

CLIMATE- RELATED DISCLOSURES

IPSASB Meeting – September 2023

Celine Chan, Senior Manager

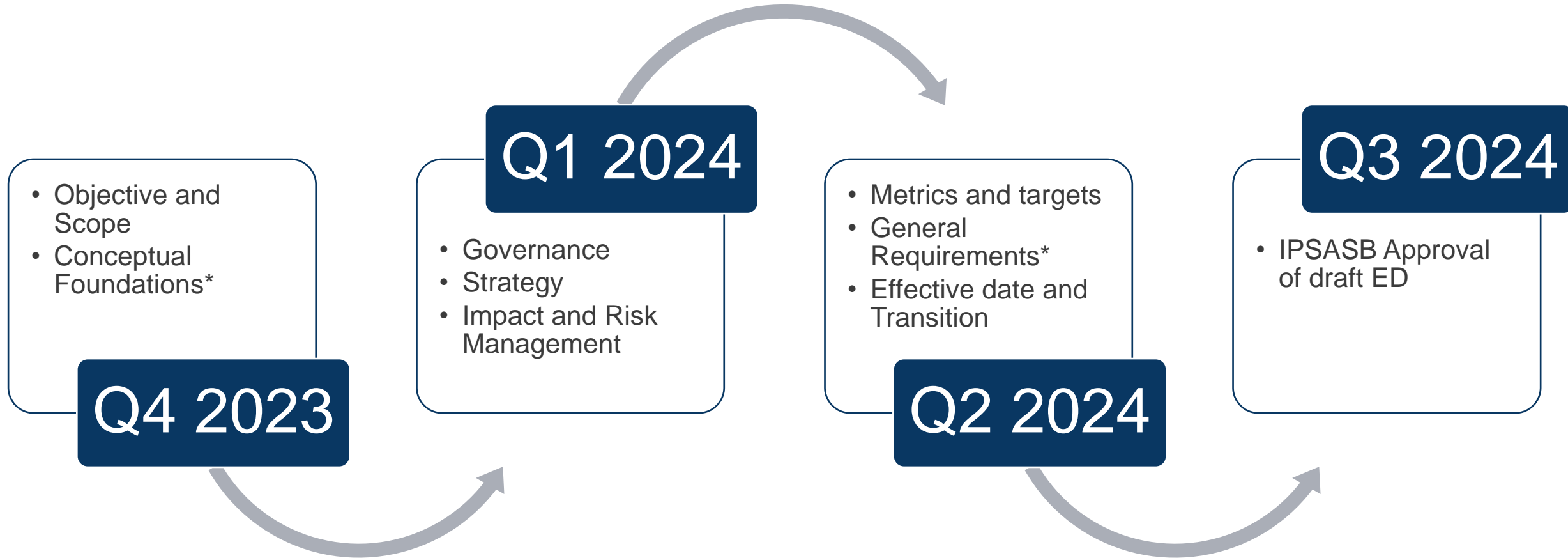
Zurich, Switzerland

A scenic photograph of a beach and ocean, viewed through a large, natural rock archway. The archway is made of dark, textured rock and frames a bright blue sky with white clouds. Below the arch, a large, dark rock formation stands in the turquoise water. The beach is sandy and has some people swimming in the shallow water. The word "AGENDA" is overlaid in large, white, bold letters.

AGENDA

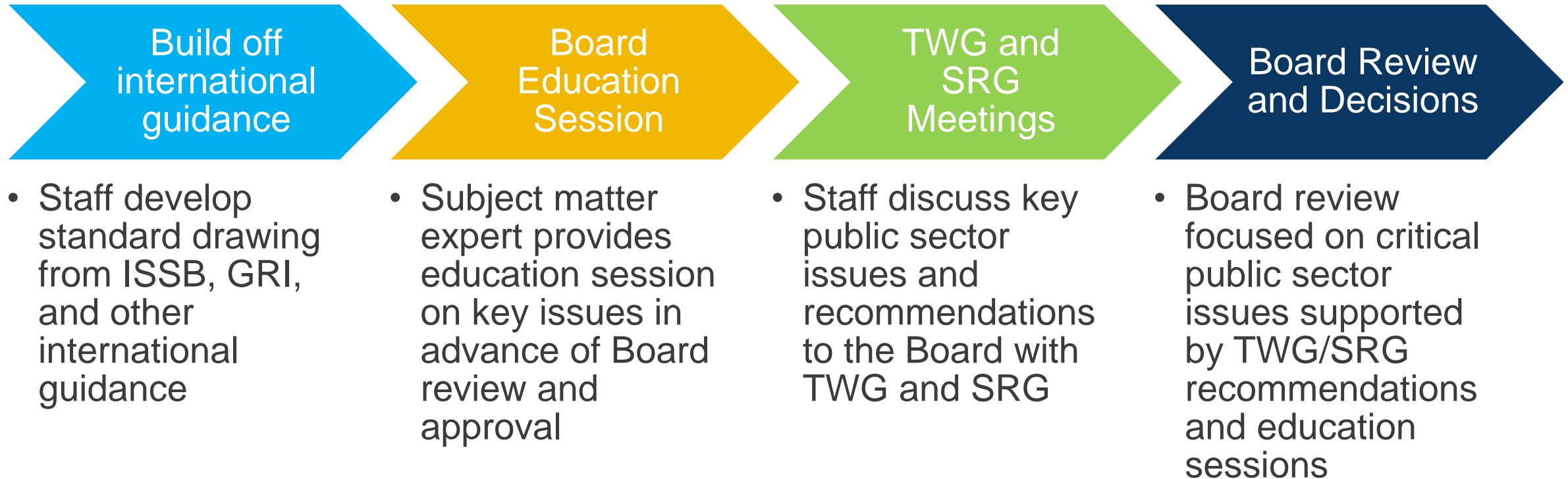
- 1.** Project Plan and Timeline
- 2.** Key Sustainability Concepts and Terms

Timeline for ED development

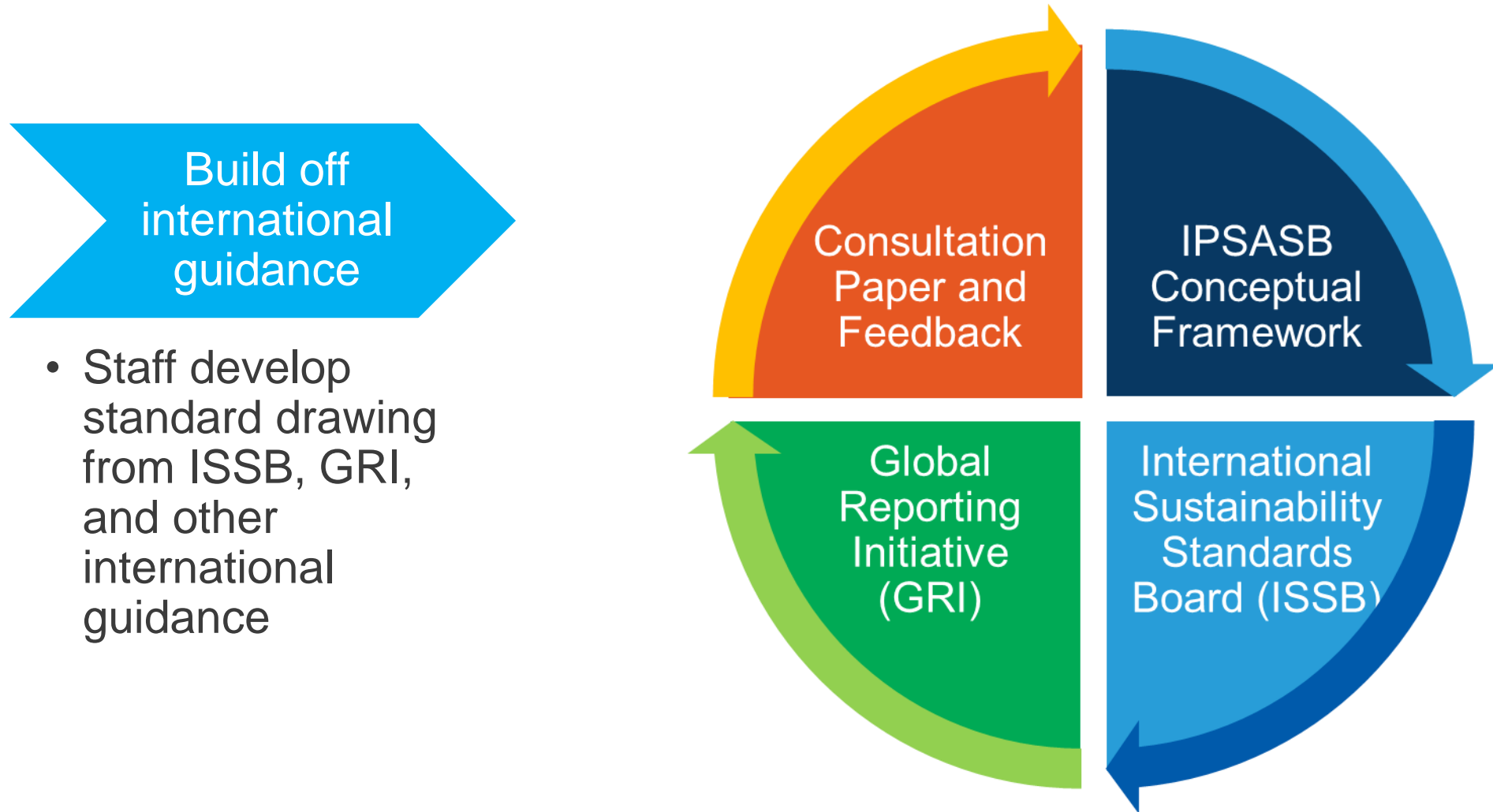


*Staff will incorporate general sustainability-related foundational concepts in this project, until a general sustainability-related disclosure project commences. Conceptual Foundations include materiality, and General requirements includes sources of guidance, timing and location of reporting, judgments, measurement and errors.

Approach to sustainability standards development



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Board Education Session

- Subject matter expert provides education session on key issues in advance of Board review and approval



and other
sustainability
standard setters...

Approach to sustainability standards development



TWG and SRG Meetings

- Staff discuss key public sector issues and recommendations to the Board with TWG and SRG

Sustainability Reference Group

- High level strategic advice
- Members/observers include:
 1. SRG Chair, Scott Showalter
 2. Alessandra Alfieri, **UNCEEA**
 3. Andrew Blazey, **OECD**
 4. Anne-Claire Howard, **UNOPS**
 5. Patrick Kabuya, **World Bank**
 6. Maia Kutner, **CDP**
 7. Emily McKenzie, **TNFD**
 8. Marcos Neto, **UNDP**
 9. Bonnie Ann Sirois, **World Bank**
 10. Heather Taylor, **A4S Circle of Practice**
 11. Karma Tenzin, **INTOSAI Development Initiative**
 12. Sebastian Welisiejko, **The Global Steering Group for Impact Investment**
 13. **Forum of Firms**
 14. Paul Munter, **SEC** (observer)
- Meet quarterly; first meeting **October 4th 7AM-9AM ET**

Approach to sustainability standards development

TWG and SRG Meetings

- Staff discuss key public sector issues and recommendations to the Board with TWG and SRG

Climate Topic Working Group

- Project specific technical discussion and recommendations
- 2 meetings per quarter, first meeting October 18th
- Members/observers include:
 - TWG Chair, Ian Carruthers
 - IPSASB representative, Liang Yang
 - International sustainability standard setters and national standard setters in advanced stages of climate-related disclosures standard setting (discussion on individual representatives still in progress)



HM Treasury



Approach to sustainability standards development

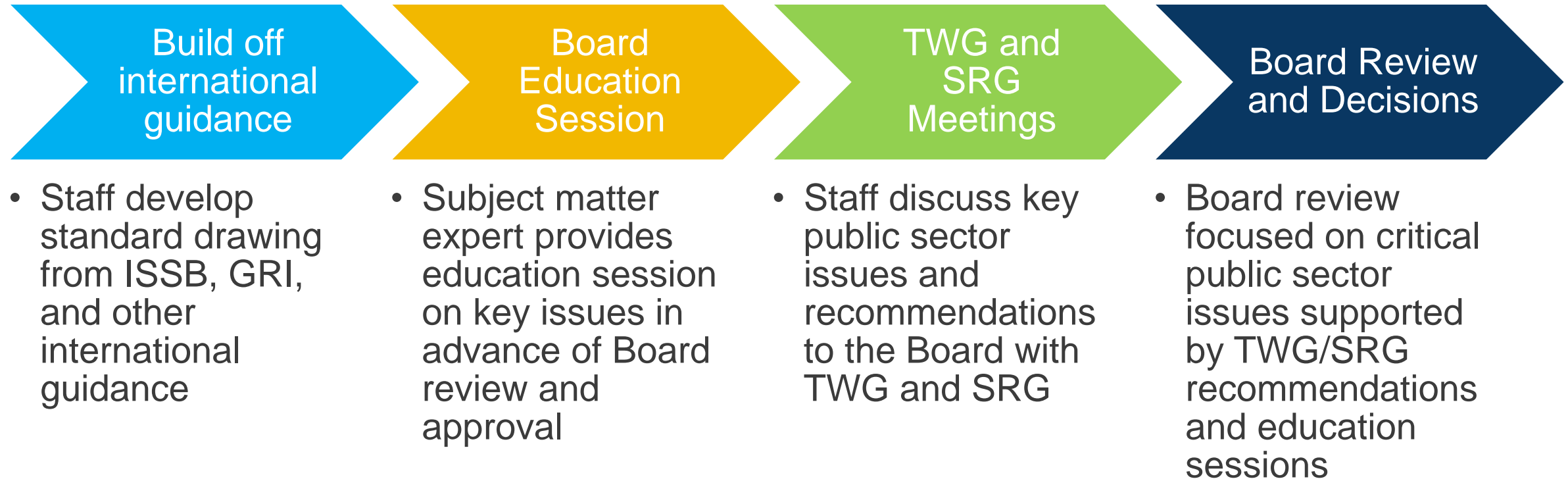


- Staff discuss key public sector issues and recommendations to the Board with TWG and SRG

Sustainability Implementation Forum

- A forum to engage:
 - preparers,
 - standard setters,
 - assurance providers and
 - other interested parties including indigenous peoples.
- Solicit feedback and discuss key implementation issues
- Engage strategically on an as needed basis
- First meeting/webinar expected in 2024
- Membership to develop over time

Approach to sustainability standards development



Public Sector Sustainability Reporting Concepts and Terms

Analysis

- Reviewed IFRS S1 and S2 key initial sustainability reporting concepts
- Follow IPSASB Sustainability Scoping Framework and consider IPSASB's "Process for Reviewing and Modifying IASB Documents"
- Public sector proposed modifications based on:
 - IPSASB Conceptual Framework
 - Other IPSASB Literature
- Note: This is not a comprehensive list. Proposals are for some initial key concepts and terms. Additional concepts and terms will be presented in future quarters.

Recommendation

- Revise private sector term for business model to **operational model**
- Align definitions with IPSASB Conceptual Framework for:
 - **General Purpose Financial Reports**
 - **Primary users of GPFRs**
 - **Reporting entity**
 - **Value chain**

Public Sector Sustainability Reporting Concepts and Terms

Proposed Term	Rationale	Proposed Definition
Operational Model	Based on ‘operation’ as used in IPSAS 40, <i>Public Sector Combination</i>	An entity’s system of transforming inputs through its activities into outputs and outcomes that aims to fulfill the entity’s objectives, by providing goods and/or services

Public Sector Sustainability Reporting Concepts and Terms

Proposed Term	Rationale	Proposed Definition
General purpose financial reports	Based on IPSASB Conceptual Framework Chapter 2: Objectives and Users of General Purpose Financial Reports	Reports that provide <i>financial and non-financial</i> information about a reporting entity that is useful to primary users in making decisions and to enable accountability. General purpose financial reports include—but are not restricted to—an entity’s general purpose financial statements and sustainability-related disclosures.

Public Sector Sustainability Reporting Concepts and Terms

Proposed Term	Rationale	Proposed Definition
Primary users of GPFRs	Based on IPSASB Conceptual Framework Chapter 2: Objectives and Users of General Purpose Financial Reports	Existing and potential service recipients and their representatives and resource providers and their representatives.

Public Sector Sustainability Reporting Concepts and Terms

Proposed Term	Rationale	Proposed Definition
Reporting entity	Based on IPSASB Conceptual Framework Chapter 4: Reporting Entity	A government or other public sector organization, program or identifiable area of activity that prepares general purpose financial reports.

Public Sector Sustainability Reporting Concepts and Terms

Proposed Term	Rationale	Proposed Definition
Value chain	<p>Reflects changes for:</p> <ul style="list-style-type: none"> - Change from <i>business model</i> to <i>operational model</i> - Public sector focus on service and/or product <i>delivery</i> versus <i>sales</i> in private sector 	<p>The full range of interactions, resources and relationships related to a reporting entity's operational model and the external environment in which it operates.</p> <p>A value chain encompasses the interactions, resources and relationships an entity uses and depends on to create its products or services from conception to delivery, consumption and end-of-life, including interactions, resources and relationships in the entity's operations, such as human resources; those along its supply, marketing and distribution channels, such as materials and service sourcing, and service and/or product delivery; and the financing, geographical, geopolitical and regulatory environments in which the entity operates.</p>