GRI 102 and IFRS S2: Statement on reporting on both standards and equivalence for IFRS S2 on GHG Emissions Disclosures

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1. Introduction

The IFRS Foundation and GRI have a strong working relationship, built upon the Memorandum of Understanding signed in 2022 and the 2024 addendum.

The aim of the collaboration is to articulate how the GRI Standards, set by the Global Sustainability Standards Board (GSSB), and the IFRS Sustainability Disclosure Standards, set by the International Sustainability Standards Board (ISSB), can be **used together to facilitate reporting on an organization's impacts, risks, and opportunities**, including the risks that arise from the organization's most significant impacts. This includes the ISSB and the GSSB **jointly identifying and aligning any common disclosures** that address information needs under the distinct scopes and purposes of their respective standards.

The ISSB continues to focus on meeting the information needs of investors regarding organizations' sustainability-related risks and opportunities – more specifically, meeting the common information needs of primary users as defined in ISSB Standards.

The GSSB continues to focus on meeting the needs of a range of stakeholders, including investors, by providing a comprehensive, modular system of GRI Standards to report the most significant impacts of organizations on the economy, environment, and people, as well as their contributions to sustainable development.

2. Using GRI 102 and IFRS S2 together

For many organizations across a wide range of sectors, information about climate change will be material from both an impact and a risk and opportunity perspective.

Reporting using both GRI 102: Climate Change 2025 and IFRS S2 Climate-related Disclosures can:

- Provide information to meet the needs of a range of stakeholders, including investors, about the most significant impacts of organizations on the economy, environment, and people; and
- Inform the disclosure of information about climate-related risks and opportunities that an organization might identify as material to investors. For example, those at the nexus between climate-related risks and opportunities, other environmental impacts of climate change and socioeconomic aspects such as the just transition to a lower-carbon economy[1].

3. Examples of complementary disclosures in GRI 102 and IFRS S2

The following examples illustrate how GRI 102 and IFRS S2 can be used together.

Transition plan

IFRS S2 requires the disclosure of information about any climate-related transition plan an organization has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity's transition plan relies. The IFRS Foundation is also developing educational material about disclosing information about an organization's climate-related transition in accordance with IFRS S2. This educational material builds on the disclosure-specific material authored by the Transition Plan Taskforce (TPT) after the IFRS Foundation assumed responsibility for the TPT material in June 2024.

GRI 102 complements the work of the TPT Framework through disclosure GRI 102-1, including requirements related to transition planning with a focus on impacts. Disclosure GRI 102-1 requires an entity to disclose information about its transition plans, including policies and actions, alignment with the latest scientific evidence, expenditures incurred for the implementation of the transition plan, transition targets, governance-related aspects, and integration within the organization's overall business strategy.

[1] See IFRS Foundation Educational Material: Nature and social aspects of climate-related risks and opportunities

Climate change adaptation plan

GRI 102 requires disclosure of the adaptation plan and its impacts on people and the environment, including local communities, Indigenous Peoples, workers, and biodiversity, as well as the actions taken to manage these impacts during the plan's implementation and outcomes.

IFRS S2 requires an organization to disclose information about the climate-related risks and opportunities arising from an organization's climate-related adaptation efforts.

Just transition

GRI 102 requires disclosure on just transition-related impacts, requiring organizations to report on critical social metrics, such as workforce impacts, upskilling and reskilling initiatives, termination practices due to the transition and adaptation plans, and wage fairness in transition contexts.

IFRS S2 requires an organization to disclose information associated with its climate-related transition risks that may include information about how the organization manages its workforce as it transitions to a lower-carbon economy.

4. Using IFRS S2 emission disclosures to fulfil the equivalent emission disclosure requirements in GRI 102

The GSSB has considered how GRI 102 and IFRS S2 can be used together within this context to practically assist preparers to provide climate-related information to investors and a broader range of stakeholders on the organization's climate-related impacts, risk and opportunities in an efficient manner.

Organizations that report using both GRI 102 and IFRS S2 can use the equivalent IFRS S2 disclosures for Scope 1, Scope 2, and Scope 3 GHG emissions to meet the corresponding *GRI 102* requirements.

To be able to use the equivalent IFRS S2 GHG emission disclosures, organizations reporting *in accordance with* or *with reference to* the GRI Standards will have to:

- measure their greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004); and
- include a reference to the location where the information for each of the disclosures can be found as per the *Publish a GRI content index requirement* in *GRI 1: Foundation 2021*.