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

**40th SESSION
17 – 19 October 2023**

Wednesday, 18 October 2023

**Agenda item 3. Review of practical implementation and
recent developments in sustainability reporting requirements**

Presented by

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REGULATORY AUTHORITY

Review of practical implementation and recent developments in sustainability reporting requirements

18 October 2023

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Current status of ESG reporting



[Published by the GCC Exchanges Committee, January 2023](#)

- Supervision conducted a survey among QFCRA-authorized firms, using a set of voluntary disclosures for listed companies by the Qatar Stock Exchange, which is a member of the GCC Exchanges Committee
- The metrics comprise several standards that are aligned with the UN Sustainable Development Goals and address topics including GHG emissions, energy usage, water usage, gender pay, employee turnover, gender diversity, and ethics
- QFCRA Supervision supplemented this through the addition of other core UN SDGs in areas such as human capital and corporate governance



Context

Type



Country of origin



■ Banks ■ Insurers ■ Inv.Mngrs ■ Interm. ■ Advisors & ROs ■ Qatar ■ MENA (ex.Qat) ■ Europe ■ USA ■ Asia

Does your company focus on specific UN SDGs?

Yes: 57% of all firms

No: 43% of all firms

Does your company set targets and report progress on UN SDGs?

Yes: 45% of all firms

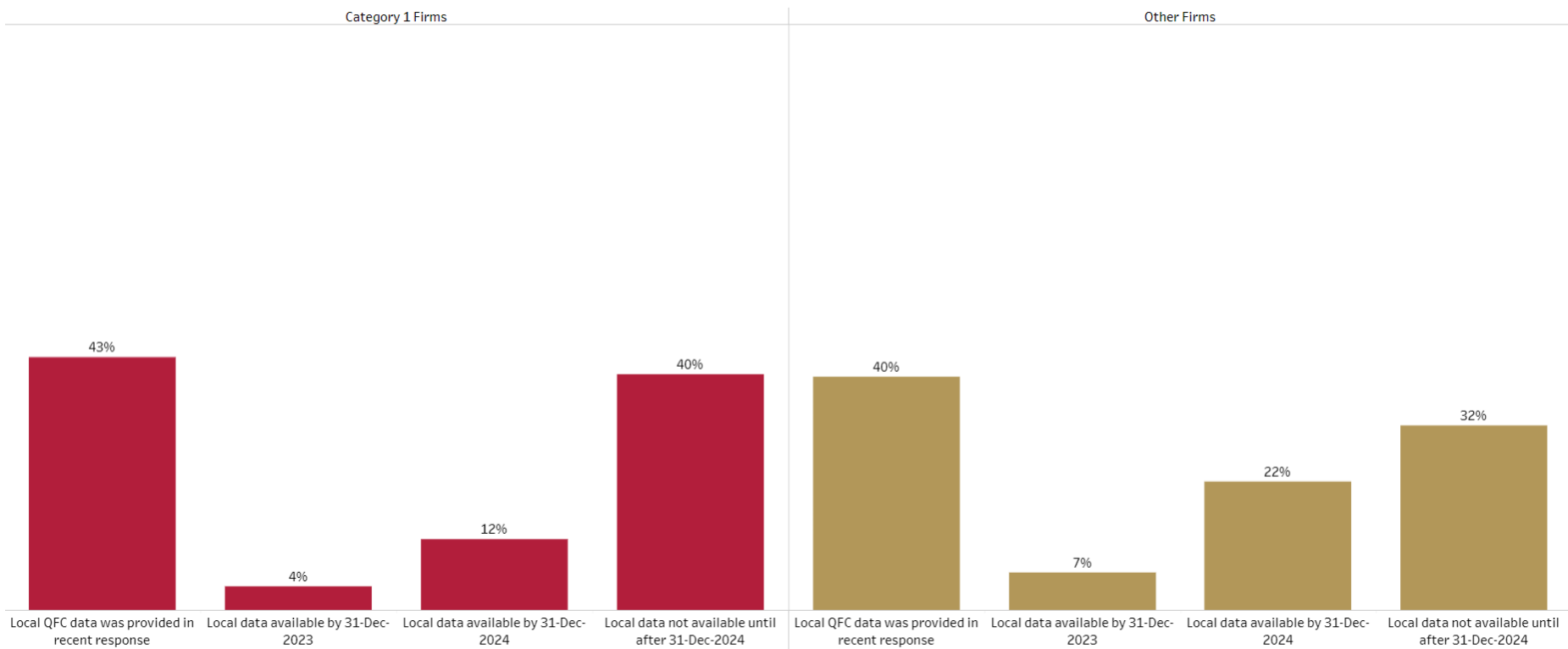
No: 55% of all firms

Summary

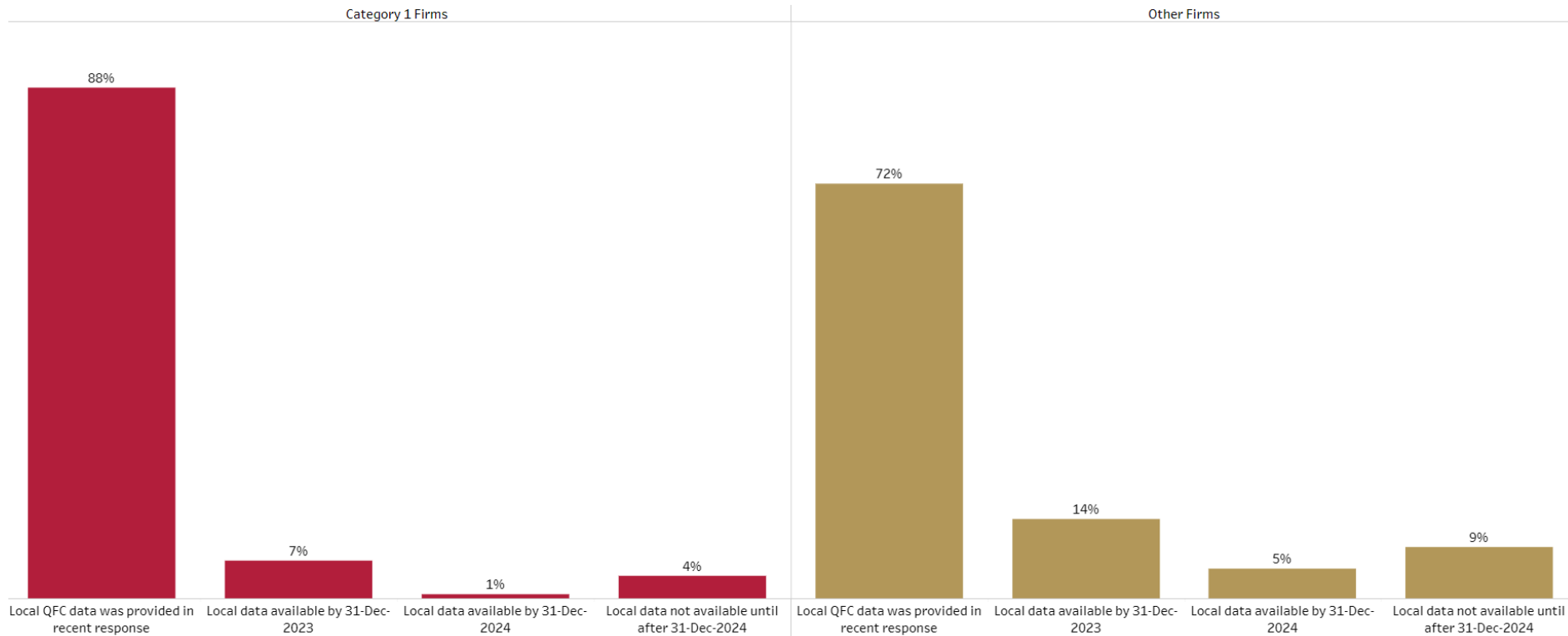
- Social and Governance disclosures were generally more accessible to firms (with 88% of Category 1 firms able to respond on Social disclosures, and 84% on Governance disclosures). This is because Social disclosures often relied on wider group policies and Governance disclosures related to small, local governing bodies.
- Most Environmental disclosures were outside the current reach of firms, with only 43% of Category 1 firms providing current data. Responses demonstrated a lack of knowledge, suggesting that 43% is an over-estimation. This is compounded by responses in the negative – E.g. Q: Does your company follow specific waste, water, energy, and/or recycling policies? A: No.
- More than 40% of firms were unable to state when Environmental disclosures would be available. Firms struggled to answer questions on CO2 equivalents for Scopes 1, 2 and 3; total GHG emissions; and questions surrounding water and energy usage.

Environmental

Availability of Environmental Data for Category 1 and Other Firm Types



Availability of Social Data for Category 1 and Other Firm Types

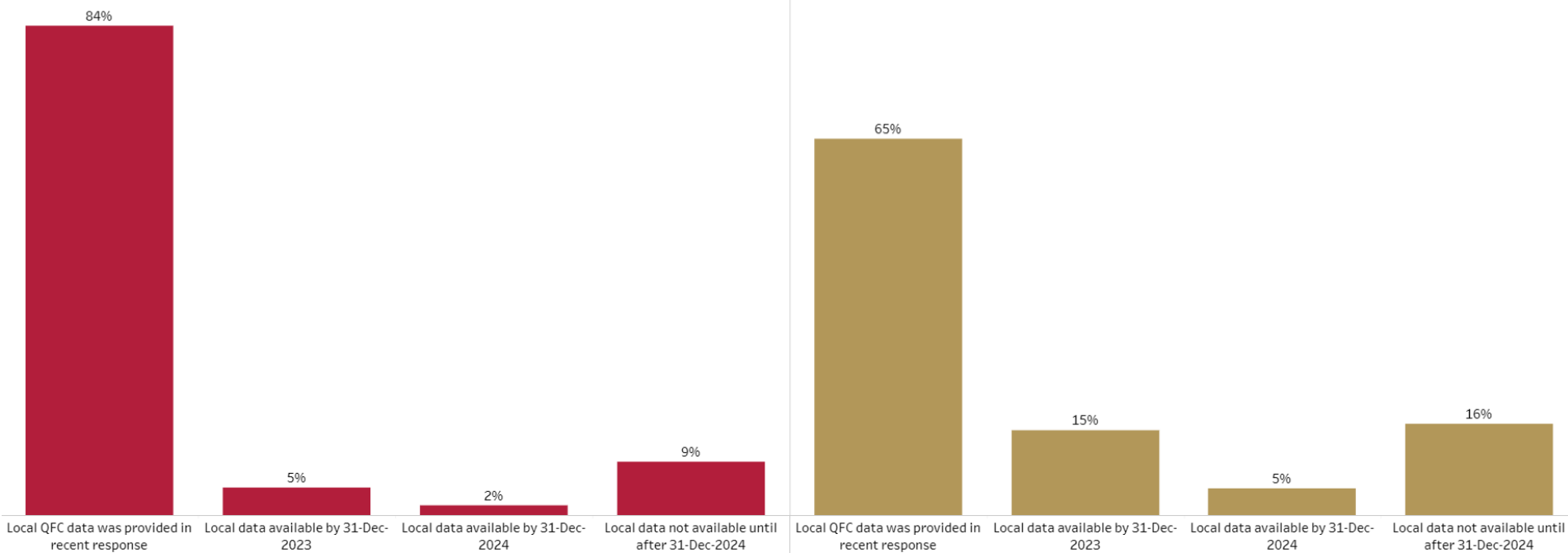


Governance

Availability of Governance Data for Category 1 and Other Firm Types

Category 1 Firms

Other Firms



Way forward

- Provide feedback to firms on ESG survey findings and proposed way forward
- Include IFRS S1 and S2 as mandatory standards for financial years commencing on or after 1 January 2024
 - As proposed, Scope 3 will be deferred to 2025
 - Integrated reporting preferred, but not mandatory
- Introduce mandatory and voluntary disclosure sets by sector
- Require assurance using ISSA 5000 on ALL disclosures
- Develop ISRS 4400 (agreed-upon-procedures) report for regulatory assurance
- **DEVELOP AND RUN CAPACITY BUILDING INITIATIVES**
 - Liaise closely with the Regional Partnership for promotion of sustainability reporting in the Gulf States and neighbouring countries

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