

25 October 2024

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

Dear Sir/Madam,

Re: Invitation to comment on Exposure Draft HKFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and Exposure Draft HKFRS S2 *Climate-related Disclosures*

Deloitte Touche Tohmatsu is pleased to respond to the Hong Kong Institute of Certified Public Accountants' ("HKICPA") invitation to comment on Exposure Draft HKFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and Exposure Draft HKFRS S2 *Climate-related Disclosures*.

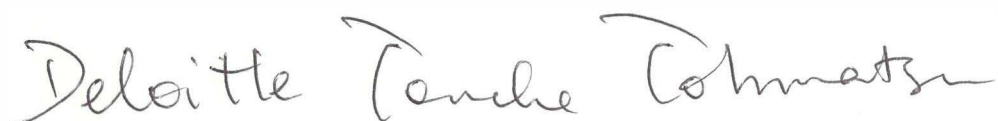
Investors are seeking high-quality, transparent and globally comparable sustainability-related information relevant to their analysis and decision. This can best be achieved through a global baseline of disclosures based on adoption of the International Sustainability Standards Board's ("ISSB") IFRS Sustainability Disclosure Standards. We therefore welcome and strongly support the HKICPA's proposal on full convergence of HKFRS S1 and S2 ("HKFRS Sustainability Disclosure Standards") with the IFRS Sustainability Disclosure Standards IFRS S1 and S2 to help entities meet the investors' growing information needs in this area. We believe that, with the issuance of the HKFRS Sustainability Disclosure Standards as proposed, Hong Kong would take a significant and crucial step towards Hong Kong companies delivering consistent and comparable disclosures in line with the global baseline provided by the IFRS Sustainability Disclosure Standards enabling investors to make more informed decisions. We believe this will bolster the connection of global capital to local entities and reduce the likelihood that multinational entities will have to incur additional costs for preparing sustainability reporting on another basis not fully aligned with the IFRS Sustainability Disclosure Standards. We believe all these factors will in turn help Hong Kong to remain competitive and safeguard its position as a major international financial centre.

Regarding the proposed effective date of 1 August 2025, we understand the rationale mentioned in the paragraph 36 of explanatory memorandum issued by the HKICPA. We also believed that it would not have any substantial impact in practice because (i) most Hong Kong incorporated entities have a 31-December or 31-March financial year end, (ii) entities could always early adopt the HKFRS Sustainability Disclosure Standards voluntarily and (iii) the approach and timing of mandatorily adopting these standards will be driven by relevant authorities or regulators as stated in FAQ 1 of the explanatory memorandum. We therefore support the proposed effective date.

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We urge the HKICPA to proceed with its intention of issuing the HKFRS Sustainability Disclosure Standards by end of 2024. In case of any questions, please contact Mateusz Lasik at +852 2238 7688 or Suki Shek at +852 2852 6732.

Yours sincerely,

A handwritten signature in black ink that reads "Deloitte Touche Tohmatsu". The signature is written in a cursive, flowing style.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong