



# Introducing the SOE Climate Change Reporting Training

**Developing a Community of Practitioners  
Approach and Activities**

***Vienna, SOE Workshop, 17 March 2025  
15:30-17:00***

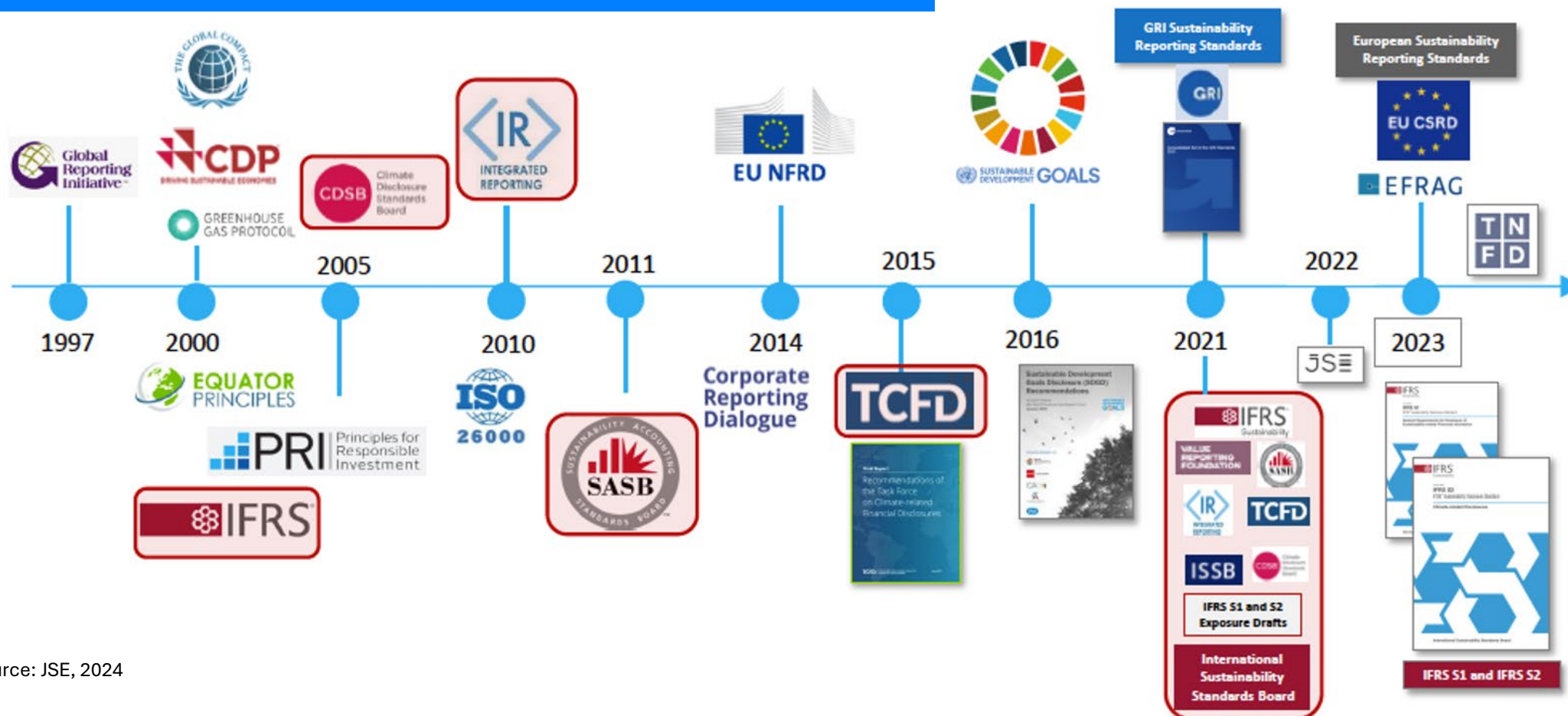


**WORLD BANK GROUP**

# Among the many tools available to governments, why start with climate change disclosure?

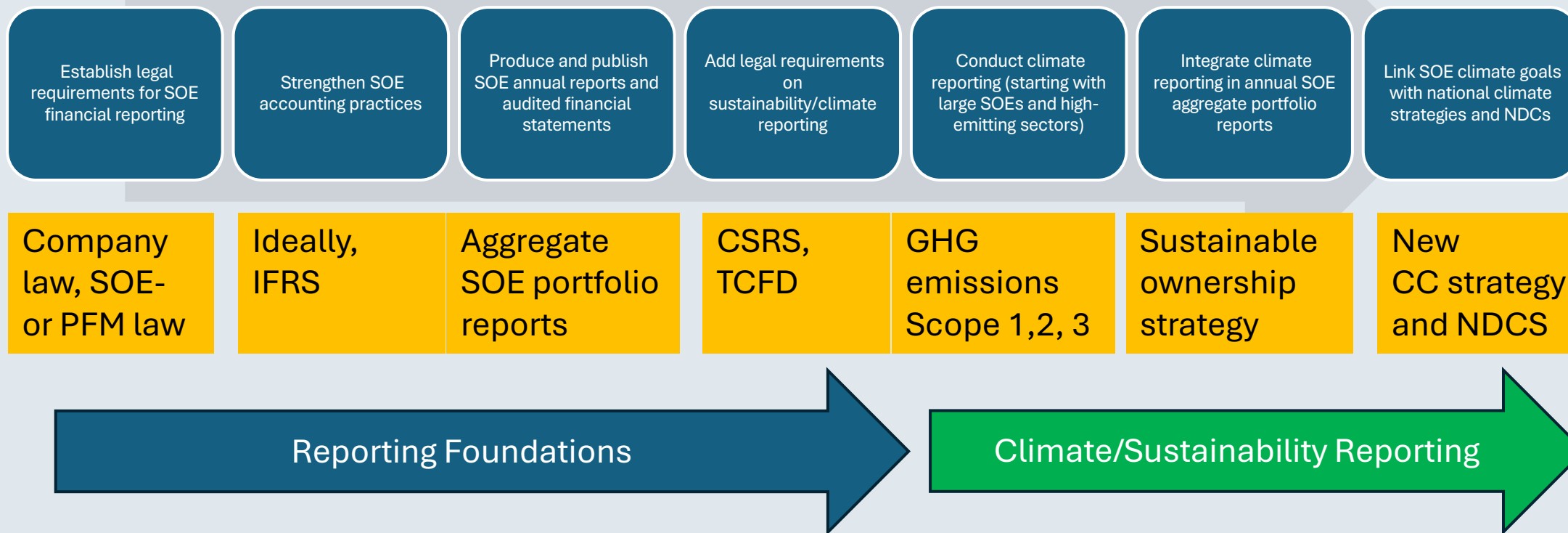
- ✘ Data and insights from disclosure critical to making progress
- ✘ Disclosure is an enabler
- ✘ Good disclosure assists the SOE and its stakeholders to understand how the SOE's operational capability is being affected by climate change
- ✘ Link improved disclosure to each country's Nationally Determined Contributions to the Paris Agreements of the UNFCCC
- ✘ Data can be used by government to drive priority actions to reduce climate change impacts and achieve their Nationally Determined Contributions
- ✘ Good disclosure builds credibility with donors and lenders that key steps are being taken and helps secure financing and transition partnerships
- ✘ Systematically identifying, addressing and disclosing climate related risks and opportunities builds credibility and enables governance structures to build resilience

# An evolving but converging alphabet soup of ESG and climate disclosure frameworks



Source: JSE, 2024

# Taking a step back: How does climate reporting by SOEs relate to general financial reporting?



# So what does climate change disclosure and reporting actually mean?



## COMPANY REPORTING

- ✖ Link climate change disclosure to annual company reporting
- ✖ Include key impacts and metrics in primary company reports
- ✖ Reporting on climate change impacts on SOEs and their financial health in annual report reports on:
  - Strategy
  - Governance
  - Risk management
  - Targets and metrics

- Build participants' understanding of the impacts of climate change on SOEs
  - Risks and Opportunities
  - Implications for corporate governance, risk management and disclosure practices
  - Impacts on delivery of critical services
  - Enabling steps towards adaptation and building resilience
- Enable SOEs / national agencies to apply climate disclosure frameworks and learn from other countries' experiences (examples, EU's CSRS and IFRS S2, SASB, TCFD)
- Understanding the critical differences between ESG and Climate change disclosure
- Understanding why we emphasize climate change disclosure
- GHG Accounting as a basic starting point – but not an end point
- Enabling owner agencies/shareholders and governments, and SOE Boards and Executive teams

## Target participants:

The training can be offered to a mixed audience comprising some or all of the following:

- SOE Policy makers
- SOE ownership entities and government agencies
- SOE Board members and Executive Leadership
- Financial reporting authorities
- Auditors
- Managerial teams new to climate change disclosure

The mix of policy makers and SOE ownership bodies and SOEs in a single training event can enrich the understanding of both parties of what is needed and how it can be achieved



### **A one-day executive overview (or two half-days)**

- This focuses mainly on why SOE climate disclosure is important
- What reporting frameworks to use
- What is intended by the focus on Risk, Strategy, KPIs and Targets and Scenario Analysis

### **A 3 -4 day training module**

- Builds on the same one-day agenda
- In depth practical sessions using examples and case studies
- Practical sessions for individuals and small groups to examine an organisation's governance needs, risks and opportunities, strategic challenges
- Connect roles and responsibilities to the governance structure
- Practical sessions on "how to" plus a review of case studies and examples





# Training modules

## Day 1

### Executive overview

- High-level overview to build deeper understanding of why climate change disclosure is important for SOEs
- The business case for owner-entities and SOEs
  - What is needed
  - Which frameworks
  - What to include
- Building a program of action
- **TARGET participants:** policy makers, owner entities, SOE Board members, risk and Executives

★ Can be a stand-alone day

## Day 2

### Building more detailed understanding

- Discuss/ workshop concepts and practicalities of climate disclosure
- Build understanding of both the technical and strategic nature of the disclosure
- Use case studies and examples to develop typical qualitative input
- **TARGET participants:** Executive and professional teams, oversight bodies

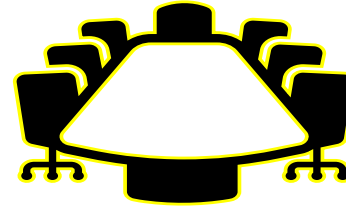
## Day 3

### Deep interactive dive into GHG Accounting, Target Setting and KPIs

- Using the GHG protocol to report on (at minimum) Scope 1 and 2 and begin the Scope 3 process
- Setting targets and KPIs
  - Decarbonisation
  - Net Zero
  - Science based targets
- **TARGET participants:** Technical ESG teams. Auditors, financial reporting regulators

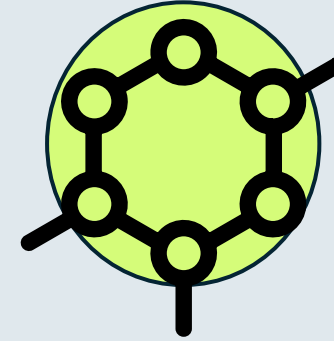


## Learning from piloting of training program



- ✘ There is still a big need for training to help participants see the relevance to *their* particular sector  
There is a benefit in having policy makers, owner entities and SOEs in the same room – very different perspectives
- ✘ The training helps to shift the focus from ESG as a perceived cost to understanding the role of climate disclosure in protecting and enhancing value creation capability over time

## We want participants to know: What is different and important



Looks at impact from multiple perspectives

### ✦ Outward looking

The impact of the organization or company on the external environment

### ✦ Inward looking

The impact of rapidly accelerating climate change on the organization's ability to operate, create and protect economic value

### ✦ Looks backward at past emissions and impact

### ✦ Looks forward and demonstrate its risk management, strategic thinking, target setting and ability to evaluate scenarios will build resilience for the future

### ✦ Looks at environmental, social and financial impact and governance expectations

## Training focuses on specifics such as : What to Report



Greenhouse Gas Reporting



Governance structures for sustainability and climate issues



Risk management issues



Impact on the SOE's finances or business strategy (can it still deliver on its mandate?)



Targets and Metrics

minimum 1 year

2<sup>nd</sup>/3<sup>rd</sup> year

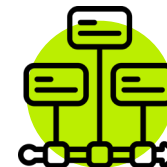
# How to get started? Key implementation steps for SOEs



- Set up internal task teams including.
- (ESG, process engineering, Risk management, strategy and reporting skills)
- Identify sources of data, key inputs and plan for internal and external reporting
- Benchmark against other SOEs in your sector



- Review Board and Executive Committees mandates, timetables and terms of reference and include climate change oversight and disclosure responsibilities
- Develop skills and capacity
- Adopt or amend company policies and operating procedures



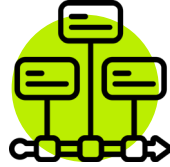
- Create a timeline for disclosure and issuing of annual reports – linked to the company reporting cycle. \*
- Begin developing a greenhouse gas emissions inventory and baseline using GHG protocol. Document assumptions.
- Build from there to cover all aspects: governance, strategy, risk and targets and metrics.
- Begin with climate change risk assessments and document process and findings

# Training focuses on specifics such as : How to get started?

## Key implementation steps for **government**



- Integrate commitments in State Ownership Policies
- Set the standards (EU CSRS most relevant)
- Set minimum reporting requirements
- Identify priority Sectors
- Specify Minimum content



- Determine a timeline – full reporting can take up to 3 years so early start is essential.
- If an EU member or EU accession country, aim to meet the CSRS Directive and timelines
- Encourage SOEs to start immediately to put in place data systems and governance structures (see slide on this)



- If not already subject to EU law, issue directives to start the process
- Revise SOE statutes and regulations
- Revise Governance requirements
- Make board appointments
- Change accounting standards to include climate change



- Build capacity in government and SOE executive teams
- Host workshops and webinars:
  - How to use reporting standards
  - Greenhouse Gas Accounting
- Training
- Make available "official" guidance



# Key messages of training for policy- makers and owner entities

Encourage /require SOEs to start reporting

- Set a baseline year
- Set a timeline of perhaps 3 years for companies to be able to fully comply with leading frameworks
- IFRS S2 is a standard – so IFRS will say its “all of nothing” but few companies can achieve that without time to develop their data, understand the requirements and develop their skills and capabilities
- Setting IFRS S2 or EU CSRS as an ambition level for the future sends a clear signal but milestones for the interim will be necessary.
  - E.g. minimum requirements for year1, incremental requirements for year 2 and year 3.





Thank you

