

SUSTAINABILITY CLIMATE- RELATED DISCLOSURES

IPSASB CAG Meeting – June 2024

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AGENDA

1. Project Update
2. Transition

Advancing Public Sector Sustainability Reporting

January
2022

SOVEREIGN CLIMATE AND NATURE REPORTING

Proposal for a Risks and Opportunities Disclosure Framework



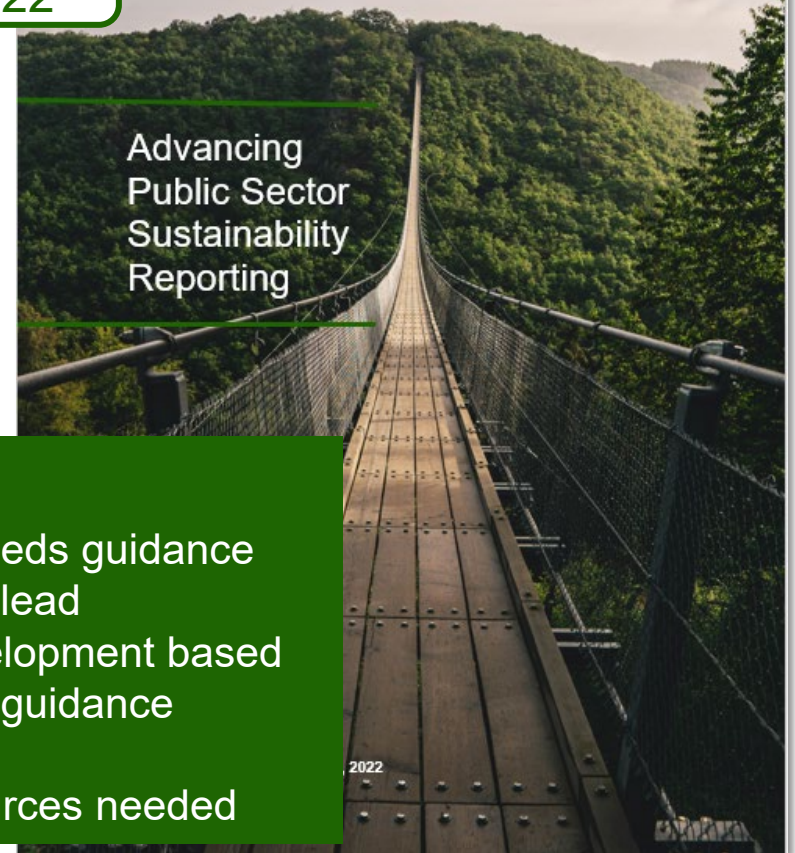
Key messages

- Impacts of climate change are clear
- Public sector standards needed
- What is IPSASB's role

May
2022

IPSASB International Public
Sector Accounting
Standards Board®

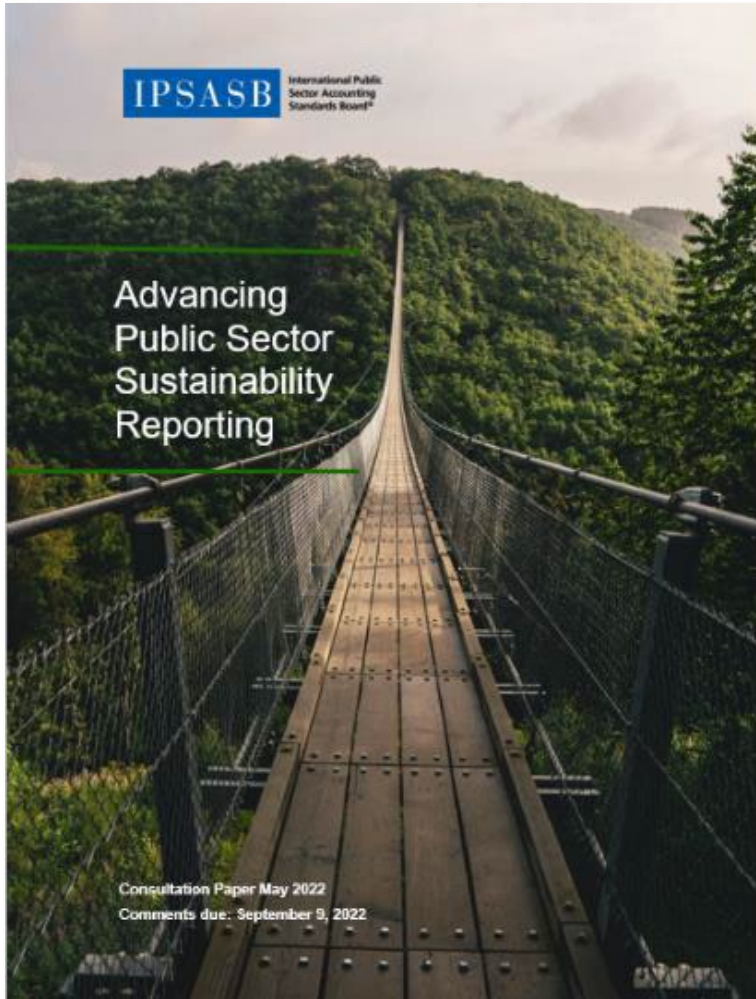
Advancing Public Sector Sustainability Reporting



Proposals

- Public sector needs guidance
- IPSASB should lead
- Accelerate development based on international guidance
- Climate first
- Additional resources needed

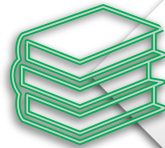
Consultation Feedback



Unique role of public sector



Enhance sustainability expertise



Private sector guidance can be leveraged



Project Prioritization

Addressing stakeholder priorities

3 priority projects identified Dec 2022

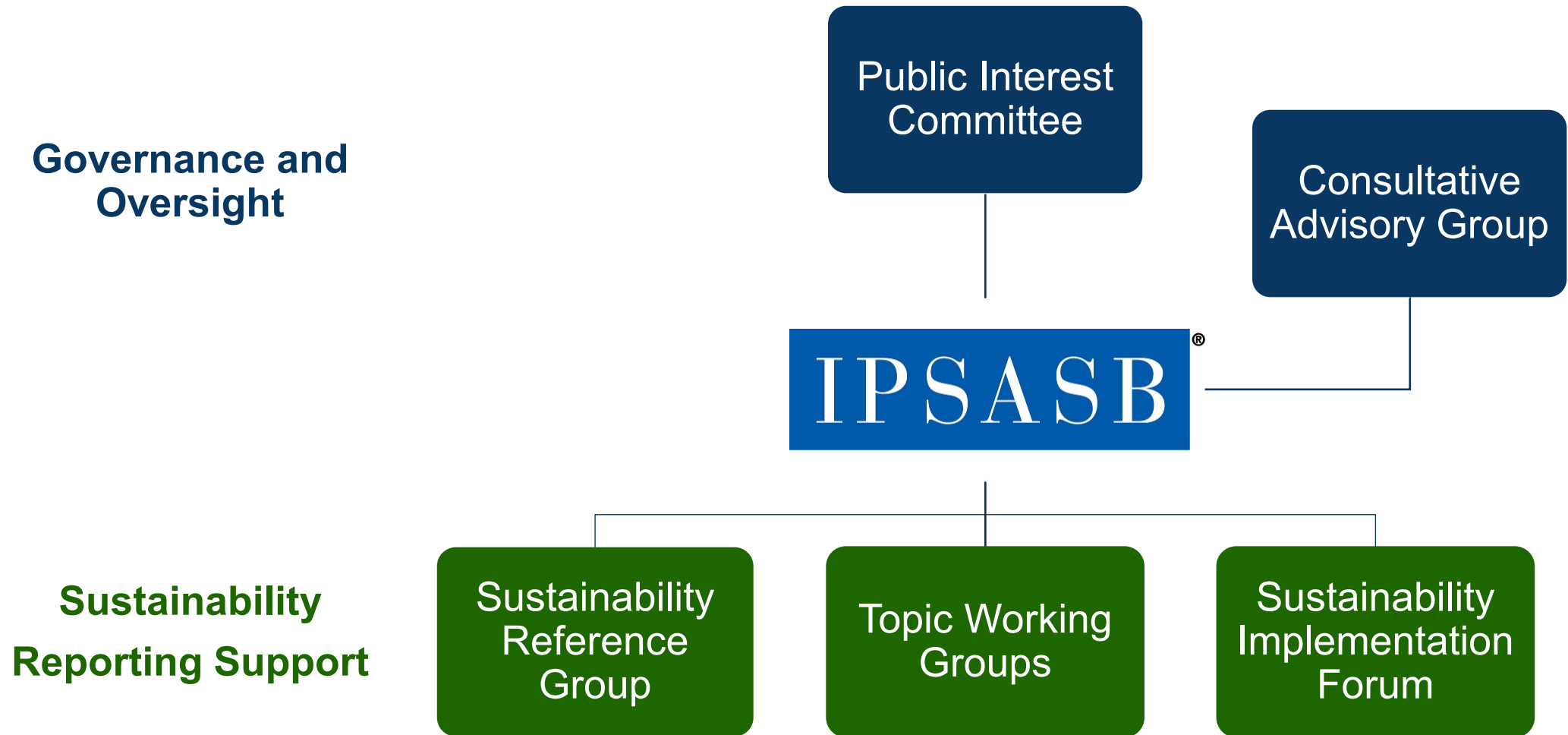
- 1 ✓ Alignment with **ISSB IFRS S1** General disclosure for sustainability-related financial information
- 2 ✓ Alignment with **ISSB IFRS S2** Climate-related disclosures
- 3 ✓ **Natural resources** and biodiversity

Climate #1 Priority*

- ✓ Launched in June 2023
- ✓ IFRS S1 key concepts
- ✓ Impacts – GRI concepts
- ✓ Dual role of governments
- ✓ Timeline
 - ED mid-2024
 - Final standard 2025

*Given constrained resources, IPSASB prioritized the climate-related disclosures project in June 2023.

IPSASB Governance and Sustainability Support



IPSASB sustainability support



Climate-Related Disclosures: Building Block Approach

PUBLIC SECTOR OWN OPERATIONS

1

**Align with Private
Sector Guidance**

Material disclosures about an entity's
climate-related risks and opportunities

- IFRS Sustainability Disclosure Standards
- GRI Standards

- Own operations are not unique to public sector
- Private sector guidance satisfies the information needs of public sector users
- Follow established alignment process

Climate-Related Disclosures: Building Block Approach

PUBLIC SECTOR POLICY ACTIVITIES

- Policy setter role is unique to public sector
- Enhance transparency so users understand decisions for accountability
- Facilitate decision making – not influence decision making

2

Develop Public Sector Specific Guidance

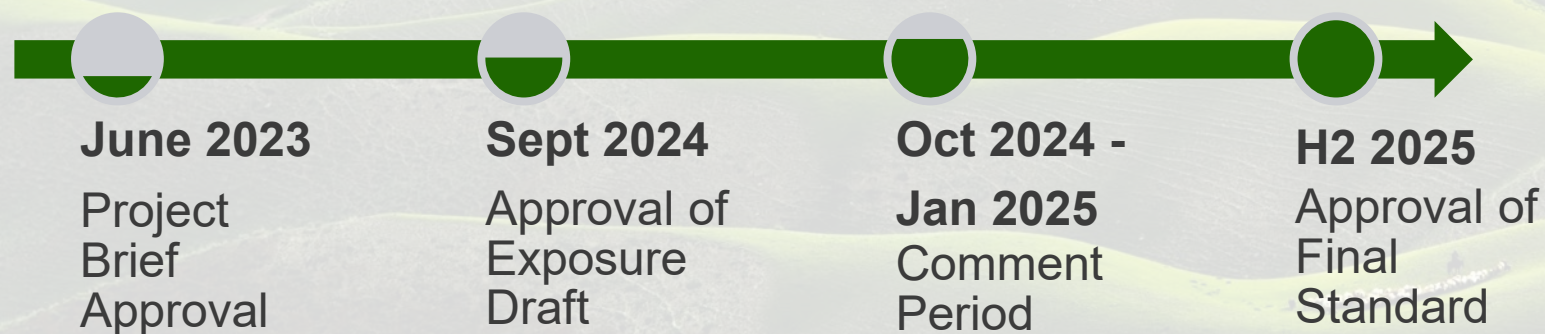
Material disclosures about the entity's climate-related policies and outcomes as a result of those policies

- Jurisdiction specific commitments to climate change agreements and legislation

Climate-Related Disclosures: Building Block Approach



IPSASB Begins Development of a Public Sector Climate-related Disclosures standard



Questions?



Transition – March Breakout Group Discussions

Public Sector proposals for break-out group discussion

A. Private Sector Aligned

- Year 1: exclude comparative information and Scope 3 GHG emissions

B. Extended Private Sector Transition

- Years 1-3: exclude comparative information and Scope 3 GHG emissions

C. Public Sector Specific Transition

- Alternative approach, such as, reporting at a minimum:
- Year 1: Governance and Risk management
- Year 2: Strategy, excluding scenario analysis, and Scope 1 and 2 GHG emissions
- Year 3: Full disclosures, including scenario analysis and Scope 3 emissions

Transition

Analysis

- SRG support for alignment with IFRS S2 transition
 - Urgency of climate crisis
 - Capital markets significance and demand for information
 - Public sector leadership
 - Availability of data in public sector

Recommendation

In Year 1:

- Exclude scope 3 emissions (own ops)
- Exclude changes in emissions from existing climate-related policies
- Exclude comparative information
- Report within 9 months of adoption

Transition

Question for CAG members

- Are there other considerations CAG members think IPSASB should take into account to support transition and implementation of IPSASB SRS X, *Climate-related disclosures*?