**Independent auditor´s limited assurance report on [name of entity´s] [Consolidated] Sustainability statement**

To the Shareholders of [name of the entity] a. s. [or Other Appropriate Addressee]

We have conducted a limited assurance engagement on the [Consolidated] Sustainability Statement of [name of the entity] (hereafter the “Company”) (included in section [name of the section] of the Annual [Financial] Report [including the information incorporated in the [Consolidated] Sustainability Statement by reference, as disclosed in section [name of the section]]) (the “[Consolidated] Sustainability Statement”) as at 31 December 20X1 and for the year then ended.

**Identification of Applicable Criteria**

The [Consolidated] Sustainability Statement was prepared by the Board of Directors of the Company in order to satisfy the requirements of § [32h/32k][[1]](#footnote-1) of the Czech Accounting Act implementing Article [19a/29a][[2]](#footnote-2) of the 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 [Consolidated] Sustainability Statement (the “Process”) is in accordance with the description set out in note [ESRS 2 IRO-1]; and
* compliance of the disclosures in [subsection [X] within the environmental section] of the [Consolidated] Sustainability Statement with Article 8 of EU Regulation 2020/852 (the “Taxonomy Regulation”).

**Inherent Limitations in Preparing the [Consolidated] Sustainability Statement**

*As discussed in [identify the specific disclosure in the [consolidated] 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].*

The criteria, nature of the [Consolidated] Sustainability Statement, and absence of long-standing established authoritative guidance, standard applications and reporting practices allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact the comparability of sustainability matters reported by different organizations and from year to year within an organization as methodologies evolve.

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.

In determining the disclosures in the [Consolidated] 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.

**Responsibilities of the Company’s Board of Directors***[[3]](#footnote-3)***, Supervisory Board and Audit Committee***[[4]](#footnote-4)* **for the [Consolidated]** **Sustainability Statement**

The Board of Directors is responsible for designing and implementing a process to identify the information reported in the [Consolidated] Sustainability Statement in accordance with the ESRS and for disclosing this process in note [ESRS 2 IRO-1] of the [Consolidated] 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 entity’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.

The Board of Directors is further responsible for the preparation of the [Consolidated] Sustainability Statement, in accordance with § [32h/32k][[5]](#footnote-5) of the Czech Accounting Act implementing Article [19(a)][29(a)][[6]](#footnote-6) of EU Directive 2013/34/EU], including:

* compliance with the ESRS;
* preparing the disclosures in [subsection [X] within the environmental section] of the [Consolidated] Sustainability Statement, in compliance with Article 8 of the Taxonomy Regulation; and
* designing, implementing and maintaining such internal controls that management determines are necessary to enable the preparation of the [Consolidated] 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.

The Supervisory Board in collaboration with the Audit Committee are responsible for overseeing the Company’s sustainability reporting process.[[7]](#footnote-7)

**Our Responsibility**

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 objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the [Consolidated] 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 [Consolidated] 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 [Consolidated] 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 [Consolidated] Sustainability Statement include:

* Obtaining an understanding of the entity’s control environment, processes and information systems relevant to the preparation of the [Consolidated] 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 [Consolidated] 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.

 **Our Independence and Quality Management**

We complied with the applicable independence and other ethical requirements of the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic (the “Code”). The Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We applied International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Summary of Work Performed[[8]](#footnote-8)**

A limited assurance engagement involves performing procedures to obtain evidence about the [Consolidated] 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 [Consolidated] Sustainability Statement.

In conducting our limited assurance engagement, with respect to 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 [Consolidated] Sustainability Statement, we:

* Obtained an understanding of the Company’s reporting processes relevant to the preparation of its [Consolidated] Sustainability Statement by:
* [performing inquiries to understand the Company’s control environment, processes and information systems relevant to the preparation of the [consolidated] sustainability statements;]
* Evaluated whether material information identified by the Process to identify the information reported in the [Consolidated] Sustainability Statement is included in the [Consolidated] Sustainability Statement;
* Evaluated whether the structure and the presentation of the [Consolidated] Sustainability Statement is in accordance with the ESRS;
* *[Performed [inquires of relevant personnel and] analytical procedures on selected disclosures in the [Consolidated] Sustainability Statement];*
* *[Performed substantive assurance procedures based on a sample basis on selected disclosures in the [Consolidated]* *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 [Consolidated] 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 [Consolidated] 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.]*

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

**[Basis for Qualified Conclusion]**

[Describe the facts/reason for qualified conclusion (either the material non-compliance or insufficient audit evidence). Include this section only for qualified conclusion.]

**[Qualified] Limited Assurance Conclusion[[9]](#footnote-9)**

Based on the procedures we have performed and the evidence we have obtained, [except for the (possible) effects of the issue referred to in the Basis for Qualified Conclusion section,] nothing has come to our attention that causes us to believe that the [Consolidated] Sustainability Statement is not prepared, in all material respects, in accordance with § [32h/32k][[10]](#footnote-10) of the Czech Accounting Act implementing [19(a)/29(a)][[11]](#footnote-11) of the 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 [Consolidated] Sustainability Statement is in accordance with the description set out in note [ESRS 2 IRO-1]; and
* Compliance of the disclosures in [subsection [X] within the environmental section] of the [Consolidated] Sustainability Statement with Article 8 of EU Regulation 2020/852.

**[Emphasis of matter][[12]](#footnote-12)**

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

**[Other matter][[13]](#footnote-13)**

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

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| [*For an audit firm:*][Name of the audit firm][Audit firm address] [Audit firm licence No.][Personal names of statutory auditors determined by the audit firm to be responsible for performing the assurance engagement in the name of the audit firm][Licence numbers of statutory auditors] [Date of auditor’s report][Signatures of statutory auditors determined by the audit firm to be responsible for performing the assurance engagement in the name of the audit firm] | [*For a statutory auditor:*][Personal name of the auditor][Auditor address] [Auditor licence No.][Date of auditor’s report][Auditor signature] |

1. Select one paragraph reference. Paragraph 32h applies for non-consolidated sustainability statements and Paragraph 32k for consolidated sustainability statements. [↑](#footnote-ref-1)
2. Select one article reference. Article 19a applies for non-consolidated sustainability statements and Article 29a for consolidated sustainability statements. [↑](#footnote-ref-2)
3. Throughout the document, the appropriate term referring to statutory representatives and other bodies, if any, responsible for the preparation of the [consolidated] sustainability statements has to be used. [↑](#footnote-ref-3)
4. The Supervisory Board and Audit Committee are bodies responsible for overseeing the sustainability reporting process. The term(s) referring to this body (these bodies) shall be adjusted to the circumstances or left out, if the body(ies) does(do) not exist. [↑](#footnote-ref-4)
5. Select one paragraph reference. Paragraph 32h applies for non-consolidated sustainability statements and Paragraph 32k for consolidated sustainability statements. [↑](#footnote-ref-5)
6. Select one article reference. Article 19a applies for non-consolidated sustainability statements and Article 29a for consolidated sustainability statements. [↑](#footnote-ref-6)
7. For the wording, refer to the footnote 4. The paragraph shall be left out, if the body(ies) do not exist. It is necessary to examine its status and responsibilities on the basis of legal regulations, as well as the Articles of Association and other internal regulations of the Company, before specifying a particular company body / committee. The body / committee shall be mentioned in the text if it is clear from the aforementioned provisions that it has been entrusted with the relevant responsibility. These facts must be documented in the auditor's file. [↑](#footnote-ref-7)
8. Adapt as needed to reflect the actual procedures performed. [↑](#footnote-ref-8)
9. Wording contained in the Limited Assurance Conclusion section must correspond to the descriptions in the Identification of Applicable Criteria section. If changes are made to one of these sections, ensure that corresponding changes are made to the other section. [↑](#footnote-ref-9)
10. Select one paragraph reference. Paragraph 32h applies for non-consolidated sustainability statements and Paragraph 32k for consolidated sustainability statements. [↑](#footnote-ref-10)
11. Select one article reference. Article 19a applies for non-consolidated sustainability statements and Article 29a for consolidated sustainability statements. [↑](#footnote-ref-11)
12. Include, when applicable, to draw attention to a matter **(other than the matter(s) referred to in the Inherent Limitations section above)** that is deemed fundamental to users’ understanding of an aspect of the disclosures in the [consolidated] sustainability statement. [↑](#footnote-ref-12)
13. Adapt the wording dependent on what comparative information is included in [Consolidated] Sustainability Statement, typically in first year it should be only Taxonomy Regulation disclosures, but may also include ESRS disclosures on voluntary basis. [↑](#footnote-ref-13)