

# ACCOUNTING PROFESSIONAL & ETHICAL STANDARDS BOARD LIMITED

## MINUTES OF 6<sup>th</sup> MEETING OF THE SUSTAINABILITY TASKFORCE

4 March 2026, 4.00 pm – 5.06 pm

Virtual Meeting

### 1. Present and Apologies

#### Present

Mr Channa Wijesinghe (Chairman), Mr Matt Honey, Ms Rene Bagley, Ms Liz Giust, Ms Daen Soukseun, Ms Karen McWilliams, Ms Siobhan Hammond and Mr Patrick Viljoen (alternate for Ms Belinda Zohrab).

#### Apologies

Ms Belinda Zohrab.

#### In Attendance

Ms Dianne Azoor Hughes, Ms Nikole Gyles, and Ms Ann Chang.

### 2. Noting of Minutes from Prior Meeting

The Taskforce reviewed the minutes from its meeting on 14 November 2025 and approved the minutes subject to the following editorial amendment:

- 8<sup>th</sup> bullet point on page 2 – change the text 'APES 202' to 'APES 206'.

### 3. Proposed APES 206 Conformity with Sustainability Reporting Standards

#### Single consolidated conformity standard versus a new standalone standard for the proposed APES 206

The Chairman advised that Technical Staff was requested to assess the advantages and disadvantages of incorporating the proposed APES 206 *Conformity with Sustainability Reporting Standards* into the existing APES 205 *Conformity with Accounting Standards* (APES 205) and APES 210 *Conformity with Auditing and Assurance Standards* (APES 210) or maintaining it as a standalone conformity standard. This request followed a suggestion raised by the Professional Bodies at the December 2025 Board meeting.

The Taskforce considered the analysis outlined in the draft Broad Cover Paper of APES 206. The Taskforce supported the Technical Staff's recommendation to retain it as a standalone standard, as this approach is more manageable and provides clearer direction for Members in Business dealing with sustainability reporting, enabling them to refer directly to the standard rather than navigate a consolidated standard.

A Taskforce member also raised the point that Sustainability requires its own conformity standard, given the time pressure to release it to market promptly, particularly while stakeholders are still working through the various requirements related to sustainability reporting.

The Taskforce agreed with the Technical Staff's recommendation to include a question in the Exposure Draft (ED) to gather stakeholder views on the longer-term structural approach. It was noted that a comprehensive review could be undertaken as a separate project in the future to consider any issues raised by stakeholders.

#### Exposure Draft of APES 206

The Chairman introduced Ms Nikole Gyles as the acting Technical Director for 3 months while the Technical Director, Ms Jacinta Hanrahan, is on leave.

The Taskforce considered the revised draft of APES 206. Ms Gyles highlighted key changes made to the revised version, incorporating feedback from the December 2025 Board meeting. These included a simplification of terminology to minimise potential confusion and a clearer indication of which Section each applies to (see proposed paragraphs 4.1, 5.1 and 6.1).

Taskforce members raised and discussed the following matters:

- **Proposed paragraph 4.1 – the term “Engagements”.** There was concern about the term “Engagement” used in proposed paragraph 4.1, noting the potential for confusion in its interpretation, especially regarding the application to Members in Business, given that “Engagement” is generally associated with Members in Public Practice.

The Taskforce agreed that Technical Staff would replace the term “Engagements” with “Professional Activities” to provide greater clarity and ensure it captures both Members in Business and Members in Public Practice.

- **Proposed paragraph 4.3 – the term “prepare and/or present”.** A Taskforce member raised an editorial point that the term “prepare, present or compile” in proposed paragraph 3.2 should also be reflected in proposed paragraph 4.3, which currently states as “prepare and/or present”.

Technical Staff will amend to ensure consistency with the proposed paragraph 3.2.

- **Proposed paragraph 4.4 – disclosure requirement for departure from ASRS.** A Taskforce member questioned the requirement in proposed paragraph 4.4 to disclose departures from the Australian Sustainability Reporting Standards (ASRS). In particular, one Taskforce member highlighted that ASRS do not currently include a provision similar to Australian Accounting Standards. Accordingly, the Taskforce member raised a concern about whether including a disclosure requirement in APES 206 would extend Members' disclosure obligations beyond those required by ASRS.

The Taskforce noted that this is a disclosure mechanism consistent with APES 205, intended for situations where Members are unable to apply the accounting standards; they shall take all reasonable steps to ensure it is properly disclosed and explained. The Chairman also stressed its purpose to avoid misleading users of information and that Members should not misrepresent information where such gaps exist.

The Taskforce noted that Members in Public Practice, meaning the sustainability assurance providers, are also subject to disclosure requirements in proposed paragraphs 4.8 and 4.9.

- **Proposed paragraph 4.3 – obligations relating to “take all reasonable steps”** – A Taskforce member discussed the use of the word “all reasonable steps” in proposed paragraph 4.3.

The Taskforce noted that Members may not always have full control over the ultimate decision. It was discussed that this obligation is intended as a safeguard for Members who take all reasonable steps to apply ASRS, recognising that there may be circumstances in which the Board with ultimate control could overrule the Members' decision.

The Taskforce also considered the obligations to report or whistleblowing on ethical issues where matters of non-compliance with laws and regulations (NOCLAR) arise. It was discussed that whistleblowing and complying with NOCLAR provisions in the Code could be considered part of applying the reasonable steps.

- **Proposed definitions in Section 2** – A Taskforce member suggested refining the definitions of “Applicable Sustainability Reporting Framework”, “Compliance Framework” and “General Purpose Framework”. In particular, the terms “fair presentation framework” and “Compliance Framework” are repeated twice in the definition of “General Purpose Framework”.

Another Taskforce member questioned the need to amend the definition of “Sustainability Information” in the proposed APES 206. The Chairman explained that it is consistent with the IESBA's definition and that both IESBA and IAASB are fully aligned on the definitions. The Taskforce agreed that no amendment is required to ensure consistency with the global definition.

#### 4. Revised Partner Rotation guidance document

The Chairman provided an update on the APESB project to review the Audit Partner Rotation guidance, which will be presented to the Board for consideration at the March 2026 Board meeting.

The Taskforce considered the extract of the updated Audit Partner Rotation guidance document, which included six proposed questions on the Sustainability Assurance Leader Rotation.

A Taskforce member raised an important point: Australia is now outside the transition period, and the guidance document needs to be updated to reflect this. It should clearly state that the *Corporations Act 2001* permits a maximum time-on period of five years, not seven. The Chairman advised that this key update will be reflected in the full guidance document, noting that the material presented to the Taskforce is only an extract for discussion.

Taskforce Members raised and discussed the following matters:

- **Q1 – Voluntary Sustainability Assurance Engagement becomes Mandatory.** A Taskforce Member suggested refining the wording to ensure the answer is reflected as 'Yes', as the current use of 'No' at the beginning may confuse readers on first impression.
- **Q5 – Combination of roles on Sustainability Assurance Engagements.** A Taskforce Member noted the complexity in Tables A and B when illustrating the effect of the combination of roles and suggested that "KSAL" and "KAP" should be clearly defined.

The Taskforce proposed some examples for consideration, including assisting the client with sustainability but not an assurance engagement; a greenhouse gas auditor; a crossover from a financial statements' auditor to a sustainability assurance provider; and an assessment of non-PIE clients to address a familiarity threat.

Another Taskforce member suggested adding a brief outline of the requirements at the start of the question to help readers understand the key considerations. The Chairman noted that these requirements are already covered in the full guidance document.

A Taskforce member advised of her involvement in the AAA-PPC Independence working group and will share some of the group's partner rotation-related questions with the Taskforce.

#### 5. Any Other Matters and Way Forward

The Chairman advised that the revised draft APES 206 and Partner Rotation guidance document, including the matters raised by the Taskforce, will be presented to the Board at the APESB March 2026 Board meeting.

APESB Technical Staff are planning to present the draft ED of APES 206 for the Board's approval at the March 2026 Board meeting.

APESB Technical Staff will continue to work on the Partner Rotation guidance document, incorporating feedback from the Board at the March 2026 Board meeting, and undertake informal consultation with stakeholders. The revised guidance document will be presented to the Board for consideration at the June 2026 Board meeting.

#### 6. Close of Meeting

The Chairman thanked the Taskforce Members for their attendance.

The meeting was closed at 5.06 pm.