



Standard Setting Department  
Hong Kong Institute of Certified Public Accountants  
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Wanchai, Hong Kong

Date: 22.10.24

## Invitation to comment on Exposure Drafts HKFRS S1 and HKFRS S2.

We refer to the Hong Kong Institute of Certified Public Accountants (HKICPA)'s invitation to comment on the Exposure Draft HKFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and Exposure Draft HKFRS 2 Climate-related Disclosures (HK EDs). We welcome the opportunity to provide feedback on the HK EDs, which represent a key milestone in delivering the sustainability disclosure ecosystem set out in the Vision Statement of the Financial Services and the Treasury Bureau.

Norges Bank Investment Management (NBIM) is the investment management division of the Norwegian Central Bank and is responsible for investing the Norwegian Government Pension Fund Global. NBIM is a globally diversified investment manager with 13,000 billion HKD at 30 June, 2024, of which 50.13 billion HKD was invested in the shares of Hong Kong listed companies.

As a long-term investor, we consider our returns over time to be dependent on sustainable economic, environmental and social development, as well as on well-functioning, legitimate and efficient markets. We are active investors in over 65 countries and require reliable, consistent and comparable sustainability-related financial information across global capital markets. We strongly support the IFRS Sustainability Disclosure Standards (ISSB standards) as the global baseline of investor-focused standards for sustainability-related financial disclosures. The ISSB standards share the same conceptual foundations as the International Accounting Standards Board (IASB) financial reporting standards, enabling investors to receive sustainability-related financial information that is concurrent, connected and complementary to financial statements. This is critical for us to formulate a holistic view of a company's performance and prospects over time, and inform our investment decisions, risk management processes and ownership activities.

As such, we commend HKICPA's proposal of full convergence of the HKEDs with IFRS S1 and IFRS S2 as part of the regulatory adoption of climate-related financial disclosures. This approach is aligned with Hong Kong's position as an international financial centre, and will facilitate cross-border capital flows by delivering comparable and consistent information to investors. The adherence to S1 will enable coherent reporting across sustainability topics as Hong Kong develops a comprehensive sustainability disclosure ecosystem. It will also minimize the reporting burden for Hong Kong companies, which may be subject to other jurisdictions' reporting requirements through interconnected global supply chains. We highly encourage HKICPA to adhere to full convergence of the HKEDs with no modifications, beyond the effective date, for all reporting entities regardless of size or listing status. Policy makers and

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regulators can leverage the in-built proportionality mechanisms and consider extending the one-year transition reliefs of the HKEDs to address concerns regarding preparer resources and capabilities.

We thank you for considering our perspective and remain at your disposal should you wish to discuss these matters further.

Yours sincerely

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