

## Climate-related Disclosures – June 2025 Report Back

1. A summary of the advice provided by CAG members from the June 2025 CAG Meeting and how the IPSASB has responded to the CAG member comments are included in the table below:

Representatives' and Observers' Comments	IPSASB Staff Response
<b>June 2025 CAG Meeting Comments</b>	
<p>IPSASB Manager, Karen Leung and Principal Consultant, Alex Metcalfe, presented analysis on the feedback received in response to IPSASB SRS ED 1, <i>Climate-related Disclosures</i> and outlined the themes emerging from constituent responses. Mr. Metcalfe presented analysis on whether the project should proceed as a single standard, or as separate standards (to reflect the two reporting perspectives: Own Operations and Public Policy Programs), noting mixed constituent preferences to achieve clarity vs. an integrated approach. Ms. Leung presented analysis and shared constituents views on the rebuttable presumption that entities use the GHG Protocol and the proposed disclosure requirements for Scope 3 emissions.</p> <p>Ms. Colignon asked CAG members to consider the following questions:</p> <ul style="list-style-type: none"> <li>• Question 1 – What additional advice would CAG members provide to the IPSASB in considering whether to proceed with single or separate standards?</li> <li>• Question 2 – What is the CAG's advice on balancing consistency with jurisdictional flexibility through the use of a rebuttable presumption that entities use the GHG Protocol?</li> <li>• Question 3 – What is the CAG's view on the value of Scope 3 emissions disclosures in the public sector, particularly in terms of comparability, usefulness, and practicality?</li> </ul>	
The CAG members commented on Question 1 as follows:	
<ol style="list-style-type: none"> <li>1. Mr. Winrow emphasized the importance of ensuring auditability of public sector sustainability reporting information. He observed that while this appears feasible for Own Operations in the short-term, it remains uncertain whether information related to Public Policy Programs could meet the same level of auditability. He therefore advised the IPSASB develop separate Standards, starting with Own Operations, while acknowledging the need for future guidance on Public Policy Programs. Mr. Winrow also questioned whether this decision would set a precedent for the IPSASB to adopt a similar dual-standard approach across other sustainability topics, particularly in the context of developing general sustainability-related disclosures.</li> </ol>	<p>This point was noted by IPSASB staff. The IPSASB has decided to proceed with separating the project into two phases: Phase 1, Own Operations, and Phase 2, Public Policy Programs.</p> <p>CAG member feedback has been incorporated into the IPSASB discussions. In the IPSASB's discussion on whether to proceed with single or separate standards, the IPSASB considered factors including the clarity of guidance, timeliness of issuing guidance, and supporting preparers with adoption and implementation of the standard. Following its deliberations, the IPSASB decided that separate standards was the pragmatic approach in moving forward.</p>

<p>2. Ms. Stachniak supported the development of two separate Standards, but emphasized the need for clear guidance to assist preparers in determining whether activities fall under Own Operations or Public Policy Programs. She highlighted the importance of delineating Public Policy Program disclosures, as they may address broader sustainability-related topics relevant to general sustainability-related disclosures. Ms. Stachniak encouraged the IPSASB to clarify the sequencing and timeline for the development of these Standards.</p>	<p>Mr. Metcalfe shared that at the upcoming meeting, staff will recommend the IPSASB start with Own Operations, with a targeted completion by the end of 2025, followed by the development of Public Policy Program disclosures.</p> <p>See also response to Comment 1 above.</p>
<p>3. Mr. Zhang supported the development of separate Standards, starting with Own Operations, as this approach would enable timely progress by leveraging existing private sector guidance, while allocating time to address the challenges associated with Public Policy Programs. He suggested the IPSASB group policies based on the extent to which they impact climate outcomes and ensure the Standards reflect differences in institutional roles and abilities to influence climate action.</p>	<p>See response to Comment 1 above.</p>
<p>4. Ms. Faye supported the development of separate Standards, noting that this would facilitate alignment with the ISSB. However, she cautioned against the risk of fragmentation and emphasized the need for strong conceptual linkage to ensure consistency across the Standards.</p>	<p>See response to Comment 1 above.</p>
<p>5. Mr. Close agreed on the importance of separating the two reporting perspectives and encouraged the IPSASB to ensure that alignment is maintained between the two resulting Standards.</p>	<p>See response to Comment 1 above.</p>
<p>6. Mr. Johri expressed support for developing separate Standards. Starting with Own Operations enables closer alignment with private sector guidance,</p>	<p>See response to Comment 1 above.</p>

	and that the insights gained could inform the development of Public Policy Program disclosures. In addition, he highlighted the importance of precise definitions to ensure clarity and consistency.	
7.	Mr. Braham viewed the development of separate Standards to be a pragmatic approach, and asked the IPSASB to consider the implications of this decision – for each future sustainability topic, will the IPSASB also be developing separate standards for the Own Operations component and the Public Policy Program component?	See response to Comment 1 above.
8.	Ms. Buljubasic supported the development of separate Standards, noting that this approach better balances ambition with feasibility. She believes that this will simplify the sustainability reporting landscape and encourage adoption and implementation.	See response to Comment 1 above.
9.	Mr. Williamson agreed with the proposal to develop separate Standards from a practical standpoint. He cautioned the IPSASB to consider sequencing, as there is significant interconnection between Own Operations and Public Policy Program disclosures, and recommended that the IPSASB develop the two Standards in parallel.	See response to Comment 1 above.
10.	Ms. Attia supported the development of separate Standards, noting that this would facilitate implementation and improve alignment with international standards. Additionally, she emphasized the need for implementation support, particularly in the Middle East and North Africa region, and suggested that the development of Public Policy Programs reflect the lessons learned from developing Own Operations disclosure requirements.	See response to Comment 1 above.
11.	Ms. Dar supported the development of separate Standards and echoed Mr.	Mr. Metcalfe responded that the distinction is based on a conceptual conclusion. He

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<p>Williamson's advice for the IPSASB to develop them in parallel, to avoid compromising the relationship between the two standards. She inquired about the basis for the assumption that only a limited number of entities would be subject to Public Policy Program disclosure requirements.</p>	<p>explained that while that all entities are expected to have Own Operations, only those exercising sovereign powers would be subject to disclosures requirements relating to Public Policy Programs.</p> <p>See also response to Comment 1 above.</p>
<p>12. Ms. Colignon expressed support for the development of separate Standards, noting the fundamental differences in the two reporting perspectives of Own Operations and Public Policy Programs.</p>	<p>See response to Comment 1 above.</p>
<p>The CAG members commented on Question 2 as follows:</p>	
<p>13. Mr. Winrow supported maintaining the rebuttable presumption that entities use the GHG Protocol, and emphasized the importance that entities explain the rationale for their approach where alternative methodologies are applied.</p>	<p>This point was noted by IPSASB staff, and CAG member feedback has been incorporated into the IPSASB discussions.</p> <p>The IPSASB noted general support for the GHG Protocol as a principled and globally recognized methodology, and viewed the proposed rebuttable presumption as a pragmatic balance between global alignment and local adaptability. Overall, the IPSASB decided that it was appropriate to retain the rebuttable presumption on using the GHG Protocol.</p>
<p>14. Mr. Close noted the importance of both flexibility and comparability, as the public sector faces greater complexity in determining appropriate levels of aggregation than in the private sector.</p>	<p>See response to Comment 13 above.</p>
<p>15. Ms. Attia supported retaining the rebuttable presumption and noted the need for comprehensive guidance. She suggested that the Standard outline criteria for departing from the GHG Protocol, and to require entities to document such departures to ensure accountability.</p>	<p>See response to Comment 13 above.</p>
<p>16. Ms. Dar expressed support for the flexibility provided by the rebuttable presumption, and noted the importance of</p>	<p>See response to Comment 13 above.</p>

<p>transparency where an entity decides to depart from the rebuttable presumption. She also observed that the IPSASB SRS ED 1 appears to offer greater flexibility than the IFRS S2.</p>	
<p>17. Ms. Colignon shared that France permits flexibility in GHG emission methodologies, particularly in terms of Scope 3 categories. She noted that in France, the guidance provides a correspondence table to illustrate differences between the GHG Protocol and the jurisdictional methodology.</p>	<p>See response to Comment 13 above.</p>
<p>18. Mr. Melo noted the complexity of applying the GHG Protocol in practice, reinforcing the need for public sector-specific guidance to support effective implementation.</p>	<p>See response to Comment 13 above.</p>
<p>The CAG members commented on Question 3 as follows:</p>	
<p>19. Ms. Colignon shared that Scope 3 emission disclosure requirements in France has led to tangible climate action, such as the adoption of greener transportation alternatives.</p>	<p>This point was noted by IPSASB staff, and CAG member feedback has been incorporated into the IPSASB discussions.</p> <p>The IPSASB considered the importance of Scope 3 emissions disclosures for users, noting also some jurisdictional requirements for public sector entities, and concluded that it was appropriate to retain the proposed disclosure requirements. However, in light of significant implementation challenges relating to capacity, data availability, and readiness in the public sector, the IPSASB agreed to extend the transition relief for reporting Scope 3 emissions from one year to three years.</p>
<p>20. Mr. Smith Mansilla emphasized the importance of Scope 3 emission disclosures in providing a complete picture of an entity's impact on the environment. He also observed that obtaining downstream emissions data is generally more feasible than that of upstream emissions.</p>	<p>See response to Comment 19 above.</p>

21. Mr. Zhang supported requiring entities to disclose Scope 3 emissions, which are potentially more important than Scopes 1 and 2 emissions, as it reflects the government's role in the broader society. He suggested that a staged approach would be appropriate to address the high costs of compliance.	See response to Comment 19 above.
22. Ms. Stachniak echoed Mr. Zhang's remarks and emphasized that, given their complexity, Scope 3 disclosure requirements should be accompanied by sufficient flexibility to support effective implementation. She suggested the IPSASB address these challenges with transition provisions.	See response to Comment 19 above.
23. Mr. Braham supported the requirement for entities to disclose Scope 3 emissions. He advised the IPSASB develop substantial implementation guidance to help entities tackle implementation challenges and facilitate effective application of the disclosure requirements.	See response to Comment 19 above.
24. Mr. Melo noted the importance of a pragmatic approach when requiring Scope 3 emission disclosures and also emphasized the need for implementation guidance.	See response to Comment 19 above.
25. Mr. Close concurred with other members and highlighted the implications of not requiring the disclosure of Scope 3 emissions. While supportive of a pragmatic approach, he noted that the absence of such requirements could undermine efforts to reduce greenhouse gas emissions.	<p>Mr. Carruthers noted the challenges ahead for the IPSASB and emphasized the need to strike a balance between establishing robust principles and providing implementation support. He reflected that sustainability reporting is an evolving area of work and highlighted the importance of aligning with ISSB guidance, monitoring developments in the GHG Protocol, while ensuring relevance across jurisdictional contexts. Overall, he noted that this represents an initial step in the IPSASB's sustainability workstream.</p> <p>See also response to Comment 19 above.</p>