



1 April 2022

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

INVITATION TO COMMENT ON THE ISSB EXPOSURE DRAFTS
Exposure Draft IFRS S1 General Requirements for Disclosure of
Sustainability-related Financial Information; and Exposure Draft IFRS S2
Climate-related Disclosures

Comments to be received by 13 June 2022

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 IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*; and Exposure Draft IFRS S2 *Climate-related Disclosures* (Exposure Drafts). The Exposure Drafts and a Snapshot providing a high-level summary of the requirements are available on the Institute's website: <https://www.hkicpa.org.hk/en/Standards-and-regulation/Standards/Open-for-comment-documents/Sustainability-Reporting>

The Exposure Drafts have been developed in response to requests from G20 leaders, the International Organization of Securities Commissions and others for enhanced information from companies on sustainability-related risks and opportunities. The Exposure Drafts build upon the recommendations of the Task Force on Climate-Related Financial Disclosures and incorporate industry-based disclosure requirements derived from Sustainability Accounting Standards Board (SASB) Standards.

The Exposure Drafts build on the prototypes prepared by the Technical Readiness Working Group.

The draft IFRS S1 sets out the overall requirements for disclosing sustainability-related financial information about an entity's significant sustainability-related risks and opportunities so as to provide the market with a complete set of sustainability-related financial disclosures. The draft IFRS S1 also provides guidance on how to identify and develop appropriate disclosures about sustainability-related risks and opportunities not addressed by an IFRS Sustainability Disclosure Standard using the disclosure topics in SASB Standards and the Climate Disclosure Standards Board Framework application guidance for water- and biodiversity-related disclosures.

The draft IFRS S2 sets out the specific requirements for the identification, measurement and disclosure of climate-related financial information.

When the ISSB issues the final requirements, they will form a comprehensive global baseline of sustainability disclosures designed to meet the information needs of investors in assessing enterprise value. The ISSB is working closely with other international organisations and jurisdictions to support the inclusion of the global baseline into jurisdictional requirements.



The FRSC invites your comments on the proposals as set out in the Exposure Drafts by **13 June 2022** to allow your comments to be considered in developing its response to the ISSB. Comments should be submitted in written form.

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

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

Fax number (+852) 2865 6776
E-mail: commentletters@hkicpa.org.hk

Comments will be acknowledged and may be made available for public review unless otherwise requested by the respondent.

In addition, we will be (i) rolling out a survey shortly and (ii) hosting a public roundtable discussion on 11 May 2022 with the ISSB staff to solicit your comment on the Exposure Drafts. Details will be provided in due course.

Please visit our [website](#) for more information about sustainability-related matters.