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Request for comments regarding standard for climate-related disclosures.

The Agency for Public Finance and Management in Denmark welcome the development of a public sector sustainability reporting standard. We also agree with the notion that a global reporting standard is very much needed to ensure that sustainability is comparable and transparent across countries. Below we have answered the specific matters for comment.

Specific Matter for Comment 1: Public sector operations and regulatory role (paragraphs 1-4)

This Exposure Draft requires a public sector entity to provide disclosures about (i) the climate-related risks and opportunities that are expected to affect its own operations, and (ii) climate-related public policy programs and their outcomes when an entity has responsibility for those programs and their outcomes (see paragraphs 3 and AG2.7–AG2.8).

Do you agree the proposed approach meets the information needs of primary users (see paragraphs 1–4)? If not, what alternative approach would you propose and why?

Answer:

Yes – We agree that the proposal of providing disclosures regarding climate-related risk and opportunities and climate-related public policy programs meets the information needed by primary users.

Specific Matter for Comment 2: Own Operations (Appendix A1: Application Guidance – Own Operations)

The Exposure Draft primarily aligns disclosure requirements about an entity's own operations with private sector guidance (IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures), with public sector guidance, including a rebuttable presumption that entities use the GHG Protocol: A Corporate Accounting and Reporting Standard (2004), unless another established method of measuring its greenhouse gas emissions is more appropriate or required by a jurisdictional authority (see paragraph AG1.72).

Do you agree with the proposed approach and guidance? If not, what alternative approach would you propose and why?

Answer:

Yes – We agree with the proposal of using the GHG protocol as a method to disclose an entity's own operations.

Specific Matter for Comment 3: Scope of Public Policy Programs (paragraph 3 and AG2.4–AG2.6)

This Exposure Draft requires disclosures about public policy programs with a primary objective to achieve climate-related outcomes. Do you agree with this approach and the scope of public policy programs included in required disclosures?

If not, what alternative approach would you propose and why?

Answer:

Yes – We agree that in the effort of achieving climate-related outcomes it is necessary to include public policy programs for standards regarding the public sector.

Specific Matter for Comment 4: Public Sector-Specific Definitions (paragraph 7)

This Exposure Draft provides public sector-specific definitions and related guidance for: (a) Public policy programs; (b) Public policy program outcomes; and (c) Climate-related public policy programs. Do you agree with the proposed public sector-specific definitions and guidance? If not, what alternative definitions would you propose and why?

Answer:

Yes – We agree in the definitions described in paragraph 7 for the concepts: a) Public policy programs, b) Public policy program outcomes and c) Climate-related public policy programs.

Specific Matter for Comment 6: Metrics and Targets for Climate-related Public Policy Programs (paragraphs 26–27 and AG2.34–AG2.44)

This Exposure Draft proposes to require disclosures about metrics and targets, including (a) the change in greenhouse gas emissions reasonably attributed to climate-related public policy programs and (b) other metrics to measure and monitor performance in relation to climate-related public policy programs. Do you agree these disclosures meet the information needs of primary users of the report (see paragraph 26)? If not, what alternative approach would you propose and why?

Answer:

Yes – We agree that it, regarding (a), is a good metric to focus on the greenhouse gas emission regarding. We also agree in the importance of a standard which includes the dimension of other metrics especially metrics in regards to biodiversity and nature. With that said we would like to underpin, that policy-targets for CO₂-emissions is a great tool, but could be set on different levels of government. Every institution shouldn't be obliged to have CO₂ emission for every activity, but only for the most material activities.

Specific Matter for Comment 7: Conceptual foundations (paragraphs B2–B15)

This Exposure Draft includes conceptual foundations aligned with the IPSASB Conceptual Framework including the definition of materiality (see paragraphs B8–B10) and primary users of public sector general purpose financial reports (see paragraphs B.AG28–B.AG33). Do you agree that the proposed definition of materiality based on the IPSASB Conceptual Framework meets the information needs of primary users for climate-related disclosures? If not, what alternative approach would you propose and why?

Answer:

Yes – We agree with the outlining of the conceptual foundations to ensure transparency and useful information from public entities. We also agree with the definition of materiality, where the focus is at information that reasonably could influence the discharge of accountability.

Specific Matter for Comment 8: General requirements (paragraphs B16–B46)

This Exposure Draft includes general requirements aligned with private sector guidance (IFRS S1) including the requirements for (a) an entity to include its climate-related disclosures in its general purpose financial reports (see paragraphs B22–B25) and (b) an entity to report its climate-related disclosures at the same time as its related financial statements (see paragraphs B26–B31). Do you agree that the disclosure requirements proposed in the general requirements are appropriate for public sector entities? If not, what alternative approach would you propose and why?

Answer:

Yes – We agree that climate-related disclosures should be related to the financial statements, and that it should, in the best of all worlds, be reported at the same time as the financial statements.

Specific Matter for Comment 9: Transition (paragraphs 30–33)

This Exposure Draft proposes to provide transitional relief only in the first year of adoption (see paragraphs 30–33) for disclosures relating to an entity’s own operations and where applicable, relating to climate-related public policy programs and their outcomes. Do you agree that the proposed transition provisions approach should be applicable to both own operations and climate-related public

policy programs? If not, what alternative approach would you propose and why?
Specific Matter for Comment 10: Other Comments Do you have any other comments on the proposed Exposure Draft?

Answer:

Yes – We agree that the transition approach should be applicable for both own operations and climate-related public policy programs.