ACCOUNTING PROFESSIONAL & ETHICAL STANDARDS BOARD LIMITED

MINUTES OF 5th MEETING OF THE SUSTAINABILITY TASKFORCE

14 November 2025, 4.00 pm – 4.55 pm

Virtual Meeting

1. Present and Apologies

Present

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

Apologies

Ms Karen McWilliams.

In Attendance

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

2. Noting of Minutes from Prior Meeting

The Taskforce reviewed the minutes from its meeting on 29 May 2025 and approved them without amendment.

A Taskforce member asked about the development of guidance materials for the new Sustainability-related provisions and whether APESB would issue any guidance. The Chairman noted that the IESBA have issued guidance materials including technical summaries and FAQs. He also stated that the APESB had recently issued the Compiled Code, incorporating the new Part 5 on Sustainability Assurance, and the new Code prohibitions document. APESB Technical Staff are also currently reviewing APESB's guidance on Audit Partner Rotation, with an update being presented to the Board at the December 2025 meeting.

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

The Taskforce considered a preliminary draft of APES 206 *Conformity with Sustainability Reporting Standards* (APES 206).

The draft APES 206 is based on the format and requirements of APES 205, Conformity with Accounting Standards (APES 205), and APES 210, *Conformity with Auditing and Assurance Standards* (APES 210). It was developed to address the professional obligations of Members who are applying the Sustainability Reporting Standards issued by the AASB.

Taskforce members raised and discussed the following matters:

- **Consistency of definitions -** A Taskforce member raised a concern about the definitions in the proposed APES 206. The Taskforce Member notes some confusion in the industry as the definitions in ASSA 5000 and the *Corporations Act 2001* are not aligned. For example. ASSA 5000 uses the term "Reasonable Assurance Engagement" while the *Corporations Act 2001* uses "Audit."

  The Chairman clarified that the definitions in the draft APES 206 are consistent with APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (APES 110). APESB Technical Staff will consider including footnotes to key definitions to clarify their relationship to the definitions in ASSA 5000 and the *Corporations Act 2001*.

- **Incorporating new standard into APES 205 –** Taskforce members discussed whether APES 206 should be a stand-alone standard or whether it should be incorporated into the extant APES 205.

  There were mixed views on this matter, with some taskforce members supporting separate standards to clarify differences in the reporting frameworks. Others preferred to have the obligations to comply with AASB standards in a single standard, with different parts within the standard for the different reporting requirements, e.g., financial and sustainability.

  It was noted that new reporting standards will inevitably be issued for different ESG topics, and the proposed professional standard should be easily extended to address these future ESG reporting standards. The Chairman noted that the draft is a preliminary position, and the Technical Staff can assess the advantages and disadvantages of both approaches.

- **Flexibility in responding to new regulations** – The Taskforce discussed whether the draft APES 206 would capture any new regulations that may arise in the future, or if a new standard would need to be developed as they emerge.

  The Taskforce noted that the key aspect of drafting APES 206 is the use of the definition of "Sustainability Information" to capture ESG and other sustainability-related matters. The term is sufficiently broad to cover any future sustainability-related matters. In particular, voluntary disclosures are also captured within the definition.

- **Risk of gap if not issued by 2025** – The Taskforce noted that the preliminary draft APES 206 will be presented for the Board's consideration at the December 2025 Board meeting, with the Technical Staff aiming to present the draft Exposure Draft (ED) at the March 2026 Board Meeting. The Taskforce discussed whether this would create a gap in the standards and considered the associated risks.

  The Taskforce noted that many firms are advising their clients not to voluntarily disclose sustainability information. Given the low number of clients expected to provide voluntary information, the Taskforce members considered the risk of any gap to be low. They supported the proposed timeframe for developing the standard.

The Taskforce members considered the discussion paper, which included questions on the draft APES 206, and discussed the following:

- **Proposed para 4.1 – obligations relating to ASRSs**. There was concern about grouping the responsibilities of different members into a single requirements paragraph, for example: "*Members and Sustainability Assurance Practitioners who prepare, present, audit, review or compile Sustainability Information.*" APESB Technical Staff noted that the drafting of this paragraph reflects the drafting of the equivalent paragraphs in APES 205.

  A few Taskforce members noted that there is potential for confusion in its interpretation, especially regarding the differing responsibilities between preparers and assurance practitioners for sustainability information. It was suggested that the requirements for preparers and assurance practitioners be addressed in separate paragraphs to improve clarity.

- **Proposed para 4.3 – on the disclosure of departures from ASRSs**. The Taskforce discussed the use of the word 'effects' in proposed paragraph 4.3. A Taskforce member suggested that Technical Staff could consider including "quantitative" and "qualitative" information, as both terms are widely used in AASB S2 and ASSA 5000.

- **Proposed para 5.1 – obligations relating to GPFs**. No matters raised by the Taskforce.

- **Proposed footnote 1 (para 5.2) & other examples**. The Taskforce discussed examples of other reporting frameworks, such as the GRI Standards and the TCFD Standards, that organisations use to disclose sustainability information voluntarily.

- **Proposed para 6.1 – obligations for Sustainability Information**. The Taskforce suggested including a flowchart to illustrate the distinction between non-legislative and mandatory reporting requirements. The flowchart should clarify which parts of APES 202 apply depending on whether a general purpose framework is followed or if information is disclosed on a voluntary basis.

- **Proposed para 6.2 and matters to be clearly identified in audit/review reports or compilation reports.** A Taskforce member raised the point that the assurance provider will need to provide details

of the work they actually performed, which distinguishes preparers from assurance providers. It was noted that this may require consideration of a specific requirement to address this issue.

The Chairman advised that the Technical Staff are happy to consult further with Taskforce members if they have any additional issues they wish to raise or clarify (for example, regarding the definitions).

6. Any Other Matters and Way Forward

The Taskforce members discussed the progress in adopting the new sustainability-related standards and noted that the Large National Network Discussion Group (LNNDG) has been sharing its insights at meetings.

Ms Liz Giust encouraged other Taskforce Members to advise her of any emerging issues relating to the adoption of the sustainability-related standards that should be raised with the IESBA's Implementation Monitoring and Advisory Group (IIMAG).

The Chairman advised that the draft APES 206 and the matters raised by the Taskforce will be presented to the Board at the APESB December 2025 Board meeting.

APESB Technical Staff will continue to work on this project through December 2025 to February 2026, with a further Sustainability Taskforce meeting likely to be held in mid-February 2026.

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

7. Close of Meeting

The Chairman thanked the Taskforce Members for their attendance.

The meeting was closed at 4.55 pm.

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