

Meeting: International Public Sector Accounting
Standards Board

Meeting Location: Toronto, Canada

Meeting Date: June 25–28, 2024

Agenda Item 6

For:

☐ Approval

☒ Discussion

☐ Information

CLIMATE-RELATED DISCLOSURES

Project summary	The project objective is to support global action to combat climate change by providing principles for public sector climate-related disclosures that provide information for improved decision-making and accountability.	
Project staff lead	<ul style="list-style-type: none"> • Celine Chan, Principal • Karen Leung, Manager 	
Climate Topic Working Group members	<ul style="list-style-type: none"> • Ian Carruthers, IPSASB Chair (Topic Working Group Chair) • Lisa French, Canadian Sustainability Standards Board • Max Greenwood, HM Treasury • Jack Bisset, IPSASB Technical Advisor • Miguel Perez Ludena, GRI • Alan Teixeira, International Sustainability Standards Board • Liang Yang, IPSASB Member 	
Meeting objectives Project management	Topic	Agenda Item
	Climate-related Disclosures: Exposure Draft Dashboard	6.1.1
	Instructions up to Previous Meeting	6.1.2
	Decisions up to Previous Meeting	6.1.3
	Climate-related Disclosures: Project Roadmap	6.1.4
Decisions required at this meeting	Project Management Process and Next Steps	6.2.1
	Climate-related policy activities	6.2.2
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	Internal Carbon Pricing: Own Operations and Climate-related Policy Activity	6.2.9
	Transition	6.2.10
	General Requirements, Judgments, Measurement Uncertainty and Errors – Appendix B	6.2.11
Other supporting items	[Draft] IPSASB SRS ED X, Climate-related Disclosures	6.3.1

**CLIMATE-RELATED DISCLOSURES:
EXPOSURE DRAFT DASHBOARD**

Topic	Past Meetings	Mar 2024	June 2024	Sept 2024
Project Management	✓			
Review and Approval of ED				
Climate-related Disclosures – Authoritative Text				
Objective & Scope	✓			
Definitions	✓	✓		
Conceptual Foundations	✓			
• Materiality	✓			
Governance		✓		
Strategy		✓		
Risk and Impacts Management		✓		
Metrics and Targets				
General Requirements				
Application Guidance	✓	✓		
Climate-related Disclosures – Non-Authoritative Text				
Basis for Conclusions				

Legend	
✓	Task Completed
	Planned IPSASB Discussion
	Page-by-page Review

INSTRUCTIONS UP TO PREVIOUS MEETING

Meeting	Instruction	Actioned
May 2024	1. Clarify the Objective paragraphs to explain 'service delivery' is a dimension of long-term fiscal sustainability.	1. See updates to paragraph 2.
	2. Consider whether the scope of reporting is all policy activities or climate-related policy activities, reflecting Board discussion and rationale in Basis for Conclusions.	2. See Agenda Item 6.2.2 and updates to paragraph 6 definitions for policy activities and climate-related policy activities, B.AG7, and BC16.
	3. Refine the definition of 'policy activities' to be those related to external policies that influence other entities.	3. See Agenda Item 6.2.2 and updates to paragraph 6 definitions for policy activities, B.AG6, B.AG14, B.AG22 and BC8.
	4. Add definition for 'climate-related policies.'	4. See Agenda Item 6.2.2 and updates to paragraph 6 definitions for policy activities and climate-related policy activities, B.AG7, and BC16.
	5. Clarify the guidance on 'outputs' in RPG 3 includes policy activities.	5. See updates to BC35.
	6. Update the objectives in governance and strategy paragraphs to include non-financial reporting.	6. See updates to paragraphs 7, 11 and 28.
	7. Reconsider thresholds for own operations and policy activities and whether policy setting entities are being held to a higher threshold.	7. See Agenda Item 6.2.3 and updates to paragraph 25, removal of reference to lower threshold for disclosures relating to climate-related policy activities.
	8. Review guidance needed for scenario analysis reporting by smaller entities.	8. See Agenda Item 6.2.3 and guidance in paragraphs B.AG15, B.AG33 and AG23.
	9. Consider additional disclosure requirements or guidance relating to current and anticipated effects on service delivery.	9. See Agenda Item 6.2.3 . Staff recommend that the disclosures about the current and anticipated effects on an entity's service delivery is captured by paragraph 13 requirements relating to an entity's operational model and value chain.

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	10. Review disclosure requirements in relation to funding of policy activities.	10. See updates to paragraph 24(d). Staff noted that paragraph 25(b) also relates to funding, however, entities may determine that the estimated financial amounts needed are not material – so propose no changes to paragraph 25(b).
	11. Revise title of “Risk and Outcome Management” to “Risk, Opportunities and Outcome Management”.	11. See update to section title.
	12. Consider the structure of the standard to support navigation and identification of disclosure requirements and guidance for own operations and policy activities.	12. To be reviewed and updated with drafting group in July/August 2024.
March 2024	1. Include discussions and rationale for the draft ED’s objective, setting this in the context of the more general project aim in the Basis for Conclusions.	1. See Agenda Item 2.3.1 from May 2024 Meeting Paragraphs BC15-BC17.
	2. Clarify policy activities relate to those external policies that influence other entities, including other economic sectors, rather than internal policies that impact an entity’s own activities, and consider revising terminology.	2. See Agenda Item 2.3.1 from May 2024 Meeting Paragraphs B.AG11, BC2-BC8, BC12, BC38.
	3. Clarify that an entity’s own climate-related impacts can be addressed through disclosures of GHG emissions in accordance with IFRS S2, while impacts from an entity’s policy activities should be addressed in the broader contexts requires further consideration.	3. See Paragraph BC40.
	4. Consider linking discussion of disclosures on financial position, financial performance and cash flows to public sector planning and budgets given the importance of budgets in the public sector.	4. See Agenda Item 2.3.1 from May 2024 Meeting Paragraph AG34.
	5. Consider the implications of scenario analysis when a public sector entity must provide a vital service.	5. See paragraph AG29-30 and BC42-44.

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	6. Clarify which sections of disclosure are mandatory, and whether explanation is needed if disclosure is not provided.	6. Staff considered that the materiality guidance should address what information an entity should disclose.
	7. Consider provisions for cross-referencing or incorporating information from other reports such as risk and management reporting.	7. See paragraph B25, and B.AG72-74.
	8. Consider the public sector's role as guarantor of last resort and related disclosure requirements or application guidance.	8. See Agenda Item 2.3.1 from May 2024 Meeting Paragraph AG37.
December 2023	1. Reflect on the description and drafting of climate-related impacts, including clarifying application guidance related to climate-related impacts versus climate-related risks and opportunities.	1. See Agenda Item 10.2.3 from March 2024 Meeting.
	2. Review the scope of climate-related risks and opportunities to consider funding and resources.	2. See Agenda Item 2.3.1 from May 2024 Meeting Paragraphs 6, B.AG22, BC18-BC20.
	3. Provide additional guidance on considerations for public sector entities with regulatory and policy roles versus administrative roles.	3. See Agenda Item 10.2.3 from March 2024 Meeting.
	4. Review drafting to reflect how understanding an entity's context may include considering whether plans or programs are already in place, leveraging processes that were part of those plans or programs, such as engagement of stakeholders, and how the entity contributes to those established plans or programs.	4. See Agenda Item 10.2.2 from March 2024 Meeting.
	5. Ensure drafting of the standard is not beyond climate.	5. Removed general references to sustainability through the (draft) ED. See Agenda Item 2.3.1 from May 2024 Meeting.
	6. Consider additional guidance to specifically address the public sector role and objectives for decision making and accountability as it relates to materiality.	6. See Agenda Item 2.3.1 from May 2024 Meeting Paragraphs B.AG60-B.AG121.
	7. Consider feedback from breakout sessions in the development of the draft Climate-related Disclosures standard.	7. Feedback reflected in Core text and Application Guidance in Agenda Item 2.3.1 from May 2024 Meeting.

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September 2023	1. Revise the definition of operational model and review the proposed definition for value chain.	1. Definitions of operational model and value chain updated in draft Standard. See Agenda item 6.3.1 in December 2023 Agenda papers .
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DECISIONS UP TO PREVIOUS MEETING

Meeting	Decision	BC Reference
May 2024	1. Clarify the terms 'outcomes' and 'outputs' and explain the relationship with 'risks and opportunities'.	BC27-BC36
March 2024	1. Subject to the instructions above, a key objective and aim of public sector Climate-related Disclosures is to provide disclosures of climate-related information to support decision making and accountability of entity's contribution to the latest international agreements and jurisdictional commitments to combat climate change.	BC15-17
	2. Subject to the instructions above, a key difference for public sector reporting that requires additional guidance is the public sector's ability to influence other entities, including other economic sectors, through its policy setting and regulatory activities.	BC2-8
	3. Subject to review of the draft ED, governance, strategy and risk management disclosures may be aligned with IFRS S2 for an entity's own operations, however, additional disclosures are required for an entity's policy setting activities, as applicable.	BC9-14
December 2023	1. Subject to the instructions above, the objective of public sector Climate-related Disclosures is to provide principles for disclosures of information on climate-related impacts, risks and opportunities to support decision making and accountability of entity's contribution to combat climate change.	BC15-35
	2. Subject to the instructions above, the guidance for identifying information for disclosures, including (i) understanding the entity's context, (ii) identifying climate-related impacts, risks and opportunities and (iii) determining material information, is appropriate.	To be drafted
	3. The definition of materiality as per the IPSASB Conceptual Framework should be used for climate-related disclosures.	BC54

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September 2023	1. The Board decided that Climate-related Disclosures should be developed based on the process including: <ul style="list-style-type: none"> building off of IFRS S2 and GRI climate-related topic standards, leveraging sustainability expertise through the IPSASB's education sessions, and drawing on the discussions in the IPSASB Sustainability Reference Group and the Climate Topic Working Group. 	BC10
	2. The Board decided that the terms and definitions recommended for operational model, GPFRs, primary users of GPFRs, and reporting entity, were appropriate subject to refinement to reflect its instructions.	N/A
June 2023	1. The Board decided unanimously to move forward with the development of guidance on Climate-related Disclosures.	N/A
	2. The Board decided that sustainability reporting pronouncements should be issued as authoritative standards that should be separate from the current suite of IPSAS.	N/A
	3. The Board approved the Climate-related disclosures project brief by a vote.	N/A
March 2023	1. The Board decided to move forward with scoping the potential initial sustainability reporting projects using a framework based on: <ul style="list-style-type: none"> Consultation Paper on Advancing Public Sector Sustainability Reporting Guidance and feedback received from constituents; IPSASB Conceptual Framework as it relates to objectives, users and information needs; IFRS Sustainability Standards; and GRI Standards. 	N/A
December 2022	1. The Board decided to commence scoping and research work on potential public sector sustainability reporting projects pending securing the resources needed to begin guidance development.	N/A
March 2022	1. All instructions provided up until March 2022 were reflected in the Consultation Paper on Advancing Public Sector Sustainability Reporting	N/A

**SUSTAINABILITY REPORTING
PROJECT ROADMAP**

Meeting	Completed Actions or Discussions / Planned Actions or Discussions:
March 2022	1. Approve Consultation Paper
May 2022 – September 2022	1. Document Out for Comment
October 2022	1. Preliminarily Review of Responses
December 2022	1. Review of Responses to Consultation Paper 2. Discussion of Issues
June 2023	1. Approval of Climate-related disclosures Project Brief
September 2023	1. Review project plan and roadmap
December 2023	1. Review [draft] ED sections: Objective, Scope and Conceptual Foundations 2. Page flip
March 2024	1. Discuss principles for [draft] ED sections: Governance, Strategy, Impacts and Risk Management
May 2024	1. Review [draft] ED: Governance, Strategy, Impacts and Risk Management 2. Page flip
June 2024	1. Review [draft] ED: Metrics and Targets, General Requirements and Transitional Provisions 2. Page flip
July 2024	1. Discussion of non-authoritative guidance and any remaining one-off issues if necessary
H2 2024	2. Approval of ED

Project Management Process and Next Steps

Purpose

1. This paper provides an overview of the activities and developments relating to the IPSASB Sustainability Reporting Standards™ (IPSASB SRS™) ED Climate-related Disclosures Standard since the Board's March 2024 check-in meeting. This paper is provided for information purposes.

Background

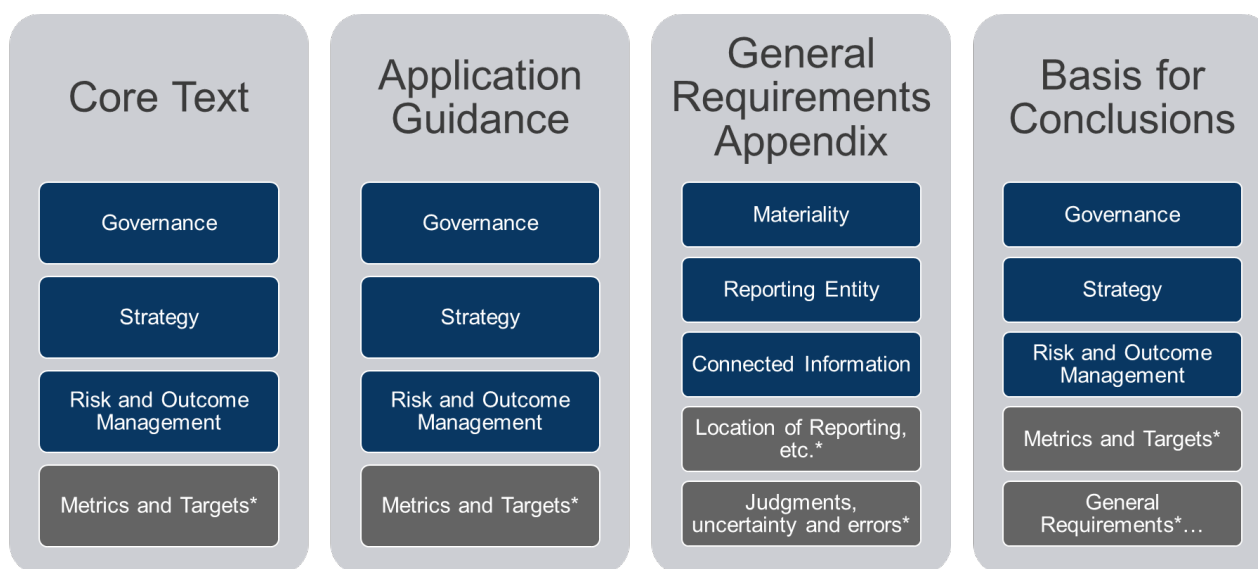
2. At the March 2024 Board meeting, the IPSASB agreed on its approach to:
 - a) Align with private sector guidance, with appropriate public sector changes and application guidance, for disclosures relating to an entity's own operations; and
 - b) Provide separate disclosure requirements and guidance for the public sector's unique role in setting policy and regulation.
3. At the May 2024 check-in meeting, the Board decided on using "outcomes" to address "impacts, completed a section-by-section review of the draft ED and provided instructions as outlined in [Agenda Item 6.1.2](#), and the Board had its:
 - a) First review of the ED drafting of the governance, strategy, and risk management sections. The ED drafting followed IPSASB deliberations on these topics and reflected the specific decisions and instructions from the December 2023 and March 2024 meetings; and
 - b) Second review of the ED drafting of the objective, scope, and conceptual foundations sections (updated based on Board decisions and instructions in December 2023).
4. On May 8 and 24, staff met with the SRG and CTWG, respectively, to discuss proposals relating to climate-related metrics and transitional provisions. These proposals were based on the results of the February climate-related metrics workshop with the United Nations Development Programme (UNDP), International Sustainability Standards Board (ISSB) and the Global Reporting Initiative (GRI) and feedback from the March 2024 IPSASB meeting breakout group discussions.

Q2 2024 June Board Meeting

5. At the June CAG meeting on June 24, 2024, a sustainability implementation education session will be delivered. External experts will provide an overview of the:
 - a) Implementation of IFRS S1 and S2 in the private sector and takeaways for the public sector, to inform on reality of using the new standards and identify considerations for the developed Climate-related Disclosures ED; and
 - b) Brazilian government's plans and approach to implement sustainability reporting for the public sector as part of their ongoing public financial management reforms.
6. At the June 2024 IPSASB meeting, the Board will discuss:
 - a) How staff have addressed Board instructions from the May 2024 check-in meeting – [Agenda Item 6.2.2](#) – [Agenda Item 6.2.3](#)
 - b) Issues relating to the new sections of drafting provided for review at the meeting, including:
 - (i) Climate-related Policy Activity Metrics and Targets – [Agenda Item 6.2.4](#) – [Agenda Item 6.2.5](#)

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- (ii) Climate-related Metrics and Targets for an Entity's Own Operations – [Agenda Item 6.2.6](#) – [Agenda Item 6.2.9](#)
 - (iii) Transition – [Agenda Item 6.2.10](#)
 - (iv) Appendix B General Requirements – [Agenda Item 6.2.11](#)
7. The Board will also review the first complete draft ED, see [Agenda Item 6.3.1](#). This includes all sections in the core text, application guidance and appendices. This will be the Board's:
- a) First review the sections on climate-related metrics and targets, transition, and general requirements reflecting both the feedback from March 2024 breakout group discussions, and advice and recommendations from the SRG and CTWG; and
 - b) Second review of previously reviewed sections of the ED for the updates in accordance with the decisions and instructions from the March and May 2024 meetings.
8. As with the May check-in meeting, the Board will do a section-by-section review of the draft ED. For example, in discussing the section on metrics for climate-related policy activities, this will include the core text, application guidance and basis for conclusions relating to metrics for climate-related policy activities.



*Sections to be reviewed in June

9. Like the review performed at the May check-in meeting, for the purposes of this meeting, staff are seeking specific feedback on the draft disclosure principles, including:
- a) Whether there are substantive points related to the drafted principles that require further articulation in the core text, application guidance, or in the non-authoritative basis for conclusions (please be prepared to articulate the details of your proposal and the reason further articulation is needed);
 - b) Whether any additional public sector-specific adaptations are needed in the draft ED for an entity's own operations (please be prepared to articulate the details of your proposal and the reason that the public-sector difference needs to be addressed); and

- c) Whether any additional public sector guidance is needed in the draft ED for an entity's policy activities (please be prepared to articulate the details of your proposal and why this needs to be addressed in the public sector-specific guidance).
- 10. In view of the planned approval of the draft ED in September, IPSASB members are encouraged to consider priority issues and topics that need to be addressed at the July check-in meeting.
- 11. Please send editorials directly to staff and these will be considered by the Climate-related Disclosures drafting group (to be established after the June meeting). Please note that editorials are not intended to be discussed in the plenary of the meeting.
- 12. Board members are encouraged to reach out to staff in advance of the June meeting should they have questions of understanding or concerns regarding the direction of the draft ED.

Next Steps and Q3 2024 Activities

- 13. The input and instructions from the June 2024 meeting will shape the areas of focus and priorities for staff, the drafting group, and discussions with the SRG and CTWG in Q3 2024.
- 14. Staff will focus and prioritize key issues and instructions arising from the June 2024 meeting to bring back to the IPSASB at the Q3 check-in meeting on July 25, 2024.
- 15. Staff will also begin to consider non-authoritative guidance, beginning with a review of public sector applicability of IFRS S2 illustrative guidance and examples and then consideration of other non-authoritative guidance needed, such as relating to climate-related policy activities. Staff will share initial proposals with the Board at the July check-in.
- 16. Staff will engage the SRG and CTWG to discuss key outstanding issues, as necessary:
 - a) **SRG – July 31, 2024:**
 - b) **CTWG – early August.**
- 17. Staff will also meet with ISSB members and staff for a review of the draft ED to identify and resolve any unintended conflicts with IFRS S2.
- 18. Staff will work with the drafting group to prepare the ED for approval in September 2024.
- 19. The input and advice from the SRG, the recommendations from the CTWG, and the input from the June 2024 Board meeting will shape the final proposals and drafting for review by the Board at the July check in and ready for approval in September.

Q4 2024 and 2025 Activities

- 20. Following publication of the draft ED for public consultation, staff will focus on outreach engagements, including in-person regional roundtables, engagement with investor conferences and indigenous groups.

Climate-related policy activities

Question

1. Does the Board agree that the scope of reporting for policy activities should be limited to those policies that are explicitly designed to address climate?

Recommendations:

2. Staff recommend that the scope of reporting on policy activities should be limited to those policies that are explicitly designed to address climate. To reflect this, staff recommend the following updates to the draft ED:
 - a) Adding a definition for climate-related policy activities – see paragraph 6 of [Agenda Item 6.3.1](#);
 - b) Adding application guidance with examples of where policies may affect climate with or without an explicit objective to address climate – see paragraph B.AG7 of [Agenda Item 6.3.1](#);
 - c) Adding the Board's rationale for scoping policy activities to those with explicit objectives to address climate in the Basis for Conclusions – see paragraph BC16 of [Agenda Item 6.3.1](#).

Background

3. At the May check-in meeting, Board members reviewed the draft ED including the drafting relating to the concepts of policy activities and own operations that was discussed at the March meeting. Board members agreed with the delineation of disclosure requirements and guidance for an entity's own operations from an entity's policy activities. Board members instructed staff to:
 - a) Clarify that policy activities relate to those external policies to influence other entities and individuals; and
 - b) Consider whether the scope of policy activity disclosures related to all policy activities or just those policy activities explicitly designed to address climate.

Analysis

Policies for Own operations vs. those to Influence Other Entities and Individuals

4. All entities have internal policies that relate to their own operations. Some policies for the entity's own operations affect other entities and individuals, such as procurement policies that affect selection of suppliers or employee policies that affect the entity's employees. This applies to all public as well as private sector entities and is implicit in assessing the value chain of an entity's own operations.
5. However, the public sector plays a unique role in its ability to mandate and/or influence actions and behaviors of other entities and individuals. As discussed in the March 2024 Board meeting, in the context of its impact on sustainable development this unique public sector role requires principles and additional application guidance for public sector entities.
6. Therefore, the intended purpose of delineating the disclosure requirements and guidance between policy activities and own operations is to focus on and address the information needs related to those external policy activities that are unique to the public sector.
7. In order to make clear that the draft ED refers to such external policies, staff have:

- a) Refined the definition of policy activities to clarify it is policies to influence other entities and individuals – see paragraph 6;
- b) Clarified in the application guidance that policy activities do not include internal policies related to an entity's own operations – see paragraph B.AG6, B.AG22; and
- c) Added application guidance through an example to illustrate delineating own operations from policy activities – see paragraph B.AG14;
- d) Clarified the Board's intention in the Basis for Conclusions – see paragraph BC8.

Policy Activities vs. Climate-related Policy Activities

- 8. Public sector entities have broad mandates that can affect all of society, the economy, and the environment. As discussed at the May check-in meeting, while many policy activities may affect GHG emissions, the environment and the economy, the key question is which direct climate-related policy activity outcomes is an entity accountable for achieving? To clarify this, entities should report on their governance and strategy arrangements, how they are managing the risks and opportunities, and how are they performing against their targets.
- 9. In accordance with the IPSASB Conceptual Framework, the IPSASB considers the cost-benefit, which is a constraint on information included in general purpose financial reports, when developing its standards.
- 10. Given the breadth and volume of external policies that public sector entities set, it would be a significant and costly exercise to review all policies, assess materiality of information and provide disclosures of material information.
- 11. Whilst a variety of users may be interested in information about all policies that public sector entities set, the objective of the draft ED is to provide information that supports decision making, and accountability for the actions taken to deliver on an entity's specific climate action commitments.
- 12. Therefore, balancing the broader societal benefits of providing more information against the additional costs of preparation, staff recommend that the scope of the draft ED should be limited to outcomes from policy activities that are explicitly designed to address climate. To reflect this in the draft ED, staff have:
 - a) Added a definition for climate-related policy activities – see paragraph 6;
 - b) Added application guidance by including an example of and considerations for policies that may be in scope or out of scope – see paragraph B.AG7; and
 - c) Added the rationale for this decision in the BCs based on Board discussion at May check-in meeting – see paragraph BC16.

Decision Required

- 13. Does the IPSASB agree with the [recommendation](#)?

Other Instructions from May 2024 Check-in meeting

Question

1. Does the Board agree with the recommendations to address Board instructions from the May 2024 Check-in meeting?

Recommendations:

2. Staff have actioned Board instructions as follows:

Instruction	Actioned in Agenda Item 6.3.1
1. Reconsider thresholds for own operations and policy activities and whether policy setting entities are being held to a higher threshold.	1. See updates to paragraph 25, removal of reference to lower threshold for disclosures relating to climate-related policy activities.
2. Review guidance needed for scenario analysis reporting by smaller entities	2. See guidance in paragraphs B.AG15, B.AG33 and AG23.
3. Consider additional disclosure requirements or guidance relating to current and anticipated effects on service delivery.	3. Staff recommend that the disclosures about the current and anticipated effects on an entity's service delivery is captured by paragraph 13 requirements relating to an entity's operational model and value chain.

Background

3. At the May check-in meeting, Board members performed a section-by-section review of the draft ED and provided staff with instructions as outlined in [Agenda Item 6.1.2](#). This paper provides further analysis on some of the issues as listed above.

Analysis

Thresholds for Own Operations vs. Policy Activities

4. At the May check-in, Board members instructed staff to consider whether public sector entities should be held to a higher standard in some areas, such as providing quantitative disclosures relating to current and anticipated financial effects, given public accountability.
5. In view of the breadth and variety of the operational responsibilities of public sector entities, and the availability of resources, capabilities and skills, staff recommend that the draft ED retain such thresholds (as in paragraph 19-21 of [Agenda Item 6.3.1](#)) for all entities in disclosures related to their own operations.
6. On the other hand, policy activities generally have a broader mandate than own operations and so it may be appropriate to exclude such reliefs for policy activity related disclosures. For example, the anticipated financial effects of an entity's climate-related policy activities may result in increased debt which would be material information for users.
7. Therefore, staff removed the reference to such relief in paragraph 19-21 as it related to current and anticipated financial affects for climate-related policy activity disclosures. See paragraph 25 of [Agenda Item 6.3.1](#).

Scenario analysis for smaller entities

8. At the May check-in, Board members instructed staff to consider the capacity for smaller entities to develop scenario analysis and the need for additional application guidance.
9. Based on breakout group discussions at the December 2023 IPSASB meeting, it was noted that though not all entities may perform their own scenario analyses, as they may be able to refer to those performed by higher levels of government, or a group of similar entities such as a group of similar municipalities in a jurisdiction. Staff drafted guidance relating to this in AG23 in [Agenda Item 6.3.1](#).
10. Further, staff have proposed additional application guidance to support entities, including:
 - a) Adding scenario analysis as an example where entities may leverage processes or assessments performed by higher levels of government – see B.AG15 in [Agenda Item 6.3.1](#); and
 - b) Adding scenario analysis as an example in the guidance on where an entity should assess the applicability of other entity's processes – see B.AG33 in [Agenda Item 6.3.1](#).

Current and anticipated effects on service delivery

11. At the May check-in, Board members instructed staff to consider whether additional disclosure requirements or guidance should be included relating to current and anticipated effects on service delivery given service delivery is an important dimension to long-term fiscal sustainability, in addition to financial effects.
12. Staff reflected on the baseline of disclosure requirements and noted that the current and anticipated effects of climate on service delivery would be captured in an entity's assessment and identification of climate-related risks to an entity's operational model and value chain.
13. Application guidance is also included in AG4 and AG7 to illustrate climate-related risks to service delivery. See [Agenda Item 6.3.1](#).
14. Therefore, staff recommend no additional disclosure requirements or guidance be added for current and anticipated effects on service delivery.

Decision Required

15. Does the IPSASB agree with the [recommendations](#)?

Climate-related Policy Activities: GHG Emissions

Question

1. Does the Board agree that entities should disclose the effects of their climate-related policy activities on GHG emissions?

Recommendations:

2. Staff recommend that entities should disclose:
 - a) The estimated amount of change in GHG emissions resulting from their climate-related policy activities; and
 - b) A description of the approach used to measure this estimated amount of GHG emissions to enable users to understand the methodology and scope of its estimate (see paragraph 42(a) in [Agenda Item 6.3.1](#)).

Background

3. Based on the input from the February climate-related metrics workshop, feedback from March 2024 breakout groups discussions, and the SRG and CTWG discussions, staff recommend entities disclose metrics for climate-related policy activities relating to:
 - a) GHG emissions; and
 - b) Other climate-related policy activity metrics (see [Agenda Item 6.2.5](#)).
4. This paper provides staff analysis about what information entities should disclose in relation to GHG emissions from climate-related policy activities.

Analysis

Emissions Inventory (Total Emissions) vs. Changes in Emissions

5. There are different approaches and objectives for measuring GHG emissions:
 - a) GHG emissions inventory, which represents the total GHG emissions originating from a source such as an entity's value chain or a geographical area such as a jurisdiction, within a specified time span, usual a specific year; or
 - b) Changes in GHG emissions, such as measuring the effects of policies and programs on GHG emissions (e.g. emissions reductions).
6. GHG emissions inventories may be used by entities to track progress towards emission reduction targets and develop strategies. In addition, measuring the changes in GHG emissions may be used by entities to monitor the effectiveness of climate-related policy activities.
7. While GHG emissions inventories may be useful for an individual entity in managing emissions from its own operations (and would be required as part of alignment with IFRS S2), this level of aggregated information may not provide clear accountability and information for decision-making around the outcomes from overall climate-related policy activities.
8. Rather, information about the changes in GHG emissions as a result of an entity's climate-related policy activities, such as the amount of GHG emissions reductions attributable to specific climate policies, could be more useful for users to evaluate the success of the policy.

9. Therefore, staff recommend that the draft ED requires measurement and disclosure of the changes in GHG emissions that result from an entity's climate-related policy activities.

Methodology to Measure Changes in Emissions

10. To measure changes in GHG emissions, there are various sources of guidance and methodologies for determining how an entity attributes and measures GHG emissions from a project or policy and action, such as:
- a) [GHG Protocol Policy and Action Standard](#); and
 - b) [United Nations Framework Convention on Climate Change \(UNFCCC\) Clean Development Mechanism \(CDM\) Methodology guide](#)
11. Many jurisdictions and governments may also already have existing methodologies on how to attribute emissions to policies, such as the [New Zealand Climate Impacts of Policy Assessment](#) guide.
12. Therefore, staff recommend a principled, non-prescriptive approach to allow entities to use a methodology of their choice but require disclosure of information about the methodology and the application boundaries to enable a user to understand the approach and scope of the estimate.

Decision Required

13. Does the IPSASB agree with the [recommendations](#)?

Climate-related Policy Activities: Other Metrics

Question

1. Does the Board agree with a principled approach to allowing entities to determine what other metrics to disclose relating to climate-related policy activities?

Recommendations:

2. Staff recommend:
 - (i) Requiring entities to disclose the other metrics used to monitor and measure performance of their climate-related policy activities (see paragraph 42(b) of [Agenda Item 6.3.1](#)); and
 - (ii) Providing application guidance on potential guidance sources to support identification of metrics that entities may determine material information for disclosure (see AG106 of [Agenda Item 6.3.1](#)).

Background

3. Climate-related policy activities may have many outcomes other than their effects on GHG emissions. There may therefore be other metrics that entities use to monitor achievement of the outcomes of their climate-related policy activities. For example, metrics covering:
 - a) The extent of implementation and effects in practice of climate-related regulations that may result in transition risks to the private sector;
 - b) The geographies or services that have reduced exposure to or continue to be vulnerable to climate-related physical risks; and
 - c) Land use, land use change and forestry management that contribute to sinks and reservoirs.
4. This paper provides staff analysis of other metrics that may be required or other guidance that may be needed in the draft ED.

Analysis

Principled Approach

5. Many public sector entities have established qualitative and quantitative reporting mechanisms to report on their commitments under the Paris Agreement or other national or regional climate commitments. And metrics for policies will vary from policy to policy, entity to entity and jurisdiction to jurisdiction.
6. Based on staff research, feedback from the March 2024 breakout group discussions, and input from the SRG and CTWG, there is currently no clear consensus on, or common international best practice metrics, though these may develop over time as reports are published and disclosure approaches evolve.
7. Therefore, staff recommend taking a principled approach, allowing entities to determine which other metrics to monitor and measure the performance of their climate-related policy activities, and which are material for their primary users, rather than being prescriptive in the initial version of the IPSASB SRS on the specific metrics that need to be disclosed.

Framework Guidance

8. In relation to implementing this recommendation, SRG members advised the IPSASB to consider providing a framework or additional implementation guidance to help preparers identify metrics and outcomes, and to also serve as a guide to avoid greenwashing.
9. As there is no clear consensus or established international metrics, the CTWG recommended a possible hierarchy or framework to guide entities. This could include referring them to different sources of metrics as a starting point to support preparers with the application of the standard in a practical and straightforward way.
10. Staff therefore recommend providing a high-level framework as application guidance to support identification of potential metrics for disclosure (see paragraph AG106 in [Appendix 6.3.1](#)). This would provide direction on the sources of metrics with an emphasis on the decision-usefulness of the metric aligned with the entity's mandate and primary user information needs. These may include:
 - a) Established metrics that the entity currently reports against in relation to its climate-related policy activity;
 - b) External methodologies and guidance such as the GHG Protocol Policy and Action Standard and UNFCCC CDM,
 - c) Other peer metrics provided by similar functions of government; or
 - d) Input from stakeholder engagement.

Decision Required

11. Does the IPSASB agree with the [recommendations](#)?

GHG Emissions Methodology – Entity’s Own Operations

Question

1. Does the Board agree that entities may report the GHG emissions in relation to their own operations using an emissions inventory methodology other than the GHG Protocol Corporate Accounting and Reporting Standard?

Recommendations

2. Staff recommend aligning disclosure requirements relating to GHG emissions for an entity’s own operations with IFRS S2, except for requiring the use of the GHG Protocol Corporate Accounting and Reporting standard.
3. Staff recommend including a rebuttable presumption that public sector entities report using the GHG Protocol Corporate Accounting and Reporting standard provided they disclose the methodology applied and the rationale, allowing entities to choose methodologies other than GHG Protocol Corporate Accounting and Reporting Standard if this is more appropriate in their own circumstances.

Background

4. As outlined in Agenda Item 6.2.1, climate-related metrics and targets disclosure requirements and application guidance were developed based on input from the climate-related metrics workshop, March 2024 breakout group discussions, and advice and recommendations from the SRG and CTWG, respectively.
5. All of these forums provided support for aligning metrics for a public sector entity’s own operations with those in IFRS S2 as far as possible. The following [Agenda Items 6.2.6-6.2.9](#) discuss specific recommended adaptations to IFRS S2 for the public sector context.

Analysis

6. There are different approaches and sources of guidance for an individual entity to use in measuring the inventory of its own GHG emissions. Some examples include measuring a GHG inventory for:
 - a) **An organization** (e.g. GHG Protocol Corporate and Accounting Standard which defines Scopes 1, 2, and 3, or ISO 14064 which is consistent with and derived from the GHG Protocol but establishes minimum levels of compliance),
 - b) **A jurisdiction** (e.g. UNFCCC’s IPCC Guidelines for National Greenhouse Gas Inventories which is mainly used by countries to report their NDCs as part of the Paris Agreement, or the GHG Protocol for Community-Scale GHG Emissions Inventories which is mainly used by cities to report their city’s GHG emissions inventory and includes Scopes 1, 2 and 3) or
 - c) **A project** (e.g. emissions for a specific project); or measuring the effect on emissions (e.g. reductions) as a result of actions.
7. IFRS S2 requires private sector entities to report GHG emissions using the GHG Protocol Corporate Accounting and Reporting standard unless required otherwise by their jurisdiction. While GRI does not explicitly require the use of the GHG Protocol standard, it acknowledges that its standard is based on the GHG Protocol standard.

8. The GHG Protocol Corporate Accounting and Reporting Standard was designed for the following objectives:
 - a) To help companies prepare a GHG inventory that represents a true and fair account of their emissions through the use of standardized approaches and principles.
 - b) To simplify and reduce the costs of compiling a GHG inventory.
 - c) To provide organizations with information that can be used to build an effective strategy to manage and reduce GHG emissions.
 - d) To increase consistency and transparency in GHG accounting and reporting among various organizations and GHG programs
9. The GHG Protocol Corporate Accounting and Reporting standard was written to provide entities and users with the information needed for decision making and accountability for activities across their value chains. Although it was written primarily for businesses, it states that it is also relevant for other organizations such as NGOs, government agencies and universities.
10. As discussed in 2023, public sector entities have value chains and operational models in the same way as private sector entities, though their detailed activities and objectives differ. Therefore, staff recommend that the GHG Protocol Corporate Accounting and Reporting standard is applicable and can be applied by public sector entities to support the accountability for delivery of their climate action commitments in relation to their own activities.
11. Based on discussion with the CTWG, different jurisdictions may have other existing methodologies and practices for determining and reporting GHG emissions. For example, a national government may report their Nationally Determined Contribution (NDCs) based on IPCC guidance, and also have an internal methodology to support data collection for their jurisdiction specific requirements.
12. Therefore, it may be onerous and costly to require entities that currently report under a methodology other than GHG Protocol Corporate Accounting and Reporting standard to change methodologies unless they determine that that standard better supports measurement of their objectives.
13. Accordingly, staff recommend that there is a rebuttable presumption in the draft ED that public sector entities report using the GHG Protocol Corporate Accounting and Reporting standard, however, may use different methodologies, providing they disclose the methodology applied and the rationale.

Decision Required

14. Does the IPSASB agree with the [recommendation](#)?

Scope 3 GHG Emissions Reporting – Entity’s Own Operations

Question

1. Does the Board agree that entities should report material Scope 3 emissions relating to their own operations?

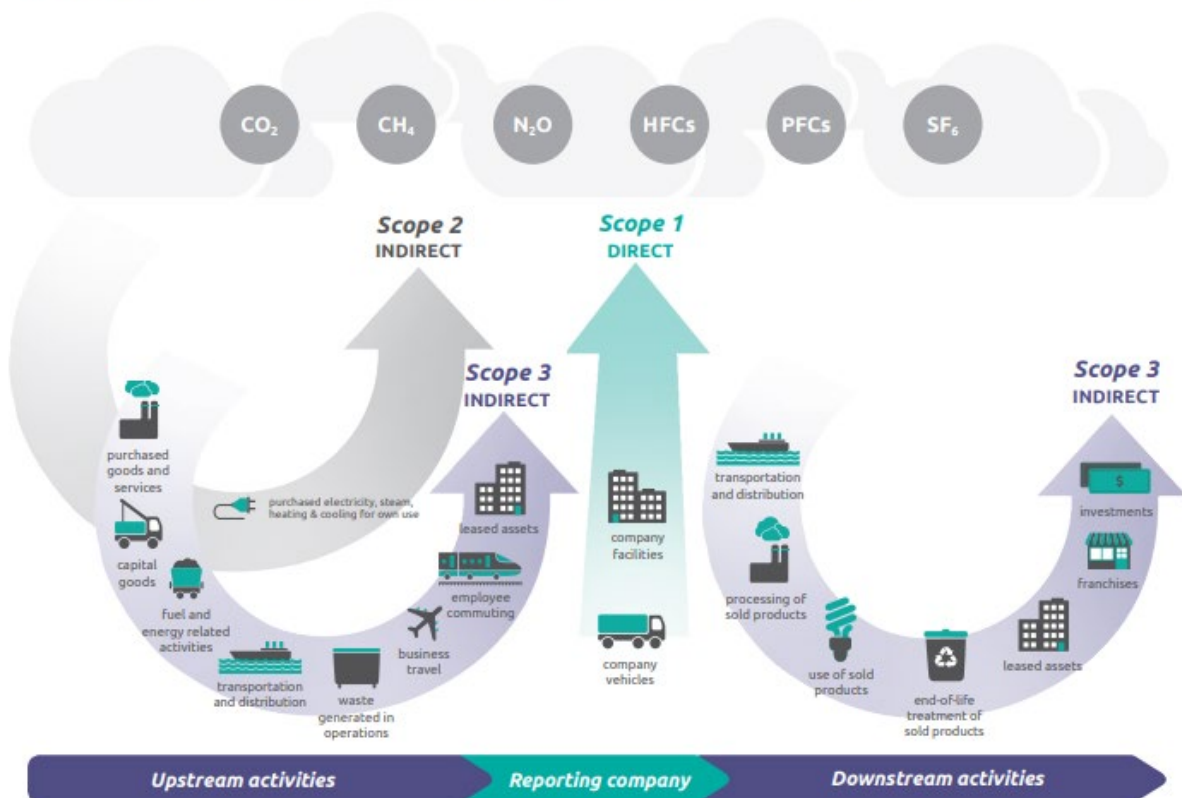
Recommendation

2. Staff recommend requiring entities to disclose material Scope 3 emissions from its own operations and providing additional application guidance on assessing material categories (see paragraphs 33(a)(i)(c) and AG64 in [Agenda Item 6.3.1](#)).

Background

3. IFRS S2 requires disclosures about an entity’s scope 1, 2, and 3 GHG emissions based on the GHG Protocol Corporate Standard.
4. GHG Protocol Corporate Standard classifies an entity’s GHG emissions into three ‘scopes’. Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are all indirect GHG emissions that occur in the value chain of the entity, including both upstream and downstream emissions.

Figure [1.1] Overview of GHG Protocol scopes and emissions across the value chain



5. Most entities focus on measuring emissions from their own operations and electricity consumption, which represents scope 1 and 2, however the majority of total emissions in most cases come from

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scope 3 sources. Hence, scope 3 emissions are likely to be a critical area of focus in view of their potential contribution to managing the overall emissions throughout an entity's value chain.

6. The [GHG Protocol Corporate Value Chain \(Scope 3\) Accounting and Reporting Standard](#) ("Scope 3 Standard") provides an internationally accepted method for entities to account for these value chain emissions and provides guidance on 15 categories of scope 3 emissions:

Table [5.3] List of scope 3 categories

<i>Upstream or downstream</i>	<i>Scope 3 category</i>
Upstream scope 3 emissions	<ol style="list-style-type: none">1. Purchased goods and services2. Capital goods3. Fuel- and energy-related activities (not included in scope 1 or scope 2)4. Upstream transportation and distribution5. Waste generated in operations6. Business travel7. Employee commuting8. Upstream leased assets
Downstream scope 3 emissions	<ol style="list-style-type: none">9. Downstream transportation and distribution10. Processing of sold products11. Use of sold products12. End-of-life treatment of sold products13. Downstream leased assets14. Franchises15. Investments

7. However, based on discussions with SRG members and feedback from the CTWG, assessing, collecting data and reporting scope 3 emissions may be daunting and challenging for many entities.
8. Therefore, staff considered whether any relief or additional guidance may be required for the public sector.

Analysis

9. Staff researched and analyzed the current practice and adoption of scope 3 in the private sector and the public sector, and found that private and public sector entities are still being required to provide material scope 3 emissions information despite the potential challenges involved.

Scope 3 in the Private sector

10. In the private sector, measuring and reporting scope 3 emissions poses significant challenges as the sources of information lie outside an entity's operational reach. Data quality is also often poor across an entity's value chain, especially among smaller businesses. Obtaining data therefore requires cooperation from external stakeholders which may pose challenges such as concerns about confidentiality and reputational risk, as well as requiring significant resources to process large volumes of data.

11. Despite the known challenges, regulators around the world are requiring (or proposing to require) private sector entities to report Scope 3 emissions, as may be seen from [ISSB jurisdictional consultations and adoption](#).

Scope 3 in the Public Sector

12. At the May CTWG meeting, CTWG members noted that some jurisdictions currently have and require some extent of scope 3 reporting by public sector entities. For example:
- a) In the UK, though the greening government commitments (GGCs) only require public sector entities to report Scope 3 Category 6 – business travel, the [HM Treasury TCFD application guidance](#) requires entities to disclose Scope 3 emissions from other categories if they are material. If a source is deemed material, but is not disclosed, the entity is required to provide the reason for omission and set out the expected timeframe for inclusion, where appropriate; and
 - b) In New Zealand, the national government [Carbon Neutral Government Programme \(CNGP\)](#) requires disclosures of scope 3 emissions that an organization can reasonably be expected to measure and have access to data; it mandates disclosures in relation to specific categories where data is expected to be available, while still requiring disclosure of any other material scope 3 categories.
13. Therefore, staff recommend that the draft ED should require disclosure of material Scope 3 emissions categories and provide additional application guidance to highlight for entities how they should focus on material scope 3 categories for their operations (see paragraphs 33(a)(i)(c) and AG64 in [Agenda Item 6.3.1](#)).

Decision Required

14. Does the Board agree with the [recommendation](#)?

Industry-based Metrics – Own Operations

Question

1. Does the Board agree with referring to private sector industry-based guidance as an option reference for industry-based metrics?

Recommendation

2. Staff recommend referring to the SASB and GRI sector standards as optional references for consideration in identifying metrics that may also be relevant to a certain type of public sector activity.

Background

3. IFRS S2 requires entities to refer and consider the applicability of Sustainability Accounting Standards Board (SASB) Industry based metrics.
4. The SASB Standards help companies identify the most relevant sustainability-related risks and opportunities by industry. It provides detailed industry-specific disclosure topics and related metrics along with technical guidance for compiling data and metrics.
5. The SASB developed standards for 77 industries across 11 sectors which can be found at <https://sasb.ifrs.org/find-your-industry/>. Some of these include Electric Utilities & Power Generators, Health Care Delivery, Telecommunication Services, Rail Transportation, Road Transportation, and Forestry Management.
6. GRI is also in the early stages of developing a set of Sector Standards, which enables organizations in these sectors to use a common set of metrics to report their impacts. GRI has completed the Sector Standards for Oil & Gas, Coal, Agriculture, Aquaculture and Fishing, with plans to develop 40 in total starting with those that have the highest impact. The list can be found at <https://www.globalreporting.org/standards/sector-program/>.
7. It was noted from the March 2024 IPSASB breakout group discussions that there may be content relevant to certain functions undertaken by public sector organisations, even though these are oriented towards the private sector.
8. Therefore, staff considered the public sector approach for industry-based metrics.

Analysis

9. Industry-based guidance (or 'peer-based' guidance) provides an important tool for entities as it supports identification of climate-related risks and opportunities as well as metrics and provides standardization for users as well. However, as there is no existing public sector equivalent of industry-based metrics in IFRS S2 or GRI, staff recommend that this would not be made a requirement for public sector entities.
10. For the public sector, Classification of Functions of Government¹ (COFOG) used for statistical reporting could provide a framework for the future development of a public sector equivalent of the

¹ The Classification of Functions of Government was developed by the Organisation for Economic Co-operation and Development and published by the United Nations Statistical Division as a standard classifying the purposes of government activities. These functions are designed to reflect governments' socioeconomic objectives and apply to governments of different countries.

SASB and GRI 'industry-based metrics' for application across the various generic functions undertaken by public sector organisations across many jurisdictions.

11. In the interim, staff consider that the SASB and GRI sector standards could potentially be applicable to certain categories of activity defined in COFOG, and so that may be useful for public sector entities now. Therefore, staff recommend that the SASB and GRI sector standards may serve as optional references for consideration in identifying relevant metrics, and that further work is undertaken to provide some initial examples.

Decision Required

12. Does the Board agree with the [recommendation](#)?

Internal Carbon Price – Entity's Own Operations and Climate-related Policy Activities

Question

1. Does the Board agree with the recommended approach to reporting on the internal carbon price for an entity's own operations and climate-related policy activities?

Recommendation

2. Staff recommended:
 - a) Aligning the definition of internal carbon price with IFRS S2 (see paragraph 6);
 - b) Providing application guidance on how internal carbon prices may be used in relation to an entity's own operations, together with potential sources for such prices (see paragraphs AG92-AG93); and
 - c) Requiring disclosures relating to internal carbon pricing used in setting strategy for climate-related policy activities (see paragraphs 24(c)(iii) and AG40).

Background

3. IFRS S2 requires disclosures about whether and how an entity applies an internal carbon price in decision-making, and the price the entity uses to assess the costs of its greenhouse gas emissions.
4. An issue concerning potential public-private sector differences on internal carbon pricing was raised during the May meeting with the CTWG, which might require consideration of alternative terminology and/or definitions, together with additional guidance to address public sector uses such as informing climate-related policy decisions.

Analysis

Terminology and Definition

5. There are varying terminologies and methodologies on valuing GHG externalities and "internal carbon pricing". Some examples include:
 - a. The internal carbon pricing (ICP), which IFRS S2 defines to be a price used to assess the changes to the procurement process, policy activities, investment, production and consumption patterns, and of potential technological progress and future emissions abatement costs;
 - b. The marginal abatement cost (MAC), which is the cost of an intervention that will reduce greenhouse gas emissions by a ton, and has been adopted by the UK to set their new monetary carbon values of GHG emissions impacts in policy appraisal;
 - c. The social cost of greenhouse gas (SC-GHG), which is the cost of global damage done by each additional ton of GHG emissions, which is used by Canada to value expected changes in GHG emissions as a part of cost-benefit analysis of regulatory proposals; and
 - d. The shadow price of carbon, which is the SCC at an assumed emissions trajectory and is used by New Zealand to evaluate government policies or investment decisions in cost-benefit analysis.
6. However, the S2 terminology is commonly used, consistent with international usage such as [World Bank's Carbon Pricing Dashboard](#). The term "internal carbon price" also is useful in distinguishing

between (a) an internal tool used for internal decision making from (b) the market price of carbon, such as that established by an emissions trading scheme (ETS).

7. Therefore, staff recommend aligning the term and definition of internal carbon price with that of IFRS S2.

Public Sector Differences

8. According to the [World Bank's Carbon Pricing Dashboard](#), governments use internal carbon price for decision making purposes, such as assessing the climate impact of investments on infrastructure, procurement processes, project appraisals and policy design.
9. For an entity's own operations, based on discussions with the CTWG, in some jurisdictions, an 'internal carbon price' may be set and mandated by a central department on behalf of a group of public sector bodies while in the private sector the price may be determined internally. Therefore, staff recommend this be noted in application guidance (see paragraph AG93).
10. For an entity's policy related activities, internal carbon price is a key tool in informing policy decisions, such as aligning policies with global emissions reduction pathways. Therefore, staff recommend the draft ED require disclosures on internal carbon pricing used in an entity's strategy for climate-related policy activities (see paragraphs AG37 and AG40).

Decision Required

11. Does the Board agree with the [recommendation](#)?

Transitional provisions

Question

1. Does the Board agree with the proposed transitional provisions approach?

Recommendations

2. Staff recommend:
 - a) Aligning transitional provisions for disclosures with the IFRS S2, in the first annual reporting period to:
 - (i) Exclude comparative information;
 - (ii) Exclude Scope 3 disclosures for own operations; and
 - (iii) Report climate-related disclosures after publication of the entity's financial statements; and
 - b) Providing relief for climate-related policy activity disclosures to allow entities to exclude reporting on the changes in GHG emissions as a result of climate-related policies that preceded the adoption date of the Standard.

Background

3. IFRS S2 provides transition relief as follows:
 - a) Entities are not required to disclose comparative information in the first annual reporting period;
 - b) In the first annual reporting period, entities are permitted to use a method other than the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004), and report climate-related disclosures after publishing their financial statements; and
 - c) In the first annual reporting period, entities are not required to disclose Scope 3 greenhouse gas emissions, including additional information on financed emissions for entities that participate in asset management, commercial banking or insurance activities.
4. IFRS S1 also provides relief on the timing of reporting for the first year and allows reporting to be up to nine months from the end of the annual reporting period for which the entity first applies the standard.
5. At the March 2024 Board meeting breakout group discussions, staff proposed three options for transitional provisions ranging from a private sector aligned approach to a phase-based public sector specific transition. Initial views and feedback from the breakout group discussions were mixed as participants could see pros and cons to the various approaches. However, key messages from the report back were:
 - a) Many public sector entities have already developed climate-related strategies and calculated GHG emissions, and are better prepared for disclosures than private sector entities;
 - b) Given the urgency of the topic and that the IPSASB cannot mandate an effective date (such that different jurisdictions may have various pathways to sustainability reporting), it may be appropriate and justified to provide for a shorter transition; and

- c) Consider whether to differentiate transitional provisions for an entity's own operations and those for its climate-related policy activities.
6. In view of the Board discussions, staff sought feedback from the SRG and CTWG. The following analysis outlines the proposed recommendations and advice from the SRG and CTWG.

Analysis

- 7. The SRG supported alignment with the private sector approach on transitional provisions for both own operations and policy activities. The SRG supported aligning with the ISSB's short transition requirements due to increasing expectations from stakeholders, the role of public sector entities in leading climate-related disclosures and the expectation that many public sector entities already collect and report this data for its climate targets and commitments.
- 8. In fact, there was a suggestion from the SRG to consider only providing transitional relief in the form of comparative information considering that many public sector entities may already collect relevant data.
- 9. Therefore, staff recommend aligning with IFRS S1 and S2 transitional provisions that are relevant to the draft ED, and to provide additional relief for climate-related policy activities to allow entities not to report historical changes in GHG emissions from climate-related policies that preceded the adoption date of the Standard.

Decision Required

- 10. Does the IPSASB agree with the [recommendations](#)?

General Requirements: Sources of Guidance, Location of Reporting, Timing of Reporting, Comparative Information, and Judgements, uncertainties and errors

Question

1. Does the Board agree with the staff recommendations to align guidance on General Requirements, Judgments, uncertainties and errors with IFRS S1?

Recommendations:

2. Staff recommend:
 - a. Aligning with IFRS S1 guidance on location of disclosures, timing of reporting, comparative information, judgments, measurement uncertainty and errors; and
 - b. Considering additional public sector specific guidance relating to sources of such guidance.

Background

3. IFRS S1 General requirements for disclosure of sustainability-related financial information provide guidance on general requirements, including sources of guidance, location of disclosures, timing of reporting, comparative information, as well as judgments, measurement uncertainty and errors. In the main, staff did not identify any reasons to adapt the guidance in S1 for the public sector.
4. [Agenda Item 6.3.1](#) includes drafting for these topics as part of Appendix B and Appendix B Application Guidance.

Analysis

5. Below is an analysis of public sector similarities and differences relating to general requirements of climate-related disclosures.

	IFRS S1	Public Sector Considerations
Sources of guidance (IFRS S1.54-59 and Appendix C)	<p>In addition to IFRS Sustainability Disclosure Standards, IFRS refers preparers to refer to and consider applicability of:</p> <ul style="list-style-type: none"> • SASB standards • The CDSB Framework Application Guidance for Water-related Disclosures and Biodiversity-related disclosures • Most recent pronouncements of other standard-setting bodies who requirements are designed to meet the information needs of users of GPFRs; and • Sustainability-related risks and opportunities identified by entities that operate in the same industry(s) or geographical region(s). <p>Appendix C also refers the GRI and ESRS standards in the absence of an IFRS Sustainability disclosure standard as a source of guidance for identifying information that is relevant to decision making of users and faithfully represents the sustainability-related risk or opportunity.</p>	<p>Sources of guidance referenced by IFRS S1 are private sector specific. Staff recommend referring to SASB and GRI sector standards as potential sources for reference, but not as requirements.</p>
Location of disclosures (IFRS S1.60-63)	<p>An entity is required to provide disclosures as part of its GPFRs, which may include: being in management commentary (e.g. management discussion and analysis), along with information required by regulators, or in a separate report cross-referenced to another report published by the entity.</p>	<p>No public sector differences of note. Recommend aligning with IFRS S1 guidance.</p>
Timing of reporting (IFRS S1.64-69 and B48)	<p>An entity shall report its sustainability-related financial disclosures at the same time and cover the same reporting period as its related financial statements.</p> <p>An entity shall disclose information about transactions, other events and conditions that occur after the end of the reporting period but before the date on which the sustainability-related financial disclosures are authorised for issue, if non-disclosure of that information could reasonably be expected to influence decisions that primary users of GPFRs make on the basis of those reports.</p>	<p>No public sector differences of note. Recommend aligning with IFRS S1 guidance.</p>

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Comparative information (IFRS S1.70-71 and B49-54)	<p>An entity shall disclose comparative information in respect of the preceding period for all amounts disclosed in the reporting period.</p> <p>For narrative and descriptive sustainability-related financial information, comparative information may be disclosed if the information would be useful for an understanding of the sustainability-related financial disclosures for the reporting period.</p>	<p>No public sector differences of note. Recommend aligning with IFRS S1 guidance.</p>
Statement of Compliance (IFRS S1.72-73)	<p>An entity whose sustainability-related financial disclosures comply with all the requirements of IFRS Sustainability Disclosures Standard shall make an explicit and unreserved statement of compliance</p>	<p>No public sector differences of note. Recommend aligning with IFRS S1 guidance.</p>
Judgements (IFRS S1.74-76)	<p>An entity shall disclose information to enable users of GPFRs to understand the judgments that the entity has made in the process of preparing its sustainability-related financial disclosures and that have the most significant effect on the information included in those disclosures.</p> <p>For example, judgements made in (a) identifying sustainability-related risks and opportunities, (b) determining sources of guidance, (c) identifying material information and (d) assessing whether an event or change in circumstances is significant and requires reassessment of the scope of all affected sustainability-related risks and opportunities through the entity's value chain.</p>	<p>No public sector differences of note. Recommend aligning with IFRS S1 guidance.</p>

Measurement uncertainty (IFRS S1.77-82)	An entity shall identify the amounts it has disclosed that are subject to a high level of measurement uncertainty and related sources of measurement uncertainty (e.g. dependence on prospective information, quality of data) and assumptions, approximations and judgements the entity made in measuring the amount. Types of information that an entity may disclose vary depending on the nature of the amount reported, but may include the nature of the assumption, the sensitivity to methodology and calculations, the expected resolution of uncertainty and range of reasonably possible outcomes, and an explanation of changes made to past assumptions.	No public sector differences of note. Recommend aligning with IFRS S1 guidance.
Errors (IFRS S1.83-86 and B55-B59)	An entity shall correct material prior period errors by restating comparative amounts for the prior period disclosed unless it is impracticable to do so.	No public sector differences of note. Recommend aligning with IFRS S1 guidance.

Decision Required

6. Does the IPSASB agree with the [recommendations](#)?

Supporting Documents 1 - (draft) IPSASB SRS Exposure Draft [X], *Climate-related Disclosures*

1. (draft) IPSASB SRS ED [X], *Climate-related Disclosures* referenced in [Agenda Item 6.3.1](#) is posted separately for easier readability.