AY-2. Are you responding as an individual, or on behalf of an organisation?
Organisation

AY-3. Please provide the name of the organisation you are responding on behalf of:
HKICPA

AY-10. Please provide any additional details relevant to you (if responding as an individual) or your organisation (if responding on behalf of an organisation).
The Hong Kong Institute of Certified Public Accountants (HKICPA) is the only body authorised by law to set and promulgate standards relating to financial reporting, auditing, ethics and sustainability disclosures for professional accountants in Hong Kong. We are grateful for the opportunity to provide you with our comments on the Exposure Draft (ED) on Proposed Amendments to the SASB Standards and IFRS S2 Industry-based Guidance. In forming our views as outlined below, we have undertaken the following activities: (a) issued an Invitation to Comment on the ED on 30 March 2026 to its members and other stakeholders; and (b) sought input and developed its views through its Sustainability Disclosure Standards Committee, having reflected on its respondents' views. The Committee comprises preparer representatives from various industry sectors, regulators, an investor, as well as technical and industry experts from small, medium and large accounting firms.

Question 1—*Agricultural Products* SASB Standard

This Exposure Draft includes proposals to enhance the *Agricultural Products* SASB Standard, with a focus on ensuring that the Standard helps entities applying IFRS Sustainability Disclosure Standards to provide decision-useful information to users of general purpose financial reports. The information provided should help users understand the sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of an entity in this industry.

The ISSB is interested in feedback on the amendments proposed in this Exposure Draft and on the *Agricultural Products* SASB Standard as a whole. The ISSB is particularly interested in feedback on whether the proposed amendments would result in the Standard meeting the needs of users of general purpose financial reports in a manner that is cost-effective for preparers.

The ISSB's proposals are set out in pages 21-76 of the Exposure Draft. Paragraphs BC51-BC102 of the Basis for Conclusions set out the ISSB's reasoning for these proposals.

- (a) Do you agree with the proposed Agricultural Products industry description? Does it accurately describe the business activities of entities in this industry?

01-A Position

01-A Response

- (b) Do you agree with the proposed inclusion of direct farming operations in the scope of activities included in the industry classification? Why or why not?

01-B Position

01-B Response

- (c) Do you agree that the proposed industry description makes it clear that the intended scope of entities in the industry classification includes entities with direct farming operations, entities that source products from farms (including, for example, outgrowers, contract farmers and co-operatives), and entities that do both? Why or why not?

01-C Position

01-C Response

(d) Do you agree that the proposed disclosure topics in the *Agricultural Products* SASB Standard would accurately identify the sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of entities in this industry? If not, what revisions would you suggest and why?

01-D Position

01-D Response

- (e) Do you agree that the proposed metrics and technical protocols in the *Agricultural Products* SASB Standard would help an entity provide primary users with decision-useful information about sustainability-related risks and opportunities? If not, what revisions would you suggest and why?

01-E Position

01-E Response

- (f) Do you agree that the proposed metrics in the Environmental Supply Chain Management and Social Supply Chain Management disclosure topics would support cost-effective disclosure of information that primary users need about sustainability-related risks and opportunities in the supply chain (for example, on soil health and water scarcity)? If not, what revisions would you suggest and why?

01-F Position

01-F Response

- (g) Do you agree that the proposals would improve the international applicability of the *Agricultural Products* SASB Standard and would lead to the disclosure of decision-useful information from entities in the industry regardless of their jurisdiction? Why or why not?

01-G Position

01-G Response

- (h) Do you agree that the proposed amendments would enhance the *Agricultural Products* SASB Standard's interoperability and alignment with other sustainability-related standards or frameworks? Why or why not?

(Note that the ISSB is focused on providing material information for investors about the effects of sustainability-related risks and opportunities on an entity's prospects.)

01-H Position

01-H Response

- (i) Are there any proposed metrics in the *Agricultural Products* SASB Standard that would benefit from the inclusion of specific proportionality mechanisms described in paragraphs BC47–BC48 of the Basis for Conclusions? If so, identify which metrics you believe would benefit from the introduction of such mechanisms and explain why.

01-I Position

01-I Response

Question 2—*Meat, Poultry & Dairy* SASB Standard

This Exposure Draft includes proposals to enhance the *Meat, Poultry & Dairy* SASB Standard, with a focus on ensuring that the Standard helps entities applying IFRS Sustainability Disclosure Standards to provide decision-useful information to users of general purpose financial reports. The information provided should help users understand the sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of an entity in this industry.

The ISSB is interested in feedback on the amendments proposed in this Exposure Draft and on the *Meat, Poultry & Dairy* SASB Standard as a whole. The ISSB is particularly interested in feedback on whether the proposed amendments would result in the Standard meeting the needs of users of general purpose financial reports in a manner that is cost-effective for preparers.

The ISSB's proposals are set out in pages 77–139 of the Exposure Draft. Paragraphs BC103-BC137 of the Basis for Conclusions set out the ISSB's reasoning for these proposals.

- (a) Do you agree with the proposed, Meat, Poultry, & Dairy industry description? Does it accurately describe the business activities of entities in this industry? Do you agree with the scope of activities included in the industry classification? Why or why not?

02-A Position
Agree

02-A Response
A respondent from this industry noted that the statement that large industry operators "typically rely on contract or independent farmers" may not fully reflect practices in some jurisdictions. In China, particularly in the dairy sector, leading operators may be vertically integrated and operate their own farms. While the proposed wording remains appropriate at a global level, a minor clarification could improve clarity in the industry description of the Meat, Poultry & Dairy SASB Standard. As such, the respondent suggests that the ISSB consider the following wording, with new text shown in brackets: "… Large industry operators typically rely on contract or independent farmers to supply animals and may have varying degrees of control over their operations, [although the degree of reliance varies across jurisdictions and business models, with some entities

operating vertically integrated farming operations.] …"

- (b)
  Do you agree that the proposed disclosure topics in the *Meat, Poultry & Dairy* SASB Standard would accurately identify the sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of entities in this industry? If not, what revisions would you suggest and why?

02-B Position

02-B Response

- (c) Do you agree that the proposed metrics and technical protocols in the *Meat, Poultry & Dairy* SASB Standard would help an entity provide primary users with decision-useful information about sustainability-related risks and opportunities? If not, what revisions would you suggest and why?

02-C Position
Agree

02-C Response
A respondent from this industry commented that the definition of a "written nutrient management plan" in FB-MP-160a.9 may not be sufficiently precise. The respondent noted that, in some jurisdictions, such plans may be subject to review or approval by relevant authorities. While the proposed definition appears appropriate, a minor clarification could further enhance clarity by acknowledging jurisdictional practices, without requiring regulatory approval in all jurisdictions. The ISSB could consider the following wording, with new text shown in brackets: "A nutrient management plan is a documented management practice that addresses the generation, collection, treatment, storage and agronomic use of manure [and may, where applicable, be subject to review, approval or oversight by relevant authorities]."

- (d) Do you agree that the proposed metrics in the Environmental Supply Chain Management and Social Supply Chain Management disclosure topics would support cost-effective disclosure of information that primary users need about sustainability-related risks and opportunities in the supply chain (for example, on soil health and water scarcity)? If not, what revisions would you suggest and why?

02-D Position

02-D Response

- (e) Do you agree that the proposals would improve the international applicability of the *Meat, Poultry & Dairy* SASB Standard and would lead to the disclosure of decision-useful information from entities in the industry regardless of their jurisdiction? Why or why not?

02-E Position

02-E Response

- (f) Do you agree that the proposed amendments would enhance the *Meat, Poultry & Dairy* SASB Standard's interoperability and alignment with other sustainability-related standards and frameworks? Why or why not?

  (Note that the ISSB is focused on providing material information for investors about the effects of sustainability-related risks and opportunities on an entity's prospects.)

02-F Position

02-F Response

- (g) Are there any proposed metrics in the *Meat, Poultry & Dairy* SASB Standard that would benefit from the inclusion of specific proportionality mechanisms described in paragraphs BC47–BC48 of the Basis for Conclusions? If so, identify which metrics you believe would benefit from the introduction of such mechanisms and explain why.

02-G Position
Yes

02-G Response
A respondent from this industry commented that disclosing the percentage of sourced animal feed that is "deforestation- or conversion-free" under FB-MP-430b.1 may be challenging in practice. The respondent noted that, while such information may be readily available for locally sourced agricultural products in China, obtaining this information for globally sourced inputs, such as corn and soybeans, is complex, costly and often dependent on global traders, who may not have sufficient traceability. In light of these data availability and traceability challenges, the ISSB could consider making proportionality mechanisms more explicit for FB-MP-430b.1, including the use of reasonable and supportable information available without undue cost or effort, and the use of estimates where direct information is unavailable.

Question 3—*Electric Utilities & Power Generators* SASB Standard

This Exposure Draft includes proposals to enhance the *Electric Utilities & Power Generators* SASB Standard, with a focus on ensuring that the Standard helps entities applying IFRS Sustainability Disclosure Standards to provide decision-useful information to users of general purpose financial reports. The information provided should help users understand the sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of an entity in this industry.

The ISSB is interested in feedback on the amendments proposed in this Exposure Draft and on the *Electric Utilities & Power Generators* SASB Standard as a whole. The ISSB is particularly interested in feedback on whether the proposed amendments would result in the Standard meeting the needs of users of general purpose financial reports in a manner that is cost-effective for preparers.

The ISSB's proposals are set out in pages 140–216 of the Exposure Draft. Paragraphs BC138–BC195 of the Basis for Conclusions set out the ISSB's reasoning for these proposals.

- (a) Do you agree with the proposed Electric Utilities & Power Generators industry description? Does it accurately describe the business activities of entities in this industry? Do you agree with the scope of activities included in the industry classification? Why or why not?

03-A Position
Agree

03-A Response
A respondent from this industry agreed with expanding the industry description by adding “sell and trade electricity” and introducing energy storage and distributed energy resources as relevant technologies.

- (b) Do you agree that the proposed disclosure topics in the *Electric Utilities & Power Generators* SASB Standard would accurately identify the sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of entities in this industry? If not, what revisions would you suggest and why?

03-B Position

03-B Response

- (c) Do you agree that the proposed metrics and technical protocols in the *Electric Utilities & Power Generators* SASB Standard would help an entity provide primary users with decision-useful information about sustainability-related risks and opportunities? If not, what revisions would you suggest and why?

03-C Position
Agree

03-C Response
A respondent from this industry raised comments on several proposed metrics and technical protocols. The ISSB could consider the following targeted clarifications: Hazardous waste stored: Clarify the measurement basis and boundary conditions for “hazardous waste stored” under IF-EU-150a.4, including whether the metric should reflect point-in-time or average values, and whether it includes on-site storage only or off-site storage under the entity’s control. Spatial footprint: Clarify the measurement approach for IF-EU-160a.1 and IF-EU-160a.2, including the scope and basis for determining total spatial footprint, area disturbed and proximity to environmentally sensitive locations, to improve consistency and comparability. Non-technical delays: Clarify the definition of “non-technical delays” in IF-EU-210a.2, including whether routine delays, such as pending regulatory permits, should be captured, to ensure the metric focuses on material, risk-related delays. Non-employee workers: Refine the definition of “non-employee workers” in IF-EU-000.F and provide additional guidance on reporting boundaries, particularly in relation to “work controlled by the entity”, to improve operability and reduce the risk of inconsistent application or double counting. Skill shortage: Provide clearer guidance on “occupational categories with a skill shortage” under IF-EU-330a.2, such as examples of observable indicators, including vacancy rates or time-to-fill, to support more consistent application. The ISSB should also consider whether qualitative explanation under IF-EU-330a.1 may be appropriate where quantitative information relating to skill shortages is not meaningful, for example, by allowing preparers to explain the nature of the risks and opportunities arising from skill shortages, as well as the strategies implemented to address them. This would provide more meaningful and entity-specific insights into workforce-related sustainability risks and opportunities than requiring the disclosure of turnover rates for occupational categories with a skill shortage under IF-EU-330a.2. Activity metrics: Consider revising “customers served” in IF-EU-000.A to “customer accounts served” to align with the accompanying note, and consider whether “Electricity sent out, percentage by major energy source” would better reflect electricity transmitted to the grid for end-use consumption than “Total electricity generated, percentage by major energy source” in IF-EU-000.D.

- (d) Do you agree that the proposal would improve the international applicability of the *Electric Utilities & Power Generators* SASB Standard and would lead to the disclosure of decision-useful information from entities in the industry regardless of the their jurisdiction? Why or why not?

03-D Position

03-D Response

- (e) Do you agree that the proposed amendments would enhance the *Electric Utilities & Power Generators* SASB Standard's interoperability and alignment with other sustainability-related standards or frameworks? Why or why not?

  (Note that the ISSB is focused on providing material information for investors about the effects of sustainability-related risks and opportunities on an entity's prospects.)

03-E Position
Agree

03-E Response
A respondent from this industry noted two areas where further clarification could improve interoperability and reduce practical challenges for preparers. IF-EU-550a.4: The ED appears to specify "presentation currency" as the unit of measure for the "amount" of assets vulnerable to climate-related physical risks in Table 1 on page 150. The ISSB should clarify whether presentation currency (i.e. monetary value) is the prescribed unit of measure, or whether entities may apply judgement in selecting the unit of measure, consistent with IFRS S2.29(c), which does not prescribe a specific unit of measure. IF-EU-320a.1: The ED prescribes a denominator of 1,000,000 hours worked for calculating incidence rates. However, a 200,000-hour basis is used or referred to in other commonly used frameworks or guidance, including GRI, the US Occupational Safety and Health Administration (OSHA), and Hong Kong Exchanges and Clearing Limited's Appendix 3 Reporting Guidance on Social KPIs. To support interoperability while maintaining comparability under the SASB Standards, the ISSB should conduct further outreach to assess whether the 200,000-hour or 1,000,000-hour denominator is more widely used in practice. Based on the findings, the ISSB should consider whether IF-EU-320a.1 should retain the proposed 1,000,000-hour denominator, allow the use of either denominator, or require a 200,000-hour denominator instead. Where different denominators continue to be used across reporting frameworks, the ISSB should also clarify how preparers may reconcile or convert between denominators when reporting under multiple frameworks, including that whatever methodology is used should be clearly disclosed and applied consistently.

- (f) Are there any proposed metrics in the *Electric Utilities & Power Generators* SASB Standard that would benefit from the inclusion of specific proportionality mechanisms described in paragraphs BC47-BC48 of the Basis for Conclusions? If so, identify which metrics you beliece would benefit from the introduction of such mechanisms and explain why.

03-F Position

03-F Response

Question 4—Consequential amendments to the IFRS S2 Industry-based Guidance

The ISSB proposes to make consequential amendments to the IFRS S2 Industry-based Guidance when it makes amendments to the SASB Standards to maintain alignment between the IFRS S2 Industry-based Guidance and the climate-related content in the SASB Standards. Paragraphs BC196–BC197 of the Basis for Conclusions describe the reasons for this proposal.

Do you agree that the ISSB should make consequential amendments to the IFRS S2 Industry-based Guidance when it makes amendments to the SASB Standards as set out in this Exposure Draft? Why or why not?

04-Position
Agree

04-Response

Question 5— Relationship with IFRS Sustainability Disclosure Standards

The proposed amendments to the SASB Standards have been drafted under the assumption that an entity would apply the SASB Standards as well as the IFRS Sustainability Disclosure Standards. Paragraphs BC40–BC46 of the Basis for Conclusions explain the ISSB's reasons for this approach.

- (a) Do you agree with the ISSB's proposed approach to amending the SASB Standards in relation to the content in IFRS Sustainability Disclosure Standards? Why or why not?

05-A Position
Agree

05-A Response

- (b) Do you agree that, for preparers applying the SASB Standards as well as IFRS Sustainability Disclosure Standards, the relationship between their contents is sufficiently clear? Why or why not?

05-B Position
Agree

05-B Response

Question 6—Effective date

The ISSB proposes to set an effective date for the amendments that will occur between 12 and 18 months after their issuance and to permit early application.

Paragraphs BC198–BC199 of the Basis for Conclusions describe the reasons for this proposal.

Do you agree with the proposed approach for setting the effective date of the amendments and permitting early application? Why or why not?

06-Position
Agree

06-Response

Question 7—Objective

The ISSB is proposing to amend the SASB Standards with the objective of providing timely support to entities applying IFRS S1 and IFRS S2. The proposed amendments have been drafted under the assumption that an entity would apply the SASB Standards alongside IFRS Sustainability Disclosure Standards. This assumption allows the SASB Standards to remain targeted and proportionate while avoiding unnecessary duplication of requirements already included in IFRS S1 and IFRS S2.

Paragraph BC21 of the Basis for Conclusions describes the aim of the proposed amendments.

- (a) Do you agree with the objective of the proposed amendments to the SASB Standards and related areas of focus?

07-A Position

07-A Response

- (b) Do the proposed amendments meet this objective? Why or why not?

07-B Position

07-B Response

Question 8—Enhancements to interoperability with other standards and frameworks

In considering necessary amendments to the SASB Standards, the ISSB has identified possible amendments that would enhance the interoperability and alignment of the SASB Standards with other sustainability-related standards and frameworks, such as those of the Global Reporting Initiative (GRI), European Sustainability Reporting Standards, and the guidance published by the Taskforce on Nature-related Financial Disclosures (TNFD).

Paragraphs BC26–BC34 of the Basis for Conclusions explain the approach taken to improving interoperability and alignment with other sustainability-related standards and frameworks. Appendix A of the Basis for Conclusions provides a list of some of the proposed amendments that would enhance interoperability with the GRI Standards and alignment with TNFD disclosure recommendations, while maintaining a focus on the needs of primary users of general purpose financial reports.

- (a) Do you agree with the proposed approach to enhancing interoperability and alignment with other sustainability-related standards and frameworks? Why or why not?

08-A Position

08-A Response

- (b) Do you agree that the proposed amendments to the three priority industries and targeted amendments to other SASB Standards will result in improved interoperability and thus achieve the objectives of improving the decision-usefulness of disclosed information for primary users and cost-effectiveness for preparers? Why or why not?

08-B Position

08-B Response

- (c) Could the interoperability and alignment of any disclosure topics or metrics be further enhanced while achieving the objectives of improving the decision-usefulness and cost-effectiveness of the information? What amendments would you propose and why?

08-C Position

08-C Response

Question 9—Amendments to the climate-related content in the SASB Standards

The ISSB is proposing to enhance the three prioritised industries comprehensively, including the climate-related content in the priority industries. The proposed amendments are intended to assist preparers in identifying climate-related risks and opportunities and to enhance the decision-usefulness of industry-specific information about these risks and opportunities.

- (a) Do you agree that the ISSB should amend the climate-related content in the SASB Standards for the prioritised industries as proposed in this Exposure Draft? Why or why not?

09-A Position

09-A Response

- (b) Do you agree that the proposed amendments would enhance the decision-usefulness of the industry-specific information about climate-related risks and opportunities? Why or why not?

09-B Position

09-B Response

- (c) Do you agree that the proposed amendments would further clarify how the climate-related content in the SASB Standards and the IFRS S2 industry-based guidance relates to the requirements in IFRS S2?

09-C Position

09-C Response

Question 10—Information related to nature and human capital

The ISSB proposes to amend disclosure topics and metrics in the SASB Standards related to nature and human capital. The ISSB is pursuing projects on nature and human capital. The ISSB seeks to understand the extent to which the SASB Standards, and the proposed amendments, meet user needs for information on risks and opportunities related to nature and human capital.

- (a) Do the SASB Standards, including the proposed amendments, enable entities to provide decision-useful information about their nature-related risks and opportunities to users of general purpose financial reports? Why or why not?

10-A Position

10-A Response

- (b) In the three industries that the ISSB has prioritised for enhancement in this Exposure Draft, are there other nature-related disclosures not addressed through the proposed amendments that would be useful for users of general purpose financial reports in their decision-making? If so, please explain which disclosures and why.

10-B Position

10-B Response

- (c) Do the SASB Standards, including the proposed amendments, enable entities to provide decision-useful information about their human capital-related risks and opportunities to users of general purpose financial reports? Why or why not?

10-C Position

10-C Response

- (d) In the three industries that the ISSB has prioritised for enhancement in this Exposure Draft, are there other human capital-related disclosures not addressed through the proposed amendments that would be useful for users of general purpose financial reports in their decision-making? If so, please explain which disclosures and why.

10-D Position

10-D Response