

The background of the slide is a photograph of a cityscape, likely Lisbon, Portugal, featuring a dense cluster of buildings with red-tiled roofs and a suspension bridge in the distance under a clear blue sky.

IPSASB

International Public
Sector Accounting
Standards Board®

AGENDA ITEM 7

SUSTAINABILITY *CLIMATE- RELATED DISCLOSURES*

IPSASB Meeting – September 2025

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[draft] IPSASB SRS X, *Climate-related Disclosures*

Summary of Changes

Changes as a result of splitting into two separate standards

Main changes made to remove public policy program guidance across the draft final pronouncement:

- Removed references to public policy programs
- Removed signposting paragraphs and explanatory text used to scope the two reporting perspectives
- Removed Appendix A2
- Added BCs summarizing Board deliberations in relation to splitting into two separate standards

Recommendation

- The Board approves the changes made to remove public policy program guidance from the draft final pronouncement

[draft] IPSASB SRS X, *Climate-related Disclosures*

Summary of Changes

Changes reflecting proposed increased alignment with private sector guidance

Main changes made to increase alignment with private sector guidance across the draft final pronouncement:

- Moved text between Core Text and Appendix
- Removed references to the term “Own Operations”
- Reintroduced disclosure requirements on capital deployment as a metric category

Recommendation

- The Board approves the amendments to increase alignment with private sector guidance in the draft final pronouncement, while maintaining necessary public sector-specific adaptations

[draft] IPSASB SRS X, *Climate-related Disclosures*

Summary of Changes

Changes as a result of Board decisions and instructions from the June and July 2025 meetings, other than the cross-cutting decision to develop two separate standards and to align with private sector guidance

Main changes made to implement June and July 2025 decisions and instructions across the draft final pronouncement:

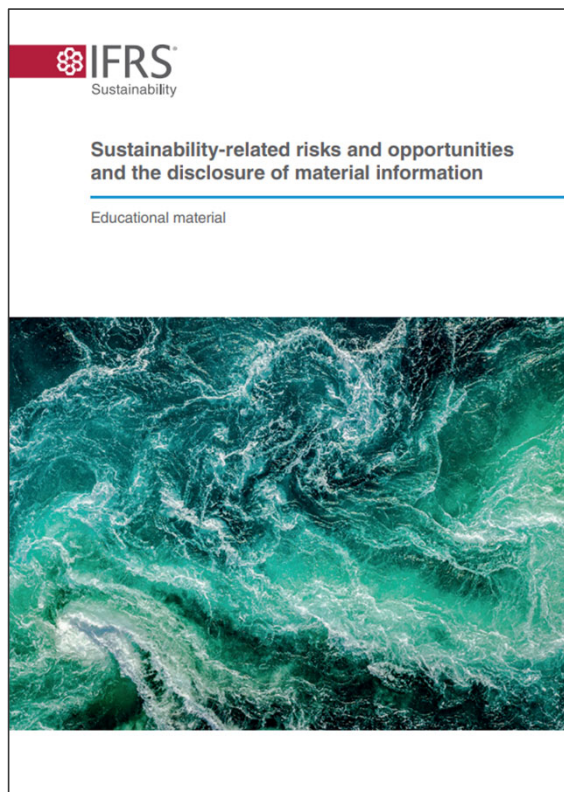
- Added signposting to materiality in the core text
- Revised transition relief for Scope 3 emissions
- Added an IG on climate financing mechanisms

Recommendation

- The Board approves the amendments to increase alignment with private sector guidance in the draft final pronouncement, while maintaining necessary public sector-specific adaptations

Agenda Item 7.2.4

ISSB Educational Material on Materiality



- Following the finalization of IFRS S1 and S2, ISSB prioritized implementation support for preparers.
- In late 2024, ISSB released comprehensive educational material on ***‘Sustainability-related risks and opportunities and the disclosure of material information’***
- The material covers:
 - The definition of material in the ISSB standards;
 - Sustainability-related risks and opportunities; and
 - Identifying and disclosing material information

The educational material also spotlights *connectivity* and *interoperability* considerations.

Overview from Past CAG Discussions



Leverage existing private sector guidance where appropriate



Prioritize the timely development of public sector sustainability reporting standards



Taking a practical approach given the limited maturity of public sector sustainability reporting

Key Takeaways from SIF Discussions



Public sector entities are at an early stage in applying materiality to sustainability disclosures



Primary users and their information needs are central, but diverse



Interactive sessions and peer learning are considered essential for implementation support

Approach to Materiality Guidance

Analysis

- Option 1: Accelerate the start of Phase 3 of the *Making Materiality Judgments* project
 - Timely response to stakeholders' needs
 - Leverage existing private sector resources
 - However, may have broader implications on IPSASB's work program
- Option 2: Develop additional guidance within the draft final pronouncement
 - Integrates support with practical guidance in a single document
 - However, may result in delays in finalizing the inaugural standard
 - Challenging and resource intensive for the IPSASB to provide helpful guidance at this early stage

Recommendations

- Proceed with Option 1
- Prioritize the development of Phase 3 of the *Making Materiality Judgments* project, adapting existing private sector educational material on materiality for the public sector context

Page-by-page Review of [draft] IPSASB SRS X, *Climate-related Disclosures*

Summary of Changes

Staff developed the final draft pronouncement reflecting the following more significant changes from IPSASB SRS ED 1:

Changes as a result of splitting into two separate standards

Changes reflecting proposed increased alignment with private sector guidance

Changes as a result of Board decisions and instructions from the June 2025 and July 2025 meetings, other than the cross-cutting decision to develop two separate standards and to align with private sector guidance

See Agenda Item 7.3.1 for full text of draft final pronouncement.

Recommendation

- Develop final draft pronouncement from IPSASB SRS ED 1, revised for changes shown in Agenda Item 7.3.1

