

**Meeting:** IPSASB Consultative Advisory Group

**Meeting Location:** Toronto, Canada

**Meeting Date:** June 9, 2025

## Agenda Item 5

For:

☐ Approval

☒ Discussion

☐ Information

### CLIMATE-RELATED DISCLOSURES

<b>Project summary</b>	The project objective is to develop public sector climate-related disclosures that provide information for improved decision-making and accountability.	
<b>Meeting objectives</b>	<b>Topic</b>	<b>Agenda Item</b>
<b>Discussion Item</b>	<a href="#">Climate-related Disclosures: Project Update and Next Steps</a>	<a href="#">5.1</a>
<b>Other supporting items</b>	<a href="#">Due Process Checklist</a>	<a href="#">5.2</a>

## **Climate-related Disclosures: Project Update and Next Steps**

### **Background**

1. The [IPSASB SRS ED 1, Climate-related Disclosures](#) was published for consultation in October 2024 for a 120-day period ending February 28, 2025. The ED included 10 Specific Matters for Comment (SMCs) and an Alternative View. The IPSASB received 96 comment letters from a wide range of stakeholders globally – the highest number of responses ever received for an IPSASB consultation.
2. In order to raise awareness and encourage feedback on the draft Standard, the IPSASB undertook significant outreach activities. Over the comment period, the IPSASB held six in-person regional roundtables, along with a global virtual roundtable, to engage with constituents and receive direct feedback on the IPSASB SRS ED 1.

### *Thematic Categories*

3. In April 2025, the IPSASB reviewed the analysis of the comment letters and roundtable feedback, and identified thematic categories across three levels ([Agenda Item 2](#)), as follows:
  - (a) A cross-cutting theme, which affects how the IPSASB proceeds with developing the climate-related disclosures standard(s):
    - (i) Single or separate standards – Whether the two perspectives in the ED should remain in a single standard or separate standards;
  - (b) Issues of principle, which are recurring issues of principle that will require Board deliberation, including:
    - (i) Own Operations – Issues related to IFRS S2 alignment, GHG Protocol alignment, and Scope 3 GHG emissions;
    - (ii) Public Policy Programs – Issues related to the scope and approach of public policy programs, approach to public policy program disclosures, public sector-specific definitions, strategy for public policy programs, and metrics and targets;
    - (iii) Materiality – There were varying interpretations of the proposed materiality definitions across responses; and
    - (iv) Transition – Whether the proposed transition timeline was sufficient.
4. In addition, the IPSASB also identified a need for implementation support through recurring issues raised by respondents related to providing further support and guidance, which the IPSASB discussed in the March 2025 meeting ([Agenda Item 13.2.3](#)) to be addressed through an ongoing phase of the project.
5. This paper includes a high-level summary of the cross-cutting issue and issues related to Own Operations, which require further consideration by staff and the IPSASB, to inform the IPSASB's June 2025 discussions.

### **Issue 1 – Single or Separate Standards**

6. In March 2024 ([Agenda Item 10.2.3](#)), the IPSASB discussed the unique role of public sector entities in influencing the activities and behaviors of other entities and/or individuals, through public sector-specific tools and levers such as subsidies, legislations, taxation, laws or regulations.

7. The IPSASB recognized this dual role as a key public sector difference that requires public sector-specific principles. While private sector guidance provides a foundation for addressing an entity's own operations, the IPSASB decided that additional public sector-specific principles and application guidance are needed to address the information needs related to the policy and regulatory role of public sector entities.
8. Therefore, the IPSASB SRS ED 1 proposed reporting requirements for public sector climate-related disclosures, which includes disclosure requirements for both an entity's Own Operations and Public Policy Programs in a single standard.
9. There were mixed views from respondents on whether the two perspectives should sit in a single standard. Overall, staff identified two options in which the IPSASB could proceed:
  - (a) **Option 1** – The IPSASB could retain the overall structure of IPSASB SRS ED 1, in which the guidance for both Own Operations and Public Policy Programs remains within a single standard. In this case, the structure of the standard would largely remain the same as the ED, with a consolidated core text and accompanying Application Guidance;
  - (b) **Option 2** – The IPSASB could split the ED into two separate standards, as advocated by some respondents. The first standard would address climate-related disclosure requirements in relation to an entity's own operations, and the second standard would cover those related to public policy programs.
10. While **Option 1** offers the benefit of an integrated approach, helping mitigate the risk of divergence in terminology and underlying concepts, and reflects the view of some respondents that public sector operations and policies are inherently interconnected – **Option 2** was viewed as clearer and more practical, especially since only a limited number of entities are expected to apply the Public Policy Program guidance.
11. **Option 2** was also seen as better supporting timely issuance of guidance in response to the climate emergency, while allowing the IPSASB to continue developing Public Policy Program disclosures separately. Additionally, **Option 2** would better support adoption and implementation by allowing entities to move forward with Own Operations disclosures as they continue to build capacity for public policy program disclosures.
12. Based on the above reasons, staff recommend that the IPSASB pursue **Option 2**, which will likely result in more targeted and relevant disclosures for primary users, reduce the complexity of the guidance, support adoption and implementation, and provide more time for the IPSASB to fully explore the issues of principle relating to Public Policy Programs. The IPSASB will discuss and consider this staff recommendation at its June 2025 meeting.

**Question for CAG Members:**

**What additional advice would CAG members provide to the IPSASB in considering whether to proceed with single or separate standards?**

**Issue 2 – Use of GHG Protocol**

13. In June 2024, the IPSASB decided to include a rebuttable presumption that public sector entities report their GHG emissions using the [Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard \(2004\)](#) (GHG Protocol), unless another methodology is more appropriate. This flexibility would allow entities to use methodologies other than the GHG Protocol if it is more appropriate in their own circumstances.
14. Respondents generally supported the proposed rebuttable presumption to use the GHG Protocol as the baseline methodology, citing benefits such as enhanced consistency and comparability, streamlined reporting processes, and alignment with widely adopted international practices. In addition, respondents appreciated the flexibility provided by the rebuttable presumption, where an entity may determine that another established method of measuring its greenhouse gas emissions is more appropriate for its circumstances.
15. While there was general agreement with the proposed approach, views were not uniform. Some suggested that the GHG Protocol should be presented as a recommendation rather than a presumption, to allow for greater jurisdictional flexibility. Others raised concerns that a rebuttable presumption could compromise consistency and comparability, potentially reducing the usefulness of reported information.
16. Staff recommend that the IPSASB retain the rebuttable presumption on using the GHG Protocol. While some stakeholders emphasized the importance of consistency, others highlighted the need for jurisdictional flexibility. The rebuttable presumption addresses both concerns by allowing departures from the GHG Protocol, but only where justified.
17. Overall, staff concluded that there was general support for the GHG Protocol as a principled and globally recognized methodology, and is appropriate for measuring the GHG emissions of public sector entities. This disclosure requirement promotes transparency and credibility, encouraging preparers to clearly explain and take responsibility for their chosen methodology. This approach provides a pragmatic balance between global alignment and local adaptability. The IPSASB will consider this recommendation at its June 2025 meeting.

**Question for CAG Members:**

**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?**

**Issue 3 – Scope 3 GHG Emissions**

18. In June 2024, the IPSASB decided that entities should be required to disclose Scope 3 GHG emissions in relation to their own operations ([Agenda Item 6.2.7](#)). While acknowledging the significant challenges associated with Scope 3 reporting, both in the private and public sectors, the IPSASB noted that some entities are nonetheless progressing with reporting Scope 3 emissions.
19. In making this decision, the IPSASB referred to jurisdictional precedence, where some jurisdictions have already been doing Scope 3 GHG reporting. For example, in New Zealand, the national government's [Carbon Neutral Government Programme](#) requires disclosures of Scope 3 emissions that an organization can reasonably be expected to measure and has access to data. In addition, staff has noted that in France, public sector entities are required to report on Scope 3 emissions.

20. Respondents expressed a range of views on the proposed requirement to disclose Scope 3 GHG emissions, which fell broadly into three positions:
- (a) Some stakeholders, including users, preparers, and professional bodies, supported the requirement, highlighting its value in presenting a complete picture of climate-related impacts, enhancing transparency and decision-usefulness. Respondents also noted that reporting Scope 3 emissions will increase alignment with established global frameworks, including the IFRS S2, increasing comparability of information across private and public sectors;
  - (b) Others, mainly preparers and audit offices, supported Scope 3 disclosures in principle but argued for a voluntary approach, citing significant challenges related to cost, data availability, and feasibility – particularly for financed and downstream emissions;
  - (c) A third group, also composed of preparers and audit offices, opposed the inclusion of Scope 3 entirely, questioning its relevance to the public sector and raising concerns about the burden and complexity, especially for entities with regulatory or service delivery roles.
21. On balance, staff believe that there is sufficient support to proceed with the ED proposal to require Scope 3 disclosures, and recommends the IPSASB retain the proposed Scope 3 disclosure requirements. While acknowledging that some of the concerns raised hold merit, particularly around the complexity of Scope 3 reporting – staff consider these to be primarily implementation-related issues rather than reasons to reconsider the underlying requirement. The IPSASB will discuss and consider this staff recommendation at its June 2025 meeting.

**Question for CAG Members:**

**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?**

## Appendix A: IPSASB Due Process Checklist (condensed to include portions relevant to the CAG)

**Project:** Climate-related Disclosures

#	Due Process Requirement	Yes/No	Comments
<b>A. Project Brief</b>			
A1.	A proposal for the project (project brief) has been prepared, that highlights key issues the project seeks to address.	Yes	The project brief was discussed and approved by the IPSASB at its June 2023 meeting. All issues the project seeks to address were considered. See <a href="#">Agenda Item 8 – June 2023</a> .
A2.	The IPSASB has approved the project in a public meeting.	Yes	The project brief was approved in June 2023. See Section 8 of the <a href="#">June 2023 minutes</a> .
A3.	The IPSASB CAG has been consulted on the project brief.	N/A	The IPSASB CAG discussed significant issues during the development of the project brief in June 2023 (see the <a href="#">Agenda Item 5 – June 2023</a> ).
<b>B. Development of Proposed International Standard</b>			
B1.	The IPSASB has considered whether to issue a consultation paper or undertake other outreach activities to solicit views on matters under consideration from constituents.	Yes	The IPSASB exposed the <a href="#">Consultation Paper, Advancing Public Sector Sustainability Reporting</a> , in May 2022.  This CP proposed building off existing private sector guidance where appropriate. The strong support from respondents shaped the Climate-Related Disclosures project.
B2.	If comments have been received through a consultation paper or other public forum, they have been considered in the same manner as comments received on an exposure draft.	Yes	Yes – responses to the <a href="#">Consultation Paper, Advancing Public Sector Sustainability Reporting</a> , were considered at the December 2022 meeting. See Section 7 of the <a href="#">December 2022 minutes</a> .

## Agenda Item 5.2

#	Due Process Requirement	Yes/No	Comments
B3.	The IPSASB CAG has been consulted on significant issues during the development of the exposure draft.	Yes	<p><a href="#">Agenda Item 5 from June 2023</a> and <a href="#">Agenda Item 7 from December 2023</a> informed the development of the ED by surveying CAG members regarding the status of climate disclosures in their jurisdiction.</p> <p><a href="#">Agenda Item 4 from June 2024</a> provided the CAG with a project update and consulted CAG members on transitional provisions.</p>
<b><i>D. Consideration of Respondents' Comments on an Exposure Draft</i></b>			
D4.	The IPSASB CAG has been consulted on significant issues raised by respondents to the exposure draft and the IPSASB's related responses.	In Process	<a href="#">Agenda Item 5.1</a> presents an overview of significant issues raised by respondents, along with staff analysis on each issue.
D5.	Significant comments received through consultation with the IPSASB CAG are brought to the IPSASB's attention. Staff have reported back to the IPSASB CAG the results of the IPSASB's deliberations on those comments received from the CAG.	TBD	[Pending]