Agenda Item 7.B.1

SUPPORTING DOCUMENT 1 – CLIMATE-RELATED DISCLOSURES – PHASE 2: FINAL PRONOUNCEMENT DASHBOARD

Topic	Past Meetings	March 2026	June 2026	Sept 2026	Dec 2026
Project Management					
Review of responses and identification of key themes and other issues	✓				
Review and approve the Final Pronouncement				🗎	🗎
Climate-related Disclosures (Phase 2) – Key Issues					
Structure of the standard					
Scope of public policy programs					
Public sector-specific definitions					
Responsibility for public policy programs					
Governance					
Strategy					
Risk and Outcome Management					
Metrics and targets					
Transition					

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

Supporting Document 2 – Scope of Disclosures

1. This paper provides supporting information to Agenda Item 7.A.1.

Exposure Draft Proposals

2. The IPSASB SRS ED 1, *Climate-related Disclosures*, proposed that entities disclose "*material information about the outcomes reasonably attributable to a climate-related public policy program*" (see paragraph 2(b) of the ED), which were described as "*public policy programs with a primary objective to achieve climate-related outcomes*" (see paragraph 7 of the ED).

3. In making its decision, the IPSASB intended to develop disclosure requirements that would enable primary users to understand how public sector entities contribute to climate action through public policy programs. This was noted in the IPSASB SRS ED 1, where the IPSASB:

   (a) Decided that entities are not precluded from providing disclosures on public policy programs that have a significant positive or negative impact on climate, even if that is not its primary objective (see paragraph BC17 of the ED);

   (b) Acknowledged trade-off considerations in relation to public policy programs, to balance demands of stakeholders while managing the achievement of outcomes (see paragraph BC78 of the ED); and

   (c) Noted that the approach taken is meant to support entities in providing information on how the climate-related public policy program will impact greenhouse gas emissions, both positively and negatively (see paragraph BC85 of the ED).

4. In addition to addressing the information needs of primary users, the IPSASB also considered the need to manage disclosure burden, given the potential breadth of public policy programs. In developing the ED, the IPSASB sought to address this by introducing "primary objective" as a determinant of disclosures, which the IPSASB viewed as a balanced approach to both meet information needs of primary users, and at the same time address practical implementation and cost-benefit considerations. Under this approach, entities would disclose public policy programs with a primary objective to achieve climate-related outcomes (see paragraph BC14).

April Summary of Responses

5. SMC 3 of the ED asked respondents whether they agreed with the proposed scope and approach to require disclosures on public policy programs with a primary objective to achieve climate-related outcomes. Most respondents who commented on SMC 3 expressed concerns with the proposed scope and/or approach to climate-related public policy programs as articulated in the ED, which were reviewed by the Board in April 2025 (see Agenda Item 2.2.4).

6. In response to the feedback raised by respondents, staff conducted an analysis shown in Table 1 below.

Table 1. Staff analysis in relation to feedback received on the proposed scope of disclosures

Response Received	Staff Analysis
Reporting public policy programs with a primary objective to achieve climate-related outcomes may enable selective reporting.	This feedback indicates that using "primary objective" as the determinant of disclosures may not fully achieve the Board's intention to understand how public sector entities contribute to climate action through public policy programs.
The proposed scope in the ED may unintentionally lead to entities reporting only policies that reduce GHG emissions, while excluding those that increase GHG emissions.	This feedback suggests that the current drafting may not consistently lead to a balanced view of how public sector entities contribute to climate action. The Board may therefore wish to consider whether the term "primary objective" is appropriate as a determinant of disclosures.
There is a need to provide balanced reporting, which would provide primary users with information on both the entity's positive and negative impacts on climate.	This feedback indicates that disclosures should reflect the full range of material information on how public sector entities contribute to climate action through public policy programs, which the current drafting may not consistently achieve.
Excluding secondary objectives provides an incomplete picture of an entity's climate strategy, reducing the value of an entity's climate disclosures.	This feedback indicates that the current focus may not fully reflect how public sector entities contribute to climate action. Clarifying that disclosures are centred on climate-related outcomes, rather than on the stated primary objective of public policy programs, may provide a more complete picture.
Major climate policies may no longer meet the definition of a climate-related public policy program, as some jurisdictions no longer emphasize climate as the primary objective.	This feedback suggests that the use of "primary objective" as a determinant may create application challenges, where the primary objective of a public policy program can change without a corresponding change in its climate-related outcomes.
Non-climate policies can be critical drivers of climate risk, and climate policies are best understood within a broader policy mix.	This feedback suggest that information needs might be better met by focusing on public policy programs more broadly, regardless of whether climate is the primary objective.
Disclosures on climate-related public policy programs should be based on the notion of materiality rather than solely on its primary objective.	This feedback indicates that applying the materiality principle pervasively may achieve the Board's intention of balancing information needs with disclosure burden, without using "primary objective" as an additional determinant.

Primary Objective and Climate-related Outcomes

7. Considering the feedback received and the staff analysis above, staff observe that the use of "primary objective" as a determinant of disclosures may not fully reflect the Board's intention to provide a balanced and comprehensive view of how public sector entities contribute to climate action through public policy programs.

8. Staff note that many public policy programs with significant climate-related outcomes often aim to achieve multiple objectives, and further note that the notion of materiality is applied pervasively in the ED. For example, the ED requires that an entity disclose material information about climate-related public policy program outcomes (see paragraph 2(b) and paragraph B8 of ED).

9. In this context, the notion of materiality provides entities with the ability to apply their judgment to manage disclosure burden by limiting disclosures to information that is material to primary users. Accordingly, staff consider that the application of materiality may be sufficient to manage disclosure burden, without the need for "primary objective" as an additional determinant.

10. Further, the feedback received reflects that the current focus may not fully reflect how public sector entities contribute to climate action. While "climate-related public policy programs" is defined as "public policy programs with a primary objective to achieve *climate-related outcomes*", where "climate" is tied to the nature of the outcomes; the use of the term "climate-related public policy programs" itself may lead to the interpretation that "climate" describes the nature of the public policy program itself, rather than on the climate-related outcomes arising from broader public policy programs. Staff consider that clearly applying the term "climate-related" to the outcomes disclosed, rather than to the public policy programs, would clarify the intended focus and better align the drafting with the IPSASB's intention.

11. Therefore, staff recommend that entities report material information relating to the climate-related outcomes of public policy programs. This recommendation would mean that the IPSASB:

    (a) Remove the reference to "primary objective" as a determinant of whether disclosures are required; and

    (b) Clearly apply the term "climate-related" to the outcomes disclosed.

12. Staff believe these changes would provide greater clarity in determining the scope of disclosures. Rather than requiring entities to first identify a narrowly defined subset of "climate-related public policy programs" and then assess the relevance of their outcomes, entities would consider the full range of public policy programs and apply materiality to identify climate-related outcomes that meet the information needs of primary users, which:

    (a) Better aligns disclosure requirements with the Board's intentions in the ED;

    (b) Addresses concerns raised by respondents by capturing the full range of climate-related outcomes from broader public policy programs; and

    (c) Enables primary users to understand how public sector entities contribute to climate action through public policy programs.

Preliminary Drafting Changes from Staff Recommendation

13. Table 2 below presents a preliminary overview of drafting changes to implement the staff recommendations above, where:

(a) The left column presents the ED drafting, with ED paragraph references shown in *italic grey*;

(b) The right column presents preliminary drafting changes to implement the staff recommendations. ~~Red strikethrough~~ indicates proposed deletions, and blue underline indicates proposed insertions.

14. Staff note that these drafting changes are preliminary and intended to reflect the specific staff recommendations set out above. Other issues of principle raised by respondents may give rise to further revisions, which staff plan to bring back to the Board as the project progresses.

15. For clarity, the preliminary drafting changes below relate to the proposed scope of disclosures. It does not reflect or assume any changes that may arise from staff recommendations in Agenda Item 7.A.2.

Table 2: Preliminary drafting changes from the staff recommendation

IPSASB SRS ED 1 Drafting	Proposed Revised Drafting
Objective	
ED paragraph 1 The objective of this [draft] Standard is to provide principles for an entity to disclose information in its general purpose financial reports about… [the] **outcomes of its climate-related public policy programs**, that is useful to primary users for accountability and decision-making purposes.	The objective of this Standard is to provide principles for an entity to disclose information in its general purpose financial reports about… the climate-related outcomes of its ~~climate-related~~ public policy programs, that is useful to primary users for accountability and decision-making purposes.
ED paragraph 2(b) This [draft] Standard requires an entity to disclose material information about: … (b) Where an entity has responsibility for **outcomes of a climate-related public policy program**, the outcomes that could reasonably be attributed to it.	This [draft] Standard requires an entity to disclose material information about the climate-related outcomes of its ~~a climate-related~~ public policy programs.
Scope	
ED paragraph 3(c) An entity shall apply this [draft] Standard in reporting on: … (c) the outcomes of that **climate-related public policy program**.	An entity shall apply this [draft] Standard in reporting on: … (c) the climate-related outcomes of that ~~climate-related~~ public policy program.
ED paragraph 4 Disclosures about **climate-related public policy programs and their outcomes** will only be applicable for those entities that are	Disclosures about ~~climate-related~~ public policy programs and their climate-related outcomes will only be applicable for those entities that are

responsible for the outcomes of such programs.	responsible for such ~~the~~ outcomes ~~of such programs~~.
ED paragraph 5 …and where applicable, outcomes that could not reasonably be attributed to a **climate-related public policy program**, are outside the scope of this [draft] Standard.	…and where applicable, climate-related outcomes that could not reasonably be attributed to a ~~climate-related~~ public policy program, are outside the scope of this Standard.
Definitions	
ED paragraph 7 – Definition **Climate-related public policy programs** are public policy programs with a **primary objective** to achieve climate-related outcomes.	Remove this defined term.
Governance	
ED paragraph 8(b) The objective of climate-related disclosures on governance is to enable primary users of general purpose financial reports to understand the governance processes, controls and procedures an entity uses to monitor, manage and oversee: … (b) **Climate-related public policy programs and their outcomes**.	The objective of climate-related disclosures on governance is to enable primary users of general purpose financial reports to understand the governance processes, controls and procedures an entity uses to monitor, manage and oversee: …(b) the climate-related outcomes of ~~Climate-related~~ public policy programs ~~and their outcomes~~.
ED paragraph 9(a) The governing body(s)… responsible for oversight of … **climate-related public policy programs and their outcomes**. *[Paragraphs 9(a)(i)–(v) use the formulation "climate-related public policy programs and their outcomes" throughout]*	The governing body(s)… responsible for oversight of… ~~climate-related~~ the climate-related outcomes of public policy programs ~~and their outcomes~~. *[The same change is applied consistently throughout paragraphs 9(a)(i)–(v)]*
ED paragraph 9(b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee … **climate-related public policy programs and their outcomes**… *[Paragraphs 9(b)(i)–(ii) use the same formulation]*	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee … the climate-related outcomes of ~~climate-related~~ public policy programs ~~and their outcomes~~… *[The same change is applied consistently throughout paragraphs 9(b)(i)–(ii)]*

Strategy	
ED paragraph 10(b) The objective of climate-related disclosures on strategy is to enable primary users of general purpose financial reports to understand an entity's strategy for managing: …(b) **Climate-related public policy programs and their outcomes**.	The objective of climate-related disclosures on strategy is to enable primary users of general purpose financial reports to understand an entity's strategy for managing: …(b) ~~Climate-related~~ the climate-related outcomes of public policy programs ~~and their outcomes~~.
ED paragraph 12 Where applicable, an entity shall also disclose information about its strategy for **climate-related public policy programs**.	Where applicable, an entity shall disclose information about its strategy in relation to climate-related outcomes of ~~for climate-related~~ public policy programs.
Risk and Outcome Management	
ED paragraph 13(b) The objective of climate-related disclosures on risk and outcome management is to enable primary users of general purpose financial reports to understand an entity's processes to identify, assess, prioritize and monitor: …(b) Anticipated and unanticipated challenges to the achievement of the intended outcomes of **the climate-related public policy programs**, including whether and how those processes are integrated into and inform the entity's overall risk management process.	The objective of climate-related disclosures on risk and outcome management is to enable primary users of general purpose financial reports to understand an entity's processes to identify, assess, prioritize and monitor: …(b) Anticipated and unanticipated challenges to the achievement of the ~~intended~~ climate-related outcomes of ~~the climate-related~~ public policy programs, including whether and how those processes are integrated into and inform the entity's overall risk management process.
ED paragraph 15 Where applicable, an entity shall also disclose information on managing challenges to achieving the intended outcomes of **climate-related public policy programs**, including: (a) The processes and related internal policies the entity uses to identify, assess, prioritize and monitor the anticipated and unanticipated challenges to achieving the intended	An entity shall disclose information on managing challenges to achieving the intended climate-related outcomes of ~~climate-related~~ public policy programs, including: (a) The processes and related internal policies the entity uses to identify, assess, prioritize and monitor the anticipated and unanticipated challenges to achieving the intended climate-

outcomes of **the climate-related public policy program**;	related outcomes of ~~the climate-related~~ public policy program;
Metrics and Targets	
ED paragraph 16(b) The objective of climate-related disclosures on metrics and targets is to enable primary users of general purpose financial reports to understand an entity's performance… in relation to: …(b) **Climate-related public policy programs and their outcomes**.	The objective of climate-related disclosures on metrics and targets is to enable primary users of general purpose financial reports to understand an entity's performance… in relation to: …(b) Climate-related outcomes of public policy programs ~~and their outcomes~~.
ED paragraph 26 Where an entity has responsibility for the outcomes of a **climate-related public policy program**, the entity shall disclose information relevant to the following metric categories: (a)(i) The change in greenhouse gas emissions reasonably attributable to a **climate-related public policy program**; and (a)(ii) The approach, inputs and assumptions it uses to measure the change in greenhouse gas emissions reasonably attributable to a **climate-related public policy program**…	Where an entity has responsibility for the climate-related outcomes of a ~~climate-related~~ public policy program, the entity shall disclose information relevant to the following metric categories: (a)(i) The change in greenhouse gas emissions reasonably attributable to a ~~climate-related~~ public policy program; and (a)(ii) The approach, inputs and assumptions it uses to measure the change in greenhouse gas emissions reasonably attributable to a ~~climate-related~~ public policy program…
ED paragraph 26(b)(i) Other metrics the entity uses to measure and monitor the performance in relation to its **climate-related public policy programs**.	Other metrics the entity uses to measure and monitor the climate-related outcomes ~~performance~~ in relation to its ~~climate-related~~ public policy programs.
ED paragraph 27 Where an entity has responsibility for the outcomes of a **climate-related public policy program**, the entity shall also disclose the information required in paragraphs 21–23 in relation to the targets it has set to monitor progress towards achieving intended outcomes of **the climate-related public policy program**, including targets made under the latest international agreements on climate change or other jurisdictional commitments.	Where an entity has responsibility for the outcomes of a ~~**climate-related**~~ **public policy program**, the entity shall also disclose the information required in paragraphs 21–23 in relation to ~~the~~ its climate-related targets ~~it has set to monitor progress towards achieving intended outcomes of **the climate-related public policy program**~~, including targets made under the latest international agreements on climate change or other jurisdictional commitments.

Effective Date and Transition	
ED paragraph 31(c) An entity is not required to disclose the change in greenhouse gas emissions from **climate-related public policy programs** that were in place on the date of adoption of this [draft] Standard.	An entity is not required to disclose the change in greenhouse gas emissions from the climate-related outcomes of its public policy programs that were in place on the date of adoption of this Standard.

16. In addition to the resulting drafting changes to the Core Text summarized in the table above, Staff consider that further guidance may be needed across the Application Guidance, Illustrative Guidance and Implementation Examples to support entities in identifying material information about the climate-related outcomes of public policy programs.

Supporting Document 3 – Public Sector-Specific Definitions

1. This paper provides supporting information to Agenda Item 7.A.2 on public sector-specific definitions for [draft] IPSASB SRS [X], *Climate-related Disclosures*. For clarity, this paper provides context and staff analysis on the public sector-specific definitions for [draft] IPSASB SRS [X]. It does not reflect or assume any changes that may arise from staff recommendations in Agenda Item 7.A.1.

2. The ED proposed three interrelated defined terms specific to public policy programs: “public policy programs”, “public policy program outcomes”, and “climate-related public policy programs”. As a consequence of the recommendations in Agenda Item 7.A.1 to clearly apply the term “climate-related” to the outcomes disclosed, entities would report on “material information relating to the climate-related outcomes of public policy programs”. Accordingly, the defined term “climate-related public policy programs” would need to be removed.

Exposure Draft Proposals

3. In paragraph 7 of the ED, the IPSASB proposed the following defined terms:

   (a) **Public policy programs** are any type or set of interventions taken or mandated by a public sector entity exercising its sovereign powers to influence the decisions or behaviors of other entities or individuals;

   (b) **Public policy program outcomes** are the impacts on the economy, environment and/or people, which occur as a result of, or are reasonably attributable to, the public policy programs; and

   (c) **Climate-related public policy programs** are public policy programs with a primary objective to achieve climate-related outcomes.

4. These ED definitions interacted with each other. "Public policy programs" defined the types of interventions that could fall within scope. "Climate-related public policy programs" identified the subset of those interventions that were within the scope of the standard (i.e., those with a primary objective to achieve climate-related outcomes). "Public policy program outcomes" defined "outcomes" as used throughout the proposed disclosure requirements.

5. The definition of “public policy programs” was grounded in the concept of sovereign power to reflect the public sector’s unique position in pursuing climate action. As the Board noted in BC13 of IPSASB SRS ED 1, governments and other public sector entities can regulate the activities of other entities “either directly or through specifically created agencies”. This policy and regulatory role is a key characteristic that differentiates public sector entities from the private sector.

6. The definition of “public policy program outcomes” was adapted from RPG 3, *Reporting Service Performance Information*, which defines outcomes as “the impacts on society which occur as a result of, or are reasonably attributable to, the entity’s outputs”. The Board broadened this to include “the economy, environment and/or people” (see BC43 – BC44 of the ED), reflecting the interrelationships that arise in practice when implementing climate-related public policy programs. The Board also acknowledged that public policy program outcomes could be both positive and negative in nature (see AG2.9 – AG2.10 of the ED), though this was not reflected explicitly in the definition itself.

7. The ED also provided a list of examples of public policy programs in paragraph AG2.4, including regulations and standards, taxes and charges, subsidies and incentives, emissions trading programs,

voluntary agreements, information instruments, research and development policies, public procurement policies, infrastructure programs, implementation of new technologies, and financing and investment. These examples illustrated the intended breadth of the definition. IG1 and IG2 of the ED further supported preparers in distinguishing public policy programs from internal operational policies.

April Summary of Responses

8. SMC 4 of the ED asked respondents whether they agreed with the proposed public sector-specific definitions and guidance. Many respondents agreed with the proposed definitions, but a number raised concerns. Some respondents did not respond to SMC 4 directly, instead referencing their earlier comments on SMC 3 regarding the scope and approach for climate-related public policy programs.

Public Policy Programs

9. There was general support for the definition of public policy programs, with one respondent describing it as "clear and precise". However, a few respondents noted that the term “public policy programs” could be interpreted as two separate concepts – “public policy” and “programs”. One respondent recommended changing the definition to “public policy and programs”. More broadly, several respondents called for simpler, more user-friendly definitions and structure.

10. One respondent argued that public procurement policies, included in the list of examples at AG2.4(h) of the ED, can also be implemented by private sector entities. They questioned whether such policies involve the exercise of sovereign powers and therefore whether they meet the definition of a public policy program. This highlights a question about whether the focus of the guidance should be the “program” or the broader concept of “public policy”.

11. Some respondents also noted that the concept of sovereign power may not fully accommodate the diversity of governance and constitutional arrangements across jurisdictions – particularly where subnational entities exercise competences delegated by the national legislator. Staff observe that the existing guidance addresses this concern. In particular, IG4 of the ED provides guidance on whether subnational governments have responsibility for climate-related commitments set at a national level, even if they do not hold sovereign powers.

Public Policy Program Outcomes

12. Several respondents commented on the definition of public policy program outcomes. Some found the treatment of outcomes and impacts in the Basis for Conclusions (BC38 – BC42 of the ED) confusing or redundant, while others found it helpful that the existing concepts of “outcomes” and “outputs” were drawn from RPG 3, and welcomed the inclusion of “the economy, environment and people” from the GRI literature.

13. Respondents also requested additional guidance on distinguishing between inputs, outputs and outcomes in a public policy context.

14. In addition, Agenda Item 7.B.2 notes that respondents raised concerns that the ED's scope could result in entities reporting only on public policy programs with positive climate-related outcomes. Respondents noted the risk that public policy programs with negative climate-related outcomes (e.g., public policy programs that increase GHG emissions) could fall outside the scope of the disclosures.

This concern is also relevant to the definition of public policy program outcomes, which did not explicitly address whether outcomes could be both positive and negative.

Requests for Additional Defined Terms

15. Respondents suggested that the standard would benefit from additional defined terms, including "climate adaptation" and "climate-related outcomes". Several respondents also recommended editorial changes to improve the understandability of the existing definitions.

Staff Analysis

From "Public Policy Programs" to "Public Policy"

16. In response to constituent feedback on terminology, staff considered whether adapting the term "public policy programs" to "public policy" would improve clarity and understandability.

17. Staff consider that adapting the term to "public policy" would address the respondent's concern that "public policy programs" could be read as two separate concepts (i.e. "public policy" and "programs"), while also better reflecting the range of interventions the Board intended to capture. The term "public policy" encompasses the full range of interventions listed in AG2.4 – including regulations, taxes, subsidies, trading schemes, information instruments, procurement policies, and infrastructure programs – without requiring preparers to determine whether an individual intervention qualifies as a "program".

18. Further, staff consider that adapting the term to "public policy" avoids any implication that preparers must identify and report against individual programs separately, allowing preparers to determine the appropriate level of aggregation or disaggregation to meet the information needs of primary users.

19. Table 3 below presents the proposed definition alongside the definition proposed in the ED. Staff note that this would be an adaptation of the proposed terminology in the ED, while the definition would remain unchanged (i.e., interventions taken or mandated by a public sector entity exercising its sovereign powers to influence the decisions or behaviors of other entities or individuals). This would be further supported by application guidance (i.e. AG2.4 of the ED, which provides examples of interventions) and illustrative guidance (i.e. IG1 and IG2 of the ED, which helps preparers distinguish public policy from internal operational decisions).

20. Staff also note that as a result, there would be a corresponding change in terminology from "public policy program outcomes" to "public policy outcomes".

Public Policy Outcomes

21. Staff consider that the definition of "public policy outcomes" remains largely appropriate in substance. In general, respondents supported drawing from RPG 3, including considerations of "the economy, environment and/or people", and using "reasonably attributable" to determine outcomes.

22. However, in response to constituent feedback summarized in Agenda Item 7.A.1 that the proposed scope of the ED could be interpreted as focusing only on public policy with positive climate-related outcomes, staff propose explicitly including "positive and negative" in the definition. The revised definition would read "Public policy outcomes are the positive and negative impacts on the economy, environment and/or people, which occur as a result of, or are reasonably attributable to, the public policy".

23. This revision in definition reinforces the need for balanced reporting and aligns the definition more clearly with the revised scope of disclosures in Agenda Item 7.A.1. Table 3 below presents the proposed definition alongside the definition proposed in the ED.

24. Staff further consider that the request for additional guidance on distinguishing inputs, outputs and outcomes would be better addressed through reference to RPG 3.

Climate-related Outcomes

25. As a corresponding change to the recommendations in Agenda Item 7.A.1, the definition of "climate-related public policy programs" – which previously determined which outcomes were in scope – would be removed. As a result, staff consider that introducing a new defined term on “climate-related outcomes” would provide a clear basis for determining when public policy outcomes are “climate-related”.

26. Staff consider defining the term “climate-related outcomes” to be central to the revised scope of disclosures, and that this would:

    (a) Provide preparers with a clear basis for identifying the outcomes that are within the scope of this standard and to which the materiality assessment should be applied;

    (b) Fill the gap created by the removal of “climate-related public policy programs” as a defined term, replacing the previous scoping mechanism;

    (c) Respond directly to the request from respondents for a defined term for “climate-related outcomes”; and

    (d) Provide clarity on the inclusion of climate change adaptation within the scope of the standard, which respondents also specifically requested.

27. Table 3 below presents the proposed definition alongside the definition proposed in the ED. Staff recommend that “climate-related outcomes” be defined as a subset of public policy outcomes, anchored in the two core elements of climate change policy: climate change mitigation and climate change adaptation. These concepts are well established in the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement, and reflect how governments often organize their climate response in practice.

28. Anchoring the definition in mitigation and adaptation has several advantages:

    (a) It provides a clear and internationally recognized framework for preparers to assess whether an outcome is climate-related;

    (b) It is inclusive, as mitigation encompasses outcomes relating to greenhouse gas emissions reductions, carbon sequestration, and other activities that reduce or limit climate change, and adaptation encompasses outcomes relating to adjusting to actual or expected climate effects, including building resilience; and

    (c) It is aligned with concepts already established in the standard and in international climate policy.

29. Staff note that concepts such as climate resilience, as referenced in the ED, would be considered within scope of climate change adaptation for the purposes of this defined term. Further application guidance could be developed to provide practical examples of both mitigation outcomes (e.g.,

emissions reductions from carbon pricing, renewable energy deployment) and adaptation outcomes (e.g., flood-resilient building codes, drought-resistant agricultural regulation).

30. Consistent with the proposed revisions for the term "public policy outcomes" as encompassing both positive and negative impacts, staff note that the proposed definition for "climate-related outcomes" is likewise direction-neutral, where a climate-related outcome could either advance or adversely affect climate change mitigation or adaptation.

31. This set of proposed definitions creates a clean logic for the three defined terms: "public policy" defines the interventions in scope; "public policy outcomes" defines the effects of those interventions; and "climate-related outcomes" identifies the subset of those effects that are within the scope of this standard.

32. Table 3 below presents the proposed definitions alongside the ED definitions and summarizes the nature of each change. ~~Red strikethrough~~ indicates proposed deletions, and blue underline indicates proposed insertions:

Table 3. Comparison of ED and proposed definitions

Proposed Defined Term	ED Defined Terms and Definitions	Proposed Changes to the ED Proposals	Nature of Change
Public policy	**Public policy programs** are any type or set of interventions taken or mandated by a public sector entity exercising its sovereign powers to influence the decisions or behaviors of other entities or individuals.	Public polic~~y~~ies ~~programs~~ are any type or set of interventions taken or mandated by a public sector entity exercising its sovereign powers to influence the decisions or behaviors of other entities or individuals.	Adaptation of the defined term
Public policy outcomes	**Public policy program outcomes** are the impacts on the economy, environment and/or people, which occur as a result of, or are reasonably attributable to, the public policy programs.	Public policy ~~program~~ outcomes are the positive and negative impacts on the economy, environment and/or people, which occur as a result of, or are reasonably attributable to, the public policy ~~program~~.	Corresponding change to the defined term Clarification that outcomes can be positive or negative

Climate-related outcomes	**Climate-related public policy programs** are public policy programs with a primary objective to achieve climate-related outcomes. *[Would be removed as a consequence of the recommendations in Agenda Item 7.A.1]*	Climate-related outcomes are public policy outcomes relating to climate change mitigation or adaptation.	ED definition to be replaced by new defined term

Supporting Document 4 – Structure of [draft] IPSASB SRS [X]

1. This paper provides supporting information to Agenda Item 7.A.3. For clarity, this paper provides context and staff analysis on the structure of [draft] IPSASB SRS [X], in relation to the "climate-related public policy programs" reporting perspective proposed in the ED. It does not reflect or assume any changes that may arise from staff recommendations in Agenda Item 7.A.1.

Drawing from Existing Guidance

2. In developing the IPSASB SRS ED 1, the IPSASB decided that it was appropriate to leverage existing international guidance in developing the Standard. Following its standard-setting process and advice from the Sustainability Reference Group (SRG) and Climate Topic Working Group (CTWG), the IPSASB decided that it would develop the ED based on IFRS S2 *Climate-related Disclosures*, and bring in necessary elements from IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*.

3. In addition to private sector guidance, the IPSASB decided that it would draw from existing IPSASB literature. Therefore, the IPSASB looked to the IPSASB Conceptual Framework (CF) to provide conceptual foundations, as well as RPG 1, *Reporting on the Long-term Sustainability of an Entity's Finances*, and RPG 3, *Reporting Service Performance Information*, which provided public sector-specific concepts on long-term fiscal sustainability and reporting on inputs, outputs, and outcomes.

Structure of IPSASB SRS 1

4. In July 2025, the IPSASB discussed the proposed structure in developing IPSASB SRS 1, *Climate-related Disclosures*, where the Board agreed that it was appropriate to maintain the overall structure of the ED, removing the relevant Public Policy Program guidance.

Appropriateness of the TCFD Structure

5. As a result of the alignment with IFRS S2, disclosure requirements in the ED on climate-related public policy programs are framed around the four pillars of the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations: Governance, Strategy, Risk and Outcome Management, Metrics and Targets. Specifically, the ED disclosure requirements in relation to climate-related public policy programs included:

   (a) **Governance**: Information about the governance processes, controls and procedures an entity uses to monitor, manage and oversee climate-related public policy programs and their outcomes;

   (b) **Strategy**: Information about an entity's strategy and decision-making for climate-related public policy programs and their outcomes, anticipated challenges to achieving the intended outcomes of climate-related public policy programs, and the current and anticipated financial implications of climate-related public policy programs to the entity itself;

   (c) **Risk and Outcome Management**: Information about an entity's processes to identify, assess, prioritize and monitor anticipated and unanticipated challenges to the achievement of the intended outcomes of the climate-related public policy programs, including whether and how those processes are integrated into and inform the entity's overall risk management process; and

(d) **Metrics and Targets**: Information about an entity's performance, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation, in relation to climate-related public policy programs and their outcomes.

6. Staff note that comments received regarding the appropriateness of the TCFD structure were generally made in relation to the ED as a whole, rather than separately for each reporting perspective. In general, respondents supported the use of the TCFD pillars, noting that it enhances comparability, interoperability, and conceptual consistency with global sustainability reporting frameworks.

7. Although a few respondents did not support the use of the TCFD framework and suggested that the IPSASB instead build on RPG 3, staff note that in developing the ED, the IPSASB evaluated the extent to which RPG 3 could support reporting on climate-related public policy programs (see paragraphs BC39–BC 41 in the ED), and decided to integrate the outcome-oriented approach in RPG 3 into the ED. Staff therefore do not consider these comments to raise new considerations regarding the overall structure.

8. Accordingly, staff recommend that the IPSASB continue to apply the TCFD structure in developing [draft] IPSASB SRS [X].

General Requirements and Conceptual Foundations

9. In Appendix B, Appendix B.AG, and Appendix C of the ED, the guidance drew from IFRS S1 and the IPSASB CF to provide the necessary general requirements and conceptual foundations to operationalize the Standard, supporting disclosure requirements from both reporting perspectives. Specifically:

   (a) **Appendix B** included conceptual foundations including materiality, general requirements, judgments, uncertainties and errors;

   (b) **Appendix B.AG** provided the application guidance necessary to support Appendix B; and

   (c) **Appendix C** included qualitative characteristics of useful climate-related information, which are relevance, faithful representation, understandability, timeliness, comparability and verifiability.

10. In developing the IPSASB SRS 1, the Board decided that it was appropriate to retain alignment with the proposed general requirements and conceptual foundations, including the proposed materiality definition in the ED, which was drawn from the CF. This decision considered broad support for the proposed drafting of the general requirements, where respondents stated that the proposed approach improves the connectivity between climate-related disclosures and financial information, enhancing the usefulness and coherence of both financial and sustainability reporting (see Agenda Item 5.2.6 and Agenda Item 3.2.3).

11. This decision was further informed by the IPSASB's discussions on the conceptual foundations (see Agenda Item 5.2.7 and Agenda Item 7.2.4), where the IPSASB decided that the proposed conceptual foundations proposed in the ED were appropriate, and that the IPSASB would accelerate development of Phase 3 of the Making Materiality Judgments project, in parallel with Phase 2 of Climate-related Disclosures, to provide guidance on applying materiality in the context of sustainability reporting.

12. In addition to the past discussions by the IPSASB, a few respondents also provided comments specifically for the proposed general requirements and conceptual foundations as applied to climate-related public policy programs in the ED, which are shown alongside staff analysis in Table 4 below:

Table 4. Staff analysis in relation to feedback received on the proposed general requirements and conceptual foundations

Response Received	Staff Analysis
One respondent suggested that the IPSASB provide more flexible timing for public policy program disclosures, noting that public policy programs have longer-term outcomes and may require different reporting timelines compared to financial statements.	Staff note that the framing of climate-related public policy programs in the ED was designed to reflect the longer-term nature of the outcomes of climate-related public policy programs. For example: (a) Paragraph AG2.24(c)i of the ED states that entities have to describe the time horizon over which the entity expects the intended outcomes to occur; and (b) Paragraph AG2.44 of the ED states that where data is required for certain metrics for climate-related public policy programs that cannot be collected and reported annually, the entity should disclose the expected frequency of reporting along with the rationale. In addition, Paragraph AG2.29 of the ED requires disclosure of the financial implications of climate-related public policy programs to the entity itself, reinforcing the importance of reporting climate-related information at the same time as general purpose financial reports to support connectivity between financial and climate-related information.
One respondent questioned the feasibility of including comparative information for climate-related public policy programs.	Staff note that paragraph B.AG68 of the ED states that entities need not disclose a comparative amount if it is impracticable to do so, or if the metric is forward-looking. Staff are of the view that the proposed guidance provides sufficient flexibility, while allowing for comparative information for climate-related public programs to be disclosed where information is available.
A few respondents indicated that aligning climate-related public policy program disclosures with the budget process could be more important than the GPFRs.	Staff note that consistent with the CF, the objective of the draft Standard is to provide climate-related information that is useful for primary users of GPFRs for accountability and decision-making. Further, staff note that paragraph AG2.30 includes considerations of how financial implications link to an entity's public budget reports.

13. Overall, staff note that no substantial arguments were made against the proposed General Requirements that was not addressed by proposed guidance in the ED, and did not identify a reason to depart from the proposed Appendix B, Appendix B.AG, and Appendix C. Staff also consider that, in developing a suite of IPSASB SRS Standards, it is important for General Requirements and

Conceptual Foundations to be applied consistently with that of IPSASB SRS 1, *Climate-related Disclosures*. This would:

(a) Support consistency in the application of concepts such as materiality, timing of reporting, and location of disclosures across different types of climate-related information; and

(b) Reduce the risk of divergent interpretations arising from the application of different conceptual bases within a single suite of IPSASB SRS Standards.

14. Accordingly, staff recommend that the IPSASB retain Appendix B, Appendix B.AG, and Appendix C of the ED, consistent with the decisions made in developing IPSASB SRS 1, to provide the necessary Conceptual Foundations and General Requirements as part of developing [draft] IPSASB SRS [X].

Overview of Structure

15. Table 5 below provides an overview of the structure for [draft] IPSASB SRS [X], taking into consideration the staff recommendations that the IPSASB maintain the overall structure of IPSASB SRS ED 1 as the basis, including:

(a) Retaining the structure of the TCFD recommendations; and

(b) Applying the same Conceptual Foundations and General Requirements as IPSASB SRS 1, *Climate-related Disclosures*.

Table 5: Overall structure for [draft] IPSASB SRS [X], with the ED as the basis

IPSASB SRS ED 1	**[draft] IPSASB SRS [X]**
Objective	Objective
Scope	Scope
Definitions	Definitions
Governance	**Governance**
Strategy	**Strategy**
Risk and Outcome Management	**Risk and Outcome Management**
Metrics and Targets	**Metrics and Targets**
Effective Date and Transition	Effective Date and Transition
Appendix A1: Application Guidance – Own Operations	Not Applicable – Included in IPSASB SRS 1
Appendix A2: Application Guidance – Public Policy Programs	Appendix A: Application Guidance
Appendix B: General Requirements for Climate-related Disclosures	Appendix B: General Requirements for Climate-related Disclosures
Appendix B.AG: Application Guidance – General Requirements for Climate-related Disclosures	Appendix B.AG: Application Guidance – General Requirements for Climate-related Disclosures

Appendix C: Qualitative Characteristics	Appendix C: Qualitative Characteristics
Basis for Conclusions	Basis for Conclusions
Implementation Guidance	Implementation Guidance
Illustrative Examples	Illustrative Examples
Comparison with IFRS S2	Not Applicable – Included in IPSASB SRS 1