



28 February 2025

International Public Sector Accounting Standards Board  
Mr Ian Carruthers, IPSASB Chair  
and Mr Ross Smith, IPSASB Program and Technical Director  
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Dear Sir/Madam,

**IPSASB Sustainability Reporting Standard (SRS) Exposure Draft (ED) 1 Climate-Related Disclosures**

We are pleased to respond to the invitation from the International Public Sector Accounting Standards Board (IPSASB) to comment on its Sustainability Reporting Standard (SRS) Exposure Draft (ED) 1 *Climate-Related Disclosures* on behalf of PricewaterhouseCoopers. Following consultation with members of the PricewaterhouseCoopers network of firms, this response summarises the views of those firms. "PricewaterhouseCoopers" or "PwC" refers to the network of member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.

We support the work the IPSASB undertakes to develop high-quality sustainability reporting standards for use by governments and other public sector entities around the world with the aim of enhancing the quality, consistency and transparency of public sector sustainability reporting worldwide.

We welcome the issuance by the IPSASB of its first-ever proposed sustainability reporting standard and look forward to contributing further to the debate given the pressing need for advancing the sustainability reporting agenda in the public sector.

We are not sharing with you a full response to the exposure draft but summarise below some key messages that we believe the IPSASB should consider in further shaping the final standard.

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- ***Scope covering public sector operations and regulatory role.***

We fully support IPSASB's proposal to address disclosures about both an entity's own operations and its public policy programs. It is crucial for the public sector to not only apply the rules to itself but also to set the tone, regulate, and monitor the proper application of sustainable practices. This dual role is essential for building trust in the sustainability agenda of governments. Public sector entities have a unique policy-setting role that influences the behaviours of other entities and individuals, and they should be held accountable for that role.

By disclosing climate-related information about their own operations and public policy programs, public sector entities can demonstrate their commitment to sustainability and lead by example. This approach will enhance the credibility of the public sector's sustainability efforts and encourage other sectors to follow suit. Furthermore, it will provide stakeholders with a comprehensive view of the public sector's impact on climate change and its efforts to mitigate and adapt to its effects. This transparency is vital for fostering public trust and ensuring that the public sector's sustainability initiatives are effective and aligned with broader environmental goals. By setting a high standard for climate-related disclosures, public sector entities can drive positive change and promote sustainable practices across all sectors of society.

- ***Disclosure requirements for an entity's own operations.***

Given the public sector's primary focus on service delivery, we believe that a standard addressing both financial materiality and impact materiality is most useful when it pertains to climate-related disclosures.

We therefore support the fact that the proposed disclosure requirements of SRS ED 1 about an entity's own operations are largely aligned to those outlined in IFRS S2, Climate-related disclosures, that take a financial materiality lens, and are complemented by the requirement to disclose material information about climate-related public policy program outcomes. Moreover, we support the inclusion of considerations related to the discharge of accountability by the entity within the definition of materiality because of its alignment to the IPSAS Conceptual Framework and specific needs of primary users of public sector general purpose financial reports.

While not the primary objective, alignment of public sector disclosure requirements for the entity's own operations with those of the private sector will enable public sector entities to benefit from the growing body of knowledge and expertise in climate-related financial reporting, leveraging existing frameworks and best practices and reducing the burden of developing new reporting mechanisms. Additionally, this approach will help public sector entities to integrate climate-related considerations into their financial planning and

decision-making processes, promoting more sustainable and resilient operations.

- ***Disclosure requirements for public policy programs.***

We believe that limiting the scope of disclosures to programs with a primary objective to achieve climate-related outcomes may result in an incomplete picture and pose a risk of greenwashing. Public sector entities might highlight the positive impacts of certain policies while omitting the adverse effects on climate caused by other public policy programs, as might be the case with certain programs related for example to energy and economic policies.

To provide a comprehensive view, the disclosure requirements should cover all policies under the remit of the public sector reporting entity that may have a material impact on climate. By broadening the scope to include all public policy programs with a material impact on climate, public sector entities can offer a more accurate and holistic view of their climate-related activities. This approach will help prevent greenwashing and ensure stakeholders have access to complete and balanced information about the public sector's impact on climate change. Additionally, it will encourage public sector entities to consider the climate implications of all their policies and programs, promoting more sustainable decision-making and policy development.

- ***Advancing further the sustainability reporting agenda.***

The proposed standard on climate-related disclosures is the first of the sustainability reporting standards suite. The next two projects on IPSASB's agenda for the period 2024-2028 will address general requirements for disclosure of sustainability-related information and natural resources-non-financial disclosures. In further advancing the sustainability reporting agenda, we recommend that the IPSASB next prioritizes broader issues such as the preservation of ecosystems, including biodiversity. By addressing issues such as biodiversity, water scarcity, and pollution, the IPSASB can help ensure that public sector entities provide comprehensive and meaningful sustainability information.

If you would like to discuss any of these points in more detail, please contact Patrice Schumesch ([patrice.schumesch@pwc.com](mailto:patrice.schumesch@pwc.com))

Yours sincerely,



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