



IPSASB

International Public
Sector Accounting
Standards Board®

AGENDA ITEM 5

SUSTAINABILITY *CLIMATE- RELATED DISCLOSURES*

IPSASB Meeting – June 2025
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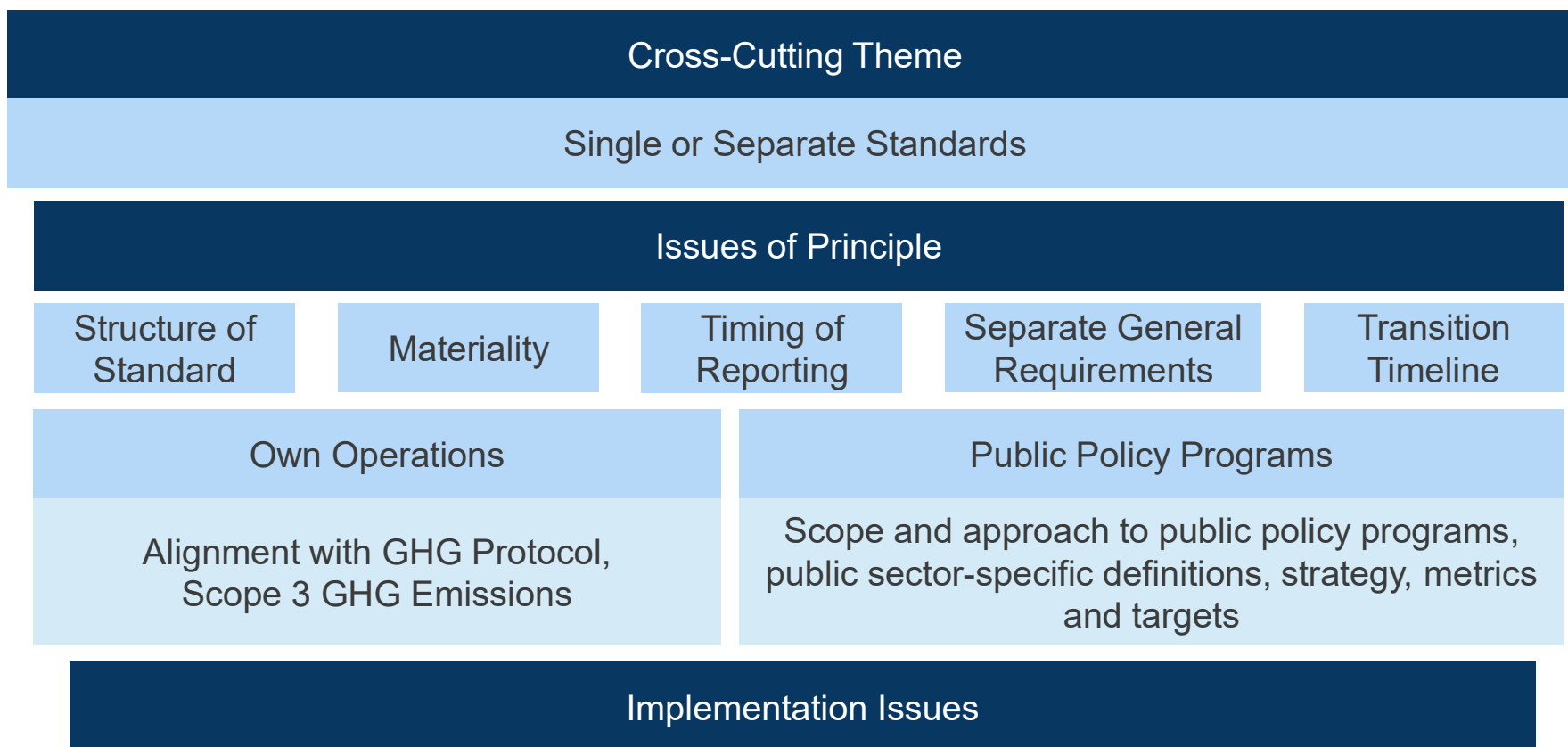


AGENDA

- 1. Thematic Categories**
- 2. Single or Separate Standards**
- 3. Alignment with IFRS S2**
- 4. Use of GHG Protocol**
- 5. Scope 3 GHG Emissions**
- 6. Alignment with IFRS S1**
- 7. Materiality**

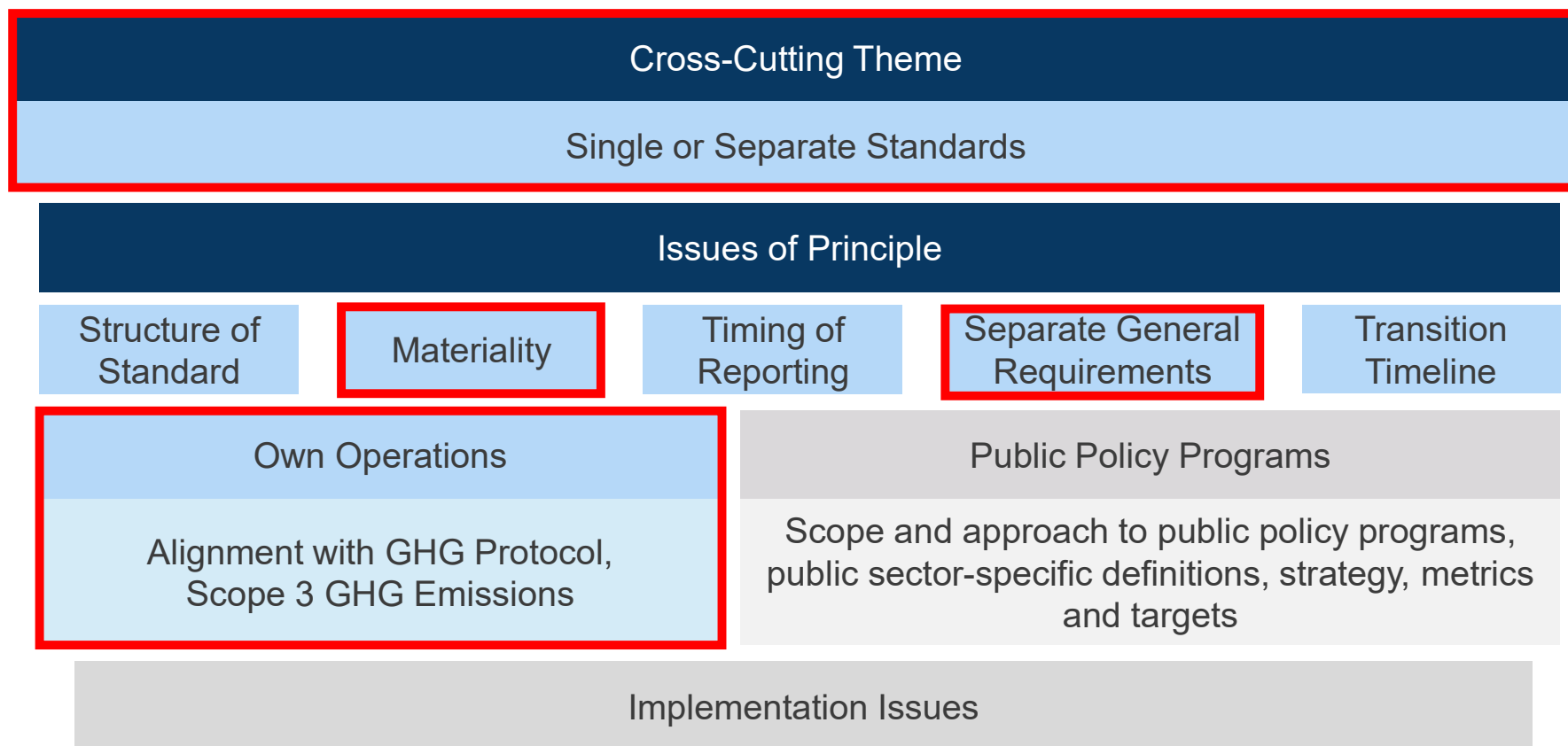
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Thematic Categories from Responses



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Thematic Categories – IPSASB Direction



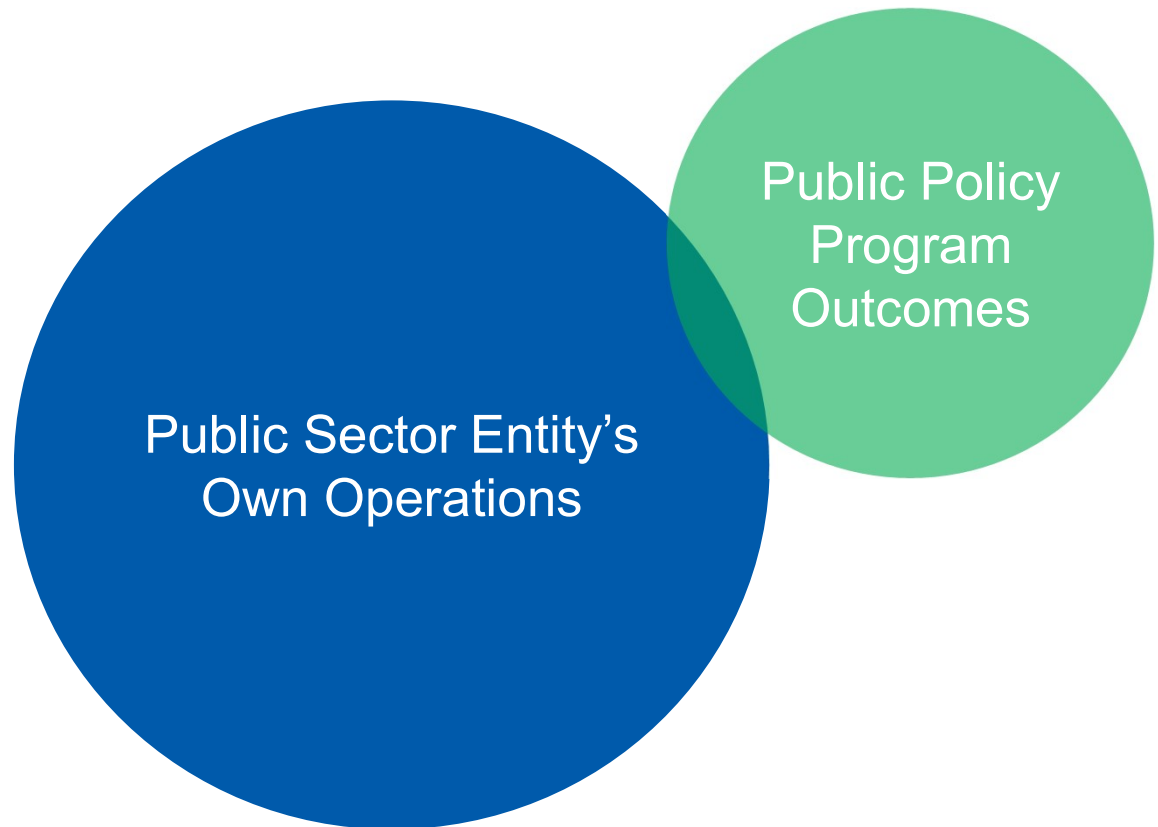
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Cross-Cutting Theme: *Single or Separate Standards?*











Complementary Information from Two Reporting Perspectives

- All entities are expected to report own operations
- Only entities responsible for public policy programs are expected to report on public policy programs
- Complementary perspectives – may produce some information overlap



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Overview and Staff Analysis of Options

Criteria	Option 1 (Single Standard)	Option 2 (Separate Standards)
 Clarity of Guidance		
 Timeliness of Issuing Guidance		
 Integrated approach to Own Operations and Public Policy Programs		
 Supporting preparers with adoption and implementation		

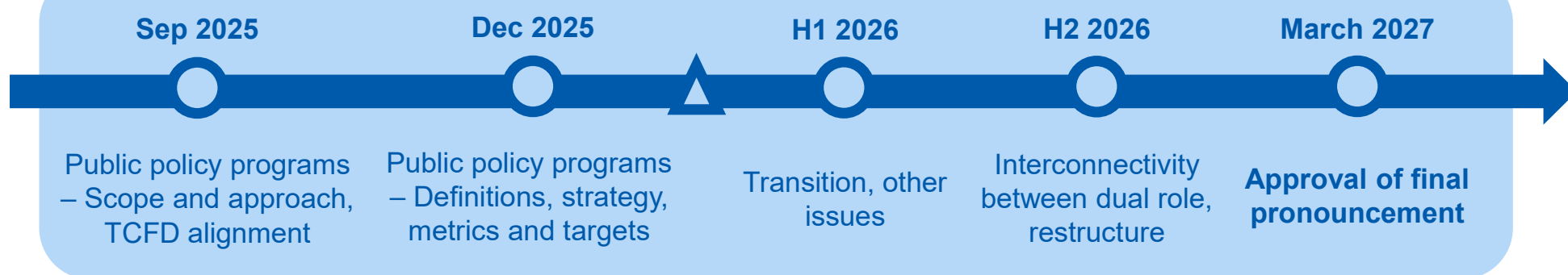


Better option from staff analysis reflecting constituent feedback

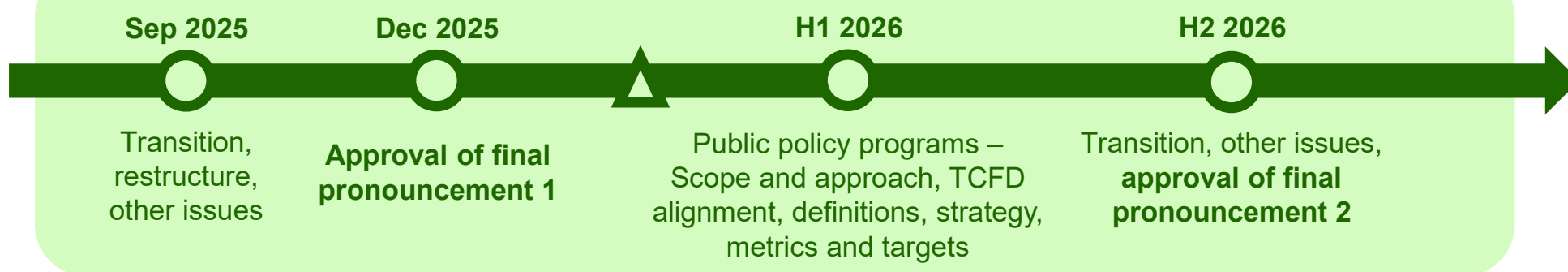
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Prospective Timeline: Option 1 vs. Option 2

Option 1: Single Standard



Option 2: Separate Standards



Major Discussions



IPSASB Chair Transition

Single or Separate Standards?

Analysis

- Benefits of Option 1 (Single Standard):
 - **Integrated approach:** Mitigate risk of divergence in terminology and concept, and provide a one-stop guidance for preparers who, in addition to its own operations, are also responsible for public policy programs
- Benefits of Option 2 (Separate Standards):
 - **Clarity of guidance:** Reduces complexity and risk of confusion
 - **Timeliness of issuing guidance:** Facilitates timely development of Standard and allows further consideration on feedback relating to public policy programs
 - **Supporting A&I:** Reflects difference in implementation roadmap, allows to learn from implementation in Own Operations

Recommendations

- Proceed with Option 2 (separate standards)
- Develop a standard to address an entity's own operations first

Alignment with IFRS S2?

Analysis

- General support for alignment of Own Operations with IFRS S2:
 - Consistency and comparability across private and public sectors
 - Credibility of building off global baseline
 - Facilitate knowledge transfer through existing experience
 - Supports development of public sector standard with haste
- Ongoing amendments to IFRS S2:
 - Not all may be relevant to the public sector context
 - To be evaluated and incorporated as necessary when the ISSB finalizes the amendments, before/after the IPSASB final pronouncement

Recommendations

- Continue to align Own Operations with IFRS S2

Use of GHG Protocol?

Analysis

- General support for rebuttable presumption that entities use the GHG Protocol:
 - Consistency and comparability across private and public sectors
 - GHG Protocol provides a principled approach
 - Builds on existing knowledge base
 - Allows for jurisdictional flexibility
- Some other views:
 - Some argued for a need for greater jurisdictional flexibility, while others argued that there is a lack of comparability with a rebuttable presumption

Recommendations

- Retain rebuttable presumption on using the GHG Protocol
- Balance consistency with jurisdictional flexibility

Scope 3 GHG Emissions?

Analysis

- Scope 3 emission disclosures are essential to provide a full picture of the entity
- Views from three angles:
 - Those that support requiring Scope 3 disclosures
 - Those that acknowledge the importance but believe Scope 3 is hard to implement and should be made voluntary
 - Those that question the relevance of Scope 3 for public sector entities
- Jurisdictional examples on public sector Scope 3 reporting demonstrating its relevance to the public sector
- Support from the SIF on the relevance of Scope 3 emissions for public sector entities

Recommendations

- Retain proposed disclosure requirements on Scope 3 emissions (as per global baseline)

** Transition timeline to be considered in next meetings*

Alignment with IFRS S1?

Analysis

- Broad support for aligning General Requirements with relevant parts of IFRS S1 and including it as an appendix:
 - Aligning with the global baseline
 - Supports consistency across private and public sectors
 - Enables the IPSASB to operationalize the IFRS S2-aligned approach to the ED
- Some other feedback include:
 - Some prefer development of an IFRS S1-aligned standard immediately

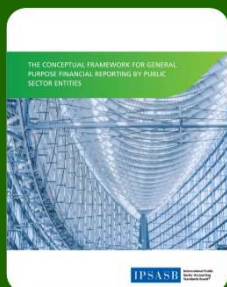
Recommendations

- Retain proposed alignment in Appendix B (which includes relevant parts of IFRS S1)

** Address issues of principle in Appendix B (e.g. timing and location of reporting) at a future meeting*

Conceptual Foundations – Materiality

Definition of materiality aligns with the IPSASB Conceptual Framework



“In the context of climate-related disclosures, information is material if omitting, misstating or obscuring it could reasonably be expected to influence the discharge of accountability by the entity, or the decisions that primary users make on the basis of the entity’s general purpose financial reports prepared for that reporting period.”

Step 1

- Understand the entity’s context

Step 2

- Identify actual and potential outcomes, risks and opportunities

Step 3

- Determine material information for disclosure

Materiality?

Analysis

- Proposed materiality definition comes from CF definition for GPFRs in public sector
- No new substantive or appropriate alternatives provided
 - Respondents that disagreed or had suggestions often referenced materiality labels that exist outside of IPSASB/ISSB guidance
- Call for additional clarity on applying the materiality definition

Recommendation

- Retain the current GPFR materiality definition, as drawn from the IPSASB CF

