?

United States

Which of the following stakeholder groups best describes you or your organisation?

Stakeholder group: (Select one that applies)

- Academia
- Accounting profession and auditors
- Commercial partners
- Companies
- Investors
- Media
- Policymakers
- Public interest

- Regulators
- Standard-setters
- Students

**Entity Type: (Select one that applies)**

- **Apply IFRS Standards**
- Apply IFRS for SME standard
- Consultant or advisor
- Trade, industry or representative body

**Which of the following industries best describes you or your organisation? (Select one that applies)**

- Accountancy
- Agriculture
- Apparel
- Banking
- Biotechnology
- Chemicals
- Circular economy
- Climate change or carbon reduction
- Communications
- Consulting
- Consumer goods and services
- Education
- Electronics
- Energy
- Engineering
- Entertainment
- Environmental
- Finance
- Food & Beverage
- Government
- Healthcare
- Hospitality
- Industrial
- Insurance
- Machinery

- Manufacturing
- Media
- Not for profit
- **Other**
- Pension
- Real estate
- Recreation
- Retail
- Shipping
- Sustainability
- Technology
- Telecommunications
- Transportation
- Utilities

**Other: ESG Research, ESG Ratings and Data Product Provider**

## Use of your personal data \*

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By selecting 'I confirm' below, I confirm that:

I give my explicit consent for any of my personal data (including my name) contained in this survey response to be published on the IFRS Foundation's website. If I am submitting this survey response on behalf of another individual or organisation and this survey response contains any other individual's personal details, I confirm that any such individuals have given their explicit consent to have their personal data published on the IFRS Foundation's website.

By submitting a survey response on behalf of myself or an organisation I agree that the IFRS Foundation may contact me from time to time for the purpose of seeking further information or consultation in relation to this matter.

Consent can be withdrawn by emailing [commentletters@ifrs.org](mailto:commentletters@ifrs.org).

**I confirm**

## Would you like to include any additional introductory information?

- Yes
- **No**

**If yes, please provide any additional details relevant to you (if responding as an individual) or your organisation (if responding on behalf of an organisation).**

**Would you like to include a cover letter (for example, to provide an overview of your comments)?**

- Yes
- **No**

**If yes, please provide your cover letter in the text box below.**

### **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.

**Do you agree with the proposed amendment? Why or why not?**

- Broadly agree

Optional: Please explain

- Broadly disagree

Optional: Please explain

We support comprehensive and comparable disclosure of Scope 3 Category 15 greenhouse gas emissions, including financed emissions as well as emissions associated with derivatives, facilitated transactions, and insurance activities.

While we recognize that methodologies for certain financial categories (e.g., facilitated emissions) are still evolving, we believe their exclusion could reduce the transparency and reliability of disclosures. We suggest a phased implementation approach rather than permanent exclusions, or alternatively, requiring entities to provide estimate ranges with clear disclosures, thereby addressing investor demand for full visibility into portfolio exposure.

- Neither agree nor disagree

Optional: Please explain

(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 amendment? Why or why not?

- Broadly agree

Optional: Please explain

We support the proposed amendment requiring entities that exclude certain Scope 3 Category 15 emissions to disclose the amount and nature of the excluded financial activities, including derivatives. We agree that where terms such as ‘derivatives’ are not defined in the standards, entities should explain the basis for their interpretation and exclusions. This supports transparency, enables comparability, and aligns with investor expectations for a clear understanding of climate-related financial exposures.

- Broadly disagree

Optional: Please explain

- Neither agree nor disagree

Optional: Please explain

## 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?

- Broadly agree

Optional: Please explain:

- Broadly disagree

Optional: Please explain:

- Neither agree nor disagree

Optional: Please explain:

We acknowledge that in some circumstances, such as jurisdictional requirements, an entity may need to use an industry-classification system other than the Global Industry Classification Standard (GICS) when disaggregating financed emissions. While all classification systems have limitations and GICS may not always offer the desired level of granularity. The use of a consistent, globally recognized system such as GICS is an important method for ensuring comparability of disclosures across entities and jurisdictions. This enables alignment with jurisdictional frameworks while ensuring that disclosures remain comparable, relevant and reliable for global investors. For clarity, investors should also provide a mapping to GICS to facilitate comparability.

- (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 amendment? Why or why not?**

- **Broadly agree**

Optional: Please explain:

We support the proposed requirement for entities to disclose the industry-classification system used when disaggregating financed emissions, and to explain the rationale for selecting an alternative system when GICS is not applied.

While we acknowledged in our response to Question 2(a) that alternative classification systems may be useful in certain circumstances, we support requiring clear, consistent disclosures when such alternatives are applied. Transparency around the classification methodology is essential to ensure the interpretation and comparability of financed emissions data across entities and jurisdictions.

- Broadly disagree

Optional: Please explain:

- Neither agree nor disagree

Optional: Please explain:

### **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?**

- Broadly agree

Optional: Please explain:

- Broadly disagree

Optional: Please explain:

- Neither agree nor disagree

Optional: Please explain:

We recognise that some jurisdictions or exchanges may require entities to apply methodologies other than the GHG Protocol for measuring greenhouse gas emissions. In such cases, it may be necessary for entities to follow local requirements to remain compliant with national reporting frameworks.

We acknowledge the GHG Protocol as a technically recognised framework that provides structured guidance for greenhouse gas emissions measurement, supporting consistency and comparability in disclosure practices. Where jurisdictional relief is applied, entities should clearly specify the methodology used and provide sufficient information to enable investors and other stakeholders to understand how it differs from the GHG Protocol, to facilitate consistent interpretation and comparability of emissions data.

### **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?**

- Broadly agree

Optional: Please explain:

Since Global Warming Potentials (GWPs) are typically reported with a margin of error, the use of slightly varying values is acceptable, provided they are supported by credible scientific sources.

- Broadly disagree

Optional: Please explain:

- Neither agree nor disagree

Optional: Please explain:

## 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?**

- Broadly agree

Optional: Please explain:

We support the proposed approach for setting an early effective date and permitting early application as this provides implementation clarity and allows entities to incorporate the amendments into their

reporting processes efficiently. Early adoption would help entities identify potential challenges in practice, support more consistent application during the transition period, and enhance the comparability and reliability of disclosures across jurisdictions.

- Broadly disagree

Optional: Please explain:

- Neither agree nor disagree

Optional: Please explain:

#### Question 6—Other comments

Do you have any other comments on the proposals set out in the Exposure Draft?