
**Intergovernmental Working Group of Experts on International
Standards of Accounting and Reporting
(ISAR)**

**38th SESSION
9 – 12 November 2021**

Friday, 12 November 2021

**Agenda item 4. Climate-related financial disclosures in
mainstream entity reporting: good practices and key
challenges**

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Climate-related disclosure

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Guiding principles and challenges

WARNING
The following images contain
GRAPHIC CONTENT
some viewers may find disturbing

How do you eat an elephant?
One bite at a time



DON'T

Disclosures should be linked to objectives

- **Big, bold goals can confuse/distract (cf. COP26) – you get what you measure**
- **Objectives should be relatable for the “smallest” person (buy-in)**
 - **S**pecific
 - **M**easurable
 - **A**chievable
 - **R**elevant (realistic)
 - **T**ime-bound (tangible)
- **Proportionality is essential**



Our goals must consider unintended consequences



Perpetuating the Myth

☞ The *Economist* referenced CNW's study:

“The dirty little secret about hybrids is that their batteries and extensive use of aluminum parts make them costly to build in energy terms as well as financial terms. One life-cycle assessment claims that, from factory floor to scrap heap, a Prius consumes more energy even than a Hummer III.”

- *The Economist*, In Praise of Diesel - 2/9/07

Paperless age -> electronic waste

Current energy shortage

For example, vaccines are thoroughly tested for side effects. We should do this before implementing strategies.

But we must avoid pseudo-science and social media “experts”, stay scientific

Challenges abound

- **Avoid not seeing the wood for the trees**
 - IASB's Disclosure Initiative
- **Retain focus on other areas of reporting**
- **Disclosures must be a means to an end, not an end in itself**
- **Sectoral guidance (cf. GRI)**
- **Mandating, assurance and monitoring (incentivisation?)**
- **CAPACITY BUILDING**



TD/B/C.II/ISAR/97

... capacity-building and changing the way managers and employees think about sustainability [climate change].

SHUKRAN