



12 May 2023

To: **Members of the Hong Kong Institute of CPAs**
All other interested parties

INVITATION TO COMMENT ON ISSB EXPOSURE DRAFT
Methodology for Enhancing the International Applicability of the
SASB Standards and SASB Standards Taxonomy Updates
Comments to be received by 3 July 2023

The Financial Reporting Standards Committee (FRSC) of the Hong Kong Institute of Certified Public Accountants (Institute) is seeking comments on the International Sustainability Standards Board (ISSB) Exposure Draft *Methodology for Enhancing the International Applicability of the SASB Standards and SASB Standards Taxonomy Updates* (Exposure Draft). The Exposure Draft is available on the Institute's website:

<https://www.hkicpa.org.hk/en/Standards-setting/Standards/Open-for-comment-documents/Sustainability-Reporting>

The ISSB is seeking feedback on its proposed methodology for enhancing the international applicability of the SASB Standards. Feedback on the proposed methodology will enable the ISSB to make targeted amendments to the SASB Standards to make sure references within them are internationally applicable.

A small subset of the metrics included in the SASB Standards—around 20%—incorporate references to specific jurisdictional laws and regulations. Revising these references will help improve international applicability and remove regional bias.

The SASB Standards serve as an important source of guidance in the ISSB's general requirements standard (IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*) by helping companies to identify sustainability-related risks and opportunities and provide appropriate disclosures beyond climate (which is addressed by IFRS S2 *Climate-related Disclosures*). The ISSB's objective is to revise the metrics within the SASB Standards, based on the outcomes of the consultation, prior to IFRS S1 coming into effect in January 2024.

The FRSC invites your comments on the Exposure Draft by **3 July 2023** to allow your comments to be considered in developing its response to the ISSB. Comments should be supported by specific reasoning and should be submitted in written form.

Comments may be sent by mail, fax or e-mail to:

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Hong Kong Institute of Certified Public Accountants
37th Floor, Wu Chung House
213 Queen's Road East
Wanchai, Hong Kong

Fax number (+852) 2865 6603
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Comments will be acknowledged and will be made available for public review unless otherwise requested by the respondent.