

Meeting: International Public Sector Accounting
Standards Board

Meeting Date: June 9–11, 2026

Agenda Item 5

CLIMATE-RELATED DISCLOSURES: PUBLIC POLICY OUTCOMES

| | | |
|--|--|----------------------------|
| Project summary | The project objective is to support global action to combat climate change by providing principles for public sector climate-related disclosures that provide information for improved decision-making and accountability. | |
| Meeting objective | The objective of this meeting is to discuss and develop a final pronouncement for [draft] IPSASB SRS [X], <i>Climate-related Disclosures: Public Policy Outcomes</i> . | |
| Project staff lead[s] | <ul style="list-style-type: none"> • Celine Chan, Principal • Karen Leung, Senior Manager • Alex Metcalfe, Principal Consultant | |
| Task Force members | N/A | |
| | Topic | Agenda Item |
| Essential Documents (Required Reading) | Responsibility for Public Policies with Climate-related Outcomes | 5.A.1 |
| | Strategy Disclosures | 5.A.2 |
| | Metrics and Targets Disclosures | 5.A.3 |
| | Corresponding Changes from March 2026: Other Sections | 5.A.4 |
| | Appendix 1: [draft] IPSASB SRS [X], <i>Climate-related Disclosures: Public Policy Outcomes</i> | Appendix 1 |
| Supporting Documents (Encouraged Reading: Posted Separately on Meeting Page) | Supporting Document 1 – Climate-related Disclosures: Public Policy Outcomes Final Pronouncement Dashboard | 5.B.1 |
| | Supporting Document 2 – Response Analysis to SMC 3 (Responsibility for Public Policies with Climate-related Outcomes) | 5.B.2 |
| | Supporting Document 3 – Response Analysis to SMC 5 (Strategy) | 5.B.3 |
| | Supporting Document 4 – Response Analysis to SMC 6 (Metrics and Targets) | 5.B.4 |

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| Background Information (Available on the project webpage) | Decisions and Instructions from Previous IPSASB Meetings |
| | Due Process Checklist |
| | Project Timeline |
| | <p>Other background information on the IPSASB's Climate-related Disclosures: Public Policy Outcomes project can be found on the project page at: https://www.ipsasb.org/consultations-projects/climate-related-disclosures-public-policy-outcomes</p> <p>Responses to IPSASB SRS ED 1 can be found on the publication page at: https://www.ipsasb.org/publications/ipsasb-srs-exposure-draft-1-climate-related-disclosures</p> |

Responsibility for Public Policies with Climate-related Outcomes

Decision Required

1. The IPSASB is required to decide on how to address:
 - (a) Amendments to the responsibility requirements to reflect the March 2026 decision; and
 - (b) Additional disclosure requirements on shared responsibility in response to constituent feedback on IPSASB SRS ED 1.

Context

2. The [IPSASB SRS ED 1](#) proposed that “an entity shall apply this [draft] Standard in reporting on...the outcomes of a climate-related public policy program *where an entity has **responsibility for the outcomes of a climate-related public policy program***” (see paragraph 3 of the ED).
3. In making its decision, the IPSASB:
 - (a) Intended for disclosures to “provide information to primary users to enable decision-making and to hold entities accountable for the climate-related public policy programs for which they have responsibility and for their outcomes” (see paragraph AG2.3 and BC46 of the ED);
 - (b) Acknowledged that there are often multiple public sector entities involved in public policy with different roles (see paragraph BC45 of the ED) and provided guidance to support judgments needed in determining responsibility, including key factors for identifying the responsible entity (see AG2.8 of the ED), supported with implementation guidance and illustrative examples (see paragraph BC45 of the ED); and
 - (c) Decided that “responsibility for outcomes of climate-related public policy programs” should adequately encapsulate the meaning of “accountability for climate-related public policy programs” (see paragraph BC47 of the ED).
4. As a result of the Board’s March 2026 decision to revise the scope of the [draft] Standard, focusing on climate-related outcomes of public policies, the IPSASB will need to agree the revisions to the IPSASB SRS ED 1 proposals related to ‘responsibility’. Respondents also commented on the proposals and guidance for determining responsibility in SMC 3 and were generally supportive of the proposals. The key substantive comment from respondents focused on the challenges related to shared responsibility.
5. This paper also provides analysis of the required amendments to reflect the March 2026 Board decision and the feedback received to SMC 3.

Analysis

Amendments to Responsibility Requirements

6. Respondents generally supported the approach to requiring entities with responsibility for climate-related public policy programs to apply the [draft] Standard. Staff considered various perspectives and potential drafting changes to determine what responsibility should relate to and the implications of who should apply the [draft] Standard in light of the March 2026 Board decision.
7. Staff considered whether the ED proposal could be re-drafted based on the revised public policy definitions from March to: “an entity shall apply this [draft] Standard...where an entity has

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responsibility for the climate-related outcomes of a public policy ~~climate-related public policy program~~.” However, this may be interpreted narrowly and may be assumed not to apply to public policies that are not climate-focused and effectively re-narrows the scope of the [draft] Standard, which contradicts constituent feedback that led to the March 2026 decision on the scope of the [draft] Standard.

8. Alternatively, staff considered broadening the drafting to: “an entity shall apply this [draft] Standard...where an entity has **responsibility for public policy** ~~the outcomes of a climate-related public policy program~~”. However, this may be interpreted too widely and assumed to require all policy setting entities to review and consider every public policy to determine applicability of the [draft] Standard.
9. Staff recommend that “**responsibility for public policy with climate-related outcomes**” addresses the concerns of the two options above – including all public policies that have climate-related outcomes, whether or not the policy has a climate focus, and including all climate-related outcomes, whether positive or negative, intended or unintended.
10. This approach best aligns with respondent support for the ED proposals and the Board’s intention in the ED, to hold entities accountable for the outcomes of public policies they are responsible (and should be accountable) for. It is also consistent with the March 2026 decision to expand beyond climate-related policy programs based on constituent feedback.
11. The following extract reflects the recommended revisions for the [draft] Standard, with changes to the ED included in mark-up (see paragraph 3 in [Appendix 1](#)):

“3. An entity shall apply this [draft] Standard in reporting on the ~~outcomes of a climate-related public policy program~~ climate-related outcomes of public policies where it has responsibility for ~~the outcomes of a climate-related public policy program~~ public policies with climate-related outcomes.”
12. Staff also recommend including application guidance to clarify that the [draft] Standard may not apply to all public policies and that entities should assess which public policies have climate-related outcomes that would be material information for primary users (see paragraph AG6 in [Appendix 1](#)).

Responses to SMC 3 – Shared Responsibility

13. The key substantive point noted by respondents regarding responsibility is the need for clarity regarding which entity should provide disclosures where responsibilities are shared across entities. For example, the strategy of a public policy may be set by one entity, funding may be provided by another, and expenditures are incurred by another separate entity.
14. Staff recommend adding a requirement to provide an overview of the public policy roles and responsibilities of other entities, where responsibilities are shared. Staff consider that such a requirement would help provide primary users with a more complete picture of the shared public policy responsibilities, while also clarifying the aspects of the public policy to which the reporting entity’s climate-related disclosures relate.
15. The following extract reflects the recommended additional requirements in the [draft] Standard, with changes to the ED included in mark-up (see paragraph 12(a) in [Appendix 1](#)):

“12....Specifically, the entity shall disclose:

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- (a) The scope of the entity's public policy mandate, including an overview of the entity's responsibilities for the public policy, [and the role and responsibilities of any other entities where responsibilities for the public policy are shared...](#)
- 16. Under this disclosure requirement, if an entity that develops the strategy of a public policy determines that it is responsible for the public policy, the entity would provide an overview of the public policy mandate across other entities with shared responsibility. This may include entities that provide funding, implement or incur expenditures. This would enable primary users to understand other entities' roles and how information about funding and expenditures may be reported by them.
- 17. Staff also recommend additional application guidance to clarify that where responsibilities are shared, at least one entity will have to provide disclosures required by the [draft] Standard. This may require an assessment by the jurisdiction or coordination across the group of entities with shared responsibility, however, it addresses respondent concerns of non-disclosure where entities do not take responsibility (see paragraph AG10 in [Appendix 1](#)).

Other Comments to SMC 3

- 18. A full analysis of responses to SMC 3 related to responsibility for public policies is set out in Agenda Item 5.B.1. Staff recommend addressing these issues through drafting enhancements across core text and application guidance, which can be found in [Appendix 1](#).

Recommendation

- 19. Staff recommend that the [draft] Standard:
 - (a) Be amended to clarify the reporting entities with responsibility for public policies with climate-related outcomes (see paragraph 3 in [Appendix 1](#)); and
 - (b) Include additional disclosures about the roles and responsibilities of other entities with shared responsibility for public policies with climate-related outcomes (see paragraph 12(a) in [Appendix 1](#)).

Strategy Disclosures**Decision Required**

1. The IPSASB is required to decide on how to address:
 - (a) Amendments to the disclosure requirements on financial implications corresponding to the March 2026 decision; and
 - (b) Additional disclosure requirements on financial implications, including proportionality mechanisms, in response to constituent feedback on IPSASB SRS ED 1.

Context

2. Paragraph 12(c) of IPSASB SRS ED 1 proposed that an entity discloses the current and anticipated financial implications of climate-related public policy programs to the entity itself. This included quantitative information about incurred and anticipated costs, amounts funded or unfunded, and any income or fees related to the program that result in financial implications to the entity itself (see ED paragraphs AG2.29–AG2.31).
3. In developing the ED, the Board acknowledged that the financial implications of climate-related public policy programs may extend beyond the entity itself, with a broader impact on the economy, environment, and people. The Board nonetheless limited the proposed requirement to the entity itself for practical reasons (see ED paragraph BC81). The financial implications of the outcomes of climate-related public policy programs would also extend beyond the entity and was not included in the ED proposals for pragmatic reasons.
4. SMC 5 asked respondents whether they agreed that the proposed disclosure requirements on strategy for climate-related public policy programs meet the information needs of primary users. Feedback from respondents included:
 - (a) Most respondents who provided specific comments on financial implications disclosures agreed that the proposed disclosure requirements provide useful information for primary users, highlighting in particular the linkage between financial implications and public sector budgets.
 - (b) Some respondents called for the disclosures to go beyond financial implications to the entity itself to capture the broader impact, extending beyond the reporting entity to the economy, environment, and people.
 - (c) In addition, a few respondents noted that some entities, particularly those in resource-constrained contexts, may face challenges in providing the proposed financial implications disclosures because of capacity challenges, including limited data availability (and infrastructure), technical capacity, and experience with providing climate-related financial disclosures.
5. As a result of the Board's March 2026 decision to clarify the scope of the [draft] Standard, focusing on climate-related outcomes of public policies, the IPSASB will need to agree the amendments to the IPSASB SRS ED 1 proposals related to financial implications as well.
6. This paper provides analysis of the required amendments to address respondents' feedback and reflect the revised scope of the [draft] Standard on (a) the financial implications to the entity itself (b)

the financial implications beyond the entity itself, and (c) the proportionality mechanisms needed to address respondents' concerns.

Analysis

Financial Implications to the Entity Itself

7. Most respondents who provided comments on the financial implications disclosure requirements expressed support for the ED proposal requiring disclosure of the financial implications of climate-related public policy programs to the entity itself.
8. Amending this requirement to reflect the March 2026 decisions would require disclosure of the financial implications of public policies to the entity itself. However, the financial implications of public policies that are not climate-focused generally may not be considered climate-related information. For example, the entity-level financial implications of an agricultural subsidy provided primarily to support farm incomes would consist mainly of the subsidy outlays and the costs of administering the scheme. Neither of these financial implications are climate-related, even though the policy may have material climate-related outcomes.
9. Therefore, staff considered how an entity-level perspective could continue to apply under the clarified scope while ensuring the disclosures remain climate-related. Staff recommend that the [draft] Standard could be amended to require an entity to disclose how it is resourcing, and plans to resource, the activities to achieve any climate-related targets for its public policies. This applies a climate-related lens to the entity-level perspective and produces climate-related information for both climate-focused and non-climate-focused public policies.
10. For example, in a climate-focused public policy, such as zoning measures to reduce flood exposure, the activities to achieve the climate-related targets are likely to include all policy-related costs – including administration and implementation. In a public policy that is not climate-focused, such as a highway expansion policy with a greenhouse gas emissions target, the entity may report on the financial implications resulting from using lower-carbon cement in the construction of highway infrastructure to achieve climate-related targets.
11. The following extract reflects the recommended addition to the disclosure requirements in the [draft] Standard (see paragraph 14(b) of [Appendix 1](#)):

“14. ... (b) Information about how the entity is resourcing, and plans to resource, the activities [to achieve climate-related targets] disclosed in paragraph 12(a)(iii)...”
12. Staff consider that this approach retains the entity-level perspective supported by respondents. It also connects non-financial and financial information which is an important link to holding entities accountable for public financial management and remains consistent with the objective of the [draft] Standard.

Financial Implications Beyond the Entity Itself

13. Some respondents noted that limiting the disclosures to the entity itself is too narrow, because the material financial implications of public policies are often experienced by other parties and the wider economy.
14. Staff observe that disclosures on the financial implications of the climate-related outcomes of public policies would capture the broader financial implications of public policies. For example, in the case

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of a public policy subsidizing AI data centers, the climate-related outcomes include increased energy use, which may lead to higher energy prices for consumers, and increased greenhouse gas emissions that result in increased costs that could be estimated based on emissions pricing.

15. Requiring disclosure of the current and anticipated financial implications of the climate-related outcomes of public policies would both address respondent comments and align the disclosures with the clarified scope and objective of the [draft] Standard. Staff therefore recommend that the [draft] Standard require disclosure of the financial implications of the climate-related outcomes of public policies for other parties in the entity's jurisdiction.
16. The following extract reflects the recommended disclosure requirement in the [draft] Standard, with changes to the ED included in mark-up (see paragraph 15 of [Appendix 1](#)):

“15. An entity shall disclose...:

- (a) The current ~~and anticipated~~ financial implications of the climate-related ~~public policy programs to the entity itself~~ outcomes of public policies ~~y programs to the entity itself in the reporting period;~~
- (b) The anticipated financial implications of the climate-related outcomes of public policies over the short, medium and long term (see paragraphs AG2.29–AG2.31); and
- (c) The methodology, measurement approach, key inputs and assumptions the entity uses to estimate the current and anticipated financial implications of the climate-related outcomes of public policies.’.”

Proportionality Mechanisms and Transitional Relief

17. Staff acknowledge that estimating the current and anticipated financial implications of climate-related outcomes for other parties in an entity's jurisdiction may require complex analysis based on forward-looking assumptions and estimates and may be practically challenging for many entities. This challenge was also raised by respondents, who noted difficulties relating to estimation uncertainty, data limitations, and methodological complexity.
18. In considering how to address these challenges, staff looked at the proportionality mechanisms in IFRS S1, IFRS S2, and IPSASB SRS 1, where two proportionality mechanisms apply to the disclosure requirements on financial effects:
 - (a) Mechanism 1 — Use of reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort; and
 - (b) Mechanism 2 — Disclosures commensurate with the skills, capabilities, and resources available to the entity.
19. Staff consider it appropriate to apply both mechanisms to the disclosures on the current and anticipated financial implications of climate-related outcomes, given that these are forward-looking, analytical exercises.
20. The following extract reflects the recommended proportionality mechanisms in the [draft] Standard (see paragraphs 17 of [Appendix 1](#)):

“17. In preparing disclosures about the current and anticipated financial implications of the climate-related outcomes of public policies, an entity shall:

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(a) Use all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort; and

(b) Use an approach that is commensurate with the skills, capabilities and resources that are available to the entity for preparing those disclosures.”

21. In addition, staff recommend permitting an entity to not provide quantitative information in certain circumstances, consistent with IFRS S1, IFRS S2 and IPSASB SRS 1 mechanisms on financial effects. Specifically, an entity may only provide qualitative information where the financial implications are not separately identifiable or where measurement uncertainty is so high that the resulting information would not be useful or if the entity does not have the skills, capabilities or resources to provide that quantitative information. See paragraphs 18–20 of [Appendix 1](#).
22. Staff also recommend that the IPSASB consider transitional relief for these disclosures, recognizing the developing nature of methodologies in this area. Staff will present detailed analysis on transitional relief at a future meeting.

Other comments on SMC 5

23. A full analysis of responses to SMC 5 is set out in Agenda Item 5.B.3. Staff recommend addressing the remaining issues through clarifying drafting in the application guidance, which can be found in [Appendix 1](#).

Recommendation

24. Staff recommend that the [draft] Standard:
 - (a) Be amended to require disclosure of how an entity is resourcing, and plans to resource, the activities to achieve any climate-related targets (see paragraph 12(b) of [Appendix 1](#)); and
 - (b) Include requiring disclosure of the current and anticipated financial implications of the climate-related outcomes of public policies, supported by proportionality mechanisms and transitional relief (see paragraph 15 – 20 of [Appendix 1](#)).

Metrics and Targets Disclosures

Decision Required

1. The IPSASB is required to decide on how to address respondent concerns to SMC 6 on Metrics and Targets disclosure requirements.

Context

2. SMC 6 asked respondents whether they agreed that the proposed disclosure requirements on metrics and targets for climate-related public policy programs meet the information needs of primary users.
3. Some respondents were supportive of the IPSASB's proposed disclosures regarding the change in GHG emissions reasonably attributed to climate-related public policy programs. These respondents highlighted the decision-usefulness of this information for users. Some respondents noted the potential challenges with the complexity in attributing GHG emissions.
4. Most respondents supported disclosure requirements in relation to other metrics.
5. This paper provides analysis on the main concern of respondents which was regarding the complexity of attributing GHG emissions to public policy. A full analysis of responses to SMC 6 is set out in [Agenda Item 5.B.4](#).

Analysis

Attribution of Greenhouse Gas Emissions to Specific Policies

6. While respondents highlighted the importance of disclosures relating to greenhouse gas emissions attributable to public policies, the main concern raised by respondents was about the complexity in attributing GHG emissions to specific public policy programs due to external factors and limitations in current data structures and determining what may be considered "reasonably attributable".
7. Staff acknowledge that the disclosure requirement may present challenges for some entities as entities would be required to isolate the effect of the public policy from other factors, including related public policies, behavioral and economic responses, to estimate emissions in a policy scenario against a baseline scenario without the policy (see paragraphs AG2.34 to AG2.36 of the ED).
8. Staff note that the capability required to prepare such disclosures is likely to vary across public sector entities and jurisdictions and may be concentrated in well-resourced national finance and environment ministries. In addition, the data inputs required to prepare the information, including baseline emissions data and behavioral parameters, are also likely to differ across entities and jurisdictions.
9. Accordingly, staff recommend proportionality mechanisms could help address the practical challenges identified by respondents while retaining the usefulness of the disclosures for primary users.

Proportionality Mechanisms

10. In considering how to address the above challenges highlighted by respondents, staff looked at the proportionality mechanisms in IFRS S1, IFRS S2, and IPSASB SRS 1, where two types of proportionality mechanisms are offered to specific disclosure requirements:

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- (a) Mechanism 1 "Reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort": this clarifies that while an exhaustive search for information is not required, entities must not overlook information that is reasonably accessible, such as existing sector assumptions.
 - (b) Mechanism 2 "Commensurate with the skills, capabilities and resources available to the entity": this allows entities to use an approach that is proportionate to the entity's capacity, such as integrating proxy data and qualitative assumptions; and
11. Staff recommend that when both Mechanism 1 and Mechanism 2 are applied together, entities would be able to apply estimation approaches appropriate to their circumstances when attributing changes in GHG emissions to public policies, including where climate-related outcomes may be influenced by external factors. Staff also consider that this would help address respondent concerns regarding the methodological challenges and data limitations associated with attributing GHG emissions to specific public policies.
12. Staff also note that when both mechanisms are applied together, these would operate in the same manner as climate-related scenario analysis disclosure requirements in IFRS S2 and IPSASB SRS 1 (see paragraph B1 of IFRS S2 and AG23 of IPSASB SRS 1). Staff note that attributing GHG emissions to public policies shares similarities to that of climate-related scenario analysis, as both are forward-looking, analytical exercises rather than measurements of observed outcomes.
13. Overall, staff consider that without appropriate proportionality mechanisms, preparers such as sub-national entities and entities in lower-capacity jurisdictions may face difficulties in complying with disclosure requirements in the [draft] Standard or may produce disclosures with significant uncertainty.
14. The following extract reflects the recommended proportionality mechanisms in the [draft] Standard (see paragraph 25 in [Appendix 1](#)):
- "25. In preparing disclosures on the change in greenhouse gas emissions reasonably attributable to a public policy, an entity shall:
- (a) Use all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort; and
 - (b) Use an approach that is commensurate with the skills, capabilities and resources that are available to the entity for preparing those disclosures."

Other Comments to SMC 6

15. A full analysis of responses to SMC 6 is set out in [Agenda Item 5.B.4](#). Staff recommend addressing these issues through drafting enhancements across core text and application guidance, which can be found in [Appendix 1](#).

Recommendation

16. Staff recommend that the [draft] Standard include additional proportionality mechanisms for disclosure requirements relating to changes in GHG emissions attributable to public policies (see paragraph 25 in [Appendix 1](#)).

Corresponding Changes from March 2026: Other Sections

Decision Required

1. The IPSASB is required to decide on how to amend the [draft] Standard to reflect the March 2026 Board decisions and instructions and perform a section-by-section review of the Core Text and Application Guidance of the [draft] Standard in Appendix 1.

Context

2. In March 2026, the Board decided that the scope of the [draft] Standard should focus on material information relating to the climate-related outcomes of public policies. The Board also decided to use the defined terms “public policy”, “public policy outcomes”, and introduce a new defined term, “climate-related outcomes”.
3. Further, the Board instructed staff to reflect in the [draft] Standard that climate-related outcomes include both positive and negative climate-related outcomes. Other instructions relating to (a) responsibility and reporting entity and (b) managing disclosure burden through proportionality mechanisms are addressed in [Agenda Item 5.A.1](#) and [Agenda Item 5.A.2–Agenda Item 5.A.3](#), respectively.
4. This paper provides a high-level summary of key changes and implications to reflect the March 2026 Board decisions and instructions, other than those discussed in [Agenda Item 5.A.1](#), [Agenda Item 5.A.2](#), and [Agenda Item 5.A.3](#).
5. Staff have prepared the Core Text and Application Guidance of the [draft] Standard, included in Appendix 1, to (1) remove elements of IPSASB SRS 1 from the combined ED, (2) reflect the corresponding changes as a result of the March 2026 Board decisions as proposed in Agenda Item 5 A papers and (3) address comments in response to SMCs as proposed in Agenda Item 5 A and B papers. See Appendix 1 for details.
6. The IPSASB will do a section-by-section review of Appendix 1 to review the updated [draft] Standard for these changes.

Analysis

7. Corresponding to the above, following is a high-level summary of the key drafting changes to the [draft] Standard to reflect the March 2026 Board decisions and instructions, other than those discussed in [Agenda Item 5.A.1](#), [Agenda Item 5.A.2](#), and [Agenda Item 5.A.3](#):
 - (a) **Public policies** – Examples have been revised to reflect a broader range of public policies, beyond those with a primary objective to achieve climate-related outcomes. In addition, consistent with the change from “public policy programs” to “public policies”, program-specific examples have been revised to support application across policy contexts;
 - (b) **Climate-related outcomes** – Application guidance have been added to clarify that climate-related outcomes may be positive or negative, explain the origin of the terms “mitigation” and “adaptation”, and examples have been revised to reflect both positive and negative climate-related outcomes;
 - (c) **Intended outcomes** – As the clarified scope of the [draft] Standard requires disclosure of climate-related outcomes arising from public policies regardless of whether those outcomes

are intended or unintended, references to “intended outcomes” have been removed from the [draft] Standard. This includes:

- (i) **Oversight of setting targets and monitoring progress towards intended outcomes** – Replaced with “oversight of climate-related targets for public policies and monitoring progress towards those targets”, as a corresponding change to the clarified scope of the Standard;
- (ii) **Anticipated challenges to achieving the intended outcomes** – References to challenges in achieving them have been removed, as this phrasing is no longer consistent with the clarified scope of the Standard;
- (iii) **Targets for achieving intended outcomes** – Replaced with “climate-related targets of public policies”, as a corresponding change to the clarified scope of the Standard;

Recommendation

8. Staff recommend the changes included in paragraph 7 above and in Appendix 1 address decisions and instructions from March 2026.

Appendix 1: [draft] IPSASB SRS [X], *Climate-related Disclosures: Public Policy Outcomes*

1. This Appendix presents an initial draft of IPSASB SRS [X] for the Board's first review of the Core Text and Application Guidance. The draft has been prepared to facilitate preliminary consideration and discussion.
2. There remain several open items that staff will review and bring forward for discussion at future meetings, including matters relating to cross-references, review and finalization of Application Guidance, Appendix B, Appendix C, the Basis for Conclusions, and the Implementation Guidance/Illustrative Examples. These will be presented at a future meeting.
3. The draft reflects the following key developments:
 - (a) The separation of public policy content from the previously combined Exposure Draft (the ED);
 - (b) Corresponding changes arising from decisions made in March 2026; and
 - (c) Changes to clarify and add disclosure requirements in response to feedback received from constituents in response to the ED.
4. The following table summarizes the amendments to reflect these key developments and the staff recommendations presented in Agenda Items 5.A.1–5.A.4.

| Section | Summary of changes | Para. |
|----------------------------|---|-------------|
| Objective and Scope | <ul style="list-style-type: none"> Updated to focus on the climate-related outcomes of public policies, with references to “climate-related public policy programs” removed. | 1-6 |
| Definitions | <ul style="list-style-type: none"> Updated definitions of “public policy”, “public policy outcomes”, and added a new defined term “climate-related outcomes”; and Removed terms and definitions specific to IPSASB SRS 1. | 7 |
| Governance | <ul style="list-style-type: none"> Updated to focus on the climate-related outcomes of public policies; and Updated to provide disclosures on the oversight of climate-related targets and monitoring progress towards these targets (see Agenda Item 5.A.4). | 8-9 9(v) |

Appendix 1

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| Strategy | <ul style="list-style-type: none"> Updated to focus on the climate-related outcomes of public policies; Added requirement to disclose information about the roles of other entities with shared responsibility (see Agenda Item 5.A.1) Revised disclosure requirements on financial implications to the entity itself, to focus on resourcing of activities to achieve climate-related targets (see Agenda Item 5.A.2) Removed anticipated challenges to achieving intended outcomes (see Agenda Item 5.A.4); and Revised disclosure requirements on current and anticipated financial implications of climate-related outcomes of public policies and added related proportionality mechanisms (see Agenda Item 5.A.2). | 10-20 12(a) 14(b) N/A 15-20 |
| Outcome Management | <ul style="list-style-type: none"> Updated from “Risk and Outcome Management” to “Outcome Management” to focus on managing climate-related outcomes; and Updated to focus on the climate-related outcomes of public policies, shifting the focus from managing ‘anticipated and unanticipated challenges to achieving intended outcomes’ (see Agenda Item 5.A.4) to ‘understanding an entity’s processes to identify, assess, prioritize and monitor climate-related outcomes’. | 21 21-22 |
| Metrics and Targets | <ul style="list-style-type: none"> Updated to focus on the “climate-related outcomes of public policies” and “climate-related targets of public policies” (see Agenda Item 5.A.4); and Added proportionality mechanisms to GHG emissions reporting disclosure requirements (see Agenda Item 5.A.3). | 23-24 25 |

5. The Appendix uses a three-column tabular format. The following table explains the information presented in each column:

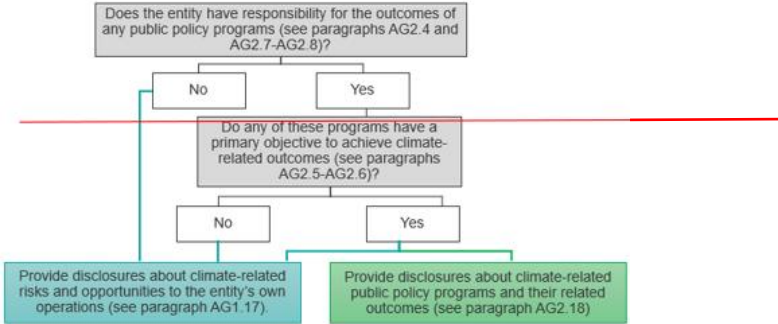
| Column 1: Original ED paragraph | Column 2: [draft] IPSASB SRS [X], <i>Climate-related Disclosures: Public Policy Outcomes</i> | Column 3: Additional Information |
|---|---|--|
| This column provides the original paragraph number from the ED. | This column presents the draft Standard paragraph with track changes for revisions from the ED. | This column provides additional information, including: <ul style="list-style-type: none"> a) The basis for modifications to the ED paragraph; and b) References to relevant Agenda Items. |

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| ED para. | Draft IPSASB SRS [X], <i>Climate-related Disclosures: Public Policy Outcomes</i> | Additional Information |
|-----------|---|--|
| Core Text | | |
| | Objective | |
| 1 | <p>1. The objective of this [draft] Standard is to provide principles for an entity to disclose information in its general purpose financial reports about climate-related risks and opportunities to its own operations, and outcomes of its climate-related public policy programs, that is useful to primary users for accountability and decision-making purposes.</p> | <p>Remove elements of IPSASB SRS 1</p> <p>Drafting changes made reflecting March 2026 decisions</p> |
| 2 | <p>2. 2. This [draft] Standard requires an entity with responsibility for public policies with climate-related outcomes to disclose material information about the climate-related outcomes that could reasonably be attributable to the public policy.</p> <p>3. (a) The climate-related risks and opportunities that could reasonably be expected to affect the long term fiscal sustainability of an entity, including the long term sustainability of the services and/or programs it delivers (for the purposes of this [draft] Standard, these are collectively referred to as “climate-related risks and opportunities to an entity’s own operations”); and</p> <p>4.2. (b) Where an entity has responsibility for outcomes of a climate-related public policy program, the outcomes that could reasonably be attributed to it. An entity shall apply this [draft] Standard when presenting and information in general purpose financial statements prepared under the accrual basis of accounting in accordance with IPSAS Standards. The presentation of information in the general purpose financial statements includes the information displayed in the primary financial statements and the information disclosed in the notes.</p> | <p>Remove elements of IPSASB SRS 1</p> <p>Drafting changes made reflecting March 2026 decisions</p> <p>See Agenda Item 5.A.1</p> |
| | Scope | |
| 3 | <p>4. 3. An entity shall apply this [draft] Standard in reporting on the climate-related outcomes of public policies, where it has responsibility for these public policies with climate-related outcomes.:</p> <p>5. Climate related risks to which an entity is exposed, including but not limited to physical risks and transition risks (see paragraphs AG1.1–AG1.18);</p> <p>6. Climate related opportunities available to the entity (see paragraphs AG1.1–AG1.18); and</p> | <p>Remove elements of IPSASB SRS 1</p> <p>Drafting changes made reflecting March 2026 decisions</p> <p>See Agenda Item 5.A.1</p> |

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| | <p>Where an entity has responsibility for the outcomes of a climate-related public policy program, the outcomes of that climate-related public policy program (see paragraphs AG2.1–AG2.19).</p>  | |
| 4 | <p>7.4. As illustrated by the flow chart (see paragraph 3), disclosure requirements relating to climate-related risks and opportunities to an entity's own operations are expected to be applicable for all entities. Disclosures about <u>the</u> climate-related <u>outcomes of</u> public policy programs and their outcomes ies will only be applicable for those entities that are responsible for <u>public policies with climate-related outcomes</u> the its outcomes of such programs.</p> | <p>Remove elements of IPSASB SRS 1</p> <p>Drafting changes made reflecting March 2026 decisions</p> <p>See Agenda Item 5.A.1</p> |
| 5 | <p>8.5. Climate-related risks and opportunities that could not reasonably be expected to affect the long-term fiscal sustainability of an entity, and where applicable, Climate-related outcomes that could not reasonably be attributed to a climate-related public policy iesy program, are outside the scope of this [draft] Standard.</p> | <p>Remove elements of IPSASB SRS 1</p> <p>Drafting changes made reflecting March 2026 decisions</p> |
| 6 | <p>9.6. An entity may apply this [draft] Standard irrespective of whether the entity's related general purpose financial statements (referred to as "financial statements") are prepared in accordance with International Public Sector Accounting Standards (IPSAS) or other generally accepted accounting principles or practices (GAAP).</p> | |
| | Definitions | |
| 7 | <p>10.7. The following terms are used in this [draft] Standard with the meanings specified:</p> <p>Carbon credit is an emissions unit that is issued by a carbon crediting program and represents an emission reduction or removal of greenhouse gases. Carbon credits are uniquely serialized, issued, tracked and cancelled by means of an electronic registry.</p> | <p>Remove terms specific to IPSASB SRS 1</p> |

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| | Climate resilience is the capacity of an entity to adjust to climate-related changes, developments or uncertainties. Climate resilience involves the capacity to manage climate-related risks and benefit from climate-related opportunities, including the ability to respond and adapt to climate-related transition risks and climate-related physical risks. An entity's climate resilience includes both its strategic resilience and its operational resilience to climate-related changes, developments and uncertainties. | Remove terms specific to IPSASB SRS 1 |
| | Climate-related physical risks are risks resulting from climate change that can be event-driven (acute physical risk) or from longer-term shifts in climatic patterns (chronic physical risk). Acute physical risks arise from weather-related events such as storms, floods, drought or heatwaves, which are increasing in severity and frequency. Chronic physical risks arise from longer-term shifts in climatic patterns including changes in precipitation and temperature which could lead to sea level rise, reduced water availability, biodiversity loss and changes in soil productivity. | |
| | Climate-related public policy programs outcomes are public policy programs outcomes with a primary objective to achieve climate-related outcomes relating to climate change mitigation or adaption. | Drafting changes made reflecting March 2026 decisions See AG13-AG14 for clarification on positive and negative nature |
| | Climate-related risks refer to the potential negative effects of climate change on an entity. These risks are categorized into climate-related physical risks and transition risks. | Remove terms specific to IPSASB SRS 1 |
| | Climate-related opportunities refer to the potential positive effects of climate change on an entity. Efforts to mitigate and adapt to climate change can produce climate-related opportunities for an entity. | Remove terms specific to IPSASB SRS 1 |
| | Climate-related transition plan refers to aspects of an entity's overall strategy that lays out the entity's targets, actions or resources for its transition towards a lower carbon economy, including actions such as reducing its greenhouse gas emissions. | Remove terms specific to IPSASB SRS 1 |
| | Climate-related transition risks are risks that arise from efforts to transition to a lower carbon economy. Transition risks include policy, legal, technological, market and reputational risks. | |
| | CO₂-equivalent is the universal unit of measurement to indicate the global warming potential of each greenhouse gas, expressed in terms of the global warming potential of one unit of carbon dioxide. This unit is used to evaluate releasing (or avoiding releasing) different greenhouse gases against a common basis. | Remove terms specific to IPSASB SRS 1 |
| | Financed emissions are the portion of gross greenhouse gas emissions of an investee or counterparty attributed to the loans and investments made by an entity to the investee or counterparty. These emissions are part of Scope 3 Category 15 | Remove terms specific to IPSASB SRS 1 |

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| | (investments) as defined in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). | |
| | Global warming potential is a factor describing the radiative forcing impact (degree of harm to the atmosphere) of one unit of a given greenhouse gas relative to one unit of CO₂. | Remove terms specific to IPSASB SRS 1 |
| | Greenhouse gases are the seven greenhouse gases listed in the Kyoto Protocol—carbon dioxide (CO₂); methane (CH₄); nitrous oxide (N₂O); hydrofluorocarbons (HFCs); nitrogen trifluoride (NF₃); perfluorocarbons (PFCs) and sulfur hexafluoride (SF₆). | |
| | Indirect greenhouse gas emissions are emissions that are a consequence of the activities of an entity, but occur at sources owned or controlled by another entity. | |
| | Internal carbon price is a price used by an entity to assess the financial implications of changes to investment, production and consumption patterns, and of potential technological progress and future emissions abatement costs. An entity can use internal carbon prices for a range of applications. Two types of internal carbon prices that an entity commonly uses are: A shadow price, which is a theoretical cost or notional amount that the entity does not charge but that can be used to understand the economic implications or trade-offs for such things as risk impacts, new investments, the net present value of projects, and the cost and benefit of various initiatives; and An internal tax or fee, which is a carbon price charged to an operational activity, or other operating unit based on its greenhouse gas emissions (these internal taxes or fees are similar to intra-group charges). | Remove terms specific to IPSASB SRS 1 |
| | <u>Latest international agreement on climate change</u> is the most recent agreement by central governments and states to combat climate change setting norms and targets for a reduction in greenhouse gases. | |
| | Long term fiscal sustainability is the ability of an entity to meet service delivery and financial commitments, both now and in the future | Remove terms specific to IPSASB SRS 1 |
| | An operational model is an entity's system of transforming inputs through its activities into outputs and outcomes that aims to fulfill the entity's objectives. | Remove terms specific to IPSASB SRS 1 |
| | <u>Own operations</u> include all of the activities in an entity's operational model. | Remove terms specific to IPSASB SRS 1 |

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| | Public policy programs policies 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. | Drafting changes made reflecting March 2026 decisions |
| | 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 programs . | Drafting changes made reflecting March 2026 decisions |
| | Scope 1 greenhouse gas emissions are direct greenhouse gas emissions that occur from sources that are owned or controlled by an entity. | Remove terms specific to IPSASB SRS 1 |
| | Scope 2 greenhouse gas emissions are indirect greenhouse gas emissions from the generation of purchased or acquired electricity, steam, heating or cooling consumed by an entity. Purchased and acquired electricity is electricity that is purchased or otherwise brought into an entity's boundary. Scope 2 greenhouse gas emissions physically occur at the facility where electricity is generated. | Remove terms specific to IPSASB SRS 1 |
| | Scope 3 greenhouse gas emissions are indirect greenhouse gas emissions (not included in Scope 2 greenhouse gas emissions) that occur in the value chain of an entity, including both upstream and downstream emissions. Scope 3 greenhouse gas emissions include the Scope 3 categories in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). | Remove terms specific to IPSASB SRS 1 |
| | Scope 3 categories are 15 categories of Scope 3 greenhouse gas emissions as described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011): Purchased goods and services; Capital goods; Fuel and energy-related activities not included in Scope 1 greenhouse gas emissions or Scope 2 greenhouse gas emissions; Upstream transportation and distribution; Waste generated in operations; Business travel; Employee commuting; Upstream leased assets; Downstream transportation and distribution; Processing of sold products; Use of sold products; End-of-life treatment of sold products; | Remove terms specific to IPSASB SRS 1 |

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| | <p>Downstream leased assets;</p> <p>Franchises; and</p> <p>Investments.</p> | |
| | <p>A reporting entity's value chain refers to the full range of interactions, resources and relationships related to a reporting entity's operational model and the external environment in which it operates, including other public sector entities. A value chain encompasses the interactions, resources and relationships an entity uses and depends on to create its goods or provide services from conception to delivery, consumption and end-of-life, including interactions, resources and relationships in the entity's operations, such as human resources; those along its supply and distribution channels, such as materials and service sourcing, and service and/or product delivery; and the financing, geographical, geopolitical and regulatory environments in which the entity operates.</p> | <p>Remove terms specific to IPSASB SRS 1</p> |
| | Governance | |
| 8 | <p>11.—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 Climate-related risks and opportunities to its own operations; and</p> <p>12-8. Climateclimate-related <u>outcomes of public policy</u>ies programs and their outcomes.</p> | <p>Remove terms specific to IPSASB SRS 1</p> <p>Drafting changes made reflecting March 2026 decisions</p> |
| 9 | <p>13-9. To achieve this objective, <u>An</u> entity shall disclose information about:</p> <p>(a) The governing body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities to its own operations, and, where applicable, the oversight of climate-related <u>outcomes of public policy</u>programspolicies and their outcomes. Specifically, the entity shall identify that body(s) or individual(s) and disclose information about:</p> <p>(i) How responsibilities for climate-related risks and opportunities and, where applicable, climate-related <u>outcomes of public policy</u>programspolicies and their outcomes are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s);</p> <p>(ii) How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities to its own operations and, where applicable, oversee strategies for climate-related public policy programspolicies and their climate-related <u>outcomes of public policies</u>;</p> <p>(iii) How and how often the body(s) or individual(s) is informed about climate-related risks and opportunities and, where applicable, climate-</p> | <p>Remove terms specific to IPSASB SRS 1</p> <p>Drafting changes made reflecting March 2026 decisions</p> |

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| | <p>related outcomes of public policy programs and their outcomespolicies;</p> <p>(iv) How the body(s) or individual(s) takes into account climate-related risks and opportunities and, where applicable, climate-related outcomes of public policy programs and their outcomespolicies, when overseeing the entity's strategy, and its decisions on major public policy activities, and its risk management processes and related policies, processes to identify, assess, prioritize and monitor climate-related outcomes including whether the body(s) or individual(s) has considered associated trade-offs; and</p> <p>(v) How the body(s) or individual(s) oversees the setting of climate-related targets related to climate-related risks and opportunities and, where applicable, targets for intended outcomes of climate-related public policy programspolicies, and monitors progress towards those targets (see paragraphs 261–284).</p> <p>(b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities and, where applicable, climate-related outcomes of public policy programs and their outcomespolicies, including information about:</p> <p>(i) Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and</p> <p>(ii) Whether management uses controls and procedures to support the oversight of climate-related risks and opportunities to its own operations and, where applicable, climate-related outcomes of public policy programs and their outcomespolicies and, if so, how these controls and procedures are integrated with other internal functions.</p> | |
| | Strategy | |
| 10 | <p>14. 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:</p> <p>15. Climate-related risks and opportunities to its own operations; and c</p> <p>16-10. Climate-related <u>outcomes of public policy programs and their outcomes</u>policies.</p> | <p>Remove terms specific to IPSASB SRS 1</p> <p>Drafting changes made reflecting March 2026 decisions</p> |
| 11 | <p>11. Specifically, an entity shall disclose information about its strategy for managing climate-related risks and opportunities to its own operations, including:</p> <p>12. The climate-related risks and opportunities that could reasonably be expected to affect an entity's own operations (see paragraphs AG1.21–AG1.22);</p> <p>13. The current and anticipated effects of those climate-related risks and opportunities on the entity's operational model and value chain (see paragraphs AG1.23–AG1.24);</p> | <p>Remove terms specific to IPSASB SRS 1</p> |

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| | <p>14. The effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan (see paragraphs AG1.25–AG1.29);</p> <p>15. The current and anticipated effects of those climate-related risks and opportunities on its financial position, financial performance and cash flows for the reporting period and over the short, medium and long term (see paragraphs AG1.30–AG1.38); and</p> <p>The climate resilience of the entity's strategy and operational model to climate-related changes, developments, and uncertainties (see paragraphs AG1.39–AG1.62).</p> | |
| 12 | <p>47.11. Where applicable<u>Specifically, The an</u> entity's shall disclose information about its strategy for climate-related public policy programs, , including:</p> <p>(a) The public policies the entity is responsible for and the climate-related outcomes that could reasonably be attributed to them (see paragraphs 12–13);</p> <p>(b) The entity's strategy and decision-making in relation to climate-related outcomes of public policies public policy programs and their outcomes (see paragraphs 14AG2.24–AG2.25);</p> <p>(a)(c) The anticipated challenges to achieving the intended outcomes of climate-related public policy programs (see paragraphs AG2.26–AG2.28); and</p> <p>(b)(d) The current and anticipated financial implications of climate-related outcomes of public policies public policy programs to the entity itself (see paragraphs 15–20AG2.29–AG2.34).</p> | Drafting change made reflecting March 2026 decisions and respondent feedback |
| | <p><u>Public policy responsibilities and climate-related outcomes</u></p> | |
| AG2.24 (a) | <p>12. Paragraph 12(a) requires a<u>An entity to shall</u> disclose information that enables primary users of general purpose financial reports to understand its public policy responsibilities and climate-related outcomes that could reasonably be attributed to themthe entity's strategy and decisions making for its climate-related public policy programs and their outcomes. Specifically, the entity shall disclose:</p> <p>(a) The scope of the entity's climate-related public policy programs mandate, including an overview of the entity's responsibilities for the climate-related public policy program, and the role and responsibilities of any other entities where responsibilities for the public policy are shared;</p> | <p>Moved relevant disclosure requirements from AG2.24 of the ED to Core Text</p> <p>Drafting changes made reflecting March 2026 decisions</p> <p>Added requirement to disclosure role and responsibilities of other entities where responsibility is shared</p> <p>See Agenda Item 5.A.1</p> |

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| AG2.24 (b) | (b) A description of the current climate-related public policy programs , including the specific objectives, status, timelines and steps for implementation of the climate-related public policy program, such as addressing increased frequency and severity of flooding through the improvement of zoning and land use policy programs ; and | Moved relevant disclosure requirements from AG2.24 of the ED to Core Text Drafting changes made reflecting March 2026 decisions |
| AG2.24 (c) | (c) A description of the intended- climate-related outcomes that are expected as a result of the entity's climate-related public policy programs , including: (i) The processes to identify and evaluate climate-related outcomes as a result of climate-related the public policy programs , including how the entity has engaged with stakeholders and experts; (ii) The scope of the entities/individuals expected to be affected; and (iii) The time horizon over which the entity expects these to occur (see paragraph AG18) . | Moved relevant disclosure requirements from AG2.24 of the ED to Core Text Drafting changes made reflecting March 2026 decisions |
| IPSASB SRS 1 12 | 48-13. In identifying climate-related outcomes of public policies, the entity shall use all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort, including information about past events, current conditions and forecasts of future conditions. | Added proportionality consistent with IPSASB SRS 1 |
| | <u>Strategy and decision-making</u> | |
| AG2.24 | 49-14. Paragraph 12(a) requires a An entity to shall disclose information that enables primary users to understand the entity's its strategy and decision-making for its in relation to climate-related outcomes of public policies programs and their outcomes . Specifically, an entity shall disclose: | Drafting changes made reflecting March 2026 decisions |
| AG2.24 (d) | (a) Information about how the entity has considered, and plans to consider, climate-related outcomes in its strategy and decision-making, including information about Any factors and assumptions used in designing its climate-related public policy programs (see paragraph AG22), including: (i) Trade-off decisions, if any, between climate-related public policy program outcomes (such as balancing potential outcomes affecting effects on greenhouse gas emissions) and other outcomes (such as economic or social effects) ; (ii) Information about key assumptions used in developing its public policy transition plan and dependencies on which the public policy transition plan relies; and (iii) How the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets in relation to its own operations , described in accordance with paragraphs 22-27. | Moved relevant disclosure requirements from AG2.24 of the ED to Core Text Drafting changes made reflecting March 2026 decisions and in response to SMCs See Agenda Item 5.B.3 |
| AG1.25 (a)(v) | | |

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| 12(c) | (b) Information about how the entity is resourcing, and plans to resource, the activities disclosed in paragraph 12(a)(iii); and | Drafting changes made reflecting March 2026 decisions and in response to SMCs See Agenda Item 5.A.2 |
| AG2.24 (e) | <p>—(c) Quantitative and qualitative information about the progress of <u>plans climate-related public policy programs towards the achievement of intended outcomes</u> disclosed in previous reporting periods <u>in accordance with paragraph 12(a)(iii).</u>, including:</p> <p>— <u>Information about the climate-related public policy program status, timelines and steps for implementation (e.g., legislation process);</u></p> <p><u>Anticipated challenges to the achievement of intended outcomes (see paragraph AG2.26) and progress made to address these anticipated challenges; and</u></p> <p><u>Processes to monitor achievement of outcomes.</u></p> | Drafting changes made reflecting March 2026 decisions and in response to SMCs |
| | <i><u>Financial Implications of Climate-related Outcomes</u></i> | |
| 12(c) | <p><u>15. An entity shall disclose information that enables primary users of general purpose financial reports to understand:</u></p> <p>(a) The current and anticipated financial implications of <u>the climate-related outcomes of public policy programs</u> to the entity itself in the reporting period;</p> <p>(b) <u>The anticipated financial implications of the climate-related outcomes of public policies over the short, medium and long term</u> (see paragraphs AG2.29–AG2.31); and</p> <p>(c) <u>The methodology, measurement approach, key inputs and assumptions the entity uses to estimate the current and anticipated financial implications of the climate-related outcomes of public policies.</u></p> | Drafting changes made reflecting March 2026 decisions and in response to SMCs See Agenda Item 5.A.2 |
| AG1.34 - AG1.38 | <p><u>20-16.</u> In providing quantitative information, an entity may disclose a single amount or a range.</p> <p><u>17.</u> In preparing disclosures about the <u>current and</u> anticipated financial effects <u>implications of the</u> climate-related risk or opportunity outcomes of public policies. an entity shall:</p> <p>(a) Use all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort; and</p> | <p>Add proportionality mechanisms</p> <p>See Agenda Item 5.A.2</p> <p>Remove elements of IPSASB SRS 1</p> |

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| | <p>(b) Use an approach that is commensurate with the skills, capabilities and resources that are available to the entity for preparing those disclosures.</p> <p><u>18.</u> An entity need not provide quantitative information about current and anticipated financial effects<u>implications of a climate-related risk or opportunity</u> the climate-related outcomes if the entity determines that:</p> <p>(a) Those effects are not separately identifiable; or</p> <p>(b) The level of measurement uncertainty involved in estimating those effects is so high that the resulting quantitative information would not be useful.</p> <p><u>24-19.</u> In addition, an entity need not provide quantitative information about the current and anticipated financial implications of climate-related outcomes if the entity does not have the skills, capabilities or resources to provide that quantitative information.</p> <p><u>22-20.</u> If an entity determines that it need not provide quantitative information about the current and anticipated financial implications of a climate-related risk or opportunity <u>climate-related outcomes</u> applying the criteria set out in paragraphs 18(d) <u>and 19</u>, the entity shall:</p> <p>(a) Explain why it has not provided quantitative information;</p> <p>(b) Provide qualitative information about those financial implications, including identifying line items, totals and subtotals within the related financial statements that are likely to be affected, or have been affected, by that <u>climate-related outcome</u> climate-related risk or opportunity, where applicable; and</p> <p>(c) Provide quantitative information about the combined financial effects of that climate-related risk or opportunity with other climate-related risks or opportunities <u>implications of that climate-related outcome with other climate-related outcomes</u> and other factors unless the entity determines that quantitative information about the combined financial <u>implications</u> effects would not be useful.</p> | |
| | Risk and Outcome Management | |
| 13 | <p><u>23.</u> 21. 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:</p> <p>(a) Climate-related risks and opportunities to its own operations, including whether and how those processes are integrated into and inform the entity's overall risk management process; and</p> <p>(b)(a) Anticipated and unanticipated challenges to the achievement of the intended outcomes of the climate-related <u>outcomes of public policy programs</u>, including whether and how those processes are integrated into and inform the entity's overall risk management process.</p> | Remove elements of IPSASB SRS 1 |

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| 14 | <p>Specifically, an entity shall disclose information on managing climate-related risks and opportunities to its own operations, including:</p> <p>The processes and related risk management policies the entity uses to identify, assess, prioritize and monitor climate-related risks to the entity's long-term fiscal sustainability (see paragraphs AG1.63–AG1.64);</p> <p>The processes the entity uses to identify, assess, prioritize and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities; and</p> <p>The extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.</p> | Remove elements of IPSASB SRS 1 |
| 15 | <p>22. Where applicable, To achieve this objective, an entity shall also disclose information about:on managing challenges to achieving the intended outcomes of climate-related public policy programs, including:</p> | Drafting changes made reflecting March 2026 decisions |
| 15(a) | <p>(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-related outcomes of the climate-related public policy program (see paragraph AG2.32); and including:</p> | Moved disclosure requirements from paragraph AG2.32 to core text |
| <u>AG2.32</u> (a) | <p>(i) The inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes);</p> | Moved disclosure requirements from paragraph AG2.32 to core text |
| <u>AG2.32</u> (b) | <p>(ii) How the entity assesses the nature, likelihood and magnitude of those challenges climate-related outcomes (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria);</p> | Moved disclosure requirements from paragraph AG2.32 to core text |
| <u>AG2.32</u> (c) | <p>(iii) How the entity prioritizes and monitors those challenges to achieving intended climate-related outcomes; and</p> | <p>Moved disclosure requirements from paragraph AG2.32 to core text</p> <p>Drafting changes made reflecting March 2026 decisions</p> |
| AG2.32 (d) | <p>(iv) Whether and how the entity has changed the processes it uses compared with the previous reporting period.</p> | Moved disclosure requirements from paragraph AG2.32 to core text |

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| 15(b) | (b) The extent to which, and how, the processes disclosed in paragraph 15 <u>22</u> (a) are integrated into and inform the entity's overall risk management process. | |
| | Metrics and Targets | |
| 16 | <p>16. 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, 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:</p> <p>17. Climate-related risks and opportunities to its own operations (see paragraphs 17–25); and</p> <p>18. the climate-related outcomes of public policy programs and their outcomes (see paragraphs 26–27).</p> <p>23.</p> | <p>Remove elements of IPSASB SRS 1</p> <p>Drafting changes made reflecting March 2026 decisions</p> |
| | Climate-related metrics for an entity's own operations | |
| 17 | <p>An entity shall disclose information relevant to the following metric categories:</p> <p>Greenhouse gases—the entity shall:</p> <p>Disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO₂-equivalent (see paragraphs AG1.65–AG1.70), classified as:</p> <p>Scope 1 greenhouse gas emissions;</p> <p>Scope 2 greenhouse gas emissions; and</p> <p>Scope 3 greenhouse gas emissions;</p> <p>Measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless a different method for measuring its greenhouse gas emissions is determined to better meet primary user information needs or is required by a jurisdictional authority (see paragraphs AG1.71–AG1.75);</p> <p>Disclose the approach it uses to measure its greenhouse gas emissions (see paragraphs AG1.76–AG1.77) including:</p> <p>The methodology, measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions;</p> <p>The reason why the entity has chosen the methodology, measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and</p> <p>Any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;</p> <p>For Scope 1 and Scope 2 greenhouse gas emissions disclosed in accordance with paragraphs 17(a)(i)a–17(a)(i)b, disaggregate emissions between:</p> | <p>Remove elements of IPSASB SRS 1</p> |

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| | <p>The consolidated accounting group (for example, for an entity applying IPSAS, this group would comprise the parent and its controlled entities); and</p> <p>Other investees excluded from paragraph 17(a)(iv)a (for example, for an entity applying IPSAS, these investees would include associates, joint ventures and unconsolidated controlled entities);</p> <p>For Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 17(a)(i)b, disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to inform primary users' understanding of the entity's Scope 2 greenhouse gas emissions (see paragraphs AG1.78–AG1.79); and</p> <p>For Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 17(a)(i)c, and with reference to paragraphs AG1.80–AG1.105, disclose:</p> <p>The categories included within the entity's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011); and</p> <p>Additional information about the entity's Category 15 greenhouse gas emissions or those associated with its investments (financed emissions), if the entity's activities include financial services and investing (see paragraphs AG1.104–AG1.105);</p> <p>Climate-related transition risks—the amount and percentage of operating activities or assets vulnerable to climate-related transition risks;</p> <p>Climate-related physical risks—the amount and percentage of operating activities or assets vulnerable to climate-related physical risks;</p> <p>Climate-related opportunities—the amount and percentage of operating activities or assets aligned with climate-related opportunities;</p> <p>Internal carbon prices—the entity shall disclose, with reference to paragraphs AG1.108–AG1.109:</p> <p>An explanation of whether and how the entity is applying a carbon price in decision-making (for example, in procurement processes and decisions);</p> <p>A description of how the entity determines the carbon price; and</p> <p>The price for each metric ton of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions; and</p> <p>Remuneration—if any climate-related considerations are directly factored into remuneration of key management personnel, the entity shall disclose:</p> <p>The amount of remuneration to key management personnel recognized in the current period that is linked to climate-related considerations; and</p> <p>A description of how this amount is determined (see also paragraph 9(a)(v)).</p> | |
| 18 | <p>In preparing disclosures to meet the requirements in paragraphs 17(b)–17(d), an entity shall use all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort.</p> | Remove elements of IPSASB SRS 1 |

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| 19 | In preparing disclosures to meet the requirements in paragraphs 17(b)–17(f), an entity shall refer to paragraphs AG1.106–AG1.109. | Remove elements of IPSASB SRS 1 |
| 20 | An entity shall disclose peer metrics that are associated with one or more particular operational models, activities or other common features that are similar to other entities such as similar categories of functions of government. In determining the peer metrics that the entity discloses, the entity may consider the applicability of existing industry-based metrics such as those associated with disclosure topics described in the Industry-based Guidance on Implementing IFRS S2 or the Global Reporting Initiative (GRI) Sector Standards. | Remove elements of IPSASB SRS 1 |
| | Climate-related targets for an entity's own operations | |
| 21 | <p>An entity shall disclose the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the entity shall disclose:</p> <p>The metric used to set the target (see paragraphs AG1.110–AG1.111);</p> <p>The objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);</p> <p>The scope to which the target applies (for example, whether the target applies to the entirety of the entity or only a part of the entity, such as a specific operating unit or specific geographical region);</p> <p>The period over which the target applies;</p> <p>The base period from which progress is measured;</p> <p>Any milestones and interim targets;</p> <p>If the target is quantitative, whether it is an absolute target or an intensity target; and</p> <p>How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.</p> | Remove elements of IPSASB SRS 1 |
| 22 | <p>An entity shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:</p> <p>A description of any validation process employed in setting the target and the methodology;</p> <p>The entity's processes for reviewing the target;</p> <p>The metrics used to monitor progress towards reaching the target; and</p> <p>Any revisions to the target and an explanation for those revisions.</p> | |
| 23 | An entity shall disclose information about the performance against each climate-related target and an analysis of its trends or changes. | Remove elements of IPSASB SRS 1 |
| 24 | For each greenhouse gas emissions target disclosed in accordance with paragraphs 21–23, an entity shall disclose: | Remove elements of IPSASB SRS 1 |

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| | <p>Which greenhouse gases are covered by the target;</p> <p>Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;</p> <p>Whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target (see paragraphs AG1.112–AG1.113);</p> <p>Whether the target was derived using a sectoral decarbonization approach; and</p> <p>The entity's planned use of carbon credits, if any, to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits the entity shall disclose information including, and with reference to paragraphs AG1.114–AG1.115:</p> <p>The extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;</p> <p>Which third party scheme(s) will verify or certify the carbon credits, if any;</p> <p>The type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and</p> <p>Any other factors necessary for primary users of general purpose financial reports to understand the credibility and integrity of the carbon credits the entity plans to use (for example, assumptions regarding the permanence of the carbon offset).</p> | |
| 25 | <p>In identifying and disclosing the metrics used to set and monitor progress towards reaching a target described in paragraphs 21–24, an entity shall refer to and consider the applicability of peer metrics (see paragraph 20), or metrics that otherwise satisfy the requirements in this [draft] Standard.</p> | Remove elements of IPSASB SRS 1 |
| | <p>Metrics for cClimate-related metrics public policy programs</p> | |
| 17 and 26 | <p>24. Where an entity has responsibility for the climate-related outcomes of a climate-related public policy program, tThe entity shall disclose <u>any metrics used to assess, prioritize and monitor climate-related outcomes of public policies, including information relevant to the following metric categories:</u></p> <p>(a) Greenhouse gases—the entity shall disclose information including:</p> <p>(i) The change in greenhouse gas emissions reasonably attributable to a climate-related public policy program during the reporting period; and</p> | Drafting changes made reflecting March 2026 decisions |

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| | <p>(ii) <u>The approach it uses to measure its change in greenhouse gas emissions reasonably attributable to a public policy as disclosed in 24(a)(i), including:</u></p> <p>a. <u>The methodology, measurement approach, inputs and assumptions it uses to measure the change in greenhouse gas emissions reasonably attributable to a climate-related public policy program as disclosed in 13(a)(i) (see paragraphs AGXX2.34–AGXX2.37);</u></p> <p>4-b. <u>The reason why the entity has chosen the methodology, measurement approach, inputs and assumptions it uses to measure its the change in greenhouse gas emissions; and</u></p> <p>2-c. <u>Any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes.</u></p> <p>(b) Other metrics—the entity shall disclose information including:</p> <p>(i) Other metrics the entity uses to measure and monitor the performance in relation to its climate-related <u>outcomes of</u> public policies (see paragraphs AGXX2.38–AGXX2.44); and</p> <p>(ii) <u>The approach, inputs and assumptions it uses to measure the metric as disclosed in 2413(b)(i) (see paragraphs AGXX2.42–AGXX2.44), including:</u></p> <p>a. The methodology, measurement approach, inputs and assumptions it uses to measure the metric;</p> <p>b. The reason why the entity has chosen the metric, the methodology, measurement approach, inputs and assumptions it uses to measure <u>the climate-related outcomes of public policies</u> its greenhouse gas emissions; and</p> <p>c. Any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes.</p> | |
| N/A | <p>25. <u>In preparing disclosures on the change in greenhouse gas emissions reasonably attributable to a public policy, an entity shall:</u></p> <p>(a) <u>Use all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort; and</u></p> <p>(b) <u>Use an approach that is commensurate with the skills, capabilities and resources that are available to the entity for preparing those disclosures.</u></p> | <p>Add proportionality mechanisms in response to SMCs</p> <p>See Agenda Item 5.A.3</p> |
| | <p>Targets for eClimate-related targets outcomes<u>Targets for achieving intended outcomes of climate-related public policy programs</u></p> | |
| 21 | <p>26. At<u>The</u> entity shall disclose anythe quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals in relation</p> | <p>Replaces ED cross-reference to disclosure</p> |

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| | <p><u>to the public policy</u>, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the entity shall disclose:</p> <ul style="list-style-type: none"> (a) The metric used to set the target (see paragraphs AGXX1.110–AGXX1.114); (b) The objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) The scope to which the target applies (for example, whether the target applies to the entirety of the <u>entity jurisdiction</u> or only a part of <u>the entity, such as a specific operating unit or specific geographical region</u>); (d) The period over which the target applies; (e) The base period from which progress is measured; (f) Any milestones and interim targets; (g) If the target is quantitative, whether it is an absolute target or an intensity target; and (h) How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target. | <p>requirements in IPSASB SRS 1</p> <p>Drafting changes made reflecting March 2026 decisions</p> |
| 22 | <p>27. An entity shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:</p> <ul style="list-style-type: none"> (a) A description of any validation process employed in setting the target and the methodology; (b) The entity's processes for reviewing the target; (c) The metrics used to monitor progress towards reaching the target; and (d) Any revisions to the target and an explanation for those revisions. | <p>Replaces ED cross-reference to own operations disclosure requirements</p> |
| 23 | <p>28. An entity shall disclose information about the performance against each climate-related target and an analysis of its trends or changes.</p> | <p>Replaces ED cross-reference to own operations disclosure requirements</p> |
| 27 | <p>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 (see paragraph AG2.40).</p> | <p>Removed as the cross-reference paragraphs have been brought over to the paragraphs above</p> |
| | <p>Effective Date and Transition</p> | |
| | <p><i>Effective Date</i></p> | |

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| 28 | 29. An entity shall apply this [draft] Standard for annual reporting periods beginning on or after January 1 [YYYY]. Earlier application is permitted. If an entity applies this [draft] Standard earlier, it shall disclose that fact. | Effective date to be decided at a future IPSASB meeting |
| 29 | 30. For the purposes of applying paragraphs 310 – 332 , the date of adoption is the beginning of the annual reporting period in which an entity first applies this [draft] Standard. | |
| | <i>Transition</i> | |
| 30 | 31. An entity is not required to provide the disclosures specified in this [draft] Standard for any period before the date of adoption. Accordingly, an entity is not required to disclose comparative information in the first annual reporting period in which it applies this [draft] Standard. | |
| 31 | 32. In the first annual reporting period in which an entity applies this [draft] Standard, the entity is permitted to use the relief below: (e) —The entity is permitted to report its climate-related disclosures after it publishes its related financial statements, within nine months of the end of the annual reporting period in which the entity first applies this [draft] Standard; (a) An entity is not required to disclose its Scope 3 greenhouse gas emissions (see paragraph 17(a)(i)c); and (b) An entity is not required to disclose the change in greenhouse gas emissions from climate-related public policy programs <u>ies</u> that were in place on the date of adoption of this [draft] Standard (see paragraph 246 (a)). | Remove elements of SRS 1 Drafting changes made reflecting March 2026 decisions Decisions on transition relief to be discussed at a future IPSASB meeting |
| 32 | 33. An entity may elect an earlier date of adoption without a transition period. | |
| 33 | 34. If an entity elects to apply the relief in paragraph 301 , the entity is permitted to continue to use that relief for the purposes of presenting that information as comparative information in subsequent reporting periods. | |
| Appendix A2: Application Guidance—Climate-related Public Policy Programs | | |
| | Scope and definitions (see paragraphs 3-7) | |
| AG1.3 | AG1. Public sector entities perform a broad range of activities in the public interest, which could include: (a) Service design and delivery; (b) Compliance and enforcement; and (c) Monitoring and evaluation. | |
| BC13 | As a result of their <u>Some public sector entities have</u> sovereign powers, <u>either inherent or delegated, governments and other public sector entities have with</u> | |

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| | | the ability to regulate <u>influence</u> the activities of other parties <u>entities</u> , including other public sector entities, private sector entities and/or individuals, either directly or through specifically created agencies <u>other entities</u> . | |
| N/A | AG2. | <u>In applying this [draft] Standard, an entity shall consider public policies with climate-related outcomes for which it is responsible, through which it exercises sovereign powers to influence the decisions or behaviors of other entities or individuals.</u> | See Agenda Item 5.A.1 |
| AG2.1 | | Paragraph 3 requires disclosures about the climate related risks and opportunities to an entity's own operations and disclosures about the outcomes of climate related public policy programs. | Remove elements of combined ED |
| AG2.2 | | This Appendix A2: Application Guidance — Climate-related Public Policy Programs provides requirements and guidance for public sector entities that are responsible for outcomes of climate-related public policy programs. | Remove elements of combined ED |
| AG2.3 | | These requirements and guidance are applicable for all public sector entities that have responsibility for the outcomes of a climate-related public policy program to provide information to primary users to enable decision-making and to hold entities accountable for the climate-related public policy programs for which they have responsibility and for their outcomes. | Remove elements of combined ED |
| AG2.5 | | Climate-related public policy programs are those that have a primary objective to achieve climate-related outcomes. Primary objectives may be expressed as a key performance indicator for the public policy program outcomes such as a percentage reduction in greenhouse gases or percentage increase in energy efficiencies. This primary objective may also be expressed using a narrative description of a desired future state primarily relating to climate, such as reduced exposure to climate-related physical risks, resulting from the public policy program. An entity with such climate-related public policy programs shall provide disclosures as outlined in paragraph AG2.18. | Drafting changes made reflecting March 2026 decisions |
| AG2.6 | | Many public policy programs may have an effect on climate, even though this may not be their primary objective, and therefore may not meet the definition to be considered a climate-related public policy program. For example, an entity's public policy program to expand train networks may have a primary objective to reduce traffic congestion yet may also result in reduced emissions, or an entity's policies to use coal energy may increase greenhouse gas emissions but have a primary objective to provide cost-effective and stable electricity to rural areas. However, this [draft] Standard only requires disclosures about those public policy programs with a primary objective to achieve climate-related outcomes. An entity shall exercise judgment in identifying climate-related public policy programs. | Drafting changes made reflecting March 2026 decisions |
| | | <u><i>Responsibility for public policies with climate-related outcomes of a climate-related public policy program</i></u> | |
| AG2.7 | AG3. | Entities who have responsibility for climate-related outcomes of a climate-related public policy <u>public policies with climate-related outcomes</u> program should | Drafting changes made reflecting |

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| | | provide disclosures required in this [draft] Standard about the climate-related <u>outcomes of those public policy programs and their outcomes</u> . | March 2026 decisions See Agenda Item 5.A.1 |
| AG2.4 | AG4. | <p>Public policy programs <u>ies</u> may include:</p> <ul style="list-style-type: none"> (a) Regulations and standards <u>based policies</u>, such as <u>requirements, codes, or other enforceable measures</u> any that specify abatement technologies (technology standard) or minimum requirements for energy consumption, pollution output, or other activities (performance standard), and typically include penalties for noncompliance; (b) Taxes and charges <u>Fiscal policies</u>, such as a levy imposed on each unit of activity by a source <u>ies, duties, or subsidies applied to specific activities, products, or services, such as a fuel tax, carbon tax, traffic congestion charge, or import or export tax;</u> (c) Subsidies and incentives such as direct payments, tax reductions, price supports or the equivalent thereof from a public sector entity to another entity for implementing a practice or performing a specified action; (a) Emissions trading programs, or emissions trading systems (ETS) or cap-and-trade programs that establish a limit on aggregate emissions from specified sources, and require sources to hold permits, allowances, or other units equal to their actual emissions, and allow permits to be traded among sources; (b) <u>(a)</u> Voluntary agreements or measures or collaborative policies, such as <u>negotiated an agreements, voluntary commitments, or partnership arrangements</u> measure undertaken voluntarily by involving public or private sector actors, either unilaterally or jointly in a negotiated agreement. Some voluntary agreements include rewards or penalties associated with participating in the agreement or achieving the commitments; (d) Information instruments which are requirements for public disclosure of information, such as labeling programs, emissions reporting programs, rating and certification systems, benchmarking, and information or education campaigns aimed at changing behavior by increasing awareness; (e) <u>(b)</u> Research, development and deployment innovation policies aimed at supporting technological advancement, through, such as direct government <u>public funding or investment, or facilitation of investment, or other measures intended to support technological in technology</u> research, development, demonstration, and deployment activities; <u>and</u> | March 2026 decisions See Agenda Item 5.A.1 Drafting changes made reflecting March 2026 decisions |

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| | | <p>(e) Public procurement policies requiring that specific attributes (such as greenhouse gas emissions) be considered as part of the public procurement processes;</p> <p>(d) Infrastructure and development programs policies that provide (or grant an entity permit for) infrastructure, such as policies relating to the provision, funding, or facilitation of transport roads, water supply, or urban services energy, and infrastructure high speed rail;</p> <p>(e) Implementation of new technologies, processes, or practices, such as those that reduce emissions compared to existing technologies, processes, or practices at a broad scale; and</p> <p>(f)(c) Financing and investment such as public or private sector grants or loans for supporting development strategies.</p> | |
| N/A | AG7. | <p>An entity need not undertake an exhaustive search across all public policies to identify public policies with climate-related outcomes. In applying this [draft] Standard, an entity considers public policies with climate-related outcomes for which it has responsibility and assesses whether information is material for disclosure.</p> | See Agenda Item 5.A.1 |
| N/A | AG8. | <p>In many jurisdictions, multiple public sector entities may be involved in public policy. Responsibility may be distributed across different levels and functions of government. For example, an overarching policy may be established at a higher level of government, further developed into more specific policies by another entity, and implemented by other entities. Responsibility may also be shared across departments, and entities may operate with significant interdependencies, such as between central government entities and line ministries.</p> | <p>Drafting changes made in response to SMCs</p> <p>See Agenda Item 5.A.1</p> |
| AG2.17 | AG9. | <p>Entities may have different roles across different stages of a public policy, such as:</p> <p>(a) Policy design to meet the entity's responsibilities and mandate, which includes the identification and prioritization of specific objectives of a climate-related public policy program, and the factors that led to the development of the climate-related public policy program. For example, to address the threat of sea level rise to a community, a municipality identified the need to develop a public policy to support the construction of flood levees;</p> <p>(a)(b) Policy implementation to administer or deliver the climate-related public policy program includes considering the management of anticipated and/or unanticipated challenges to achieving the intended outcomes of climate-related public policy programs, such as anticipated challenges in coordinating across multiple implementing entities, or unanticipated challenges from limited uptake of the climate related</p> | <p>Drafting changes made in response to SMCs</p> <p>See Agenda Item 5.A.1</p> |

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| | <p>public policy program public policy outcomes, such as coordinating across multiple implementing entities, or limited uptake of the public policy; and</p> <p>(b)(c) Policy monitoring includes monitoring whether the intended outcomes are on track to be or are achieved, and whether there are any unintended public policy outcomes and targets are on track to be or are achieved, and whether there are any outcomes indicating the need to amend the climate-related public policy program.</p> | |
| AG2.8 | <p>AG10. An entity shall consider all facts and circumstances when assessing whether it has responsibility for outcomes of a climate-related public policy with climate-related outcomes program. Factors that may indicate that an entity has such responsibility include, but are not limited to:</p> <p>(a) Legislation that states that the entity has responsibility for the outcomes of a climate-related public policy program;</p> <p>(b) Responsibility for the design of the climate-related public policy program, including ability to make decisions about changes to the climate-related public policy program or introduction of new climate-related public policy programs to achieve the outcomes; or</p> <p>(c) Accountability <u>to service recipients and resource providers</u> for the consequences of not achieving the outcomes.</p> <p>Meeting any of these factors, or a combination of these, can establish responsibility, although other relevant factors may also apply. Entities may need to exercise judgment in determining whether they have responsibility for outcomes of a climate-related public policy program.</p> | Drafting changes made reflecting March 2026 decisions |
| N/A | <p><u>AG11. Where responsibility of a public policy is shared across entities, information relating to strategy and decision-making, financial implications, and the identification, assessment, prioritization and monitoring of climate-related outcomes for example may be undertaken by different entities. In such circumstances, an assessment and coordination between entities may be necessary to ensure— at least one entity provides disclosures required by the [draft] Standard, including in accordance with paragraph 121(a), entities shall disclosure of the role of other entities that share responsibility for the public policy (in accordance with paragraph 12(a)) to enable primary users to understand the disclosures provided across entities.</u></p> <p><u>AG11-AG12. For example, one entity may be responsible for setting a public policy while another entity provides funding for the public policy. Disclosures by one of the entities about the climate-related outcomes of the public policy with climate-related outcomes, including the roles of other entities with shared responsibility, may assist primary users in developing a more complete understanding of the</u></p> | Drafting changes made in response to SMCs See Agenda Item 5.A.1 |

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| | <u>public policy, including how climate-related outcomes are identified, assessed, prioritized, and monitored across entities.</u> | |
| | <i>Climate-related public policy program outcomes</i> | |
| AG2-9 | <p>AG5. Climate-related public policy program outcomes include climate-related impacts on the economy, environment and people, which are interconnected by nature. For example:</p> <p>(a) A traffic congestion tax policy with a primary objective to reduce greenhouse gas emissions may also result in economic impacts for private sector entities operating in the jurisdiction and economic and/or social impacts for individuals living and working in the jurisdiction;</p> <p>(b) An entity's public policy program to invest in high speed rail infrastructure with a primary objective to reduce greenhouse gas emissions may also result in economic opportunities for private sector entities as well as social impacts for individual service recipients;</p> <p>(c) Public policy programs relating to emissions trading programs may have economic impacts for private sector corporations; and</p> <p>(d) Public policy program to reduce greenhouse gas emissions can contribute to improved air quality and affect the health of citizens.</p> | Removed section reflecting March 2026 decision |
| AG2-10 | <p>AG6. Climate-related public policy program outcomes could directly affect society as a whole or affect particular groups or institutions within society or affect the economy and environment. Climate-related public policy program outcomes could have relatively direct impacts on recipients of the entity's services. They could also have positive or negative impacts on others that are not recipients of the entity's services but who are indirectly affected by those services.</p> | Removed section reflecting March 2026 decision |
| AG2-11 | <p>AG7. The relationship between an entity's climate-related public policy programs and its outcomes are sometimes strong and direct, but this may not always be the case. For example:</p> <p>AG8. A rain garden infrastructure that intends to reduce flood risk for a residential area may also have indirect outcomes, such as minimizing public spending on flood repairs; or</p> <p>AG9. A carbon tax that intends to reduce greenhouse gas emissions by influencing individuals and commercial behaviors may also have indirect outcomes, such as affecting inflation and economic activity.</p> | Removed section reflecting March 2026 decision |
| AG2-12 | <p>AG10. Public policy program outcomes are often driven by interactions and dependencies outside the entity's direct control through a series of cause and effect relationships. Factors beyond the entity's control, such as broader market or societal factors, individuals or third</p> | Moved below under Climate-related Outcomes section |

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| | parties, may intervene to either hinder or facilitate the entity's achievement of public policy program outcomes. An entity's identification of climate-related public policy program outcomes shall consider the extent to which outcomes can be attributed to the entity's public policy programs and other factors that have influenced the outcomes. It shall not include outcomes that cannot be reasonably attributed to the public policy program (see paragraph 2(b)). Disclosures shall be sufficient to ensure that the primary users can understand the entity's role with respect to either improving or worsening public policy program outcomes. | |
| | <u>Climate-related Outcomes</u> | |
| N/A | <p><u>AG12-AG13. Climate-related outcomes can be both positive and negative. For example:</u></p> <ul style="list-style-type: none"> (a) <u>A fossil fuel subsidy may lower the cost of fossil fuel production and encourage continued reliance on emissions-intensive activities. This may increase greenhouse gas emissions, which affects progress towards climate mitigation, resulting in a negative climate-related outcome; and</u> (b) <u>An urban zoning policy may restrict development in flood-prone areas and require green spaces in urban planning. These measures may reduce exposure to flooding and other climate-related hazards, supporting climate change adaptation, and resulting in a positive climate-related outcome.</u> | Drafting changes made reflecting March 2026 instructions |
| N/A | <p><u>AG13-AG14. Climate-related outcomes are public policy outcomes relating to that may positively support or contribute to climate change mitigation or adaptation efforts, or negatively hinder such efforts. International climate literature, including the Paris Agreement and the United Nations Framework Convention on Climate Change (UNFCCC), identify climate change mitigation and climate change adaptation as two key aspects of climate change:</u></p> <ul style="list-style-type: none"> (a) <u>Climate change mitigation refers to actions taken to reduce or prevent greenhouse gas emissions, or enhance greenhouse gas sinks in order to limit global warming; and</u> (b) <u>Climate change adaptation refers to the process of adjusting to the current or expected effects of climate change, in order to moderate harm or take advantage of beneficial opportunities.</u> | Drafting changes made reflecting March 2026 instructions |
| <u>AG2.27</u> | <p><u>AG14-AG15. Climate-related outcomes of a public policy may be influenced by various factors. Public sector entities may face particular challenges to achieving the outcomes of a climate-related public policy program, such as:</u></p> <ul style="list-style-type: none"> (a) Policy leadership factors – the challenges posed by inconsistent strategies across levels of government to achieve net zero or insufficient funding or support for entities to implement policies; | Drafting changes made reflecting March 2026 decisions |

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| | | <p>(b) Accountability factors – the lack of clear roles and responsibilities on how entities contribute to <u>public policy outcomes</u> regional, national or subnational climate commitments and targets;</p> <p>(c) Coordination and delivery factors – the failure to collaborate effectively across public sector entities involved with public policies iesy programs to address system-wide challenges;</p> <p>(d) Other internal factors, such as resource constraints, operational challenges, and technical limitations; and</p> <p>(e) Other external factors, such as regulatory constraints, economic conditions, and local opposition.</p> | |
| AG2.12 | | <p>AG15-AG16. <u>Climate-related Public policy program</u> outcomes are often driven by interactions and dependencies outside the entity's direct control through a series of cause-and-effect relationships. Factors beyond the entity's control, <u>such as broader market or societal factors, individuals or third parties</u>, may intervene to either hinder or facilitate the entity's achievement of <u>public policy program outcomes objectives and outcomes</u>. An entity's identification of climate-related <u>public policy program</u> outcomes shall consider the extent to which outcomes can be attributed to the entity's public policy programs ies and other factors that have influenced the outcomes. It shall not include outcomes that cannot be reasonably attributed to the public policy program (see paragraph 2(b)). Disclosures shall be sufficient to ensure that the primary users can understand the entity's role with respect to either improving or worsening <u>public policy program climate-related</u> outcomes.</p> | <p>Drafting changes made reflecting March 2026 decisions</p> <p>See Agenda Item 5.B.2</p> |
| AG1.21 - AG1.22 | | <p>AG16-AG17. <u>Climate-related outcomes can occur over</u> short-, medium-, and long-term time horizons. <u>The time horizons over which the climate-related outcome could reasonably be expected to occur</u> can vary between entities and depend on many factors, including the planning horizons typically used for <u>policy design</u>, strategic decision making, and the time horizons over which primary users of general purpose financial reports conduct their assessments.</p> | <p>Drafting changes made reflecting March 2026 decisions and in response to respondent feedback</p> |
| AG2.13 | | <p>An entity may also identify and consider where achievement of intended outcomes of climate-related public policy programs affects, or is affected by, climate-related risks and opportunities to its own operations. Climate-related risks and opportunities that impact the entity itself may present challenges to achieving the intended outcomes of climate-related public policy programs. For example, increased wildfires may limit resource availability to the entity itself, leading to insufficient staffing to support the achievement of the intended outcomes of its policy program. Conversely, the achievement of intended outcomes of the climate-related public policy program could give rise to climate-related risks and opportunities for the entity's own operations. For example, if a climate-related public policy program did not achieve its intended outcome to</p> | <p>Removed combined elements of ED</p> |

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| | reduce emissions from coal-fired power plants in the region, the continued levels of emissions could contribute to increased transition risk for the entity itself. | |
| AG2.14 | Similarly, outcomes of an entity's own operations may have an effect on the outcomes of climate-related public policy programs for which an entity has responsibility. For example, the conversion of an entity's office spaces to more climate-friendly buildings may contribute to the outcomes of the sustainable building climate-related public policy program that the entity has responsibility for in its jurisdiction. | Removed combined elements of ED |
| AG2.15 | Where an entity has responsibility for the outcomes of a climate-related public policy program and those programs affect, or are affected by, its own operations, the entity discloses the outcomes of the public policy program in accordance with this application guidance (see paragraph AG2.18) and the climate-related risks and opportunities to the entity's own operations in accordance with Appendix A1: Application Guidance—Own Operations. | Removed combined elements of ED |
| | <i>Disclosures on climate-related public policy programs and their outcomes</i> | |
| AG2.16 | Disclosures about an entity's climate-related public policy programs are focused on understanding the objectives of the climate-related public policy programs and their outcomes, including whether they are achieving their intended outcomes. | Removed combined elements of ED |
| AG2.17 | An entity's processes, including governance, strategy and risk management, consider the various aspects and stages of a public policy program, such as: Policy design to meet the entity's responsibilities and mandate, which includes the identification and prioritization of specific objectives of a climate-related public policy program, and the factors that led to the development of the climate-related public policy program. For example, to address the threat of sea level rise to a community, a municipality identified the need to develop a climate-related public policy program to support the construction of flood levees; Policy implementation to administer or deliver the climate-related public policy program includes considering the management of anticipated and/or unanticipated challenges to achieving the intended outcomes of climate-related public policy programs, such as anticipated challenges in coordinating across multiple implementing entities, or unanticipated challenges from limited uptake of the climate-related public policy program; and Policy monitoring includes monitoring whether the intended outcomes are on track to be or are achieved, and whether there are any unintended outcomes indicating the need to amend the climate-related public policy program. | Moved up |
| AG2.18 | AG11. An entity that has responsibility for the outcomes of a climate-related public policy program shall provide climate-related disclosures to enable primary users of general purpose financial reports to understand the entity's: | Remove elements of combined ED |

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| | <p>(a) Governance processes, controls and procedures used to monitor, manage and oversee its climate-related public policy programs and their outcomes (see paragraphs 9 and AG2.20–AG2.23);</p> <p>(b) Strategy for managing its climate-related public policy programs and their outcomes (see paragraphs 12 and AG2.24–AG2.31);</p> <p>(c) Processes to identify, assess, prioritize and monitor anticipated and/or unanticipated challenges to achieving the intended outcomes of climate-related public policy programs (see paragraphs 15 and AG2.32–AG2.33); and</p> <p>(d)(a) Performance, including progress towards intended outcomes of climate-related public policy programs (see paragraphs 26–27 and AG2.34–AG2.44).</p> | |
| AG2.19 | <p>Entities may refer to Appendix B.AG: Application Guidance—General Requirements for Climate-related Disclosures, paragraphs B.AG1–B.AG52, for further guidance on identifying climate-related public policy program outcomes and determining material information for disclosure.</p> | Remove elements of combined ED |
| | Governance (see paragraph 9) | |
| AG2.20 | <p>AG17.AG18. Public sector governance structures vary considerably between and across jurisdictions. For some climate-related public policy programs, strategies may be set by another public sector entity (such as senior levels of governments), and approval may involve a legislative process. Oversight of a the climate-related public policy programs and their climate-related outcomes may come from the entity's own governing body, another entity or a specially convened cross-government group. An entity shall disclose the governance arrangement as required in paragraph 9(a).</p> | Drafting changes made reflecting March 2026 decisions |
| AG2.21 | <p>AG18.AG19. Oversight for of climate-related public policy programs and their outcomes of a public policy may include:</p> <p>(a) Oversight of policy design, such as whether the policy meets the entity's mandate and responsibilities, addresses the specific objectives of the climate-related public policy program, and the identification and assessment of climate-related outcomes of a public policy and how the proposed climate-related public policy program is expected to achieve its intended outcomes;</p> <p>(b)(a) Oversight for setting of climate-related targets, including the activities and resourcing to achieve those climate-related targets and achieving the intended outcomes of climate-related public policy programs includes considering the anticipated and/or unanticipated challenges to achieving those outcomes, such as low uptake of the climate-related</p> | Drafting changes made reflecting March 2026 decisions |

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| | <p>public policy program, poor coordination of the implementation process or unclear accountability and responsibility for implementing entities; or</p> <p>(e)(b) Oversight for and monitoring progress <u>actual climate-related outcomes</u>, which may include oversight of actual outcomes and collection of relevant data from other entities that may be involved in the implementation of climate-related public policy programs <u>ies</u>.</p> | |
| AG2.22 | <p>AG19-AG20. If no group(s) or individual(s) has responsibility for oversight of <u>the</u> particular climate-related public policy programs, then this fact should be disclosed.</p> | Drafting changes made reflecting March 2026 decisions |
| AG2.23 | <p>In preparing disclosures to fulfil the requirements in paragraph 9, an entity shall avoid unnecessary duplication if oversight of the climate-related public policy programs and their outcomes is managed on an integrated basis with the entity's overall governance processes.</p> | Remove elements of combined ED |
| | Strategy (see paragraph 12) | |
| | <i>Strategy and decision-making</i> | |
| AG2.24 | <p>Paragraph 12(a) requires an entity to disclose information that enables primary users to understand the entity's strategy and decision making for its climate-related public policy programs and their outcomes. Specifically, an entity shall disclose:</p> <p>(a) —The scope of the entity's climate related public policy programs mandate, including an overview of the entity's responsibilities for the climate-related public policy program;</p> <p>(b) —A description of the current climate-related public policy programs, including the specific objectives of the climate-related public policy program, such as addressing increased frequency and severity of flooding through the improvement of zoning and land use policy programs;</p> <p>A description of the intended outcomes as a result of the entity's climate-related policy programs, including:</p> <p>The processes to identify and evaluate outcomes as a result of climate-related public policy programs, including how the entity has engaged with stakeholders and experts;</p> <p>The scope of the entities/individuals expected to be affected; and</p> <p>The time horizon over which the entity expects these to occur;</p> <p>Any factors and assumptions used in designing its climate-related public policy programs (see paragraph AG2.25), including:</p> <p>Trade-off decisions, if any, between climate-related public policy program outcomes (such as balancing potential outcomes affecting greenhouse gas emissions and economic or social effects); and</p> <p>Information about key assumptions used in developing its transition plan and dependencies on which the transition plan relies; and</p> | Moved up to Core Text |

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| | <p>(c) — Quantitative and qualitative information about the progress of climate-related public policy programs towards the achievement of intended outcomes disclosed in previous reporting periods, including:</p> <p>Information about the climate-related public policy program status, timelines and steps for implementation (e.g., legislation process);</p> <p>Anticipated challenges to the achievement of intended outcomes (see paragraph AG2-26) and progress made to address these anticipated challenges; and</p> <p>Processes to monitor achievement of outcomes.</p> | |
| | <p><i>Process to monitor achievement of climate-related outcomes</i><i>Public policy responsibilities and climate-related outcomes</i></p> | |
| N/A | <p><u>AG20-AG21.</u> Per paragraph 12(a), entities shall disclose the role of other entities that share responsibility for the public policy to enable primary users to understand the scope of the public policy disclosures and the flow of information relating to the public policy. Where responsibility of public policy is shared, information such as strategy and decision-making, financial implications, outcome identification, assessment, prioritization and monitoring may be performed by separate entities. Some level of coordination across entities that share responsibilities for public policy may be needed – For example, the Ministry of Environment may set a public policy while the Ministry of Finance provides the funding – disclosures about the respective roles would assist a primary user to understand linkages to financial implications and actual expenditures accordingly.</p> | <p>Drafting changes made in response to SMC</p> <p>See Agenda Item 5.A.1</p> |
| | <p><u><i>Strategy and decision-making</i></u></p> | |
| AG2.25 | <p><u>AG21-AG22.</u> Paragraph 14(a) requires disclosures of any factors and assumptions used in designing its public policy, including trade-off decisions. Public policy programs <u>ies</u> influence the activities and behaviors of other public sector entities, private sector entities and/or individuals. Given the breadth of stakeholders affected by an entity's climate-related public policy programs <u>ies</u>, the entity may need to consider various factors in its decisions to set <u>public</u> policy programs <u>ies</u>, for example:</p> | <p>Drafting changes made reflecting March 2026 decisions</p> |
| | <p>(a) The entity's overall mandate, such as maintaining financial stability of the economy when assessing potential approaches to implementing carbon taxes;</p> | |
| | <p>(b) A climate-related scenario analysis, <u>which may be used to that provided information for policy design and to stress-test public policy outcomes under different climate scenarios, and could inform an entity in establishing its policy scenario (see paragraph AG27); and</u></p> | <p>See Agenda Item 5.B.3</p> |
| | <p>(c) The potential trade-offs between different outcomes such as weighing the short-, medium- and long-term costs and benefits from a climate-</p> | <p>Drafting changes made reflecting</p> |

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| | related public policy program to transition from fossil fuel production to renewable energy production to reduce greenhouse gas emissions, but may also have impacts on the local economy as well as the local workforce; <u>and</u> | March 2026 decisions |
| | (d) <u>Policy coherence and coordination, such as how the public policy interacts with other public policies and other entities, and the extent to which achieving the policy objectives depends on coordinated actions across entities and public policies.</u> | See Agenda Item 5.B.3 |
| AG2.30 | <u>AG22-AG23. Paragraph 14(b) requires disclosures about how the entity is resourcing, and plans to resource its plans to achieve any climate-related targets. This may include disclosure of how the entity plans to resource activities to support climate-related targets these financial implications may link to an entity's financial position, financial performance, cash flows and public budget reports, which will provide primary users with information such as the costs of the program related to administering and implementing the public policies, the extent of funding, future costs, and potential income generated, such as from taxes or fees. For example, this may include the anticipated increase in tax revenue from carbon taxes, increased debt and expenses from costs of climate-related policy programs or impairment of abandoned assets, or additional costs incurred from using lower-carbon cement in the construction of highway infrastructure to support the achievement of climate-related targets.</u> | Drafting changes made reflecting March 2026 decisions See Agenda Item 5.A.2 |
| AG2.31 | <u>AG23-AG24. An entity may consider In the public sector, resourcing plans may include other various external factors considerations when assessing the financial implications to the entity itself.</u> For example: (a) Additional funding need by other public sector entities to support implementation of the climate-related public policy program ; and (b) Investment needs of other public sector entities, private sector entities and/or individuals to build or repair infrastructure or homes in response to climate-related physical risks such as increasing frequency and severity of weather events. | Drafting changes made reflecting March 2026 decisions |
| | Anticipated challenges to achieving the intended outcomes of climate-related public policy programs | |
| AG2.26 | Paragraph 12(b) requires an entity to disclose information that enables primary users to understand the anticipated challenges to achieving the intended outcomes of climate-related public policy programs. Specifically, an entity shall disclose any factors that it has identified that could impede the achievement of the intended outcomes of a climate-related public policy program. | Drafting changes made reflecting March 2026 decisions – Removed due to conceptual inconsistency |

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| | | | See Agenda Item 5.A.4 |
| AG2.27 | <p>Public sector entities may face particular challenges to achieving the outcomes of a climate-related public policy program, such as:</p> <ul style="list-style-type: none"> (c) Policy leadership factors—the challenges posed by inconsistent strategies across levels of government to achieve net zero or insufficient funding or support for entities to implement policies; (d) Accountability factors—the lack of clear roles and responsibilities on how entities contribute to regional, national or subnational climate commitments and targets; (e) Coordination and delivery factors—the failure to collaborate effectively across public sector entities involved with public policy programs to address system wide challenges; (f) Other internal factors, such as resource constraints, operational challenges, and technical limitations; and (g)(c) Other external factors, such as regulatory constraints, economic conditions, and local opposition. | Moved up | |
| AG2.28 | <p>To identify the anticipated challenges to achieving the intended outcomes of climate-related public policy programs, the entity shall use all reasonable and supportable information available to the entity without undue cost or effort (see paragraphs B.AG20–B.AG25).</p> | | |
| | <p><i>Financial implications of climate-related public policy programs <u>outcomes of public policies</u></i></p> | <p>Drafting changes made reflecting March 2026 decisions</p> <p>See Agenda Item 5.A.2</p> | |
| AG2.29 | <p><u>AG25.</u> Paragraph 1542(e) requires the entity to disclose information to enable primary users to understand the <u>current and anticipated</u> financial implications of climate-related <u>outcomes of public policy programs</u> ies to other parties, including other public sector entities, private sector entities, and/or individuals, in its jurisdiction. This includes quantitative information about the incurred and anticipated costs, amounts funded or unfunded, and any income or fees related to the program that result in financial implications to the entity itself. <u>This includes quantitative and qualitative information about the costs or savings that result from the climate-related outcomes of the public policy. Examples of such costs or savings may include:</u></p> | <p>Drafting changes made reflecting March 2026 decisions and SMC 5</p> <p>See Agenda Item 5.A.2</p> | |

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| | <p>(a) <u>Cost savings from fewer and less severe climate events both to the entity itself and other parties.</u></p> <p>(b) <u>Higher insurance premiums where a public policy increases climate-related risks for the entity itself or other parties, or</u></p> <p>(c) <u>Increased costs from higher GHG emissions.</u></p> <p><u>Disclosures may include how financial implications may change over the short-, medium- and long-term given the timing of outcomes of the public policy.</u></p> | |
| AG2.30 | <p><u>AG24-AG26.</u> This may <u>also</u> include disclosure of how these financial implications link to an entity's <u>financial position, financial performance, cash flows and public budget reports, which will provide primary users with information such as the costs of the programs, the extent of funding, future costs, and potential income generated, such as from taxes or fees. For example, the anticipated increase in tax revenue from carbon taxes, increased debt and expenses from costs of climate-related policy programs or impairment of abandoned assets.</u></p> | Drafting changes made reflecting March 2026 decisions |
| | Skills, Capabilities and Resources Available | |
| AG1.46 | <p><u>AG27.</u> An entity shall consider the available skills, capabilities and resources when determining an appropriate approach to use for <u>its climate-related scenario analysis</u> estimating its the current and anticipated financial implications of the climate-related outcomes of public policies. These skills, capabilities and resources might include both internal and external skills, capabilities and resources. The entity's available skills, capabilities and resources provide context to inform its consideration of the potential cost and level of effort required by a particular approach to <u>climate-related scenario analysis</u> estimate the current and anticipated financial implications of the climate-related outcomes of public policies. For example, if an entity has only just begun to explore <u>the use of climate-related scenario analysis methodologies to assess its climate resilience</u> estimate the anticipated financial implications of the climate-related outcomes of public policies, it might be unable to use a quantitative or technically sophisticated approach <u>to climate-related scenario analysis</u> without undue cost or effort. For the avoidance of doubt, if resources are available to the entity then it will be able to invest in obtaining or developing the necessary skills and capabilities.</p> | <p>Drafting changes made to address responses to SMC 5</p> <p>See Agenda Item 5.A.2</p> |
| | <u>Reasonable and Supportable Information Available Without Undue Cost or Effort</u> | |
| AG1.51 | <p><u>AG28.</u> Reasonable and supportable information includes information about past events, current conditions and forecasts of future conditions. It also includes, and may be quantitative or qualitative. <u>It includes</u> information, and information that is obtained from an external source, <u>such as from another public sector entity, as well as information</u> or owned or developed internally. <u>Information that</u></p> | Drafting changes made to address responses to SMC 5 |

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| | <p><u>is connected to the entity's financial statements is considered to be available to the entity without undue cost or effort.</u></p> <p><u>AG25-AG29. An entity uses judgement to identify the reasonable and supportable information that is available to it without undue cost or effort and to determine how to use that information in estimating the current and anticipated financial implications. The degree of judgement required depends on the availability of information. As the time horizon lengthens and the availability of information decreases, the degree of judgement required increases.</u></p> | See Agenda Item 5.A.2 |
| | <p><u>Quantitative and Qualitative Information</u></p> | |
| 1.61 | <p><u>AG30. Quantitative information will often enable an entity to provide a more robust estimate of the anticipated financial implications. However, qualitative information, either alone or combined with quantitative information, can also provide a reasonable and supportable basis for the entity's estimate. Paragraphs 17–20 set out the circumstances in which an entity need not provide quantitative information and the qualitative information it provides instead.</u></p> <p><u>AG26.</u></p> | <p>Drafting changes made to address responses to SMC 5</p> <p>See Agenda Item 5.A.2</p> |
| AG2.31 | <p>1. An entity may consider various external factors when assessing the financial implications to the entity itself. For example:</p> <p>(a) Additional funding need by other public sector entities to support implementation of the climate-related public policy program; and</p> <p>(b)(a) Investment needs of other public sector entities, private sector entities and/or individuals to build or repair infrastructure or homes in response to climate-related physical risks such as increasing frequency and severity of weather events.</p> | Moved up to Strategy and decision-making section |
| | <p>Risk and outcome management (see paragraph 15)</p> | |
| AG2.32 | <p>Paragraph 15(a) requires disclosures about the processes and related internal policies the entity uses to identify, assess, prioritize and monitor the anticipated and/or unanticipated challenges to achieving the intended outcomes of its climate-related public policy programs. In particular, unanticipated challenges may emerge from factors that were not previously considered in the entity's strategy and decision-making processes. Specifically, an entity shall disclose:</p> <p>(c) The inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes);</p> | <p>Directional paragraph removed</p> <p>Specific disclosure requirements moved to core text</p> |

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| | <p>(d) How the entity assesses the nature, likelihood and magnitude of those challenges (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria);</p> <p>(e) How the entity prioritizes and monitors those challenges to achieving intended outcomes; and</p> <p>(f)(b) Whether and how the entity has changed the processes it uses compared with the previous reporting period.</p> | |
| AG2.33 | <p>In preparing disclosures to fulfil the requirements in paragraph 15, an entity shall avoid unnecessary duplication if the processes and policies that the entity uses to identify, assess, prioritize and monitor the anticipated and/or anticipated challenges to achieving the intended outcomes of its climate-related public policy programs is managed on an integrated basis with the entity's overall risk management processes.</p> | Remove elements of combined ED |
| | Metrics and targets (see paragraphs 26–27) | |
| | <p>Greenhouse gas emissions from climate-related public policy programs</p> | Drafting changes made reflecting March 2026 decisions |
| AG2.34 | <p><u>AG27-AG31.</u> Paragraph 26(a) requires entities to disclose the amount, approach, <u>including methodology, measurement approach,</u> inputs and assumptions used in estimating the increase or decrease in greenhouse gas emissions reasonably attributable to climate-related public policy programs. Entities shall disclose how the entity estimated the changes in greenhouse gas emissions and the assessment boundary. For example:</p> <p>(a) An entity may include <u>climate-related</u> outcomes resulting from a <u>fossil fuel subsidy efficiency regulation</u> in its estimation of greenhouse gas emissions such as:</p> <p>i. Intermediate effects, such as increased <u>production of more efficient cars</u>fossil fuel production, lower energy prices, and increased fossil fuel consumptionincreased consumption of more efficient vehicles, and decreased emissions per kilometer travelled; and</p> <p>ii. Greenhouse gas effects, such as <u>increased greenhouse gas emissions from the combustion of fossil fuels</u>reduced tailpipe greenhouse gas emissions from vehicles; and</p> <p>(b) An entity may include outcomes resulting from a home insulation subsidy in its estimation of greenhouse gas emissions such as:</p> <p>i. Intermediate effects, such as increased production of insulation, and reduced demand for electricity and natural gas for heating; and</p> | Drafting changes made reflecting March 2026 decisions |

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| | ii. Greenhouse gas effects, such as reduced emissions from electricity generation and use of natural gas. | |
| AG2.35 | <p>AG28-AG32. Paragraph 27-26 requires an entity to disclose information about its <u>climate-related</u> targets for achieving intended outcomes of its climate-related public policy programs<u>ies</u>. In determining the baseline from which progress and the greenhouse gas emissions target is assessed, an entity may consider:</p> <p>(a) Establishing baseline scenarios and estimate baseline emissions in the absence of the <u>public</u> policy program. For example, <u>in the case of a fossil fuel subsidy, this may include estimating greenhouse gas emissions based on projected levels of fossil fuel production and combustion if the subsidy had not been provided</u>emissions generated from natural gas used for space heating in the case of a home insulation subsidy program; and</p> <p>(b) Establishing policy scenarios and estimating emissions in the presence of the <u>public</u> policy y-program. For example, <u>in the case of a fossil fuel subsidy program, this may include estimating changes in greenhouse gas emissions resulting from increased fossil fuel production and combustion associated with the subsidy</u>emissions reductions from natural gas used for space heating in the case of a home insulation subsidy program.</p> | Drafting changes made reflecting March 2026 decisions |
| AG2.36 | <p>AG29-AG33. Public sector entities may have established methodologies to assess and monitor the performance and effectiveness of public policy programs<u>ies</u>, including methodologies to measure greenhouse gas emissions reasonably attributable to <u>the climate-related</u> public policy programs. Entities may also consider guidance on estimating greenhouse gas emissions from <u>climate-related</u> public policy programs<u>ies</u> from other standards, such as the Greenhouse Gas Protocol Policy and Action Standard (2014). An entity shall disclose its methodologies used to estimate emissions reasonably attributable to the <u>climate-related</u> public policy program and to set its <u>climate-related</u> targets for achieving climate-related public policy program outcomes<u>ies</u>.</p> | Drafting changes made reflecting March 2026 decisions |
| AG1.87 | <p>AG30-AG34. An entity <u>shall use the available skills, capabilities and resources and</u> is required to use all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort when the entity selects the measurement approach, inputs and assumptions it uses in measuring Scope 3<u>changes in</u> greenhouse gas emissions <u>attributable to a public policy</u>.</p> | <p>Drafting change to address respondent comments</p> <p>See Agenda Item 5.B.2</p> |
| AG2.37 | <p>AG34-AG35. Entities shall disclose the change in greenhouse gas emissions and related <u>climate-related</u> targets for climate-related<u>the</u> public policy programs in effect</p> | Drafting changes made reflecting |

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| | <p>during the reporting period. Disclosures about climate-related public policy iesy programs that have ended or are no longer in effect are not required.</p> | March 2026 decisions |
| | <p>Other metrics for climate-related public policy program outcomes ies</p> | Drafting changes made reflecting March 2026 decisions |
| AG2.38 | <p><u>AG32-AG36.</u> Paragraph 26(b) requires an entity to disclose other metrics relevant to its-the climate-related <u>outcomes of</u> public policy programs-ies that it uses to measure and monitor outcomes of its climate-related public policy programs ies. Metrics may be quantitative or qualitative in nature. In some cases, outcomes may be described through narrative descriptions along with qualitative metrics to assess their progress.</p> | Drafting changes made reflecting March 2026 decisions |
| AG2.39 | <p><u>AG33-AG37.</u> In selecting metrics, entities may consider factors such as geographical scope, service areas, and affected stakeholders, or other metrics relating to <u>climate-related</u> outcomes that affect nature, people or the economy, <u>environment and people</u> such as metrics and targets to manage and monitor:</p> <ul style="list-style-type: none"> (a) Climate-related transition risks, for example metrics to monitor implementation and outcomes of climate-related regulations; (b) Climate-related physical risks, for example the amount or percentage of the scope of the entity's policy setting responsibilities (e.g., geography, services, individuals or entities) that is vulnerable to climate-related physical risks; (c) Climate-related opportunities, for example metrics to evaluate climate-related technologies and opportunities; (d) Sinks and reservoirs, for example land use, land-use change and forestry management metrics; (e) Carbon markets and non-markets, for example carbon market efficiency and effectiveness metrics; (f) International financial, technological and development support, for example metrics related to capacity building support provided by developed nations for developing nations; (g) Remuneration, if any climate-related public policy program outcomes are directly factored into remuneration of key management personnel; and (h) Internal carbon prices, such as for project appraisals and policy design in relation to an entity's climate-related public policy programs. | Drafting changes made reflecting March 2026 decisions |

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| AG2.40 | <p>AG34-AG38. Paragraph 1627 requires an entity to disclose its progress towards the achievement of any climate-related targetsits intended outcomes. Specifically, an entity shall disclose quantitative and/or qualitative metrics to monitor:</p> <ul style="list-style-type: none"> (a) The targets towards the achievement of climate-related targetsthe intended outcomes; (b) The climate-related outcomes achieved towards the climate-related public policy program; and (c) The effect of anticipated and/or unanticipated challenges towards the achievement of climate-related public policy program outcomestargets. | Drafting changes made reflecting March 2026 decisions |
| AG2.41 | <p>AG35-AG39. In addition to considering established metrics that the entity already reports on for its climate-related outcomes of its public policies sy programs, including those for reporting on the latest international agreement on climate change or other jurisdiction commitments on climate, entities shall consider which other metrics are relevant to the primary users of its climate-related disclosures and consider their inclusion in its general purpose financial reports directly or through cross-references to the entity's other reports (see paragraphs B.AG62–B.AG64). Other sources entities shall consider include:</p> <ul style="list-style-type: none"> (a) Methodologies and guidance from other entities and organizations such as the United Nations Framework Convention on Climate Change (UNFCCC); (b) Metrics reported by other peer entities with similar functions of government or climate-related policy objectives; or (c) Input from stakeholder engagement. | Drafting changes made reflecting March 2026 decisions |
| AG2.42 | <p>AG36-AG40. If an entity discloses a metric taken from other sources (see paragraph AG2.41), the entity shall identify the source and the metric taken.</p> | |
| AG2.43 | <p>AG37-AG41. If a metric has been developed by an entity, the entity shall disclose information about:</p> <ul style="list-style-type: none"> (a) How the metric is defined, including whether it is derived by adjusting a metric taken from a source other than this [draft] Standard and, if so, which source and how the metric disclosed by the entity differs from the metric specified in that source; (b) Whether the metric is an absolute measure, a measure expressed in relation to another metric or a qualitative measure (such as a red, amber, green—or RAG—status); (c) Whether the metric is validated and, if so, by whom; and | |

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| | (d) The method used to calculate the metric and the inputs to the calculation, including the limitations of the method used and the significant assumptions made. | |
| AG2.44 | AG38-AG42. In situations where data required for certain metrics cannot be collected and reported annually, the entity should disclose the expected frequency of reporting for these metrics and the rationale. | |