

14 October 2025

Standard Setting Department
Hong Kong Institute of Certified Public Accountants
37th Floor, Wu Chung House
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Wanchai, Hong Kong

Submitted via email.

To whom it may concern

Hong Kong Institute of Certified Public Accountants: Invitation to Comment on ISSB Exposure Drafts: *Proposed Amendments to the SASB Standards and Proposed Amendments to the Industry-based Guidance on Implementing IFRS S2*.

CPA Australia represents the diverse interests of more than 175,000 members in over 100 countries and regions worldwide, including more than 16,000 members in Hong Kong.

We welcome the opportunity to comment on the HKICPA's consultation in response to the ISSB's Exposure Drafts: *Proposed Amendments to the SASB Standards and Proposed Amendments to the Industry-based Guidance on Implementing IFRS S2*. We make this submission on behalf of our members and in the public interest.

We agree with the broader intent of the ISSB's continued work to align the various assets within its remit to provide a comprehensive and interoperable sustainability standards and guidance. The inclusion of the TNFD and social-related topics aligns with the ongoing work agenda of the ISSB and is therefore a logical continuation of that work.

We also support the ongoing work on the SASB standards to ensure that they both complement and support IFRS S2 – Climate-related financial disclosures. We also appreciate the approach to ensuring interoperability with other sustainability standards including the Global Reporting Initiative (GRI) and European Sustainability Reporting Standards (ESRS).

It is our view that specific responses to the various focus industries included in the review of the SASB standards would be best addressed by other peak bodies and market participants and we will therefore curtail our responses to general remarks on the approach being envisaged.

Our main points are shown below.

- We remain concerned that the industry classifications as they are contained within the SASB standards could benefit from alignment with the Global Industry Classification Standard, which is both global and investor led. While this may not currently apply to Hong Kong due to the absence of industry-specific ESG disclosure requirements, this alignment could be especially relevant for Australia and other advanced economies that have adopted industry classifications in their ESG disclosure frameworks. It is our view that one of the key benefits of the use of this standard would be that local jurisdictional industry classifications are likely to already be mapped against the standard.
- Whilst we appreciate the inclusion of the TNFD as a component of proposed amendments, given the clear relationship between climate and nature-related risks and opportunities, we would seek additional clarity on how this work would intersect

with the future standard setting work around biodiversity, ecosystems and ecosystem services.

- The application of the SASB standards differ substantially by jurisdiction. In this regard we note that although the Hong Kong government's approach has been to adopt IFRS S1 and S2, there is no clear intent for mandatory application of the SASB standards in the Special Administrative Region. This would not detract from the value of the SASB standards but would point to the need for a deeper understanding of regional nuance.

If you have any questions about this submission please contact Patrick Viljoen patrick.viljoen@cpaaustralia.com.au or Kevin Cheng kevin.cheng@cpaaustralia.com.au.

Kind regards

A handwritten signature in black ink, appearing to read 'K Cheng', with a stylized flourish at the end.

Kevin Cheng
Regional Manager Hong Kong, Macau and Taiwan
CPA Australia