

**IPSASB**

International Public  
Sector Accounting  
Standards Board®

# SUSTAINABILITY REPORTING – IMPLEMENTATION IN THE PRIVATE SECTOR

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CAG Educative Session  
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# Who I am and what I do

**Bernhard Schatz, Director Sustainability and Public Sector Reporting, PwC Austria**

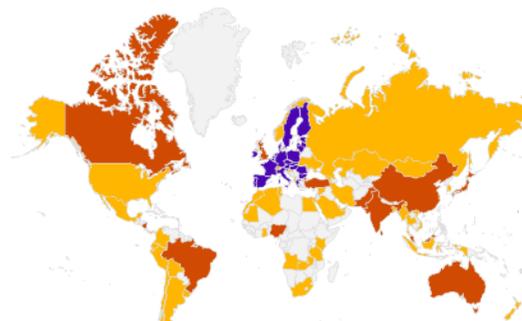


- PwC since 2019 – Implementation Support and Assurance on Public and Private Sector Financial and Non-Financial Information
- Technical Expertise for Worldbank, IMF, OECD, United Nations, national and international Lecturer and Speaker
- Member of national and international Working Groups
- IPSASB Member 2016-2021, IPSASB SRG Member, Observer IPSASB to ISSB TIG
- 14 years in the public administration of Austria (Ministry of Finance, Court of Audit)



Countries adopting mandatory Sustainability reporting  
ISSB and ESRS

- ESRS mandatory from 2024
- Consultation to Implement ISSB
- Indirect impact via International Organisation of Securities Commissions (IOSCO)



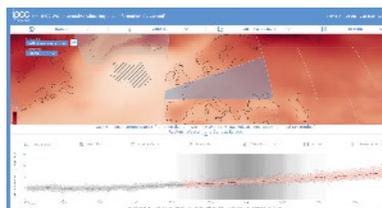
# Best practice in the private sector at implementation of IFRS S2 / ESRS

## Tipps:

- Start early, focus on understanding and decision making before data collection and IT solutions
- Align as early as possible with auditors and authorities

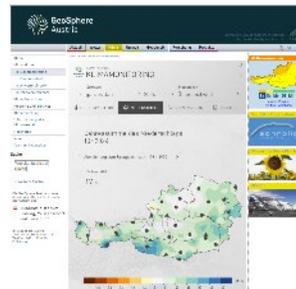


UN sectoral risk briefings, UNEPFI



Average Warming, Danube Region, IPCC

“Everybody should be aware that this is a journey.”



Average increase in precipitation in Austria, Geosphere Austria

### Focus on Consistency with Financials

- Sustainability Information in frameworks like IFRS S and ESRS are part of the financial information – they provide context
- Some of this information might have direct impact on the financials

### Balance Timeliness with Capacity

- If you don't know something or there is uncertainty be transparent about it – describe a way to learn and advance
- Focus on urgent, significant topics but do not neglect other topics or let availability of information dominate the selection of topics

Use public information and Data

Directly communicate with stakeholders

Best practices in private sector IFRS S 2 implementation

Use existing Frameworks but be aware of differences

Balance the report to create trust – resist the urge to shine

“If you want best practice – be the best practice” – Would you agree?

# Challenges in implementing Sustainability Reporting

## Capacity

Staff quantity and quality

Training and Education

Process Data and Information

### 5 Step process:

- Understand
- Identify
- Assess
- Integrate
- Continue

### Remaining focused on:

- Governance
- Strategy
- Risk Management
- (Proper) Metrics and Targets

### Stakeholders are crucial:

- How to deal with silent stakeholders
- How to evaluate what to focus on

### Restatements are inevitable:

- Manage expectations
- Be transparent about process
- Don't claim certainty

## Consistency

Principles and Assumptions

Claims, Views and Targets

Methodology used

## Availability of Information

Internal Information

External Information

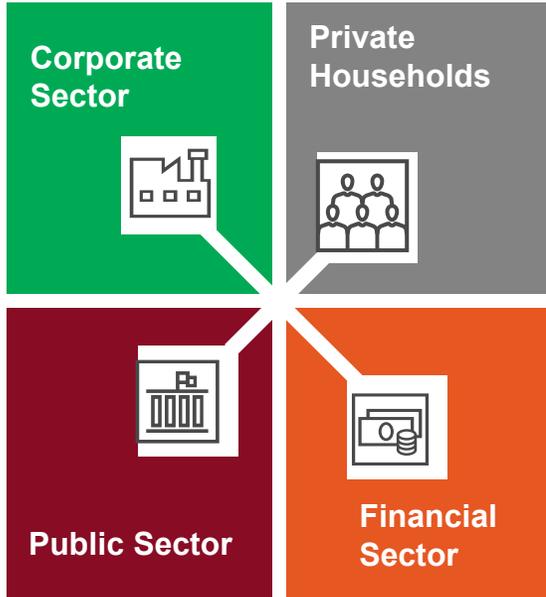
## Example of an Airlines GHG Emissions calculation and reporting:

In Mn t CO2e	Scope 1	Scope 2	Scope 3
<b>Total emissions</b>	<b>1.480</b>	<b>20</b>	<b>500</b>
<i>Consolidated</i>	1.200	18	
<i>Investee</i>	280	2	
<i>Transport</i>			325
<i>Investments</i>			100
<i>Financed leases</i>			75
<b>In %</b>	<b>74</b>	<b>1</b>	<b>25</b>

- What is the message?
- What methodology has been used to calculate (spend based, input based)?
- Emissions = Energy = Cost
- What are alternatives?
- Can the entity achieve those on their own?
- What is a reliable transition plan?

“Are there other or additional challenges from your experience?”

# Take aways for the public sector from private sector implementation



- Global challenges need **global solutions**.
- Regardless in which sector we work, we are **impacted by all sectors of society** (Corporates, Finance, Public and Households)
- Mitigating risks and creating opportunities will need a combination of **unique strengths and skills**.
- The **combination** and intensity will depend on the **political process** in jurisdictions but also on a global level.
- Crucial roles of the **public sector** in providing:
  - Public, free of charge, **high quality information** (e.g. local risk maps, energy mixes, etc.)
  - Security by being transparent about the **own expectations and intentions** (ability to plan)
  - Provide **information to engage** (international) stakeholders

## Example: Reliability in Biodiversity

- What amount of land will be available in the future for real estate, infrastructure, agriculture? What will be dedicated for carbon sinks and restoration areas?
- What kind of support is available or planned for increasing efficiency over use of space (planting crops, building houses, etc.)?



## Example: Transition plans for Climate change

- What technologies are available in my regions in the future? At which price?
- Will there be support in covering the transition cost?
- Will there be enough capacity to operate the new business model?
- How reliable are no structures in the long term?



**Questions?**

