ACCOUNTING PROFESSIONAL & ETHICAL STANDARDS BOARD LIMITED

MINUTES OF 7th MEETING OF THE SUSTAINABILITY TASKFORCE

17 August 2026, 1.00 pm – 1.33 pm (AEST)

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 Ms Belinda Zohrab.

In Attendance

Mr Damien Moore, Ms Nikole Gyles, and Ms Ann Chang.

The Chairman welcomed Mr Damien Moore, APESB Director, to the Taskforce. Mr Damien Moore will replace Ms Dianne Azoor Hughes as the Taskforce Board observer.

2. Noting of Minutes from Prior Meeting

The Taskforce reviewed the minutes from its meeting on 4 March 2026 and approved the minutes without amendment.

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

Submissions received on the Exposure Draft ED 01/26

The Chairman advised the five submissions received on the Exposure Draft (ED) ED 01/26 *Proposed APES 206 Conformity with Sustainability Reporting Standards* (APES 206), from the Professional Accounting Bodies, Deloitte and SOR AU Pty Ltd (SODA).

The Taskforce reviewed Technical Staff's responses to the comments in Agenda Items 5(a) and 5(b), which will be presented to the Board for consideration at its September 2026 meeting. The Taskforce noted that respondents generally supported issuing APES 206 as a standalone standard and agreed with Technical Staff's recommendation to review the suite of conformity standards separately as a longer-term project during a future Post-Implementation Review (PIR) of APES 206.

The Taskforce considered Deloitte's comments on references to Part 5 and the Code's independence standards. The Taskforce agreed with Deloitte's proposal to amend paragraph 3.1 to reference Part 5 of the Code. Regarding the reference to independence standards, the Taskforce agreed with the Technical Staff proposal to address this matter in APES 210 *Conformity with Auditing and Assurance Standards* (APES 210) rather than in APES 206.

Taskforce members also raised and discussed the following matters:

- **Submission from SODA** – Taskforce members discussed SODA's submission, including its comments on emissions factors and the evidence required to support them. The Taskforce agreed that most of SODA's comments would not be adopted, as they fall outside the scope of an ethical standard and are more appropriately addressed in either the reporting or assurance standards. The Taskforce suggested that SODA's public comments be forwarded to both the AUASB and the AASB for their awareness and consideration in their standards.

- **Guidance on external verification** – The Taskforce noted that some guidance materials on external reliance on external parties would be beneficial, especially on evaluating the competence, independence, scope and timing of external verification. It was also suggested that this could be addressed through FAQs or other guidance materials, rather than through amendments to the Standard.

Draft Basis for Conclusions

The Taskforce considered the draft Basis for Conclusions and suggested including a reference to the timeline for the APES 210 update.

A Taskforce member questioned the timeline for updating APES 210. The Chairman advised that the amendment is a minor consequential change limited to the Independence provisions and could be progressed promptly with a 30-day exposure period, to finalise it before the end of the year.

APESB Technical Staff will finalise the draft APES 206 and the draft Basis for Conclusions, incorporating the matters raised by the Taskforce, for the Board's consideration at the 4 September 2026 Board meeting.

4. Update on audit fee disclosure

APESB Technical Staff provided an update on the AASB's consideration of the disclosure of Sustainability Assurance fees under AASB S2 *Climate-related Disclosures*, which is to be discussed at the AASB's Board meeting on 27 August 2026. The Taskforce noted that AASB Staff are recommending a monitoring approach, with no action to be taken at this time.

A Taskforce member expressed concern with the AASB's proposed monitoring approach, noting that it does not address the concerns raised by accounting firms about the lack of transparency in fee disclosure and does not provide firms with a clear direction.

The Taskforce noted that fee disclosure matters have been raised with the AASB and that other stakeholders share similar concerns about a lack of guidance for preparers in the Sustainability Reporting Standards.

The Taskforce considered that firms within the scope of Part 5 of the Code are required to disclose sustainability assurance fees, regardless of whether legislation mandates disclosure. However, it was noted that compliance with this requirement is likely to be inconsistent, with fees often bundled with other fees or not separately disclosed.

The Chairman advised that, following the 2019 Parliamentary inquiry into audit regulation in Australia, APESB had proposed five key categories for audit and other services in APES 110. At the time, firms responded that fee disclosure should primarily be the preparers' responsibility and that the AASB should act first and then APESB should follow to support the assurance process. APESB therefore deferred further work on the proposal pending action from the AASB.

The Taskforce agreed that APESB should continue to advocate to the AASB for a fee disclosure requirement based on the categories previously proposed.

5. Any Other Matters and Way Forward

A Taskforce member advised that the IIMAG IESBA Taskforce has received draft guidance on partner rotation from IESBA Technical Staff for IIMAG review and comment.

The Chairman advised that the comments received on the ED of APES 206, the proposed amendments to APES 206 and the draft Basis for Conclusions will be presented to the Board at the APESB's September 2026 Board meeting on 4 September 2026.

APESB Technical Staff will provide an update to the Taskforce following the September 2026 Board meeting.

6. Close of Meeting

The Chairman thanked the Taskforce members for their attendance.

The meeting was closed at 1.33 pm.

DRAFT