(Established under the Chartered Accountants Ordinance, 1961 - X of 1961)

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ASEB Circular No. 19/2025 October 17, 2025

ALL PRACTICING MEMBERS

Dear Practicing Member

Request for Comments - Draft Format of Independent Auditor's Limited Assurance Report on Sustainability Information

The Institute has adopted the International Standard on Sustainability Assurance (ISSA) 5000, 'General Requirements for Sustainability Assurance Engagements', as communicated through Circular No. 15/2025 dated September 25, 2025.

In accordance with ISSA 5000, which allows for both limited and reasonable assurance on Sustainability Information, the Council on the recommendation of the Auditing Standards & Ethics Standards Board (ASEB) has approved a phased approach. For the first two years assurance on Sustainability Reports as mandated by the SECP Order dated December 31, 2024, will be conducted at the limited assurance level. The transition to reasonable assurance will be considered at a later stage, based on the profession's experience and industry readiness.

To support this implementation, a draft format for the Independent Auditor's Limited Assurance Report on Sustainability Information has been developed to promote consistency and quality in reporting. Members are invited to provide feedback on this draft by November 3, 2025, at aseb@icap.org.pk.

The finalized format will be recommended to SECP for notification in accordance with the SECP Order.

Yours truly,

Muhammad Imran Khan
Director, Technical Services

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Draft Independent Auditor's Limited Assurance Report on Sustainability Information

To the Members of ……… [Name of Listed company]

Limited Assurance Conclusion

We have conducted a limited assurance engagement on the Sustainability Report of ……Company (Name of Listed company) for the year ended ……….. (the "Sustainability Information").

[1] Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the accompanying Sustainability Information is not fairly presented, in all material respects, in accordance with *IFRS Sustainability Disclosure Standards*, issued by the International Sustainability Standards Board (ISSB), as applicable in Pakistan (the applicable criteria).

Basis for Conclusion [1]

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

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

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

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (the Code)* as adopted by the Institute of Chartered Accountants of Pakistan, and we have fulfilled our other ethical responsibilities in accordance with the Code.

Our firm applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements,* which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

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

Emphasis of Matter [2] (If any)

We draw attention to [identify the specific disclosure in the Sustainability Information], which describes […] Our conclusion is not modified in respect of this matter.

Other Information [3]

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

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

[1] In case of modified opinion, please seek guidance from paragraph 203 (A587, A593L and A595) of ISSA 5000.
[2] Include if the auditors considers it necessary in the engagement circumstances – see paragraph 199 of ISSA 5000
[3] Another appropriate heading may be used, such as "Information Other than the Sustainability Information and Limited Assurance Report Thereon."

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

Responsibilities for Sustainability Information

The management of the Company is responsible for:

- The preparation and fair presentation of the Sustainability Information in accordance with the *IFRS Sustainability Disclosure Standards*.

- Designing, implementing and maintaining such internal control that management determines is necessary to enable the preparation of the Sustainability Information, in accordance with the *IFRS Sustainability Disclosure Standards*, that is free from material misstatement, whether due to fraud or error.

The board of directors are responsible for overseeing the Company's sustainability reporting process.

Inherent Limitations in Preparing the Sustainability Information [4] (If applicable)

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

Auditor's Responsibilities

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

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

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the company's internal control.[4]

- Design and perform procedures responsive to assessed risks of material misstatement at the disclosures level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the Work Performed [5]

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

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[4] Include paragraph if relevant to the engagement circumstances – see paragraph 190(g) of ISSA 5000

[5] For group sustainability information auditor to specify further procedures as per paragraph 151L of the ISSA 5000

Optional: Insert any other procedures performed with respect to sustainability information that provides additional information that may be relevant to the users' understanding of the work performed to support the conclusion and the level of assurance obtained

In conducting our limited assurance engagement, our procedures included, but were not limited to, the following:

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

- Conducted meetings with management to understand internal processes and controls related to sustainability data collection, measurement, and reporting.
- Assessed the appropriateness and application of the company's process for determining material sustainability topics in accordance with IFRS Sustainability Disclosure Standards.
- Evaluated the company's sustainability reporting policies and practices against IFRS Sustainability Disclosure Standards requirements.
- Agreed the underlying records and data sources supporting Sustainability Information, including internal reports, spreadsheets, and calculation methodologies.
- Inquired from management about material adjustments, if any, made during the course of preparing the sustainability information and considering whether additional procedures are necessary in the circumstances.
- Conducted limited sampling to test the accuracy and completeness of data and information in the Sustainability Report.
- Evaluated management's use of applicable criteria for estimates and forward-looking information.
- Performed analytical procedures to identify significant variances or trends in quantitative sustainability disclosures.
- Reviewed the Sustainability Report to ensure the required disclosures have been provided.

Other matter(s) [if any]

The engagement leader on the assurance engagement resulting in this independent auditor's assurance report is [name].
[Signature in the name of the assurance firm]
[Auditor's address/location]
[Date of the limited assurance report]