



Item 05 – Draft document comparing GHG emissions reporting between IFRS S2 and GRI 305

For GSSB discussion

Date	31 August 2023
Meeting	14 September 2023
Description	This draft document presents a comparison of the GHG emissions reporting between IFRS S2 Climate-related Disclosures and GRI 305: Emissions 2016 for GSSB feedback.

This document has been prepared by the GRI Standards Division and is made available to observers at meetings of the Global Sustainability Standards Board (GSSB). It does not represent an official position of the GSSB. Board positions are set out in the GRI Sustainability Reporting Standards. The GSSB is the independent standard setting body of GRI. For more information visit www.globalreporting.org.

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8 Introduction

9 This draft document presents a comparison of the GHG emissions reporting in IFRS S2 Climate-
10 related Disclosures and GRI 305: Emissions 2016, in particular the disclosures for reporting Scope 1,
11 Scope 2 and Scope 3 GHG emissions.

12 The comparison was prepared by the GRI Standards Division in preparation for the GSSB meeting
13 which took place on 20 July 2023. The GSSB invited the International Sustainability Standards Board
14 (ISSB) to the meeting in which ISSB presented their newly launched IFRS S2. This was followed by a
15 discussion between GSSB and ISSB about the comparison.

16 The GSSB has invited the ISSB to develop and publish this comparison document jointly, as a
17 practical tool for reporters who want to use the two standards together to report on their GHG
18 emissions.

19 Developing joint guidance materials is subject to ISSB's due process, which requires specific steps
20 and parties to be involved.

21 The GSSB is committed to updating the guidance to reflect ongoing standard setting activity. The
22 upcoming public consultation for the [GSSB's Project for Climate Change Standard\(s\)](#) will present the
23 next opportunity for an update to reflect on the complementary nature of the two standards.

24 GSSB members are invited to review and provide feedback on the draft content presented in the
25 following pages. The development of guidance materials that are comparisons with other frameworks
26 or standards does not affect the content of GRI Standards and as such are not subject to the [GSSB's](#)
27 [Due Process Protocol](#).

28 **Comparison of GHG emissions**
 29 **reporting between IFRS S2 and GRI**
 30 **305**

31 **Scope 1 GHG emissions disclosure**

Item	IFRS S2	GRI 305 (2016)
Reporting of Scope 1 GHG emissions	Required to report gross Scope 1 GHG emissions in metric tons of CO ₂ equivalent IFRS S2 29 (a) (i) (1)	Required to report gross Scope 1 GHG emissions in metric tons of CO ₂ equivalent GRI 305 (2016) 305-1-a
Consolidation approach	Allowed to choose between equity share or control approach. Required to report reason for choosing the consolidation approach IFRS S2 29 (a) (iii) (1) IFRS S2 29 (a) (iii) (2)	Required to report the consolidation approach: whether equity share, financial control or operational control GRI 305 (2016) 305-1-f
Disaggregation	Required to disaggregate emissions between the consolidated accounting group and other investees IFRS S2 29 (a) (iv) (1) IFRS S2 29 (a) (iv) (2)	Not covered
Biogenic emissions	Not covered	Required to report biogenic CO ₂ emissions separately from the gross Scope 1 GHG emissions. Required to exclude biogenic emissions of other types of GHG, and biogenic emissions of CO ₂ that occur in the life cycle of biomass other than from combustion or biodegradation GRI 305 (2016) 305-1-2.1.2

Scope 2 GHG emissions disclosure

Item	IFRS S2	GRI 305 (2016)
Location-based Scope 2 GHG emissions	Required to report gross location-based Scope 2 GHG emissions in metric tons of CO ₂ equivalent IFRS S2 29 (a) (v)	Required to report gross location-based Scope 2 GHG emissions in metric tons of CO ₂ equivalent GRI 305 (2016) 305-2-a
Market-based Scope 2 GHG emissions	Required to provide information about any contractual instruments the entity has entered into that could inform users' understanding of the entity's Scope 2 GHG emissions The entity might disclose market-based Scope 2 GHG emissions IFRS S2 29 (a) (v)	Required to report gross market-based Scope 2 GHG emissions in metric tons of CO ₂ equivalent, if applicable GRI 305 (2016) 305-2-b
Consolidation approach	Allowed to choose between equity share or control approach. Required to report reason for choosing the consolidation approach IFRS S2 29 (a) (iii) (1) IFRS S2 29 (a) (iii) (2)	Required to report the consolidation approach: whether equity share, financial control or operational control GRI 305 (2016) 305-2-f
Disaggregation	Required to disaggregate emissions between the consolidated accounting group and other investees IFRS S2 29 (a) (iv) (1) IFRS S2 29 (a) (iv) (2)	Not covered

Scope 3 GHG emissions disclosure

Item	IFRS S2	GRI 305 (2016)
Reporting of Scope 3 GHG emissions	Required to report gross Scope 3 GHG emissions in metric tons of CO ₂ equivalent IFRS S2 29 (a) (i) (3)	Required to report gross Scope 3 GHG emissions in metric tons of CO ₂ equivalent GRI 305 (2016) 305-3-a
Scope 3 categories	Required to report which categories are included in the Scope 3 GHG emissions, using the categories in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011) IFRS S2 29 (a) (vi) (1)	Required to report GHG emissions categories and activities included in the calculation The categories in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011) are mentioned in the guidance, but are not required to be used GRI 305 (2016) 305-3-d
Reassessment	Required to reassess Scope 3 categories and entities throughout the value chain in case of a significant event or change in circumstances IFRS S2 29 (a) (B34)	Not covered
Inputs	Required to prioritize the use of inputs by: <ul style="list-style-type: none"> - data based on direct measurement - data from specific activities within the entity's value chain - timely data that faithfully represents the jurisdiction of, and the technology used for, the value chain activity and its GHG emissions - data that has been verified IFRS S2 29 (a) (B40)	Not covered
Financed emissions	Required to report additional information about the entity's Category 15 GHG emissions or those associated with its investments (financed emissions), if the entity's activities include asset management, commercial banking or insurance IFRS S2 29 (a) (vi) (2)	Financed emissions can be reported under the gross Scope 3 GHG emissions but are not required to be reported separately GRI 305 (2016) 305-3-a

Biogenic emissions	Not covered	<p>Required to report biogenic emissions of CO₂ separately from the gross Scope 3 GHG emissions. Required to exclude biogenic emissions of other types of GHG, and biogenic emissions of CO₂ that occur in the life cycle of biomass other than from combustion or biodegradation</p> <p>GRI 305 (2016) 305-3-c GRI 305 (2016) 305-3-2.5.3</p>
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34 **Cross-cutting requirements for Scope 1, 2, and 3**
 35 **GHG emissions disclosures**

Item	IFRS S2	GRI 305 (2016)
Gases included in the calculation	Required to include CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ IFRS S2 29 (a) (B20)	Required to report the gases included in the calculation: whether CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all GRI 305 (2016) 305-1-b GRI 305 (2016) 305-2-c GRI 305 (2016) 305-3-b
GHG trades and removals	Required to exclude removal efforts from the calculation of gross emissions IFRS S2 (BC81)	Required to exclude GHG trades from the calculation of gross emissions GRI 305 (2016) 305-1-2.1.1 GRI 305 (2016) 305-2-2.3.1 GRI 305 (2016) 305-3-2.5.1
Different reporting periods in the value chain	Allowed to measure GHG emissions using information for reporting periods that are different from the entity's own if that information is obtained from entities in its value chain with different periods IFRS S2 29 (a) (B19)	Not covered
Global warming potential (GWP)	Required to use global warming potential values based on a 100-year time horizon, from the latest IPCC assessment report IFRS S2 29 (a) (B21)	Required to report the source and GWPs used, and recommended to use a 100-year timeframe from the latest IPCC assessment report GRI 305 (2016) 305-1-e GRI 305 (2016) 305-2-e GRI 305 (2016) 305-3-f GRI 305 (2016) 305-1-2.2.2 GRI 305 (2016) 305-2-2.4.2 GRI 305 (2016) 305-3-2.6.2
Emission factors	Required to report the emission factors IFRS S2 29 (a) (B26) (c)	Required to report the source of the emission factors GRI 305 (2016) 305-1-e GRI 305 (2016) 305-2-e GRI 305 (2016) 305-3-f

<p>Additional for emission factors</p>	<p>Required to use emission factors that best represent the entity's activity</p> <p>IFRS S2 29 (a) (B22)</p>	<p>Recommended to apply emission factors (and GWP rates) consistently for the data disclosed</p> <p>GRI 305 (2016) 305-1-2.2.1 GRI 305 (2016) 305-2-2.4.1 GRI 305 (2016) 305-3-2.6.1</p>
<p>Base year</p>	<p>Required to report the base period when reporting on targets</p> <p>IFRS S2 33 (e)</p>	<p>Required to report the base year, including the rationale for choosing it, emissions in the base year and the context for any significant changes in emissions that triggered recalculations of base year emissions</p> <p>GRI 305 (2016) 305-1-d GRI 305 (2016) 305-2-d GRI 305 (2016) 305-3-e</p>
<p>GHG emissions accounting standards</p>	<p>Required to use Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) for measuring GHG emissions</p> <p>Allowed to use a different method when required by a jurisdictional authority or exchange. In these cases, required to report the method and reason for using it</p> <p>IFRS S2 29 (a) (ii)</p>	<p>No specific GHG emissions accounting standard required (Greenhouse Gas Protocol mentioned in the guidance)</p> <p>GRI 305 (2016) 305-1-g GRI 305 (2016) 305-2-g GRI 305 (2016) 305-3-g</p>
<p>Approach for measuring GHG emissions</p>	<p>Required to report measurement approach, inputs and assumptions, including the reason for choosing them. Required to report changes and reasons for the changes</p> <p>For Scope 3, required to include information about the characteristics of the data inputs</p> <p>IFRS S2 29 (a) (iii)</p>	<p>Required to report standards, methodologies, assumptions, and/or calculation tools used</p> <p>GRI 305 (2016) 305-1-g GRI 305 (2016) 305-2-g GRI 305 (2016) 305-3-g</p>