Sustainability Assurance Standard 1

1. Introduction:

This Standard on Sustainability Assurance (ISAS 1) deals with assurance engagements on disclosure of sustainability-related Information. For purposes of this ISAS, sustainability-related Information ~~is~~ information which an entity discloses or reports about its sustainability-related risks and opportunities, as well as their impact that is useful to stakeholders. It includes topics such as climate, labour, bio-diversity, and aspects of topics such as climate related risks and opportunities that are likely to impact the existence and prospects of the reporting entity.

The scope of the assurance engagement may extend to all of the sustainability information to be reported by the entity or only to a part or parts of that information.
Fundamental requirements for high-quality sustainability assurance revolve broadly around three areas:

1.1 Meeting preconditions and considering suitable criteria when an assurance engagement is accepted.

1.2 Conducting an assurance engagement according to robust processes and practices implemented in a credible, legitimate, and transparent manner, with adherence to the standards of quality management as required by the ICMAI, or applicable law or regulation.

1.3 Issuing a Sustainability Assurance Statement with conclusions that accurately reflect the state of affairs with reasonable accuracy, and, if agreed upon in the engagement agreement, preparing a Report to Management materially consistent with the conclusions of the Assurance Statement.

2. Objectives

The overall aim of validation/verification is to give confidence to intended users that the declared / disclosed / reported sustainability information is fairly stated, can be used for the defined purpose and fulfils specified requirements and criteria. This confidence is provided through an independent validation or verification.

In conducting a sustainability assurance engagement, the objectives of the practitioner are:

2.1 To obtain reasonable assurance or limited assurance or a combination of the two, as applicable, about whether the sustainability related information is free from material misstatement;

2.2 To express a conclusion on the sustainability related information through a written report that conveys a reasonable assurance or a limited assurance conclusion, as applicable, and describes the basis for the conclusion; and

2.3 To communicate or report as required by this assurance standard and/or any other relevant assurance standard issued by a professional body, law or regulation.

3. Scope:

3.1 This ISAS applies to all assurance engagements on sustainability information or any part(s) of the information that may be prepared as per the requirements or guidance of any law or regulation, or sustainability reporting framework and / or standard (such as the BRSR, GRI, IFRS S1,S2, ERSR, CSRD, TCFD, etc.) and sustainability standards issued by the Institute of Cost Accountants of India (ICMAI).

3.2 This ISAS deals with ~~both~~ reasonable assurance, limited assurance and combined assurance engagements. It may be applied to assertion and reporting engagements.

This ISAS is intended for assurance engagements on sustainability information of all entities, regardless of size or complexity, for any entity, group, unit, or branch, industry, sector and geography. It is profession agnostic, with wide applicability to sustainability and related information, and applied in the context of the engagement circumstances.

4. Definitions: For purposes of the ISAS the following terms have the meanings attributed below:

4.1 Analytical procedures: Evaluations of sustainability related information through analysis of plausible relationships among both quantitative and qualitative data including such investigation as is necessary for identification of variations that are inconsistent and inconsistencies with other relevant information or that differ from expected values by a significant amount.

4.2 Applicable criteria: The criteria used for the sustainability assurance engagement including the criteria for identifying, measuring, evaluating and reporting the sustainability information subject to assurance.

4.3 Assurance: Assurance refers to the independent verification methods and processes employed positive declaration made by a assurer sustainability assurance practitioner using methods and procedures employed by the practitioner to assess against suitable criteria an organisation's disclosures / reports about its sustainability matters and/or performance, as well as underlying information, processes, and systems, using suitable criteria and standards in order to increase the credibility of such disclosures/ reports in the entirety of the organisation's sustainability information or part thereof. Assurance includes the communication of the results of the assurance process in an Assurance Statement.

4.4 Assurance engagement: An engagement in which an assurance practitioner aims to obtain sufficient appropriate evidence in order to express a conclusion for enhancing the degree of confidence of the intended users about the sustainability related information or part thereof. An assurance engagement may be classified under the following heads:

(i) Reasonable assurance engagement – An assurance engagement in which the practitioner's conclusion is expressed in a the form of a positive declaration, that conveys the practitioner's opinion on the outcome of the measurement or evaluation, including presentation and disclosure, of the sustainability related information against suitable criteria.

(ii) Limited assurance engagement: An assurance engagement with an acceptably low engagement risk, as the basis for expressing a conclusion in a form that conveys whether, based on the procedures performed and evidence obtained, no matter(s) has come to the practitioner's attention to cause the practitioner to believe that the sustainability related information is materially misstated.

(iii) Combined assurance engagement: An assurance engagement may be a combination of Reasonable Assurance with respect to certain identified sustainability related information and Limited Assurance with respect to other sustainability related information as agreed to between the engaging party and the Assurance Practitioner.

4.5 Assurance Practitioner: An individual, whether acting in his individual capacity or on behalf of a firm, LLP, Company or any other entity, providing assurance services.

4.6 Competence: ability to apply knowledge and skills to achieve intended results and includes sustainability competence and assurance competence.

4.7 Component: An entity, business unit, branch, function or business activity or some combination thereof, within the reporting boundary determined by the sustainability assurance practitioner and agreed upon by the engaging party for the purposes of planning and performing the sustainability assurance engagement.

4.8 Criteria: The benchmarks used to measure and/ or evaluate the sustainability related information and comprise of either the ICMAI Sustainability Standards and Guidance Notes[1] framework criteria or entity-developed criteria or both and includes criteria as per applicable law or regulation.

4.9 Disclosed sustainability-related information: Sustainability related information that is made available to parties external to the reporting entity.

4.10 Double Materiality: The principle that sustainability information captures both the financial and non-financial impacts of sustainability matters on the reporting entity, and the entity's own impacts on those sustainability matters to the extent determined to be material.

4.11 Engagement circumstances: The broad context defining the particular assurance engagement, whether internal or external to the reporting entity, that may have a significant effect on the engagement. This includes:

(a) the terms of the engagement;

(b) the scope of the engagement and whether it is a reasonable assurance engagement or a limited assurance engagement or a combined assurance engagement;

(c) the characteristics of the sustainability matters;

(d) the applicable criteria;

(e) the information needs of the intended users;

(f) relevant characteristics of the entity and its reporting boundary; and

(g) external matters such as legal, regulatory, and contractual requirements.

4.12 Engagement risk: The risk that the practitioner expresses an inappropriate conclusion when the subject sustainability information is materially misstated.

4.13 Engaging party: Management and / or those charged with governance, or another party, that engages the practitioner to perform the assurance engagement.

4.14 Engagement team: The engagement leader and other personnel performing the engagement, and any other individuals who perform procedures on the engagement

4.15 Entity: The legal entity, economic entity, or the identifiable portion of a legal or economic entity, or combination of legal or other entities or portions of those entities, to which the sustainability information relates.

~~4.16~~ Evaluation: The systematic and objective measurement or assessment of sustainability information against defined criteria, using evidence gathered through procedures, with the objective of forming a conclusion about its reliability or accuracy.

4.17 Evidence: Information, after applying assurance procedures, that the practitioner uses to draw conclusions that form the basis for the practitioner's assurance conclusion and report.

4.18 Forward Looking Information: Information that is progressive and future-oriented in nature that projects or positions targets, expectations, or possibilities.

4.19 Fraud: The intentional act or the use of deception or misstatement of sustainability information or other information by one or more individuals among the management or those charged with governance, employees, or third parties, to mislead the intended user(s) and/or to obtain an unjust or undue advantage.

4.20 Group: A reporting entity for which group sustainability related information is prepared

4.21 Intended user: An entity or person or group that is intended by the practitioner and/or

[1] https://icmai.in/icmai/SSB/ISS1_ISS2.php & https://icmai.in/icmai/SSB/Guidance_Note_ISS1_ISS2.php

reporting entity to use the declared sustainability information to make decisions.

4.22 Impact: positive or negative change in the environmental, social and financial performance and prospects as well as cash flows of the entity over the short, medium and long term and a result of an entity's decisions or execution.

4.23 Intended users: The individual(s) or entity(s), or group(s) thereof, that the practitioner expects will use the sustainability assurance report.

4.24 Management: The person(s) with executive responsibility for the conduct of the entity's operations. Management includes some or all of those charged with governance.

4.25 Materiality: The amount or threshold of misstatement or omission for sustainability information and other information that could reasonably be expected to influence the decisions of the intended user.

4.26 Misstatement: A difference between the disclosure(s) and the appropriate measurement or evaluation of the sustainability matters in accordance with the applicable criteria.

4.27 Other Information: Information contained in documents that also contain sustainability information subject to assurance under other assurance engagement(s), but which itself is not covered by the sustainability assurance engagement or report.

4.28 Overall materiality: means the threshold(s) for misstatement or omission in the sustainability information and other information as a whole, beyond which the misstatement(s) or omission(s) are likely to reasonably impact the decisions of the intended user of the sustainability information and/or the reporting organisation.

4.29 Performance materiality: means materiality threshold(s) set by the sustainability assurance practitioner for the sustainability information as a whole or for specific information, to reduce the risk of the aggregate of uncorrected and undetected misstatements in that disclosure. This is usually lower than the overall materiality threshold.

4.30 Practitioner: The individual(s) conducting the assurance engagement (usually, the engagement leader or other members of the engagement team, or, as applicable, the firm).

4.31 Practitioner's expert: An individual or entity possessing expertise in a field other than assurance, whose work in that field is used by the practitioner to assist in obtaining sufficient appropriate evidence.

4.32 Professional judgment: The application of relevant training, knowledge, and experience, within the context provided by assurance and ethical standards, in making informed decisions about the courses of action that are appropriate in the circumstances of the engagement.[2]

4.33 Professional scepticism: An attitude that includes a questioning mind, being alert to conditions which may indicate possible misstatement due to error or fraud, and a critical assessment of evidence.[3]

4.34 Professional standards: ICMAI Standards on Sustainability Assurance and relevant ethical requirements, or the professional standards prescribed by law or regulation applicable to the engagement.

4.35 Relevant ethical requirements: The principles of professional ethics and ethical requirements that are applicable to sustainability assurance practitioners as defined by the ICMAI or by applicable law or regulation for a sustainability assurance

[2] Cost Auditing Standard 103 Cost Auditing Standard on Overall Objectives of the Independent Cost Auditor and the Conduct of an Audit in Accordance with Cost Auditing Standards (CAS 103) Para 4.14

[3] CAS 103 Para 4.15

engagement.[4]

4.36 Reporting boundary: Activities, operations, relationships or resources to be included in the entity's sustainability information, determined in accordance with the applicable criteria.

4.37 Reporting Entity: An entity that is responsible for the preparation and publication of disclosures of sustainability topics and that engages an assurance practitioner to undertake an assurance engagement relating to sustainability reporting.

4.38 Risk of material misstatement: The risk that the sustainability information is materially misstated prior to the engagement.

4.39 Risk assessment procedures: The procedures designed and performed to:

(a) In a limited assurance engagement, identify and assess the risks of material misstatement, whether due to fraud or error, at the disclosure level; and

(b) In a reasonable assurance engagement, identify and assess the risks of material misstatement, whether due to fraud or error, of the disclosures at the assertion level.

4.40 Specific Materiality: means the threshold(s) of misstatements or omissions in the specific items of sustainability information and/or other information determined to be material. This is usually determined by the sustainability assurance practitioner for specific areas of disclosure.

4.41 Substantive procedures: Procedures designed to detect material misstatements. Substantive procedures comprise tests of details and analytical procedures.

4.42 Sustainability Assurance: An assurance of sustainability-related disclosures / report on sustainability performance, underlying processes, systems, and controls in preparing the information including forward looking information against applicable criteria, in accordance with professional standards.

4.43 Sustainability Competence: Competence in the sustainability matters that are the subject of the assurance engagement and in their measurement or evaluation, as required by the ICMAI Standards on Sustainability Assurance and/or applicable law or regulation.

4.44 Sustainability related disclosures[5]: Sustainability-related information is about the reporting entity's sustainability- related risks and their impact as well as sustainability-related opportunities that could reasonably be expected to affect the entity's existence, performance, cash flows and prospects over the short, medium or long term, including information about the entity's governance, strategy and risk management in relation to those risks, their impact and opportunities, and related metrics and targets.

Those charged with governance: The person(s) or entity(s) (for example, a corporate trustee) with responsibility for overseeing the strategic direction including the sustainability-related disclosures / reporting of the entity and obligations related to the governance and accountability of the entity.

5. Requirements:

5.1 **Conduct of a Sustainability Assurance Engagement in Accordance with this ISAS:**

The practitioner shall comply with the standards that are relevant to the sustainability assurance engagement under applicable law or regulation, and the ICMAI sustainability assurance standards and guidance notes relevant to the engagement.

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[4] https://icmai.in/icmai/caasb/ED_Code_Ethics.php

[5] ICMAI ISS1 para 4.9

The practitioner shall not represent compliance with this ISAS unless all the requirements under this ISAS have been complied with, except where explicitly permitted by law.

5.2 **Preconditions for an assurance engagement**:

The practitioner shall obtain preliminary knowledge of the sustainability assurance engagement circumstances including:

(a) Appropriateness of the sustainability matters,
(b) Scope of the engagement – all or part of the sustainability information,
(c) Reporting boundary – units, components, groups of the reporting entity,
(d) A rational purpose of the assurance engagement,
(e) Whether the reporting entity has a system, process and controls to identify and report the sustainability matters,
(f) Whether sufficient and appropriate evidence needed to support the practitioner's conclusion is expected to be available and can be obtained,

5.3 **Acceptance and Continuance of the Assurance Engagement:** The practitioner shall accept or continue the engagement only when:

(a) The practitioner has no reason to believe that relevant ethical requirements, including independence, will be compromised;
(b) The preconditions, and the basis upon which the engagement is to be performed has been agreed, by confirming that there is a common understanding between the practitioner and the engaging party of the terms of the engagement, including the practitioner's reporting responsibilities
(c) An assurance practitioner should accept an assurance engagement only if the assessment indicates there is no conflict of interest with the reporting organisation and/or its significant stakeholders.
(d) If the engaging party imposes limitations on the scope of the practitioner's work in terms of a proposed engagement in such a way that the practitioner believes may result in disclaiming a conclusion on the sustainability information, the practitioner shall document the limitation and the manner in which it leads to the practitioner disclaiming a conclusion, and disclose the fact prominently in the assurance report, or as required by the applicable law or regulation. If under the circumstances of the engagement, the practitioner believes that a conclusion cannot be drawn due to such limitation on the scope, the practitioner may not accept such an engagement unless required by law or regulation to do so.
(e) The engagement leader shall determine that the firm's policies or procedures for the acceptance and continuance of client relationships and assurance engagements have been followed
(f) If matters come to the engagement leader's attention that indicate that a threat to compliance with relevant ethical requirements exists, the engagement leader shall evaluate the threat through complying with the firm's policies or procedures, using relevant information from the firm, the engagement team or other sources, and take appropriate action.
(g) Throughout the engagement, the engagement leader shall remain alert, through observation and making inquiries as necessary, for evidence of breaches of relevant ethical requirements by members of the engagement team.
(h) The practitioner shall document the name and identification details of the engaging party(ies), the identification details of the entity and the sustainability information subject to assurance, the circumstances of the entity, the scope of the engagement, limitations to scope (if any), type of assurance sought, name and identification details of the assurance practitioner (firm and individual practitioner), the existence of the preconditions to acceptance, the competence and independence of the practitioner, the basis of acceptance and/or continuance of the engagement, and the terms of engagement agreed upon.

5.4 **Assurance practitioner competence:** The assurance practitioner should ensure that the individual assurance practitioners, as well as any relevant external experts involved in the assurance engagement are, at a minimum, demonstrably competent in the following areas:

(a) **General Competence -** professional and technical assurance skills as required by this ISAS, the applicable law and regulation, relevant standards issued by the ICMAI, or a concerned professional body, and as necessary for delivering the assurance report under any sustainability framework.

(b) **Sustainability Competence** – Competence in the subject matter (including the specific subject matter of the engagement): The practitioner shall obtain an understanding of the sustainability matters and sustainability information including the characteristics of the events or conditions that could lead to material misstatement of the disclosures, relevant sustainability frameworks, law and regulatory framework, circumstances of the engagement.

5.5 **Assurance Skills and Techniques, Professional Scepticism and Professional Judgment:**

(a) The practitioner shall apply assurance skills and techniques as appropriate in a systematic engagement process.

(b) The practitioner shall plan and perform the engagement with professional scepticism, recognizing that circumstances may exist that cause the sustainability related information to be materially misstated.

(c) The practitioner shall exercise professional judgment in planning and performing the engagement, including determining the nature, timing and extent of procedures.

5.6 **Engagement Resources**

(a) The engagement leader shall determine that sufficient and appropriate resources to perform the engagement are assigned or made available to the engagement team in a timely manner, taking into account the nature and circumstances of the engagement, the firm's policies or procedures, and any changes that may arise during the engagement;

(b) The engagement leader shall determine that members of the engagement team, and any practitioner's external experts and internal auditors who provide direct assistance, collectively have the appropriate sustainability competence, competence and capabilities in assurance skills and techniques, and sufficient time, to perform the engagement;

(c) The engagement leader shall take responsibility for using the resources assigned or made available to the engagement team appropriately, given the nature and circumstances of the engagement.

(d) The engagement leader shall take responsibility for the direction and supervision of the members of the engagement team and the review of their work.

(e) The engagement leader shall review, prior to their issuance, formal written communications to management, those charged with governance or regulatory authorities.

5.6 The responsibilities of the assurance practitioner include:

(a) Adherence to the terms of reference agreed to with the reporting organisation;

(b) Responsibility to other stakeholders who are likely to rely on the assured information

(c) Expression of their expert opinion in an Assurance Statement and optional Report to Management, based on the work performed;

(d) Independence, impartiality, and competence to deliver the assurance engagement.

Stakeholders

5.7 **Stakeholder Engagement**: The practitioner must identify the key stakeholders who influence the sustainability information, and/or are influenced by relying on the sustainability information, including the financial and impact perspectives.

5.8 The practitioner shall **document and maintain a record of the stakeholders** internal and external to the entity, the engagement team, and experts or other practitioners, their roles and responsibilities regarding the sustainability matters, their relationship with the sustainability matters and among each other, and the nature and frequency of communications throughout the engagement.

5.9 The engagement leader shall take responsibility for determining that communications take place at appropriate times throughout the engagement among the engagement team and, as applicable, practitioner's external expert, internal auditors, other practitioners, intended users and other stakeholders.

5.10 **Quality Management**

(a) **Firm Level[6] :** The practitioner and the firm performing the assurance engagement shall follow the Standard on Quality Control (SQC) issued by the ICMAI, the Code of Ethics for the Members of the Institute (Including Independence Standards)[7], or the standards required by law or regulation, or the International Standard on Quality Management (IQSM 1) issued by the International Auditing and Assurance Standards Board (IAASB).

(b) **Engagement Level:** The practitioner shall take responsibility for and be sufficiently involved in managing and performing the assurance engagement in such a way that there is a basis for determining whether the conclusions reached by applying professional judgement after the performance of procedures, tasks and activities of the engagement are appropriate in the circumstances of the engagement. The practitioner shall take responsibility for direction, supervision and review of the work of the engagement team.

5.11 **Appropriate Sustainability Matters**

5.12 The practitioner shall evaluate whether the sustainability matters within the scope of the engagement in the circumstances of the engagement are appropriate, and whether those sustainability matters are identifiable and capable of consistent measurement or evaluation against the applicable criteria, such that the resulting sustainability information can be subjected to procedures for obtaining sufficient appropriate evidence.

5.13 The practitioner shall also consider the reporting boundary, the reporting framework, the level of assurance required, and the requirements of applicable law or regulation while determining the appropriateness of the sustainability matters for the engagement.

5.14 **Suitability and Availability of Criteria**

5.15 The practitioner shall evaluate whether the criteria that the practitioner expects to be applied in the preparation of the sustainability information are suitable for the engagement circumstances and will be available to the intended users. In doing so, the practitioner shall:

(a) Evaluate whether there are criteria for all of the sustainability information subject to the assurance engagement;

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[6] https://icmai.in/upload/CAASB/ED_SQC_15_Feb_21.pdf

[7] https://icmai.in/upload/CAASB/ED_Code_Ethics_2402_2025.pdf

(b) Identify the sources of the criteria, including whether they are framework criteria, entity– developed criteria or a combination of both

(c) Evaluate whether the criteria exhibit the following characteristics:

(i) Relevance;
(ii) Completeness;
(iii) Reliability;
(iv) Neutrality;
(v) and Understandability

Terms of the Assurance Engagement

5.16 **Agreeing the Terms of the Assurance Engagement**

5.17 The practitioner shall agree the terms of the assurance engagement with the engaging party. The agreed terms shall be specified in sufficient detail in an engagement letter or other suitable form of written agreement, written confirmation, or in law or regulation, and shall include:

(c) Matters related to the **objective and scope** of the assurance engagement, including:

(i) The objective of the assurance engagement;

(ii) The sustainability information within the scope of the assurance engagement, and the sustainability information that is not within the scope of the assurance engagement;

(iii) The reporting boundary within the scope of the assurance engagement;

(iv) Whether the engagement is a limited assurance engagement, reasonable assurance engagement, or a combined limited and reasonable assurance engagement, and the sustainability information that is subject to each level of assurance;

(d) The applicable criteria;

The practitioner's conclusion, in the form appropriate for the engagement, is to be contained in a written report;

(e) The responsibilities of the practitioner;

(f) The responsibilities of management or those charged with governance, as appropriate for:

(i) The preparation of the sustainability information in accordance with the applicable criteria, including, where relevant, its fair presentation;

(ii) When applicable, identifying, selecting or developing suitable criteria;

(iii) Referring to or describing in the sustainability information, the applicable criteria it has used and, when it is not readily apparent from the engagement circumstances, who developed them;

(iv) Designing, implementing and maintaining a system of internal control that it determines is necessary to enable the preparation of sustainability information in accordance with the applicable criteria that is free from material misstatement, whether due to fraud or error; and

(v) Providing the practitioner with:

- Access to all information of which management is aware that is relevant to the preparation of the sustainability information;

- Additional information that the practitioner may request for the purpose of the assurance engagement; and
- Unrestricted access to persons within the entity, from whom the practitioner determines it necessary to obtain evidence;
- An acknowledgement that management agrees to provide written representations at the conclusion of the assurance engagement.

5.18 **Changing the Terms of the Assurance Engagement**
The practitioner shall not agree to a change in the terms of the assurance engagement, including from a reasonable assurance engagement to a limited assurance engagement (i.e., to a lower level of assurance), when there is no reasonable justification for doing so;

(a) If the practitioner is unable to agree to a request to change in the terms of the assurance engagement the practitioner shall:
  (i) Withdraw from the assurance engagement, when possible under applicable law or regulation; and
  (ii) Determine whether there is any obligation, either contractual or otherwise, to report the circumstances to other parties, such as those charged with governance, owners or regulators.

(b) If the terms of the assurance engagement are changed:
  (i) The practitioner and the appropriate party(ies) shall agree on and record the new terms of the engagement, and
  (ii) The practitioner shall not disregard evidence that was obtained prior to the change.

5.19 **Fraud and Non-Compliance with Laws and Regulations:**
(a) Maintain professional scepticism throughout the engagement, recognizing the possibility that a material misstatement due to fraud could exist, notwithstanding the practitioner's past experience of the honesty and integrity of the entity's management and those charged with governance;
(b) The practitioner shall remain alert to the possibility that procedures performed during the engagement may bring instances of non-compliance or suspected non-compliance with laws and regulations to the practitioner's attention;
(c) If the practitioner identifies fraud or suspected fraud, or instances of non-compliance or suspected non-compliance with laws and regulations, the practitioner shall determine whether law, regulation or relevant ethical requirements:
  (i) Require the practitioner to report to an appropriate authority outside the entity; or
  (ii) Establish responsibilities under which reporting to an appropriate authority outside the entity may be appropriate in the circumstances.

5.20 **Communication with Management and Those Charged with Governance:** The practitioner shall communicate with management or those charged with governance, on a timely basis during the engagement, significant matters that, in the practitioner's professional judgment, merit the attention of management or those charged with governance, as appropriate;

5.21 **Engagement Documentation**:
(a) The practitioner shall prepare, on a timely basis, engagement documentation that provides a record of the basis for the assurance report;
(b) The nature, timing and extent of the procedures performed to comply with this ISAS other relevant ISAS and applicable legal and regulatory requirements;
(c) The results of the procedures performed, and the evidence obtained; and
(d) Significant matters arising during the assurance engagement, the conclusions

reached thereon, and significant professional judgments made in reaching those conclusions.

(e) In documenting the nature, timing and extent of procedures performed, the practitioner shall record:
   (i) The identifying characteristics of the specific items or matters tested;
   (ii) Who performed the assurance engagement work and the date such work was completed; and
   (iii) Who reviewed the assurance engagement work performed and the date and extent of such review;

(f) The engagement documentation shall also include discussions of significant matters with management, those charged with governance and others, including the nature of the significant matters discussed, and when and with whom the discussions took place.

(g) The practitioner shall assemble the engagement documentation in an engagement file and complete the administrative process of assembling the final engagement file on a timely basis after the date of the assurance report

Evidence

5.22 **Designing and Performing Procedures to Obtain Sufficient Appropriate Evidence:**

(a) For the purpose of obtaining sufficient appropriate evidence, the practitioner shall design and perform procedures:
   (i) In a manner that is not biased towards obtaining evidence that may be corroborative, or towards excluding evidence that may be contradictory; and
   (ii) The nature, timing and extent of which are appropriate in the circumstances to provide evidence to meet the intended purpose of those procedures.

(b) Designing Evidence Gathering Procedures:
   (i) For the purpose of obtaining sufficient appropriate evidence, the Practitioner shall design and perform procedures whose nature, timing, and extent are responsive to the assessed risks of material misstatement.
   (ii) The Practitioner shall evaluate the relevance and reliability of information intended to be used as evidence, whether produced by the entity or obtained from external sources.

(c) Differentiation of Procedures:
   (i) For Limited Assurance: Procedures shall primarily consist of management inquiries, analytical procedures, and observing processes.
   (ii) For Reasonable Assurance: The Practitioner must go beyond inquiry and perform rigorous substantive procedures, including tests of details, recalculation of metrics, inspection of primary source documents, and, where applicable, external confirmations.
   (iii) For Combined Assurance: The procedures for Limited Assurance as per (i) above shall be performed to gather evidence for the topics or aspects that require limited assurance and for the topics and aspects of the sustainability information that require reasonable assurance, the procedures for Reasonable Assurance as per (ii) above shall be performed.

(d) Information Intended to be Used as Evidence
   (i) When designing and performing procedures, the practitioner shall evaluate the relevance and reliability of information intended to be used as evidence, including information obtained from sources external to the entity.
   (ii) When using information produced by the entity, the practitioner shall evaluate whether the information is sufficiently reliable for the practitioner's purposes, including, as necessary in the circumstances:
   (iii) Obtaining evidence about the accuracy and completeness of the information; and
   (iv) Evaluating whether the information is sufficiently precise and detailed for

the practitioner's purposes

Planning

5.23 **Planning Activities**

(a) The practitioner shall develop an overall strategy and engagement plan, including determining the nature, timing and extent of planned procedures. In doing so, the practitioner or engagement leader shall consider information obtained in the acceptance and continuance process and, if applicable, whether knowledge obtained on other engagements performed by the engagement leader for the entity is relevant.

(b) The practitioner or engagement leader and other key members of the engagement team shall be involved in planning the assurance engagement, including participating in the discussion among the engagement team members

(c) The assurance practitioner should document this in an engagement plan that includes, at a minimum:

- Objectives of the engagement
- Deliverables
- Assurance standard(s) to be used
- Roles, responsibilities, and relationships
- Competencies and capabilities
- Scope of the engagement
- Criteria to be used
- Materiality
- Type and level of assurance
- Assurance strategy (including risk assessment and evidence requirements)
- Tasks and activities (including gathering methods, resource requirements, and schedule)

5.24 The practitioner shall **obtain an understanding** of:

(a) the sustainability matters and the sustainability information, including the characteristics of events that could give rise to material misstatements of the disclosures;

(b) the reporting policies of the reporting entity, whether they are appropriate and consistent with the relevant criteria, and the reasons for any change in the policies;

(c) the entity and its environment including:

(i) the nature of its operations, legal and organisational structure, ownership and governance, and business model,

(ii) reporting boundary and activities within it,

(iii) the goals, targets or strategic objectives that are used to assess the entity's performance or determine the management compensation;

(d) the legal and regulatory framework applicable to the reporting entity and the industry or sector in which it operates, in the context of the disclosed sustainability information, and how the entity is complying with that framework.

(e) the components of the system of internal control of the reporting entity

5.25 The practitioner shall make suitable **inquiries with appropriate parties** within and outside the entity regarding

(a) whether they have knowledge of any fraud or suspected fraud, or identified or suspected non-compliance with a law or regulation affecting the sustainability information;

(b) whether the entity has an internal audit function and if so, obtain an understanding of the activities and main findings of the function in respect of the sustainability information.

5.26 **Materiality:**

(a) For purposes of planning and performing the assurance engagement, and evaluating whether the sustainability information is free from material misstatement, the practitioner shall:

(i) Consider materiality for qualitative disclosures; and

(ii) Determine materiality for quantitative disclosures.

(b) If the applicable criteria require the entity to apply both financial materiality and impact materiality in preparing the sustainability information, the practitioner shall take into account both perspectives when considering or determining materiality for that disclosure;

(c) For quantitative disclosures, the practitioner shall determine performance materiality;

(d) For combined assurance engagements, the practitioner shall determine the performance materiality for the quantitative disclosures on the sustainability matters under reasonable assurance and for those under limited assurance separately, after considering the materiality of the qualitative disclosures of the subject matter, and taking into account the overall materiality for the disclosures of sustainability matters as a whole.

(e) The practitioner shall consider the framework criteria in determining materiality where such criteria are required by law or regulation.

(f) The practitioner shall revise materiality for a disclosure(s) in the event of becoming aware of information during the assurance engagement that would have caused the practitioner to have considered or determined a different materiality initially, and document such change;

(g) The practitioner shall include in the engagement documentation:

(i) The factors relevant to the practitioner's consideration of materiality for qualitative disclosures;

(ii) The basis for the determination of materiality for quantitative disclosures.

5.27 **Risk Assessment Procedures**

(a) The practitioner or engagement leader and other key members of the engagement team, and any key practitioner's external experts, shall discuss the susceptibility of the disclosures to material misstatement, whether due to fraud or error, and the application of the applicable criteria to the entity's facts and circumstances.

(i) **Limited Assurance:** The practitioner shall design and perform risk assessment procedures sufficient to identify and assess risks of material misstatement, whether due to fraud or error, at the **disclosure level**;

(ii) **Reasonable Assurance:** The practitioner shall design and perform risk assessment procedures sufficient to Identify and assess risks of material misstatement, whether due to fraud or error, at the **assertion level** for the disclosures;

(iii) **Combined Assurance:** The practitioner shall design and perform risk assessment procedures sufficient to identify and assess risks of material misstatement whether due to fraud or error, at the assertion level for sustainability matters that are under reasonable assurance, and at the disclosure level for those sustainability matters that are under limited assurance. In planning a combined assurance engagement, the practitioner shall ensure that the **risk assessment procedures are integrated and proportionate**, such that the overall planning reflects the dual nature of assurance – reasonable for essential indicators and limited for leadership indicators – while maintaining coherence in the engagement strategy and documentation.

(iv) **Further Procedures:** The practitioner shall design and perform further procedures whose nature, timing and extent are responsive to the assessed risks of material misstatement, whether due to fraud or error, at the assertion level for a Reasonable Assurance engagement, at the disclosure level for a Limited Assurance engagement, and at an appropriate level for the sustainability matter under assurance, such that the response to the overall risk assessed is sufficient.

Control Environment

(a) **Control Environment Deficiencies:** The practitioner shall design and implement overall responses to address the risks of material misstatement if the practitioner identifies:

(i) Control deficiencies in the control environment that undermine the other components of the system of internal control;

(ii) Fraud or suspected fraud or non-compliance or suspected non-compliance with laws and regulations;

(iii) Risks of material misstatement pervasively throughout the sustainability information.

(b) **Evaluation of the Control Environment**: The practitioner shall design and implement overall responses to address the risks of material misstatement if in the practitioner's evaluation of the control environment indicates that:

(i) Management, with the oversight of those charged with governance, has not created and maintained a culture of honesty and ethical behaviour;

(ii) The control environment does not provide an appropriate foundation for the other components of the system of internal control considering the nature and complexity of the entity; and/or

(iii) Control deficiencies are identified in the control environment.

(iv) The practitioner shall treat risks of management override of controls as risks of material misstatement due to fraud, at the upper end of the risk spectrum ~~of risk~~.

5.28 The practitioner shall plan the nature, extent and timing of the direction and supervision of engagement team members and the review of their work.

Performing the engagement

5.29 Assurance practitioners and individual assurance practitioners shall clearly evidence the **exercise of due care** at all times in accordance with the material needs of the users of the Assurance Statement, the purpose and scope of the assurance process, and the established criteria. The assurance practitioner shall document evidence, retaining relevant evidence where necessary.

5.30 The assurance practitioner should perform the engagement with an attitude of **professional scepticism**. this means the assurance practitioner must assess and question the validity of evidence obtained and its implications. As per the engagement plan, the assurance practitioner should also document material assessments made, and all subsequent conclusions.

5.31 The assurance practitioner should **review and assess the management processes, systems, and controls** over information used to support sustainability performance disclosures. The scope of the assessment should be based on the boundary of the information to be assured, as per the engagement agreement.

5.32 The assurance practitioner should **review and assess the processes, systems, controls, and quality** of all information used to support sustainability performance disclosures on the topics **within the scope of the assurance engagement, type of assurance required, and the reporting boundary**. The scope of the assessment should be based on the performance information to be assured, which may include adherence with the sustainability information as required by a one or more reporting frameworks, as and if specified in the engagement agreement.

5.33 **Risk Assessment:**

The practitioner shall determine whether the evidence obtained from the risk assessment procedures provides an appropriate basis for the identification and assessment of the risks of material misstatement. If not, the practitioner shall perform additional risk assessment procedures until evidence has been obtained to provide such a basis.

(a) Limited Assurance: The practitioner shall identify and assess the risks of material misstatement at the disclosure level as the basis for designing and performing procedures whose nature, timing and extent are responsive to the assessed risk of material misstatement, and allow the practitioner to obtain a limited assurance about whether the sustainability information is prepared, in all material respects, in accordance with the applicable criteria.

(b) Reasonable Assurance: The practitioner shall identify and assess the risks of material misstatement at the assertion level as the basis for designing and performing procedures whose nature, timing and extent are responsive to the assessed risk of material misstatement, and allow the practitioner to obtain a reasonable assurance about whether the sustainability information is prepared, in all material respects, in accordance with the applicable criteria.

(c) Combined Assurance: The practitioner shall integrate both limited assurance and reasonable assurance requirements for performing risk assessment to the sustainability information according to the level of assurance required as per the terms of engagement, the applicable criteria and the circumstances of the engagement for each sustainability matter identified within the scope of the engagement, such that the overall response to the assessed risk of material misstatement is sufficient to obtain the required level of assurance.

5.34 **Evidence Gathering**:

(a) **For Limited Assurance**: Procedures shall primarily consist of management inquiries, analytical procedures, and observing processes. Minimum evidence gathering for assessing the reliability and quality of specified information at a Moderate level of assurance should include:

(i) Understanding the quality management of specified performance information and information collection processes.

(ii) Reviewing the design of processes, systems, and controls for managing reliability and quality of specified information.

(iii) Inquiring with a sample basis of individuals with overall responsibility for information measurement and collection and reporting about the information collection processes.

(iv) Carrying out analytical procedures (e.g., trend analysis).

(v) Observing and inspecting on a sample basis management practices, process testing, and evidence gathering (from source to aggregation) in order to sufficiently assure the completeness and accuracy of information

(vi) Limited testing of details on a sample basis (e.g., performance of calculations).

(vii) Collecting and assessing documentary evidence and management representations to support the assurance work undertaken.

(viii) Confirming that what is disclosed is consistent with the findings of the assurance process.

(b) **For Reasonable Assurance:** For a reasonable level of assurance, the practitioner shall determine and use analytical procedures for given assertions considering the risk of material misstatements and evidence from other procedures if required, develop expectations about quantities that are sufficiently precise in identifying possible misstatements. These include:

(i) Inquiring of management and obtaining additional evidence relevant to management responses;

(ii) Performing other procedures as necessary, to obtain evidence.

(c) **For Combined Assurance**: The procedures for Limited Assurance as per (i) above shall be performed to gather evidence for the topics or aspects that require limited assurance and for the topics and aspects of the sustainability information that require reasonable assurance, the procedures for Reasonable Assurance as per (ii) above shall be performed.

5.35 **Doubts About the Relevance and Reliability of Information Intended to be Used as Evidence**

(a) If conditions identified during the assurance engagement cause the practitioner to believe that a document may not be authentic or that terms in a document have been modified but not disclosed to the practitioner, the practitioner shall investigate further and determine the effect on the rest of the evidence obtained;

(b) If the practitioner has doubts about the relevance or reliability of information intended to be used as evidence, the practitioner shall:

(i) Determine whether modifications or additions to procedures are necessary to resolve the doubts; and

(ii) If the doubts cannot be resolved, consider the effect, if any, on other aspects of the engagement, including whether such doubts indicate a risk that disclosures may be materially misstated due to fraud.

5.36 **Revising the Risk Assessment in a Reasonable Assurance Engagement**

If the practitioner becomes aware of a matter or obtains new information that is inconsistent with the evidence on which the practitioner originally based the identification and assessment of the risks of material misstatement at the assertion level for the disclosures, the practitioner shall:

(a) Revise, if necessary, the assessment of the risks of material misstatement; and

(b) Perform additional procedures to obtain further evidence to enable the practitioner to express a reasonable assurance conclusion.

5.37 **Determining Whether Additional Procedures Are Necessary in a Limited Assurance Engagement**

If the practitioner becomes aware of a matter that causes the practitioner to believe the sustainability information may be materially misstated, the practitioner shall design and perform additional procedures to obtain further evidence until the practitioner is able to:

(a) Conclude that the matter(s) is not likely to cause the sustainability information to be materially misstated; or

(b) Determine that the matter(s) causes the sustainability information to be materially misstated

5.38 **Using the Work of Others**

(a) **Using the Work of Another Practitioner**: If the practitioner intends to obtain evidence from using the work of another practitioner, the practitioner shall:

(i) Comply with relevant ethical requirements that apply to using the work of another practitioner;

(ii) Evaluate whether that practitioner has the necessary competence and capabilities for the practitioner's purposes;

(iii) Evaluate whether the nature, scope and objectives of that practitioner's work are appropriate for the practitioner's purposes;

(b) **Using the Work of a Practitioner's Expert:** If the practitioner plans to use the work of a practitioner's expert, the practitioner shall:

(a) Evaluate whether the expert has the necessary competence, capabilities and objectivity for the practitioner's purposes;

(b) When evaluating the objectivity of a practitioner's external expert, inquire regarding interests and relationships that may create a threat to that expert's objectivity

(c) Obtain a sufficient understanding of the field of expertise of the expert to determine the nature, scope and objectives of that expert's work for the practitioner's purposes

(d) Agree with the expert, in writing when appropriate, on:

- The nature, scope and objectives of that expert's work; and
- The respective roles and responsibilities of the practitioner and that expert, including the nature, timing and extent of communication between the practitioner and expert.

(c) **Using the Work of the Internal Audit Function:** If the practitioner plans to use the work of the internal audit function of the subject entity, the practitioner shall evaluate the objectivity of the internal auditors, the level of competence required for their work being used for engagement, the adequacy of the procedures performed and the quality management processes followed by the internal auditors before determining the nature and extent of the work of the internal auditors to be used in the sustainability assurance engagement.

5.34 **Consultation:** The practitioner shall take responsibility for undertaking consultation on contentious or difficult matters, matters as required by the firm's policy, and matters which in the professional judgement of the practitioner require consultation.

5.35 **Tests of Controls**

If the practitioner intends to obtain evidence about the operating effectiveness of controls the practitioner shall design and perform tests of controls by:

(a) Performing inquiry and other procedures to obtain evidence about the operating effectiveness of the controls, including:

(i) How the controls were applied at relevant times during the period to which the sustainability information relates;

(ii) The consistency with which they were applied; and

(iii) By whom or by what means they were applied.

(b) Determining whether the controls to be tested depend upon other controls and, if so, whether it is necessary to obtain evidence supporting the effective operation of those indirect controls.

(c) The practitioner shall test controls for the appropriate period for which the practitioner intends to obtain evidence about the operating effectiveness of those controls,

(d) If the practitioner obtains evidence about the operating effectiveness of controls during an interim period and intends to extend the conclusions of those tests of controls for the remaining period, the practitioner shall obtain evidence about the operating effectiveness of those controls for the period subsequent to the interim period.

(e) If the practitioner plans to use evidence from a previous sustainability assurance engagement about the operating effectiveness of controls, the practitioner shall establish the continuing relevance of the evidence by obtaining evidence about whether significant changes in those controls have occurred subsequent to the previous engagement. The practitioner shall obtain this evidence by performing inquiry, combined with observation or inspection, to confirm the understanding of those specific controls, and

(f) If there have not been changes that affect the continuing relevance of the evidence from the previous engagement, the practitioner shall test the controls at least once in every third engagement and shall test some controls in each engagement.

(g) If there have been changes that affect the continuing relevance of the evidence from the previous engagement, the practitioner shall test the controls in the current engagement.

(h) If the practitioner plans to obtain evidence about the operating effectiveness of controls over a risk of material misstatement for which the assessment of risk is close to the upper end of the spectrum of risk, the practitioner shall test those controls in the current period.

(i) When evaluating the operating effectiveness of controls, the practitioner shall evaluate whether misstatements detected through performing other procedures indicate that controls are not operating effectively. The absence of misstatements detected by other procedures, however, does not provide evidence that controls being tested are effective.

(j) If deviations from controls that the practitioner tests are detected, the practitioner shall make specific inquiries to understand these matters and their potential consequences and shall determine whether:

(i) The tests of controls that have been performed provide sufficient appropriate evidence about the operating effectiveness of those controls;

(ii) Additional tests of controls are necessary; or

(iii) The potential risks of material misstatement need to be addressed by performing substantive procedures.

5.36 **Assurance Procedures**

(a) **Substantive Procedures:**

(i) The further procedures required shall include substantive procedures that are responsive to each risk for which the assessment of that risk is close to the upper end of the spectrum of risk.

(ii) Irrespective of the assessed risks of material misstatement, the practitioner shall consider the need to design and perform substantive procedures for disclosures that, in the practitioner's judgment, are material.

(iii) The practitioner shall consider whether external confirmation procedures are to be performed.

(b) **Analytical Procedures**

(i) If designing and performing analytical procedures, the practitioner shall:

- Determine the suitability of particular analytical procedures, considering the reasons for the assessment of the risks of material misstatement at the disclosure level; and
- Develop an expectation about recorded quantities or ratios

(ii) If analytical procedures identify fluctuations or relationships that are inconsistent with other relevant information or that differ significantly from the expected result, the practitioner shall make inquiries of management about such differences. The practitioner shall consider the responses to these inquiries to determine whether additional procedures are necessary in the circumstances.

(c) **Sampling:** If the practitioner uses sampling as a means for selecting items for testing, the practitioner shall:

(i) Consider the purpose of the procedure and the characteristics of the population from which the sample will be drawn;

(ii) Determine a sample size sufficient to reduce sampling risk to an appropriately low level; and

(iii) Select the sample, perform procedures on the items selected, and evaluate the results.

(d) **Inquiries and Discussion with Appropriate Parties:** The practitioner shall make inquiries of appropriate parties and, when appropriate, others within the entity regarding whether:

(i) They have knowledge of any fraud or suspected fraud or identified or suspected non- compliance with laws and regulations affecting the sustainability information; and

(ii) The entity has an internal audit function and, if so, make further inquiries to obtain an understanding of the activities and main findings, if any, of the internal audit function with respect to the sustainability information.

5.37 **Revising the Risk Assessment:**

(a) **In a Reasonable Assurance Engagement:** If the practitioner becomes aware of a matter or obtains new information that is inconsistent with the evidence on which the practitioner originally based the identification and assessment of the risks of material misstatement at the assertion level for the disclosures, the practitioner shall:

(i) Revise, if necessary, the assessment of the risks of material misstatement; and

(ii) Perform additional procedures to obtain further evidence to enable the practitioner to express a reasonable assurance conclusion.

(b) **In a Limited Assurance Engagement:** If the practitioner becomes aware of a matter that causes the practitioner to believe the sustainability information may be materially misstated, the practitioner shall design and perform additional procedures to obtain further evidence until the practitioner is able to:

(i) Conclude that the matter(s) is not likely to cause the sustainability information to be materially misstated; or

(ii) Determine that the matter(s) causes the sustainability information to be materially misstated.

5.38 **Other Information:**

(a) The practitioner shall obtain, read and consider other information from document(s) containing sustainability information issued by the management in a timely manner to assess whether there is material inconsistency between the other information and the sustainability information, the practitioner's knowledge obtained during the engagement.

(b) If the practitioner identifies that a material inconsistency appears to exist or becomes aware that the other information appears to be materially misstated, the practitioner shall discuss the matter with management and, if necessary, perform other procedures to conclude whether:

(i) A material misstatement of the other information exists;

(ii) A material misstatement of the sustainability information exists; or

(iii) The practitioner's understanding of the entity and its environment needs to be updated.

5.38 **Estimates and Forward–Looking Information:**

In responding to assessed risks of material misstatement relating to disclosures involving estimates or forward- looking information the practitioner shall evaluate whether:

(a) Management has appropriately applied the requirements of the applicable criteria relevant to estimates or forward-looking information;

(b) The methods for developing estimates or forward-looking information are appropriate and have been applied consistently; and

(c) Changes, if any, in reported estimates or forward-looking information, or changes from the prior period in the method used for developing estimates or forward-looking information, are appropriate in the circumstances; and

(d) Consider whether other procedures are necessary in the circumstances.

(e) Considering the implications for the assurance report, and

(f) Communicating with those charged with governance about how the practitioner plans to address the material misstatement in the assurance report;

Forming the Assurance Conclusion

5.39 **Evaluating the Evidence Obtained:**

(a) The practitioner shall evaluate the sufficiency and appropriateness of the evidence obtained, including evidence from the work performed by a practitioner's external expert, another practitioner or internal audit function, and, if necessary in the circumstances, attempt to obtain further evidence. In making this evaluation, the practitioner shall:

(i) Evaluate whether the evidence obtained meets the intended purpose of the procedures; and

(ii) Consider all evidence obtained, including evidence that is consistent or inconsistent with other evidence, and regardless of whether it appears to corroborate or to contradict the disclosures.

(b) The practitioner shall evaluate whether judgments and decisions made by management in the estimates made and assumptions used in preparing the sustainability information, including with respect to forward-looking information, even if they are individually reasonable, are indicators of possible management bias.

(i) When indicators of possible management bias are identified, the practitioner shall evaluate the implications for the assurance engagement.

(ii) Where there is intention to mislead, management bias is fraudulent in nature.

5.40 **Accumulating, Communicating and Correcting Misstatements**

(a) If the practitioner concludes that the nature of identified misstatements is such that their occurrence indicates the existence of other misstatements, which when accumulated or aggregated with the accumulated misstatements during the engagement may cause the sustainability information to be materially misstated, the practitioner shall:

(i) respond appropriately,

(ii) determine the additional procedures need to be performed to obtain appropriate level of assurance on the sustainability information, and

(iii) consider whether the approach to the engagement needs to be revised.

(b) The practitioner shall communicate on a timely basis all misstatements accumulated during the engagement and request the management to correct the material misstatements.

(c) If, at the practitioner's request, the management has examined and corrected the communicated accumulated misstatements, the practitioner shall perform additional procedures in respect of the corrections made by the management.

(d) If the management refuses to correct some or all of the accumulated misstatements communicated to them, the practitioner shall obtain an explanation from the management, stating the reasons for not doing so, and consider this in forming the practitioner's conclusion.

Other Information:

(e) If the practitioner concludes that a material misstatement of the other information exists, the practitioner shall request management to correct the other information. If management:

(i) Agrees to make the correction, the practitioner shall determine that the correction is made; or

(ii) Refuses to make the correction, the practitioner shall communicate the matter to those charged with governance and request that the correction be made.

(f) If the practitioner concludes that a material misstatement exists in the other information and it is not corrected after communicating with those charged with governance, the practitioner shall take appropriate action, including:

(g) If the other information includes the entity's financial statements subject to audit and the practitioner identifies that a material inconsistency appears to exist between those financial statements and the sustainability information, or becomes aware that the financial statements appear to be materially misstated, the practitioner shall also communicate the matter to the auditor of the entity's financial statements, unless prohibited by law or regulation, or professional requirements.

(h) The practitioner shall evaluate whether the sustainability information adequately and appropriately references the applicable criteria and the sources of those criteria.

5.41 **Comparative Information:** The practitioner shall determine whether the applicable criteria require comparative information to be included in the sustainability information, and if so, whether that comparative information is properly presented, after evaluating whether:

(a) The comparative information is consistent with the disclosures in the prior period and, if not, any inconsistencies are addressed in accordance with the applicable criteria; and

(b) The criteria for measurement or evaluation of sustainability information reflected in the comparative information are consistent with those applied to the current period, or, if there have been changes, they have been properly applied and adequately disclosed.

(c) If the comparative information is not referred to in the practitioner's assurance conclusion, and whether the comparative information was subject to an assurance or not in the prior period(s), the practitioner shall state those facts under the "Other Matters" paragraph of the assurance report.

(d) Irrespective of whether the practitioner refers to the comparative information for the practitioner's conclusion or not, if the practitioner becomes aware that there may be a material misstatement in the comparative information presented, the practitioner shall:

(i) discuss the matter with the management, perform procedures appropriate in the circumstances, consider the effects on the assurance report,

(ii) If the comparative information presented containing such observed misstatements is not restated, and the practitioner's conclusion refers to such comparative information, the practitioner shall express a qualified or adverse conclusion, as appropriate. If the practitioner's conclusion does not refer to such comparative information, the practitioner shall include the fact and a description of the circumstances affecting the comparative information.

5.42 **Events Occurring up to the Date of Assurance Report:** The practitioner shall:

(a) Perform procedures to identify events occurring up to the date of the assurance report that may have an effect on the sustainability information and the assurance report; and

(b) Evaluate the sufficiency and appropriateness of evidence obtained about whether such events are appropriately reflected in that sustainability information in accordance with the applicable criteria.

5.43 **Written Representations from Management and Those Charged with Governance**

(a) The practitioner shall request from management and, where appropriate, those charged with governance a written representation

(i) That they have fulfilled their responsibility for the preparation of the sustainability information, including comparative information where appropriate, in accordance with the applicable criteria, as set out in the terms of the engagement;

(ii) That they have provided the practitioner with all relevant information and access as agreed in the terms of the engagement and reflected all relevant matters in the sustainability information;

(iii) Whether they believe the effects of uncorrected misstatements are immaterial, individually and in the aggregate, to the sustainability information. A summary of such items shall be included in, or attached to, the written representation;

(iv) Whether they believe that significant assumptions used in making estimates and preparing forward-looking information are appropriate;

(v) That they have communicated to the practitioner all deficiencies in internal control relevant to the engagement that are not clearly trivial of which they are aware;

(vi) Whether they have disclosed to the practitioner their knowledge of any fraud or suspected fraud or identified or suspected non-compliance with laws and regulations where the fraud or non-compliance could have a material effect on the sustainability information; and

(vii) That they adjusted the sustainability information for or disclosed all events occurring subsequent to the date of the sustainability information and for which the applicable criteria require adjustment or disclosure.

(b) If, in addition to the required representations, the practitioner determines that it is necessary to obtain one or more written representations to support other evidence relevant to the sustainability information, the practitioner shall request them.

(c) When written representations relate to matters that are material to the sustainability information, the practitioner shall:

(i) Evaluate their reasonableness and consistency with other evidence obtained, including other representations (oral or written); and

(ii) Consider whether those making the representations can be expected to be well-informed on those matters.

(d) The date of the written representations shall be as near as practicable to, but not after, the date of the assurance report.

(e) If one or more of the requested written representations are not provided or the practitioner concludes that there is sufficient doubt about the competence, integrity, ethical values, or diligence of those providing the written representations, or that the written representations are otherwise not reliable, the practitioner shall:

(i) Discuss the matter with management and, where appropriate, those charged with governance;

(ii) Reevaluate the integrity of those from whom the representations were requested or received and evaluate the effect that this may have on the reliability of representations (oral or written) and evidence in general; and

(iii) Take appropriate actions, including determining the possible effect on the conclusion in the assurance report.

(f) If one or more of the requested written representations are not provided or the practitioner concludes that there is sufficient doubt about the competence, integrity, ethical values, or diligence of those providing the written representations, or that the written representations are otherwise not reliable, the practitioner shall:

(i) Discuss the matter with management and, where appropriate, those charged with governance;

(ii) Reevaluate the integrity of those from whom the representations were requested or received and evaluate the effect that this may have on the reliability of representations (oral or written) and evidence in general; and

(iii) Take appropriate actions, including determining the possible effect on the conclusion in the assurance report.

5.44 **Concluding:**

(a) The practitioner shall form a conclusion about whether the sustainability information is free from material misstatement, whether due to fraud or error:

(i) For Limited Assurance Engagement: at the disclosure level,

(ii) Concluding a Reasonable Assurance Engagement: at the assertion level, and

(iii) Concluding a Combined Assurance Engagement: at the appropriate level for each sustainability matter so that the overall assurance level as per the circumstances and terms of engagement is achieved.

(b) In forming that conclusion, the practitioner shall consider the sufficiency and appropriateness of evidence obtained and the determination whether uncorrected misstatements are material, individually or in the aggregate.

(c) Where the principles of fair presentation are applicable, the practitioner shall consider whether the overall presentation, structure and content of the sustainability information in the context of the criteria, and the wordings of the practitioner's conclusion achieve fair presentation. When fair presentation is required but not achieved, or where fair presentation is not required under the criteria, but the sustainability information is misleading, the practitioner shall discuss the matter with the management on how to resolve the matter and determine whether it is necessary to modify the practitioner's conclusion.

5.45 **Modified Conclusion**

(a) The practitioner shall express a modified conclusion in the following circumstances:

(i) When, in the practitioner's professional judgment, a scope limitation exists, and the effect of the matter could be material. In such cases, the practitioner shall express a qualified conclusion or a disclaimer of conclusion.

(ii) When, in the practitioner's professional judgment, the sustainability information is materially misstated. In such cases, the practitioner shall express a qualified conclusion or adverse conclusion.

(b) The practitioner shall express a qualified conclusion when, in the practitioner's professional judgment, the effects or possible effects of a matter are not so material and pervasive as to require an adverse conclusion or a disclaimer of conclusion. A qualified conclusion shall be expressed as being "except for" the effects, or possible effects, of the matter to which the qualification

5.46 **Scope Limitation**

If the practitioner is unable to obtain sufficient appropriate evidence, a scope limitation exists, and the practitioner shall either:

(a) Express a qualified conclusion;

(b) Disclaim a conclusion; or

(c) Withdraw from the engagement, if withdrawal is possible under applicable law or regulation, as appropriate.

5.47 **Managing and Achieving Quality**

Prior to dating the assurance report, the practitioner or engagement leader shall:

(a) Take responsibility for determining whether relevant ethical requirements, including independence, have been fulfilled,

(b) Determine, through review of engagement documentation and discussion with the engagement team, that sufficient appropriate evidence has been obtained to support the conclusions reached and for the assurance report to be issued.

(c) Review the sustainability information and the assurance report, to determine that the report to be issued will be appropriate in the circumstances.

5.48 **Documentation**

The practitioner shall include in the engagement documentation:

(a) The basis for the engagement leader's determination that sufficient appropriate evidence has been obtained, including:

(i) The determination that the work of another practitioner is adequate for the practitioner's purposes;

(ii) The evaluation that the work of a practitioner's external expert is adequate for the practitioner's purposes;

(iii) The determination that the work of the internal audit function is adequate for the practitioner's purposes; and

(iv) If the practitioner identified information that was inconsistent with their final conclusion regarding a significant matter and how the practitioner addressed the inconsistency

(b) The basis for determining that the engagement leader's involvement has been sufficient and appropriate throughout the engagement.

5.49 **Matters Arising After the Date of the Assurance Report or Subsequent Events:**

(a) The practitioner shall respond appropriately to facts that become known to the practitioner after the date of the assurance report, that, had they been known to the practitioner at that date, may have caused the practitioner to amend the assurance report.

(b) If, in exceptional circumstances, the practitioner performs new or additional procedures or draws new conclusions after the date of the assurance report, the practitioner shall document

(i) The circumstances encountered;

(ii) The new or additional procedures performed, evidence obtained, and conclusions reached, and their effect on the assurance report; and

(iii) When and by whom the resulting changes to engagement documentation were made and reviewed.

5.50 **Preparing the Assurance Report**

(a) The assurance report shall be in writing and shall contain a clear expression of the practitioner's reasonable assurance opinion or limited assurance conclusion about the sustainability information.

(b) The practitioner's conclusion shall be clearly separated from information or explanations that are not intended to affect the practitioner's conclusion, including any:

(i) Emphasis of Matter paragraphs;

(ii) Other Matter paragraphs;

(iii) Findings related to particular aspects of the engagement;

(iv) Recommendations; or

(v) Additional Information included in the Assurance Report.

Assurance Report Content:

The assurance report shall include at a minimum the following basic elements

(a) A **title** that clearly indicates the report is an **independent practitioner's** limited, reasonable or combined (limited and reasonable) **assurance report**,

(b) An **addressee**,

(c) **The practitioner's conclusion** in the first section of the assurance report, which

(i) includes a heading reflecting the type of conclusion provided, either:

a. For **unmodified conclusions**, "Reasonable Assurance Opinion," "Limited Assurance Conclusion," or appropriate headings for an assurance report for a combined reasonable assurance and limited assurance engagement; or

b. For **modified conclusions**, the heading in a. above shall be prefixed with "Qualified," "Adverse," or "Disclaimer of" as appropriate, and, for an assurance report for a combined reasonable and limited assurance engagement, clear identification of which opinion(s) or conclusion(s) is modified;

(ii) **Identifies the entity whose sustainability information** has been subject to the assurance engagement;

(iii) **Identifies or describes the level of assurance**, either reasonable or limited or different levels of assurance for different parts of the sustainability information, obtained by the practitioner;

(iv) **Identifies or describes the sustainability information** subject to the assurance engagement, including, if appropriate, the sustainability matters and how that information is reported

(v) Specifies **the date of, or period or periods covered** by the sustainability information;

(vi) **Expresses a conclusion**, which:

a. For reasonable assurance, shall be expressed in a positive form, that the sustainability information is prepared or fairly presented, in all material respects, in accordance with the applicable criteria; or

b. For limited assurance, shall be expressed in a form that conveys whether, based on the procedures performed and evidence obtained, a matter(s) has come to the practitioner's attention to cause the practitioner to believe that the sustainability information is not prepared or not fairly presented, in all material respects, in accordance with the applicable criteria;

c. For combined assurance: shall be expressed in a positive form for matters under reasonable assurance, and for matters under limited assurance – in a form that conveys that no matter has come to the practitioner's attention to cause the practitioner to reach an adverse or qualified conclusion.

(vii) Identifies the **applicable criteria**, whether framework criteria, entity-developed criteria or both, and, for entity-developed criteria, where it is located;

(viii) The conclusion shall be phrased in terms of:

a. The sustainability information and the applicable criteria; or

b. A statement made by the appropriate party(ies); and

(ix) When appropriate, the conclusion shall inform the intended users of **the context in which the practitioner's conclusion is to be read**;

(d) **The basis for conclusion** directly following the Conclusion section, with the heading "Basis for Opinion" for a reasonable assurance report, "Basis for Conclusion" for a limited assurance engagement, or appropriate headings for a combined reasonable and limited assurance engagement, that:

(i) States that the engagement was **conducted in accordance with this ISAS**;

(ii) For a **limited assurance engagement** states that the **procedures** in a limited assurance engagement or the items requiring limited assurance in a combined assurance engagement, vary in nature and timing from and are less in extent than for a reasonable assurance engagement, and consequently, the level of assurance obtained in a limited assurance engagement or items requiring limited assurance is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed;

(iii) Refers to the section of the assurance report that describes the **practitioner's responsibility** in accordance with this ISAS;

(iv) States that the practitioner complies with the **ethical requirements including standards of independence** of the practitioner, in accordance with this ISAS, or other professional requirements in law or regulation, where such other requirements shall be identified and disclosed, including the name of such authority;

(v) States that the firm and the practitioner have applied the **Quality Management** Framework as required under this ISAS, or other professional requirements under law or regulation, where such other requirements shall be identified and disclosed, including the name of such authority;

(vi) States whether the practitioner has **obtained sufficient and appropriate evidence** to provide a basis for the practitioner's conclusion; and

(vii) If the practitioner expresses a modified conclusion, provides a description of the matter that gave rise to the modification.

(e) **Other Information:** If the practitioner has obtained other information by the date of the assurance report, except in the cases where the practitioner disclaims the conclusions, the assurance report shall include a separate section with the heading "Other Information" which shall include:

(i) A statement that the management or those charged with governance is responsible for the other information;

(ii) An identification of other information obtained prior to the date of the assurance report;

(iii) A statement that the practitioner's conclusion does not cover the other information, and that the practitioner does not provide a conclusion thereon;

(iv) A description of the practitioner's responsibility under this ISAS relating to reading, considering and reporting on other information; and

(v) Either:

a. A statement that the practitioner has nothing to report with respect to the other information; or

b. If the practitioner has concluded that there is a material misstatement of the other information, a statement that describes the uncorrected material misstatement of the other information.

(f) A section with the heading "**Responsibilities for the Sustainability Information**" that

(i) States that the management or those charged with governance, as appropriate, is responsible for

a. The preparation and, if applicable, fair presentation of the sustainability information in accordance with the applicable criteria, and

b. Designing, implementing and maintaining such internal controls that the management determines to be necessary to enable the preparation of the sustainability information in accordance with the applicable criteria that is free from material misstatements whether due to fraud or error; and

(ii) If those responsible for the oversight of the process to prepare the sustainability information differ from those responsible for fulfilling the responsibilities in (i) above, identifies those responsible for oversight.

(g) If applicable, a section with the heading "**Practitioner's Responsibilities**" that states that

(i) The objective of the practitioner is to plan and perform the assurance engagement to obtain limited, reasonable or combined assurance as applicable, about whether the sustainability information is free from material misstatement, whether due to fraud or error, and to issue an assurance report that includes a conclusion (for limited assurance) or opinion (for reasonable assurance) or both (for combined assurance) on the sustainability information, with reference to the applicable criteria, in accordance with the terms of the engagement; and

(ii) Describe or define the materiality, where the applicable criteria describe or define it differently;

(iii) The practitioner exercises professional judgement and maintains independence throughout the engagement;

(iv) The practitioner performs risk assessment procedures including obtaining an understanding of the internal controls relevant to the engagement to identify and assess the risk of material misstatements at the appropriate level (disclosure and/or assertion), and not for the purpose of providing a conclusion or expressing an opinion on the effectiveness of the internal controls;

(v) The practitioner designs and performs procedures in response to the assessed risks of material misstatement at the appropriate level (disclosure and/or assertion).

(vi) The risk of not detecting a material misstatement due to fraud is higher than that due to error(s), as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal controls;

(h) For limited assurance, a section with the heading "Summary of Work Performed" that describes the nature, timing and extent of work performed as the basis for the practitioner's conclusion, to enable the intended users to understand the limited assurance obtained by the practitioner.

(i) The practitioner's signature,

(j) The location in the jurisdiction where the engagement leader practices,

(k) The date of the assurance report.

The assurance report shall be dated no earlier than the date on which the practitioner has obtained the evidence on which the practitioner's conclusion is based, including evidence that those with the recognized authority have asserted that they have taken responsibility for the sustainability information, and when an engagement quality review is required, the date on which the engagement quality review is complete.

(l) Name of the Engagement Leader in the Assurance Report: When the assurance report on sustainability information is for a listed entity, the name of the engagement leader shall be included, unless, in rare circumstances, such disclosure is reasonably expected to lead to a significant personal security threat

(m) Reference to a Practitioner's Expert in the Assurance Report: If the practitioner refers to the work of a practitioner's expert in the assurance report, the wording of that report shall not identify the expert, unless required by law or regulation, or otherwise imply that the practitioner's responsibility for the conclusion expressed in that report is reduced because of the involvement of that expert

(n) Emphasis of Matter Paragraph and Other Matter Paragraph: If the practitioner considers it necessary to:

(i) Draw intended users' attention to a matter presented or disclosed in the sustainability information that, in the practitioner's judgment, is of such importance that it is fundamental to intended users' understanding of that information (an Emphasis of Matter paragraph);

(ii) Communicate a matter other than those disclosed in the sustainability information that the practitioner considers relevant to the intended users' understanding of the engagement, practitioner's responsibilities, or assurance report (an Other Matter paragraph); and this is not prohibited by law or regulation, the practitioner shall do so in a paragraph in the assurance report with the appropriate heading that clearly indicates the practitioner's conclusion is not modified in respect of the matter.