

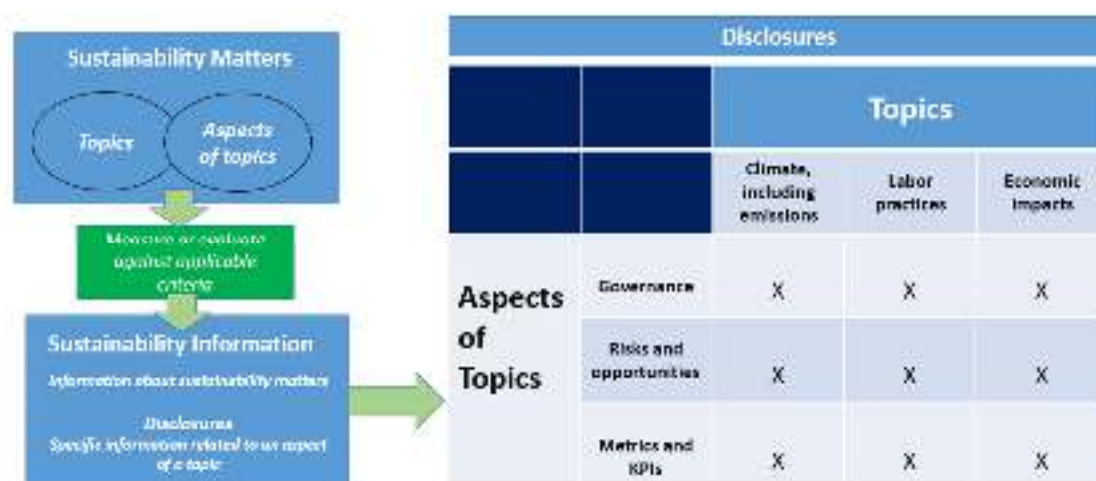
Please note: This Agenda Item includes a clean version of Proposed International Standard on Sustainability Assurance (ISSA) 5000: *General Requirements for Sustainability Assurance Engagements* - Appendices that will be discussed by the Board at the June 2023 IAASB quarterly meeting (Agenda Item 2-F).

Appendix 1

(Ref: Para. A18)

Sustainability Matters and Sustainability Information

1. This appendix explains the relationship between sustainability matters (i.e., the underlying subject matter); sustainability information (i.e., the subject matter information), which results from measuring or evaluating the sustainability matters against the applicable criteria; and the related disclosures about the sustainability information.
2. This relationship can be illustrated as follows:



3. Paragraph 68 requires the practitioner to obtain a preliminary knowledge of the sustainability information expected to be reported to provide an appropriate basis for determining whether the preconditions for an assurance engagement are present. In doing so, the practitioner may consider the entity's process to identify and select topics and aspects of topics for inclusion in the sustainability information (such process may be referred to as the entity's "materiality assessment" -- see paragraph A157). This process may be established by management or applied pursuant to the requirements of a sustainability reporting framework.
4. The topics and aspects of topics of sustainability matters are considered by management in determining the information to be reported, and are manifested in the related disclosures. A disclosure represents specific information (i.e., a "piece of information") reported by the entity about an aspect of a topic (i.e., each "X" in the diagram above). A more comprehensive list of examples of topics and aspects of topics is provided in paragraph A32A.
5. Disclosures can be in various forms (e.g., narrative descriptions or other qualitative information, tables with key performance indicators or other quantitative information) and may be limited to a single paragraph or table or may span multiple pages in a separate sustainability report, part of the entity's annual report or some other reporting mechanism.

Appendix 2

(Ref: Para. A459)

Illustrations of Assurance Reports on Sustainability Information

- Illustration 1: Unmodified Reasonable Assurance Report on Sustainability Information of a Listed Entity Prepared in Accordance with Fair Presentation Criteria
- Illustration 2: Unmodified Limited Assurance Report on Sustainability Information of an Entity Other than a Listed Entity Prepared in Accordance with Compliance Criteria
- Illustration 3: Unmodified Combined Reasonable and Limited Assurance Report on Sustainability Information for an Entity Other than a Listed Entity Prepared in Accordance with Compliance Criteria
- Illustration 4: Modified Limited Assurance Report on Sustainability Information of an Entity Other than a Listed Entity Prepared in Accordance with Compliance Criteria

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

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

- A reasonable assurance engagement relating to the entirety of the Sustainability Report of ABC Company, a listed entity, for the year ended December 31, 20X1.
- The sustainability information is prepared by management of the entity in accordance with fair presentation criteria (Sustainability Reporting Framework Version x.1).
- The Sustainability Report includes comparative information that is not covered by the practitioner's conclusion. The comparative information was subject to a reasonable assurance engagement by the same practitioner in the prior period and the practitioner's conclusion was unmodified.
- Management of the Company is the engaging party.
- Those charged with governance are responsible for oversight of the Company's sustainability reporting process.
- The terms of the assurance engagement reflect the description of management's responsibility for the sustainability information in ISSA 5000.
- The 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 firm of which the practitioner is a member applies ISQM 1.¹
- The Sustainability Report and the practitioner's report thereon have been included in the Company's Annual Report. The 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.

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 Quality Management (ISQM) 1, Quality Management for Firms That Perform Audits or Reviews of Financial Statement, or Other Assurance or Related Services Engagements

INDEPENDENT PRACTITIONER'S REASONABLE ASSURANCE REPORT ON ABC'S SUSTAINABILITY INFORMATION

To the Management of ABC

Reasonable Assurance Report on the Sustainability Information²

Reasonable Assurance Opinion

We have conducted a reasonable assurance engagement on the Sustainability Report 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.

Basis for Opinion

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

Our responsibilities under this standard are further described in the *Practitioner's Responsibilities* section of our report.

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, 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.

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.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

[Emphasis of Matter³

We draw attention to [identify the specific disclosure in the sustainability information] which describes [...]. Our opinion is not modified in respect of this matter.]

Other Information⁴

The other information comprises the [information included in the Annual report],⁵ but does not include the Sustainability Information and our practitioner's report thereon.

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.

³ Include if the practitioner considers it necessary in the engagement circumstances – see paragraph 177.

⁴ Another appropriate heading may be used, such as "Information Other than the Sustainability Information and Reasonable Assurance Report Thereon."

⁵ 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.

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.

Responsibilities for the Sustainability Information

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.
- Designing, implementing and maintaining internal control relevant to the preparation of the Sustainability Information in accordance with the Sustainability Reporting Framework Version x.1, to enable the preparation of such information that is free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Company's sustainability reporting process.

[Inherent Limitations in Preparing the Sustainability Information]⁶

As discussed in *[identify the specific disclosure in the sustainability information]*, the measurement or evaluation of the Sustainability Information is subject to *[provide a specific description of any significant inherent limitations associated with the measurement or evaluation of the sustainability information against the applicable criteria].*

Practitioner's Responsibilities

Our objective is to plan and perform the assurance engagement 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.

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:

- Perform risk procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatement, whether due to fraud or error, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.⁷

⁶ Include paragraph if relevant to the engagement circumstances – see paragraph 169(d)(v).

⁷ Remove the words "but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control " if the reasonable assurance engagement includes an opinion on the effectiveness of internal control.

- Design and perform procedures responsive to the assessed risks of material misstatement of the disclosures in 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.

Report on Other Legal and Regulatory Requirements

[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 addressed by other law, regulation or national standards (referred to as "other reporting responsibilities") are 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].

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

[Practitioner's address]

[Date of the assurance report]

Illustration 2 - Unmodified Limited Assurance Report on Sustainability Information of an Entity Other than a Listed Entity Prepared in Accordance with Compliance Criteria

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

- A limited assurance engagement relating to the entirety of the Sustainability Report of ABC Company ("Sustainability Information"), an entity other than a listed entity, for the year ended December 31, 20X1, as required by law or regulation.
- The sustainability information is presented in a stand-alone document (i.e., the entity's Sustainability Report).
- The Sustainability Information is prepared by management of the entity in accordance with compliance criteria (XYZ Law of Jurisdiction X).
- The Sustainability Report includes comparative information that is not covered by the practitioner's conclusion. The comparative information was subject to a limited assurance engagement by the same practitioner in the prior period and the practitioner's conclusion was unmodified.
- Management 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 practitioner has concluded that an unmodified (i.e., "clean") conclusion 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 firm of which the practitioner is a member applies ISQM 1.⁸
- There is no other information because the sustainability information is presented in a stand-alone 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.

⁸ *International Standard on Quality Management (ISQM) 1, Quality Management for Firms That Perform Audits or Reviews of Financial Statement, or Other Assurance or Related Services Engagements*

INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT ON ABC'S SUSTAINABILITY INFORMATION

To the Management of ABC

Limited Assurance Report on the Sustainability Information⁹

Limited Assurance Conclusion

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

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the accompanying Sustainability Information is not prepared, in all material respects, in accordance with XYZ Law of Jurisdiction X.

Basis for Conclusion

We conducted our limited assurance engagement in accordance with International Standard of Sustainability Assurance (ISSA) 5000, *General Requirements for Sustainability Assurance Engagements*, issued by the International Auditing and Assurance Standards Board.

Our responsibilities under this standard are further described in the *Practitioner's Responsibilities* section of our report.

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, together with the ethical requirements that are relevant to our assurance engagement of the Sustainability Information in [jurisdiction], and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

[Emphasis of Matter]¹⁰

We draw attention to [identify the specific disclosure in the sustainability information] which describes [...]. Our opinion is not modified in respect of this matter.]

Responsibilities for the Sustainability Information

Management of the Company is responsible for:

- The preparation of the Sustainability Information in accordance with XYZ Law of Jurisdiction X.

⁹ The sub-title "Limited 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.

¹⁰ Include if the practitioner considers it necessary in the engagement circumstances – see paragraph 177.

- Designing, implementing and maintaining internal control relevant to the preparation of the Sustainability Information, in accordance with XYZ Law of Jurisdiction X, to enable the preparation of such information that is free from material misstatement, whether due to fraud or error.

[Inherent Limitations in Preparing the Sustainability Information¹¹

As discussed in *[identify the specific disclosure in the sustainability information]*, the measurement or evaluation of the Sustainability Information is subject to *[provide a specific description of any significant inherent limitations associated with the measurement or evaluation of the sustainability information against the applicable criteria].*

Practitioner's Responsibilities

Our objective is to plan and perform the assurance engagement to obtain limited assurance about whether the sustainability information is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. 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.

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

- Perform risk procedures, including obtaining an understanding of internal control relevant to the engagement, to identify disclosures where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.¹²
- Design and perform procedures responsive to disclosures in the Sustainability Information where material misstatements are likely to arise. 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.

Summary of the Work Performed

A limited 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 identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability Information.

In conducting our limited assurance engagement, we:

*[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 conclusion and the level of assurance obtained.]*¹³

- [...]

¹¹ Include paragraph if relevant to the engagement circumstances – see paragraph 169(d)(v).

¹² Remove "but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control " if the limited assurance engagement includes a conclusion on the effectiveness of internal control.

¹³ The procedures are to be summarized but not to the extent that they are ambiguous, nor described in a way that is overstated or embellished or that implies that reasonable assurance has been obtained. It is important that the description of the procedures does not give the impression that those procedures were agreed upon by the assurance practitioner with management and in most cases will not detail the entire work plan.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

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

[Practitioner's address]

[Date of the limited assurance report]

Illustration 3 - Unmodified Combined Reasonable and Limited Assurance Report on Sustainability Information for an Entity Other than a Listed Entity Prepared in Accordance with Compliance Criteria, comprising:

- a) Reasonable Assurance Opinion on the selected disclosures, [identified by ...],¹⁴ from the Sustainability Report (“Information RA”)**
- b) Limited Assurance Conclusion on the selected disclosures, [identified by ...],¹⁵ from the Sustainability Report (“Information LA”)**

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

- A reasonable assurance engagement relating to Information RA and a limited assurance engagement relating to Information LA of the Sustainability Report of ABC Company, an entity other than a listed entity, for the year ended December 31, 20X1, as required by law or regulation.
- The Sustainability Report represents the sustainability information reported by the entity and Information RA and Information LA represent the sustainability information subject to the assurance engagement.
- The Sustainability Report is prepared by management of the entity in accordance with compliance criteria (XYZ Law of Jurisdiction X).
- The Sustainability Report includes comparative information that is not covered by the practitioner’s conclusion. With respect to the comparative information: comparative Information RA was subject to a reasonable assurance engagement, and comparative Information LA was subject to a limited assurance engagement, in the prior period, and the practitioner’s respective conclusions were unmodified.
- Management of the Company is the engaging party.
- The terms of the assurance engagement accurately reflect the description of management’s responsibility for the sustainability information in ISSA 5000.
- The assurance practitioner has concluded that, based on the evidence obtained, an unmodified (i.e., “clean”) reasonable assurance opinion and limited assurance conclusion are appropriate with respect to Information RA and Information LA, respectively.
- 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 firm of which the practitioner is a member applies ISQM 1.16
- Information LA and Information RA, and the practitioner’s report thereon, have also been

¹⁴ Provide a specific identification and location of the information that is subject to a reasonable assurance opinion, which should be distinct from the information subject to a limited assurance conclusion (e.g. by tagging the specific disclosures in the Sustainability Information, Title of Section of the Sustainability Information, an Appendix to Assurance Report, etc.).

¹⁵ Provide a specific identification and location of the information that is subject to a limited assurance conclusion, which should be distinct from the information subject to a reasonable assurance conclusion (e.g. by tagging the specific disclosures in the Sustainability Information, Title of Section of the Sustainability Information, an Appendix to Assurance Report, etc.).

¹⁶ *International Standard on Quality Management (ISQM) 1, Quality Management for Firms That Perform Audits or Reviews of Financial Statement, or Other Assurance or Related Services Engagements*

included in the Company's Annual Report. The 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.

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.

INDEPENDENT PRACTITIONER'S REASONABLE AND LIMITED ASSURANCE REPORT ON ABC'S SUSTAINABILITY INFORMATION

To the Management of ABC

Reasonable Assurance Opinion

We have conducted a reasonable assurance engagement on the selected disclosures, [identified by ...],¹⁷ of the Sustainability Report of ABC Company (the Company) for the year ended December 31, 20X1 ("Information RA").

In our opinion, the Information RA of the accompanying Sustainability Report is prepared, in all material respects, in accordance with XYZ Law of Jurisdiction X.

Limited Assurance Conclusion

We have conducted a limited assurance engagement on the selected disclosures, [identified by ...],¹⁸ included in the Sustainability Report of the Company for the year ended December 31, 20X1 ("Information LA").

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Information LA of the accompanying Sustainability Report is not prepared, in all material respects, in accordance with XYZ Law of Jurisdiction X.

Basis for Reasonable Assurance Opinion and Limited Assurance Conclusion

We conducted our reasonable assurance and limited assurance engagements in accordance with ISSA 5000 *General Requirements for Sustainability Assurance Engagements*, issued by the International Auditing and Assurance Standards Board.

Our responsibilities under this standard are further described in the *Practitioner's Responsibilities* section of our report.

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, together with the ethical requirements that are relevant to our assurance engagement of the sustainability information in [jurisdiction], and we have fulfilled our other responsibilities in accordance with these requirements and the IESBA Code.

¹⁷ Provide a specific identification and location of the information that is subject to a reasonable assurance opinion, which should be distinct from the information subject to a limited assurance conclusion (e.g. by tagging the specific disclosures in the Sustainability Information, Title of Section of the Sustainability Information, an Appendix to Assurance Report, etc.).

¹⁸ Provide a specific identification and location of the information that is subject to a limited assurance conclusion, which should be distinct from the information subject to a reasonable assurance conclusion (e.g. by tagging the specific disclosures in the Sustainability Information, Title of Section of the Sustainability Information, an Appendix to Assurance Report, etc.).

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.

[As discussed in *[identify the specific disclosure in the sustainability information]*, the measurement or evaluation of the Information LA and Information RA is subject to *[provide a specific description of any significant inherent limitations associated with the measurement or evaluation of the sustainability information against the applicable criteria]*.]¹⁹

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion and limited assurance conclusion.

[Emphasis of Matter²⁰

We draw attention to [identify the specific disclosure in the sustainability information] from the Information LA of the Sustainability Report, which describes [...]. Our limited assurance conclusion is not modified in respect of this matter.]

Other Information²¹

The other information comprises the [information included in the Annual Report],²² but does not include the Information RA and Information LA subject to this engagement and our practitioner's report thereon.

Our reasonable assurance opinion and limited assurance conclusion on Information RA and Information LA, respectively, do not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our limited and reasonable assurance engagements on the Information RA and Information LA, respectively, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Information RA and Information LA, respectively, 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.

Responsibilities for the Sustainability Information

Management of the Company is responsible for:

- The preparation of the Information RA and Information LA in accordance with XYZ Law of Jurisdiction X.
- Designing, implementing and maintaining internal control relevant to the preparation of the Information RA and Information LA to enable the preparation of such information that is free from material misstatement, whether due to fraud or error.

¹⁹ Include paragraph if relevant to the engagement circumstances – see paragraph 169(d)(v).

²⁰ Include if the practitioner considers it necessary in the engagement circumstances – see paragraph 177.

²¹ Another appropriate heading may be used, such as “Information Other than the Sustainability Information and Reasonable and Limited Assurance Report Thereon”.

²² 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.

[Inherent Limitations in Preparing the Sustainability Information ²³

As discussed in *[identify the specific disclosure in the sustainability information]*, the measurement or evaluation of the Sustainability Information is subject to *[provide a specific description of any significant inherent limitations associated with the measurement or evaluation of the sustainability information against the applicable criteria].*

Practitioner's Responsibilities

Our objectives are to:

- (a) Plan and perform the assurance engagement to obtain reasonable assurance about whether the Information RA is free from material misstatement, whether due to fraud or error, and to issue an assurance report that includes our opinion.
- (b) Plan and perform the assurance engagement to obtain limited assurance about whether the Information LA is free from material misstatement, whether due to fraud or error and to issue a limited assurance report that includes our conclusion.

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 Information RA and Information LA.

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

- (a) For a reasonable assurance engagement:
 - Perform risk procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatement, whether due to fraud or error, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.²⁴
 - Design and perform procedures responsive to the assessed risks of material misstatement of the disclosures in the Information RA. 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.
- (b) For a limited assurance engagement:
 - Perform risk procedures, including obtaining an understanding of internal control relevant to the engagement, to identify disclosures where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.²⁵

²³ Include paragraph if relevant to the engagement circumstances – see paragraph 169(d)(v).

²⁴ Remove “but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control” if the reasonable assurance engagement includes an opinion on the effectiveness of internal control.

²⁵ Remove “but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control” if the limited assurance engagement includes a conclusion on the effectiveness of internal control.

- Design and perform procedures responsive to disclosures in the Information LA where material misstatements are likely to arise. 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.

Summary of the Work Performed for Limited Assurance Conclusion

A limited assurance engagement involves performing procedures to obtain evidence about the Information LA. The nature, timing and extent of procedures selected depend on professional judgment, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Information LA.

In conducting our limited assurance engagement, we:

*[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 conclusion and the level of assurance obtained.]*²⁶

- [...]

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

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

[Practitioner's address]

[Date of the assurance report]

²⁶ The procedures are to be summarized but not to the extent that they are ambiguous, nor described in a way that is overstated or embellished or that implies that reasonable assurance has been obtained. It is important that the description of the procedures does not give the impression that those procedures were agreed upon by the assurance practitioner with management, and in most cases will not detail the entire work plan.

Illustration 4 – Modified Limited Assurance Report on Sustainability Information of an Entity Other than a Listed Entity Prepared in Accordance with Compliance Criteria

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

- A limited assurance engagement relating to the entirety of the Sustainability Report of ABC Company, an entity other than a listed entity, for the year ended December 31, 20X1, as required by law or regulation.
- The sustainability information is presented in a stand-alone document (i.e., the entity's Sustainability Report).
- The sustainability information is prepared by management of the entity in accordance with compliance criteria (XYZ Law of Jurisdiction X).
- The Sustainability Information includes comparative information that is not covered by the practitioner's conclusion. The comparative information was subject to a limited assurance engagement by the same practitioner in the prior period and the practitioner's conclusion was unmodified.
- Management 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 a modified conclusion is appropriate due to a limitation of scope arising from an inability to obtain sufficient appropriate evidence regarding an identified matter that the practitioner has determined is material but not pervasive.
- 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 firm of which the practitioner is a member applies ISQM 1.²⁷
- There is no other information because the entity's sustainability information is presented in a stand-alone 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.

²⁷ *International Standard on Quality Management (ISQM) 1, Quality Management for Firms That Perform Audits or Reviews of Financial Statement, or Other Assurance or Related Services Engagements*

INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT ON ABC'S SUSTAINABILITY INFORMATION

To the Management of ABC

Limited Assurance Report on the Sustainability Information²⁸

Qualified Limited Assurance Conclusion

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

Based on the procedures we have performed and the evidence we have obtained, except for the possible effect of the matter described in the Basis for Qualified Conclusion section of our report, nothing has come to our attention that causes us to believe that the accompanying Sustainability Information is not prepared, in all material respects, in accordance with XYZ Law of Jurisdiction X.

Basis for Qualified Conclusion

The Company has disclosed [...].²⁹ We were unable to obtain sufficient appropriate evidence about [...] ³⁰ as at December 31, 20X1 because [...]. Consequently, we were unable to determine whether any adjustments to [...] were necessary.

We conducted our limited assurance engagement in accordance with International Standard of Sustainability Assurance (ISSA) 5000, *General Requirements for Sustainability Assurance Engagements*, issued by the International Auditing and Assurance Standards Board.

Our responsibilities under this standard are further described in the *Practitioner's Responsibilities* section of our report.

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, together with the ethical requirements that are relevant to our assurance engagement of the Sustainability Information in [jurisdiction], and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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.

[As discussed in *[identify the specific disclosure in the sustainability information]*, the measurement or evaluation of the Sustainability Information is subject to *[provide a specific description of any significant inherent limitations associated with the measurement or evaluation of the sustainability information against the applicable criteria]*.] ³¹

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our qualified conclusion.

²⁸ The sub-title "Limited 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.

²⁹ Insert a description of the relevant disclosure.

³⁰ Provide a description of the matter giving rise to the qualified conclusion.

³¹ Include paragraph if relevant to the engagement circumstances – see paragraph 169(d)(v).

[Emphasis of Matter]³²

We draw attention to [identify the specific disclosure in the sustainability information], which describes [...]. Our opinion is not modified in respect of this matter.]

Responsibilities for the Sustainability Information

Management of the Company is responsible for:

- The preparation of the Sustainability Information in accordance with XYZ Law of Jurisdiction X.
- Designing, implementing and maintaining internal control relevant to the preparation of the Sustainability Information, in accordance with XYZ Law of Jurisdiction X, to enable the preparation of such information that is free from material misstatement, whether due to fraud or error.

[Inherent Limitations in Preparing the Sustainability Information]³³

As discussed in [identify the specific disclosure in the sustainability information], the measurement or evaluation of the Sustainability Information is subject to [provide a specific description of any significant inherent limitations associated with the measurement or evaluation of the sustainability information against the applicable criteria].]

Practitioner's Responsibilities

Our objective is to plan and perform the assurance engagement to obtain limited assurance about whether the sustainability information is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. 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.

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

- Perform risk procedures, including obtaining an understanding of internal control relevant to the engagement, to identify disclosures where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.³⁴
- Design and perform procedures responsive to disclosures in the Sustainability Information where material misstatements are likely to arise. 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.

Summary of the Work Performed

A limited 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 identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability Information.

³² Include if the practitioner considers it necessary in the engagement circumstances – see paragraph 177.

³³ Include paragraph if relevant to the engagement circumstances – see paragraph 169(d)(v).

³⁴ Remove “but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control” if the limited assurance engagement includes a conclusion on the effectiveness of internal control.

In conducting our limited assurance engagement, we:

*[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 conclusion and the level of assurance obtained.]*³⁵

- [...]

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

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

[Practitioner's address]

[Date of the limited assurance report]

³⁵ The procedures are to be summarized but not to the extent that they are ambiguous, nor described in a way that is overstated or embellished or that implies that reasonable assurance has been obtained. It is important that the description of the procedures does not give the impression that those procedures were agreed upon by the assurance practitioner with management, and in most cases will not detail the entire work plan.