



## **Updated Agenda Item 2-D**

### **Flowcharts to Independence Requirements in Sections 5405 and 5406**





## A. Updated Flowcharts to Sections 5405 and 5406 as of December 4



**Q1. Can the (group) firm be sufficiently and appropriately involved in the assurance work?**

**Yes: Section 5405**

**No: Section 5406**

**Q2** Is the assurance work performed at the client (including group component (GC)) or a value chain component (VCC)?

Client (Including GC)

Value Chain Component

**Q3** Is the assurance work performed by the firm or a CP within or outside the network?

**Q3.** Is the assurance work performed by the firm or CP within or outside the network?

**Next Slide**

Firm or CP  
Within Network

CP Outside  
Network

Firm

CP Within  
Network

CP Outside  
Network

Independence of the network (i.e., firm and network firms) from the client (including GC)  
Para. R5405.9 and R5405.10

Independence of the network from the client (including GC)  
Para. R5405.9 and R5405.10  
  
Independence of the CP from the GC and entity on which group firm is reporting\*  
Para R5405.11-13

Independence of the firm from the VCC  
Para R5405.32  
*(independence not required of other network firms from the VCC)\*\**

Independence of the network firm from the VCC  
Para R5405.33  
*(independence not required of the firm or other network firms from the VCC)\*\**

Independence of the CP from the VCC  
Para. R5405.34  
*(independence not required of the network from the VCC)\*\**

**Q1.** Can the (group) firm be sufficiently and appropriately involved in the assurance work?

**Yes: Section 5405**

**No: Section 5406**

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**Q2** Is the assurance work performed at the client (including GC) or a VCC?

Client (Including GC)

Value Chain Component

**Section 5405, Group Sustainability Assurance Engagements**

**Section 5406, Another Practitioner Whose Assurance Work is Used in a Sustainability Assurance Engagement**

Request confirmation of independence of AP (and individuals from AP performing the assurance work) from the entity at which AP performs assurance work\*\*

Para R5406.5

Be satisfied that AP is independent from the VCC (e.g. by statement in public report issued by AP or request confirmation from AP)

Para. R5406.6

(independence not required of the network from the VCC)\*\*

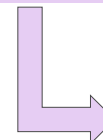
# Independence of Group Members (GSAT)

**Q1** Can the (group) firm be sufficiently and appropriately involved in the assurance work?

**Yes: Section 5405**

**No: Section 5406**

**Q2** Is the assurance work performed at the client (including GC) or a VCC?



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Client (Including GC)

Value Chain Component

**Q3** Is the assurance work performed by the firm or CP within or outside the network?

**Q3** Is the assurance work performed by the firm or CP within or outside the network?

Firm or CP  
Within Network

CP Outside  
Network

Within Group  
Firm

Within Network

Outside Network

Independence of GSAT within, or engaged by, the network from the client (including GC)

Para. R5405.5

Independence of GSAT within, or engaged by, CP outside of network from GC, entity on which group firm is reporting, and chain of control in between\*

Para. R5405.6-8

Independence of GSAT within, or engaged by, group firm from VCC\*

Para. R5405.30A

Independence of GSAT within, or engaged by, CP within network from VCC\*

Para. R5405.30B

Independence of GSAT within, or engaged by, CP outside of network from VCC\*

Para. R5405.31

**Q1** Can the (group) firm be sufficiently and appropriately involved in the assurance work?

**Yes: Section 5405**

**Previous Slide**

**No: Section 5406**

**Q2** Is the assurance work performed at the client (including GC) or a VCC?

Client (Including  
GC)

Request confirmation of independence of AP (and individuals from AP performing the assurance work) from the entity at which AP performs assurance work\*

Para R5406.5

Value Chain  
Component

Be satisfied that AP is independent from the VCC\* (e.g. by statement in public report issued by AP or request confirmation from AP)

Para. R5406.6

*(no specific requirements regarding individuals from AP performing the assurance work)*



## B. Independence Requirements Applicable to Firms and Individuals Participating in the Group Sustainability Assurance Engagements





## Requirements in Paragraphs R5405.30A to R5405.34

Who performs the assurance work at a value chain component (VCC)	Group Sustainability Assurance Firm (GSAF)	Component Practitioner (CP) from GSAF's Network	Component Practitioner (CP) outside GSAF's Network
GSAF needs to be independent?	Yes	No	No
Group sustainability assurance team (GSAT) members from GSAF need to be independent?	Yes	No	No
CP from GSAF's network needs to be independent?	No	Yes	No



Continued ....

Who performs the assurance work at a value chain component (VCC)	Group Sustainability Assurance Firm (GSAF)	Component Practitioner (CP) from GSAT's Network	Component Practitioner (CP) outside GSAT's Network
GSAT members from CP in GSAF's network need to be independent?	No	Yes	No
CP outside GSAF's network need to be independent?	No	No	Yes
GSAT members from CP outside GSAF's network need to be independent?	No	No	Yes