

Compliance

Illustration: Modified Limited Assurance Report on Sustainability Statement of an EU/EEA Listed Entity prepared in accordance with EU CSRD

Guiding notes:

- Basis: ISAE 3000 (Revised)
- This document assumes inter alia that
 - the Sustainability Statement is prepared by management of the entity in accordance with compliance criteria,
- *[Italic]* text in square brackets - Conditional wording, reported when applicable with no tailoring unless also shown in grey highlight (see below). If the conditions exist, the text should be changed to normal text (or bold normal in the case of a title or major subheading) and brackets removed.
- **[Bold italic]** text in square brackets - There is a choice of wording to be selected based on the engagement circumstances. Once selected, the wording in the template should not be tailored unless also shown in grey highlight (see below). Once the correct selection is made, the text should be changed to normal text (or bold normal in the case of a title or major subheading) and brackets removed.
- **Bold (unhighlighted)** text outside square brackets - Used to signify a heading or subheading and should not be changed from bold text.
- **[Grey highlighted]** text in square brackets - Engagement team is required to input wording if and as appropriate to the engagement circumstances. Note: if the tailorable text is also a heading the text should remain bold. Other bullets above may also apply.

Independent practitioner's limited assurance report on [name of entity]'s Sustainability Statement

To [Appropriate addressee]

Qualified limited assurance conclusion

We have conducted a limited assurance engagement on the Sustainability Statement of [name of entity] (the "Company") (included in section ["Name of section"] of the Management Report) (the "Sustainability Statement"), as at [date] and for the period from [date] to [date].

Based on the procedures we have performed and the evidence we have obtained, except for the effects and the possible effects of the matters described in the "Basis for qualified conclusion" section, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with [identify the applicable articles and title of the applicable law implementing Article **[19(a)]**[**29(a)**]¹ of EU Directive 2013/34/EU], including:

- compliance with the European Sustainability Reporting Standards (ESRS) including that the process carried out by the Company to identify the information reported in the Sustainability Statement (the "Process") is in accordance with the description set out in note [ESRS 2 IRO-1];
- compliance of the disclosures in [subsection [X] within the environmental section] of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Basis for qualified conclusion

PLACEHOLDER: The Company has disclosed [...] We were unable to obtain sufficient appropriate evidence about [...] as at [date] and for the period from [date] to [date] because [...]. Consequently, we were unable to determine whether any adjustments to [...] were necessary.

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information].

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.

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 [International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code)] together with the ethical requirements that are relevant to our assurance engagement of the Sustainability Statement in [member state], 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 qualified conclusion.

¹ Article 19a applies for non-consolidated sustainability statements and Article 29a for consolidated sustainability statements.

[Emphasis of matter²

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

Responsibilities for the sustainability statement

Management of the Company is responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this process in note [ESRS 2 IRO-1] of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Company's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Company's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management of the Company is further responsible for the preparation of the Sustainability Statement, in accordance with [identify the applicable articles and title of the applicable law implementing Article [19(a)]]³ of EU Directive 2013/34/EU], including:

- compliance with the ESRS;
- preparing the disclosures in [subsection [X] within the environmental section] of the Sustainability Statement, in compliance with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation");
- designing, implementing and maintaining such internal controls that management determines are necessary to enable the preparation of the Sustainability Statement, that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates about individual sustainability disclosures that are reasonable in the circumstances.

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

Inherent limitations in preparing the Sustainability Statement

As discussed in [identify the specific disclosure in the sustainability statement], [provide a specific description of any significant inherent limitations associated with the measurement or evaluation of the sustainability matters against the applicable criteria].

In reporting forward-looking information in accordance with ESRS, management of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Company. The actual outcome is likely to be different since anticipated events frequently do not occur as expected.

² Include, when applicable, to draw attention to a matter that is deemed fundamental to users' understanding of an aspect of the disclosures in the sustainability statement.

³ Article 19a applies for non-consolidated sustainability statements and Article 29a for consolidated sustainability statements.

In determining the disclosures in the Sustainability Statement, management of the Company interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

Practitioner's responsibilities

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement 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 Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional skepticism throughout the engagement.

Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process, [as disclosed in note [ESRS 2 IRO-1].

Our other responsibilities in respect of the Sustainability Statement include:

- Obtaining an understanding of the Company's control environment, processes and information systems relevant to the preparation of the Sustainability Statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error;
- Designing and performing procedures responsive to disclosures in the Sustainability Statement 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 Statement.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability Statement.

In conducting our limited assurance engagement, with respect of the Process, we:

- Obtained an understanding of the Process by:
 - [performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
 - reviewing the Company's internal documentation of its Process]; and
- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Company was consistent with the description of the Process set out in note [ESRS 2 IRO-1].

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Company's reporting processes relevant to the preparation of its Sustainability Statement by:
 - []
- Evaluated whether material information identified by the Process to identify the information reported in the Sustainability Statement is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;
- *[Performed [inquires of relevant personnel and] analytical procedures on selected disclosures in the Sustainability Statement];*
- *[Performed substantive assurance procedures based on a sample basis on selected disclosures in the Sustainability Statement];*
- Obtained evidence on the methods for developing material estimates and forward-looking information and on how these methods were applied;
- Obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement;
- *[Other procedures performed with respect to the EU taxonomy disclosures]*
- *[Insert a summary of the nature and extent of any other procedures performed with respect to disclosures within the Sustainability Statement that provides additional information that may be relevant to the users' understanding of the work performed to support our conclusion and the level of assurance obtained.]⁴*

Other Matter

Our assurance engagement does not extend to information in respect of earlier periods.

[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]

⁴ The procedures are to be summarised 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 an agreed upon procedures engagement has been undertaken, and in most cases will not detail the entire work.