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**Hong Kong Institute of Certified Public Accountants  
Standard Setting Department**

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By Email:

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

Dear HKICPA Standard Setting Department Officers,

Impax Asset Management is a company founded in 1998 that specialises in making sustainable investments in companies contributing to the transition to a more sustainable economy. Nowadays, we are one of the world's largest specialised asset managers in the sustainable investing field. We are also a long-term investor that has been investing in the Hong Kong market for over two decades. Hong Kong has been our base for the Asia-Pacific region since we opened our first Asian office here in 2007.

In its [Vision Statement](#) issued in March, the Hong Kong Government articulated its objective to be among the pioneering jurisdictions in aligning local sustainability disclosure requirements with the International Sustainability Standards Board (ISSB) Standards. Additionally, in conjunction with the development of Hong Kong Standards, the government aims to issue Hong Kong's Roadmap within 2024, thereby providing a transparent and well-defined pathway for sustainability reporting for businesses in Hong Kong. As an active participant of the Hong Kong market, we are pleased to have this opportunity to comment on the Exposure Draft HKFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and Exposure Draft HKFRS S2 Climate-related Disclosures (HK EDs), [issued](#) on September 16, 2024.

According to the [IFRS Foundation](#), jurisdictions representing nearly 55% of global GDP announced steps to adopt or use the ISSB Standards by May 2024. In this context, we are pleased to see that the HKICPA has decided to propose full convergence with the ISSB standards after a holistic assessment of relevant factors, to be effective from August 2025. We believe the publication of the HK EDs marks a significant milestone towards

enabling Hong Kong companies (and those listed in Hong Kong but operate in mainland China) to deliver globally consistent and comparable sustainability disclosures.

In preparing this draft, we appreciate the publication of an [Explanatory Memorandum](#) and the [FAQs](#) by the HKICPA alongside the Exposure Drafts. The two parts provided background on the rationale for full convergence with the ISSB S1 and S2 and explained as well as detailed the implementation plan, helping users to better understand and prepare the required disclosures. This alignment underscores the importance of full adherence to ISSB Standards, thereby strengthening the connection between global capital and local businesses, including those in mainland China and other regions.

We also agree with the HKICPA's approach to prioritise the application on publicly accountable entities including listed entities and regulated financial institutions in Hong Kong such as banks, fund managers, insurance companies and Mandatory Provident Fund trustees. We reckon this can help Hong Kong to align in full of the ISSB Standards to remain competitive and maintain its status as an international financial centre.

Last but not least, we fully recognise HKICPA's status as the only body authorised by law to set standards relating to sustainability disclosures in Hong Kong. With this in mind, it has come to our attention that there has been an apparent lack of communication between the HKICPA and certain other capital market regulator in the past. We understood that this had been resolved gradually over the past few months, but we are still wary by this potential conflict. This is on top of the pushback from issuers in general for higher compliance burden. We would be grateful if the HKICPA would improve the coordination with other relevant authorities/regulators including the Hong Kong Exchanges and Clearing Limited, Hong Kong Monetary Authority, Securities and Futures Commission, Mandatory Provident Fund Schemes Authority, Insurance Authority, and Accounting and Financial Reporting Council.

We would like to conclude our letter by sharing the vision that we believe the Hong Kong market will be much more attractive to international investors with a higher sustainability standard and more transparency from market disclosures. We look forward to seeing if the proposal in these two exposure drafts will be made into the final HKFRS S1 and S2 to be published by the end of 2024. Meanwhile, we will remain as a strong supporter of the Hong Kong market and hope our suggestions above will make a constructive contribution to the ongoing development of the Hong Kong capital market and economy. Thank you!

Yours truly,

*Nana Li*

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