

Draft Appendix to Proposed ISSA 5000¹ Illustrations of Independent Assurance Reports on Sustainability Information

Illustration 1 - Unmodified Reasonable Assurance Report on Sustainability Information of a Listed Entity Prepared in Accordance with a Fair Presentation Framework

For purposes of this illustrative assurance report, the following circumstances are assumed:

- A reasonable assurance engagement relating to the entirety of the sustainability information of ABC Company, a listed entity, for the current period.
- The sustainability information is prepared by management of the entity in accordance with a general-purpose framework (Sustainability Reporting Framework Version x.1). Sustainability Reporting Framework Version x.1 is a fair presentation framework.
- The sustainability information does not contain comparative information (i.e., information for earlier periods).
- The Board of Directors of the Company is the engaging party.
- The terms of the assurance engagement reflect the description of management's responsibility for the sustainability information in ISSA 5000.
- The assurance practitioner has concluded that an unmodified (i.e., "clean") opinion is appropriate based on the evidence obtained.
- The relevant ethical requirements that apply to the assurance engagement comprise the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), together with the ethical requirements relating to assurance engagements in the jurisdiction, and the assurance report refers to both.
- The practitioner has concluded that an Emphasis of Matter paragraph is necessary regarding the uncertainty related to potential longer-term impacts of the hazardous spillage at production site Y.
- The engagement was conducted by a multidisciplinary team.
- The sustainability information and the practitioner's report thereon have been included in the Company's Annual Report. The assurance practitioner has obtained the Annual Report prior to the date of the assurance report and has not identified a material misstatement of the other information in the Annual Report.
- In addition to reporting on the sustainability information, the assurance practitioner has other reporting responsibilities required by law or regulation. The conclusion on the other reporting matters is required to be presented in a separate section of the assurance report.

The following report is for illustrative purposes only and is not intended to be exhaustive or applicable to all situations. The assurance report needs to be tailored to the engagement circumstances.

¹ International Standard on Sustainability Assurance™ (ISSA) 5000, *General Requirements for Sustainability Assurance Engagements*

INDEPENDENT PRACTITIONER'S REASONABLE ASSURANCE REPORT ON — Para. 3(a)
ABC'S SUSTAINABILITY INFORMATION

To the Board of Directors of ABC — Para. 3(b)

Reasonable Assurance Report on the Sustainability Information²

Reasonable Assurance Opinion — Para. 3(c)(i)

We have conducted a reasonable assurance engagement on the Sustainability Information of ABC Company (the Company) for the year ended December 31, 20X1 (the "Sustainability Information").

In our opinion, the accompanying Sustainability Information is fairly presented, in all material respects, in accordance with the Sustainability Reporting Framework Version x.1. — Para. 3(c)(ii) - (viii)

Basis for Opinion

We conducted our reasonable assurance engagement in accordance with ISSA 5000 *General Requirements for Sustainability Assurance Engagements*, issued by the International Auditing and Assurance Standards Board. — Para. 3(d)(i)

Our responsibilities under this standard are further described in the *Practitioner's Responsibilities* section of our report. — Para. 3(d)(ii)

[PLACEHOLDER for amended requirements when IESBA requirements are revised] We are independent of the Company in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) issued by the International Ethics Standards Board for Accountants, which sets out fundamental principles of ethics: integrity, objectivity, professional competence and due care, confidentiality and professional behavior, together with the ethical requirements that are relevant to our assurance engagement in [jurisdiction], and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. — Para. 3(d)(iii)

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion. — Para. 3(d)(iv)

Emphasis of Matter

We draw attention to Note X to the Sustainability Information, which describes the uncertainty related to potential longer-term impacts of the hazardous spillage at production site Y, and consequent actions that may be taken against ABC. Our reasonable assurance opinion is not modified in respect of this matter. — Para. 11

² The sub-title "Reasonable Assurance Report on the Sustainability Information" is unnecessary in circumstances when the second sub-title "Report on Other Legal and Regulatory Requirements" is not applicable.

Other Information³

Para. 3(e), 12 and 13

Management is responsible for the other information. The other information comprises the [information included in the Annual report],⁴ but does not include the Sustainability Information and our practitioner's report thereon].

Our opinion on the Sustainability Information does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our assurance engagement on the Sustainability Information, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Sustainability Information or our knowledge obtained in the assurance engagement, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management Responsibilities

Para. 3(f)

Management of the Company is responsible for:

- The preparation and fair presentation of the Sustainability Information in accordance with the Sustainability Reporting Framework Version x.1.
- Referring to, or describing in the Sustainability Information, the reporting framework and who developed it.
- Designing, implementing and maintaining internal control relevant to the preparation of the Sustainability Information to enable the preparation of such information that is free from material misstatement, whether due to fraud or error.

Para. 3(f)(i)

Para. 3(f)(ii)

Para. 3(f)(iii)

Inherent Limitation in Preparing the Sustainability Information

Para. 3(f)(iv)

As discussed in note Y to the Sustainability Information, the Sustainability Information includes information based on climate-related scenarios that is subject to inherent uncertainty because of incomplete scientific and economic knowledge about the likelihood, timing or effect of possible future physical and transitional climate-related impacts.

Practitioner's Responsibilities

Our objectives are to obtain reasonable assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error, and to issue an assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Information.

Para. 3(g)(i)-(ii)

³ Another appropriate heading may be used, such as "Information Other than the Sustainability Information and Reasonable Assurance Report Thereon."

⁴ A more specific description of the other information, such as "the financial statements and notes thereto and chairman's statement," may be used to identify the other information.

As part of a reasonable assurance engagement in accordance with ISSA 5000, we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

Para. 3(g)(iii)-(vii)

- Perform risk procedures to identify and assess the risks of material misstatement of the Sustainability Information, whether due to fraud or error. These risk procedures include obtaining an understanding of internal control relevant to the preparation of the Sustainability Information.
- Design and perform procedures responsive to the assessed risks of material misstatement of the Sustainability Information. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the suitability of the Sustainability Reporting Framework Version x.1, the appropriateness of the measurement and evaluation methods and reporting policies used, and the reasonableness of estimates made and assumptions used by management in the preparation of the Sustainability Information.
- Evaluate the overall presentation, structure and content of the Sustainability Information, and whether the Sustainability Information represents the underlying subject matter in a manner that achieves fair presentation.

Our work was carried out by an independent and multidisciplinary team including assurance practitioners, engineers, and environmental scientists. We used the work of environmental scientists, in particular, to assist with determining the reasonableness of ABC's climate-related scenarios. We remain solely responsible for our assurance opinion.

Para. 5

Quality Management

Our firm applies International Standard on Quality Management 1 and, accordingly, maintains a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Para. 3(h)

Summary of the Work Performed

A reasonable assurance engagement involves performing procedures to obtain evidence about the Sustainability Information. The nature, timing and extent of procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error, in the Sustainability Information.

Para. 3(i)

[Insert a summary of the nature and extent of procedures performed that, in the practitioner's judgment, provides additional information that may be relevant to the users' understanding of the work performed to support the practitioner's opinion.]

Report on Other Legal and Regulatory Requirements

Para. 6

[The form and content of this section of the assurance report will vary depending on the nature of the practitioner's other reporting responsibilities. The matters

Illustration 1: Unmodified Reasonable Assurance Report

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addressed by other law, regulation or national standards (referred to as “other reporting responsibilities”) shall be addressed within this section unless the other reporting responsibilities address the same topics as those presented under the reporting responsibilities required by ISSA 5000 as part of the Reasonable Assurance Report on the Sustainability Information section. The reporting of other reporting responsibilities that address the same topics as those required by the Sustainability Framework may be combined (i.e., included in the Reasonable Assurance Report on the Sustainability Information section under the appropriate subheadings) provided that the wording in the assurance report clearly differentiates the other reporting responsibilities from the reporting that is required by ISSA 5000 where such a difference exists.]

The engagement leader on the assurance engagement resulting in this independent practitioner’s assurance report is [name].

Para. 4

[Signature in the name of the assurance firm, the personal name of the assurance practitioner, or both, as appropriate for the particular jurisdiction]

Para. 3(j)

[Practitioner’s Address]

Para. 3(k)

[Date of the assurance report]

Para. 3(l)