

## Feedback on Exposure Drafts

### 1. ISSB IFRS S1 – Sustainability Disclosures

Reference No./ Page No.	Team in Mashreq	Comment/ Feedback	Justification
<b>B13 Materiality, Page No. 22</b>	ESG Team	Limited Scope	IFRS S1 focuses on financial materiality, which might not fully capture the broader impacts of sustainability issues on society and the environment. This is level down moving purely towards financial impacts ignoring ESG impacts.
<b>Page No. 6 Disclosure about sustainability related risks and opportunities</b>	ESG Team	Detailed Risk Disclosure	We would need to disclose detailed information about sustainability-related risks and opportunities, which can be complex and there is no publicly available guidance on the exact steps. GRI focuses on materiality whereas IFRS mentions about sustainability risk without any guidance on how to do carry on.
<b>General Feedback</b>	ESG Team	High Implementation Costs	We may face significant costs in aligning their reporting systems with IFRS S1, including investments in new technology, hiring additional manpower and training for staff
<b>General Feedback</b>	ESG Team	Inconsistent Application	Different jurisdictions may have varying levels of readiness to implement IFRS S1, leading to inconsistencies in application and interpretation. The jurisdictions we operate are aligned with GRI related standards.
<b>General Feedback</b>	ESG Team	Increased Compliance Requirements	Adding IFRS S1 to existing regulatory requirements can increase the compliance burden, potentially leading to compliance fatigue.
<b>General Feedback</b>	ESG Team	Resource Demands	Preparing sustainability-related financial disclosures requires substantial resources, which could strain smaller branches (Hongkong). There is no reference report to understand how much effort, resource and time required to prepare a standalone IFRS report.
<b>General Feedback</b>	ESG Team	Disruption in Reporting Practices	Transitioning from existing voluntary frameworks to IFRS S1 can be disruptive, requiring significant changes in reporting practices moving from GRI including multiple standalone reports for multiple locations.

## 2. ISSB IFRS S2 – Climate Risk

Reference No./ Page No.	Team in Mashreq	Comment/ Feedback	Justification
General Feedback	Climate Risk	<p>IFRS S2 Applicability to smaller foreign branches Operating in Hong Kong. We request clarity from the authority, if proportionality principle will be applicable. Given our branch's relatively modest size and limited portfolio, are there provision for simplified reporting or reduced requirements for entities of our scale?</p> <p>Are there any specific thresholds or criteria that determine the applicability of Climate risk disclosures for smaller entities?</p> <p>What best practices or strategies would the authority recommend for smaller foreign branches in Hong Kong to effectively adopt and implement these standards?</p>	Portfolio materiality of HK Branch.
Volume 1 on Page 6 and Volume 68 on page 405	Climate Risk	<p>Should the metrics in IFRS S2 (sustainability metrics for each volume #1 – #68) be in line with the IFRS S1 Sustainability metrics. Please confirm how should the firm go about this interdependency?</p> <p>Please confirm if the authority considering the IFRS S1 and S2 as single report or should they be considered as separate deliverable?</p>	Methodology for industries and sectors # Volume 1 to 68