| Review of Submissions – Table 2: Specific Comments<br>Exposure Draft 01/26: Proposed APES 206 Conformity with Sustainability Reporting Standards |
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| Note: General comments relating to Exposure Draft 01/26 are addressed in a separate table above. This table excludes minor editorial changes. |

| Item No. | Paragraph No. in ED | Respondent | Respondents' Comments | Change made to standard? |
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| 1 | Page 6 – Para 3.1 – Fundamental responsibilities of Members | Deloitte | Paragraph 3.1 indicates Part 1 and Part 5 of the Code apply, as applicable, which we believe is incorrect. Part 5 is meant to be standalone, so if carrying out a Sustainability Assurance Engagement, Part 5 would apply. A practitioner would apply Part 1 when preparing, presenting or compiling Sustainability Information or Part 5 when carrying out a Sustainability Assurance Engagement, but not both.<br>Furthermore, the equivalent of Part 1 is contained in sections 5100 to 5120 of Part 5 of APES 110, so instead of referring to the entire Part 5, paragraph 3.1 should be limited to those sections.<br>Due to the above, we suggest para 3.1 be revised to read "A Member shall comply with Part 1 or Section 5100 to 5120 of Part 5 of the Code, Complying with the Code, Fundamental Principles and Conceptual Framework, as applicable, and with relevant laws and regulations when they prepare, present or compile Sustainability Information or perform a Sustainability Assurance Engagement." | Proposed to be updated [refer to Agenda Paper 5(c)]. |
| 2 | Page 6 – Section 3 – Independence | Deloitte | We note there is no specific coverage of independence in relation to Sustainability Assurance Engagements in the proposed standard. Furthermore, APES 210 *Conformity with Auditing and Assurance Standards* paragraph 3.2 only refers to Parts 4A and Part 4B of APES 110. Therefore, we recommend including a paragraph in APES 206 on independence and/or updating APES 210 to cover the Independence Standards in Part 5 of APES 110. | No change proposed to ED 01/26. Proposed consideration of amendment to APES 210. |
| 3 | Page 9 – Section 6 – Responsibilities of Members in respect of Sustainability Information | SODA | The draft does not yet go far enough on a hard issue now facing preparers and assurance practitioners: sustainability information increasingly relies on external evidence systems. Those systems can include carbon units, biodiversity instruments, renewable certificates, supply-chain attestations, | No change proposed. |

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| | | | registry entries, third-party methodologies, model outputs, and verification statements issued outside the reporting entity itself.<br>In theory, paragraphs dealing with significant judgements, assumptions and methodologies could catch some of that. In practice, that is too general. Members need clearer expectations on what they must test when sustainability information depends on an external registry or instrument and when public claims are made using that instrument. | |
| 4 | Page 9 – Section 6 – Recommendation A: External evidence systems | SODA | Add an explicit requirement that where Sustainability Information relies on external registries, units, certificates, methodologies or verification reports, Members must evaluate whether the source has clear criteria, traceable provenance, reliable governance and sufficient evidence to support the relevant disclosure or claim. | No change proposed. |
| 5 | Page 9 – Section 6 – Recommendation B: Traceability and exclusivity | SODA | Require Members to consider whether the relevant sustainability outcome can be traced to a unique evidence record and whether the same outcome could be claimed by another party, in another registry, or in another reporting period. Where exclusivity cannot be established, the limitation should be disclosed clearly. | No change proposed. |
| 6 | Page 9 – Section 6 – Recommendation C: Outcome timing | SODA | Require Members to distinguish clearly between ex-ante instruments, forecast outcomes and ex-post delivered outcomes. Sustainability information should not imply delivery where only intention, forecast, or project registration exists. | No change proposed. |
| 7 | Page 9 – Section 6 – Recommendation D: Verification quality | SODA | Make clear that Members should evaluate the competence, independence, scope and timing of external verification. Not all verification is equal. Design-stage or process-only review should not be presented as equivalent to outcome verification. | No change proposed. |
| 8 | Page 9 – Section 6 – Recommendation E: Claims language | SODA | Add application material stating that broad or unqualified environmental claims are inconsistent with proper disclosure where the evidence is residual, conditional, partial, or materially uncertain. Preparers and practitioners should favour narrow, specific, auditable wording. | No change proposed. |
| 9 | Page 9 – Section 6 – Recommendation F: Evidence retention | SODA | State that Members should ensure the evidence basis for material sustainability claims can be reconstructed later. Registry references alone are not enough unless the underlying data, methodology and verification trail remain accessible. | No change proposed. |

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| 10 | Page 9 – Section 6 – Suggested drafting concept (illustrative additional paragraph) | SODA | Illustrative additional paragraph:<br>Where Sustainability Information or an associated sustainability claim relies on external instruments, registry records, credits, certificates, attestations, methodologies or verification reports, Members shall take all reasonable steps to determine whether those external sources are fit for purpose, supported by sufficient appropriate evidence, traceable to the relevant reporting entity or claim, and clearly described so that intended users understand the nature, scope, timing, assumptions, limitations and exclusivity of the underlying sustainability outcome. | No change proposed. |
| 11 | Recommendation G: Cross-pronouncement consistency | SODA | Reflect the same logic in related APESB pronouncements and guidance notes so Members do not face one integrity expectation in APES 206 and a weaker one elsewhere. | No change proposed. |
| 12 | Request for Specific Comments | IPA | Our limited support for APES 206 is on the basis that we think only one standard is required to articulate that professional accountants need to follow financial reporting, sustainability reporting and auditing/assurance standards when they are engaged to provide these professional services. Under the current proposals, we will now have three standards that mirror each other unnecessarily.<br>Further, holistically, we question the need for conformity standards such as APES 205, APES 206 and APES 210 Conformity with Auditing and Assurance Standards, as the requirements to comply with standards are already specified in APES 110 Code of Ethics for Professional Accountants (including Independence Standards). Conceptually, these conformity standards may be viewed as redundant. Consequently, we recommend that the APESB examine the need for a conformity standards given the existing requirements in APES 110. Where there is a need for a conformity standards, we prefer a single standard to cover all services that require the application of the relevant standards relating to the specific type of engagement. | No change proposed to ED 01/26. |
| 13 | Request for Specific Comments | CA ANZ | CA ANZ encourages the APESB to consider, in due course, whether APES 205 and APES 206 could be consolidated once members have become more familiar with the new sustainability reporting framework. | No change proposed to ED 01/26. |

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| 14 | Request for Specific Comments | Deloitte | The APESB has requested for specific comments on whether APES 205 *Conformity with Accounting Standards*, APES 210 *Conformity with Auditing and Assurance Standards*, and proposed APES 206 *Conformity with Sustainability Reporting Standards* should be consolidated or continue as distinct standards. While we do see some overlap, we are supportive of having separate Conformity Standards, as they cover different areas and apply to different audiences. However, we would encourage the APESB to consider a longer-term opportunity to simplify the suite of conformity standards. | No change proposed to ED 01/26. |
| 15 | Request for Specific Comments | SODA | APESB asks whether APES 205, APES 210 and APES 206 should ultimately be consolidated or remain distinct. Our position is that they should remain distinct at this stage.<br>The reason is simple. Financial conformity, assurance conformity and sustainability conformity overlap, but they are not the same operational problem. Sustainability reporting still requires specific guidance on methodology, external evidence, value-chain complexity, transition statements and claim discipline. Consolidation can be revisited later once practice settles. Doing it now would dilute clarity. | No change proposed to ED 01/26. |

**RESPONDENTS**

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| 1 | IPA | Institute of Public Accountants |
| 2 | CPA Australia[1] | CPA Australia |
| 3 | CA ANZ | Chartered Accountants Australia and New Zealand |
| 4 | Deloitte | Deloitte Touche Tohmatsu |
| 5 | SODA | SOR AU Pty Ltd (SODA) |

[1] Note that all feedback received from CPA Australia is addressed in Table 1: General Comments.