



Minutes of the 1st meeting of the Sustainability Disclosure Standards Committee held on Friday, 21 February 2025 at 9:00 a.m. in Board Room of the Hong Kong Institute of Certified Public Accountants, 37/F., Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong (and via videoconference).

Members present:	Ms. Eddie Ng (Chair), KPMG Ms. Yvonne Kam (Deputy Chair), PwC Mr. Ricky Cheng, BDO Financial Services Ltd. Ms. Caroline Chiu, EY Ms. Yvette Kwan, Asia Securities Industry & Financial Markets Association Mr. Ernest Lee, Deloitte Ms. Kelly Lee, HKEX Mr. Evan Li, HSBC Mr. Charbon Lo, Beijing Xinghua Caplegend CPA Limited Ms. Elaine Ng, SFC Ms. Karen Ngai, CTF Services Limited Mr. Ghee Peh, Institute for Energy Economics and Financial Analysis Mr. Hendrik Rosenthal, CLP Holdings Limited Ms. Serene Seah-Tan, Ant International
Staff in attendance:	Ms. Cecilia Kwei, Director of Standard Setting Mr. Andy Law, Director of Sustainability Mr. Anthony Wong, Associate Director, Standard Setting
Observer:	Ms. Fiona Yip, Accounting and Financial Reporting Council

Action

1. Welcome and Introductions

The Chair welcomed all members of the Committee and each member provided a brief introduction of themselves.

The Committee noted the following:

- i) the general confidentiality rules in relation to minutes and agenda papers;
- ii) expectation of chair and members and performance evaluation exercise;
- iii) 2025 meeting dates; and
- iv) induction pack, including an overview of HKICPA's standard-setting functions.

The Committee also considered and approved the terms of reference and the standard operating procedures for financial and sustainability reporting standard-setting with minor edits.

2. Composition and Terms of Reference of HKFRS S1 and S2 Implementation Platform (HK IP) Panel

The Committee noted and approved the composition and terms of reference of the HK IP Panel.

3. Work program and liaison log

The Committee noted the developments outlined in the SDSC and SSD work program and liaison log.

4. Strategic Planning

3-year strategic directions and 2025 focus

The Committee noted that the Sustainability Reporting (SR) strategy is set for a two-year period from 2025 to 2026, aligning with both the Financial Reporting Standards Committee's strategic cycle and the ISSB's 2024-2026 work plan cycle. The two-year cycle will allow SSD/SDSC to assess any need for fundamental changes to the SR strategy in a timely manner, given the rapid pace of change in the SR arena.

The Committee approved the 2025-2026 strategy for the SR work stream as follows:

- a) Develop HKFRS Sustainability Disclosure Standards (HKFRS SDS) based on IFRS Sustainability Disclosure Standards (IFRS SDS) as appropriate, working in collaboration with the Green and Sustainable Finance Cross-Agency Steering Group members.
- b) Respond to high priority IFRS Sustainability Disclosure projects and conduct research and outreach activities to inform its views, promoting connectivity between IFRS Accounting Standards and IFRS SDS.
- c) Understand, facilitate and address implementation/application issues arising from HKFRS SDS.
- d) Enhance stakeholder relations and engagement, and international representation, with particular focus on high priority projects.

The Committee considered and agreed with the SSD's proposed work plan for 2025 and the following focus areas:

1. Proposed amendments to IFRS S2: The ISSB decided to propose four amendments to IFRS S2. All of them are either reliefs or clarifications and relate to greenhouse gas emission disclosures.
2. Implementation support for IFRS/HKFRS S1 and S2: Activities mainly include (i) trainings, (ii) publications and (iii) addressing queries submitted to the HK IP and/or technical query system.
3. Other ISSB projects: This includes the standard-setting project to enhance the SASB Standards and research projects on biodiversity, ecosystems and ecosystem services as well as human capital.
4. SDSC governance-related matters: This refers to the IFRS Foundation Due Process Handbook review (see item 5) and the publication of HKICPA's Preface to HKFRS SDS.

Implementation support for IFRS/HKFRS S1 and S2

The Committee received a high-level overview of the Institute-wide training curriculum on IFRS/HKFRS S1 and S2. They noted that the Institute is applying for the Pilot Green and Sustainable Finance Capacity Building Support Scheme for some courses and is planning to launch a certificate program on the HKFRS SDS.

The Committee also considered and approved the scope of the guidance on IFRS/HKFRS S1 and S2 that is set to be published in 2025.

5. IFRS Foundation Exposure Draft Proposed Amendments to the IFRS Foundation Due Process Handbook (ED)

The Committee noted that the IFRS Foundation issued the ED to seek feedback from stakeholders on proposed amendments to its Due Process Handbook (Handbook). These amendments aim to reflect the creation of the ISSB and propose targeted enhancements and clarifications based on the experience since the last update of the Handbook in 2020.

The Committee agreed that this project should be identified as low priority, considering it is a governance project that does not address any technical

aspects of financial and sustainability reporting and is unlikely to directly affect entities in Hong Kong. Furthermore, the proposed amendments do not represent fundamental changes to the IFRS Foundation's due process, and no major issues were noted regarding the current due process.

The Committee then received an update on the comment letters received on the ED. Considering that the ED is a low priority project and that no significant comments were received from stakeholders up to the date of the meeting, the Committee agreed with SSD's preliminary view not to submit a comment letter to the IFRS Foundation unless significant feedback is received.

As the ED may affect the due process for setting both the IFRS Accounting Standards and the IFRS Sustainability Disclosures Standards, the Committee noted that SSD staff have discussed the ED with the Financial Reporting Standards Committee, and they do not have any significant comments on it. SSD staff will provide an update on the feedback obtained from both Committees, along with SSD staff analysis and proposed next steps for both Committees' consideration and approval out-of-session.

SSD

6. Other business

Administrative matter

The Committee noted that they are welcome to propose agenda items for the next SDSC meeting no later than 15 working days prior to the meeting date.

It was noted that the next meeting was scheduled on 27 March 2025.

There being no further business, the meeting closed at 10:15 a.m.

EDDIE NG
CHAIR

12 May 2025