

This document is an unofficial English translation of the original French guidelines issued in October 2024.

Only the French guidelines have been adopted by the H2A.  
The text of the French guidelines prevails in case of any discrepancy with this translation.

# **LIMITED ASSURANCE ENGAGEMENT - CERTIFICATION OF SUSTAINABILITY REPORTING AND VERIFICATION OF DISCLOSURE REQUIREMENTS SET OUT IN ARTICLE 8 OF REGULATION (EU) 2020/852**

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## **GUIDELINES**

October 2024

These guidelines replace the Technical Notice of June 2023.  
*Limited assurance engagement on sustainability reporting*

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## OPENING REMARKS

### 1. LEGISLATIVE CONTEXT

On 16 December 2022, Directive (EU) 2022/2464<sup>1</sup> (hereinafter referred to as the CSRD) was published in the Official Journal of the European Union, as part of the European Union's Green Deal, which establishes the Union's new growth strategy.

This directive is part of the implementation of the Sustainable Finance Action Plan, which aims to guide investment towards a stable, sustainable and inclusive economic system by managing the risks posed by climate change, resource depletion, environmental degradation and social issues.

To be efficient in its transposition, the aim in France was to have national law in line with these changes as soon as possible, and the CSRD was transposed on 6 December 2023 by means of an order<sup>2</sup>, accompanied by regulatory measures.<sup>3</sup>

The new national provisions require certain entities to disclose, in a dedicated section of their management report, in addition to the information required under the European taxonomy reference framework to facilitate sustainable investment<sup>4</sup>(hereinafter referred to as the taxonomy reference framework), information that provides an understanding of how they take sustainability matters into account in their business model and strategy.

This information must be produced from a double materiality perspective, which involves considering, on the one hand, the impacts of sustainability matters on the company and, on the other, the company's impacts on sustainability matters, in accordance with the requirements of European Sustainability Reporting Standards, the ESRS.<sup>5</sup>

Entities must also publish this information, as well as the information required by the taxonomy reference framework, in the European electronic information format intended to ensure that data can be centralised, at EU and Member State level, in an open and accessible format that facilitates reading and allows comparability of the information reported.<sup>6</sup>

In addition, in order to guarantee the reliability of the sustainability information reported in application of the texts resulting from the transposition of the CSRD, this information is subject to verification by one or more practitioners, who may be either the statutory auditor(s) in charge of the statutory audit the entity's financial statements, or another statutory auditor, or an 'independent third party bodies' (OTI). The choice of the practitioner, or practitioners if it is decided to appoint more than one, is left to the discretion of the entity.

The practitioners' engagement, provided for in Articles L. 821-54 and L. 822-24 of the French Commercial Code, results in the issuance of a report ("certification"), issued on the basis of a limited assurance engagement which could, in the future, be modified to reach a reasonable level of assurance. This graduation in the level of assurance is intended to enable «the

<sup>1</sup> [Directive \(EU\) 2022/2464 amending Regulation \(EU\) No 537/2014 and Directives 2004/109/EC, 2006/43/EC and 2013/34/EU as regards the publication of sustainability information by companies on sustainability information](#)

<sup>2</sup> [Order no. 2023-1142 of 6 December 2023 on the publication and certification of sustainability information and the environmental, social and corporate governance obligations of commercial companies, published in the Official Journal on 7 December 2023.](#)

<sup>3</sup> [Decree no. 2023-1394 of 30 December 2023 implementing Order no. 2023-1142 of 6 December 2023 on the publication and certification of sustainability information and the environmental, social and corporate governance obligations of commercial companies, decree no. 2024-60 of 31 January 2024 amending decree no. 2023-1394, decree no. 2024-636 of 27 June 2024 amending decree no. 2023-1394 of 30 December 2023 in order to specify the requirement for accreditation of independent third-party bodies before 1 January 2026 and order of 28 December 2023 amending Title II of Book VIII of the French Commercial Code.](#)

<sup>4</sup> [Regulation \(EU\) 2020/852 of 18 June 2020 on the establishment of a framework to stimulate sustainable investment and amending Regulation \(EU\) 2019/2088](#)

<sup>5</sup> [European Sustainability Reporting Standards](#)

<sup>6</sup> [Regulation \(EU\) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC with regulatory technical standards specifying the single electronic information format](#)

progressive development of the assurance market for sustainability information, and of undertakings' reporting practices.»<sup>7</sup>

For the conduct of their engagement, practitioners must comply with the standard on limited assurance that the European Commission plans to adopt no later than 1<sup>st</sup> October 2026 by delegated act. In the absence of a standard adopted by the Commission, the practitioners shall comply with the standards adopted by the High Audit Authority (H2A) and approved by order of the Minister of Justice.<sup>8</sup>

## 2. BASIS AND PURPOSE OF THE GUIDELINES

When the CSRD was published in December 2022, the H3C, which became H2A following the transposition of this directive, noted that the first publications of sustainability information by the companies in scope would take place in 2025, that they would relate to the financial year 2024 and, consequently, that the first limited assurance ("certification") engagements over this information will be undertaken from 2024.

Noting also that the European Commission had not started to work on the European limited assurance standard and that, pending the adoption of this European standard, the French government had no plans to adopt a national standard, the H3C considered it necessary to develop guidelines to describe the work expected of the practitioners and the manner in which the conclusions should be expressed.

To this end, in February 2023, the H3C set up a working group chaired by the President of H3C and made up of stakeholders namely: H3C representatives, statutory auditors and independent assurance services providers that have stated their willingness to take on these new engagements.

In addition to its own deliberations, based on the European texts, the working group held around twenty hearings with stakeholders and, in particular, with standard setting bodies, professional business representation organisations, company representatives, representatives of non-governmental organisations and independent assurance services providers currently in charge of assurance on extra-financial performance declarations (*"extra-financial performance declarations" are sustainability reports prepared in accordance of Non Financial Reporting Directive transposition in France*).

The work undertaken by the International Audit and Assurance standards Board, the IAASB<sup>9</sup>, has also been taken into consideration, with the aim of harmonising European and international practices, while taking care not to stray from the ambitious European objectives.

The work of this group resulted in the publication in June 2023 of guidelines defining the expectations for this engagement.

Subsequent to this publication, the final texts relating to the CSRD were published, namely the ESRS adopted by the European Commission by means of a delegated act on 31 July 2023<sup>10</sup>, as well as the order and implementing regulations transposing the CSRD into French law.

In addition, the Committee of European Auditing Oversight Bodies (CEAOB)<sup>11</sup>, at the request of the European Commission, published guidelines to ensure the greatest possible consistency in the European practices.

Against this backdrop, the H2A College has asked the working group to propose an amended version of the June 2023 publication.

<sup>7</sup> Extract from recital 60 of the CSRD directive

<sup>8</sup> Article L. 821-59 of the French Commercial Code

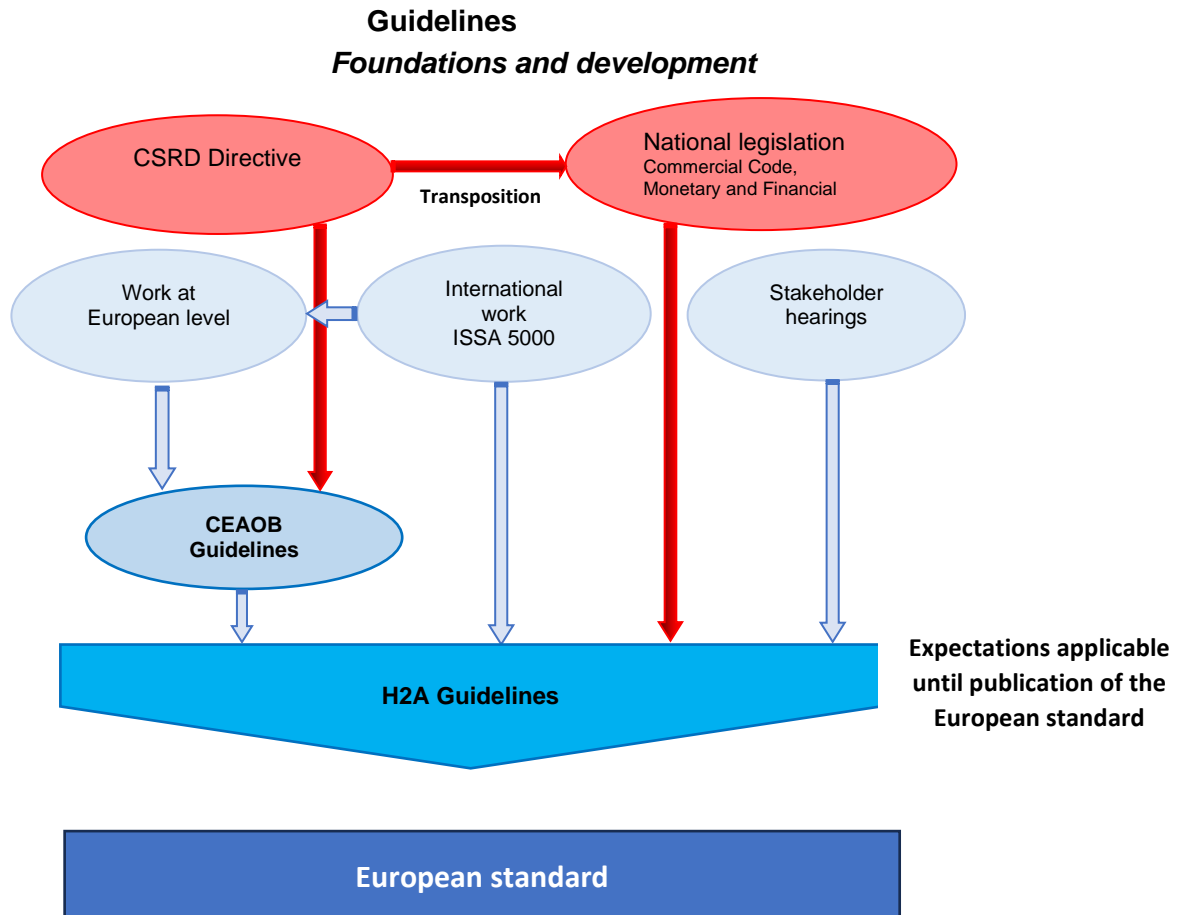
<sup>9</sup> [International Auditing and Assurance Standards Board](#)

<sup>10</sup> Link : [EUR-Lex - 32023R2772R\(05\) - EN - EUR-Lex \(europa.eu\)](#)

<sup>11</sup> Responsible for organising cooperation between its members, [CEAOB](#) brings together the European regulators responsible for audit oversight and the European Securities and Markets Authority (ESMA).

**These guidelines, which define the expectations of French practitioners, are the result of the work carried out by the working group and additional discussions initiated by the H2A College, in particular with its counterparts within the CEAOB.**

**These guidelines will guide French practitioners in the performance of their engagements, while awaiting the future European standard.**



### 3. POINTS OF ATTENTION

#### SCOPE AND APPLICATION OF THE GUIDELINES

The requirements to report sustainability information, and consequently to verify this information, will apply to different types of entities and will come into force within a different timetable depending on whether these entities reach the thresholds defined by laws and regulations.

On the scope of the publication requirement, see :

- the notice published by the French Ministry of the Economy: [Notice du Ministère de l'économie relative à la transposition de la directive CSRD](#), and
- Frequently asked questions published by the European Commission on 7 August 2024: [Frequently asked questions on the implementation of the EU corporate sustainability reporting rules - European Commission](#)

As emphasised in section 2, these guidelines have been drawn up with the aim of harmonising European and international practices, in conjunction with CEAOB.

In view of their transitional nature pending a European standard, these guidelines define the expectations relating to the limited assurance engagement (“certification”) over sustainability information which will be carried out for the first entities subject to the reporting requirements,

i.e. those which will have to provide this information in 2025 for financial year 2024<sup>12</sup>. Footnotes refer to the main provisions of the relevant ESRS. These references are provided for educational purposes only and should not be considered as the only provisions applicable to the related topic.

Although the guidelines are intended to define the main stages of the verification process, they deliberately leave room for the practitioner's professional judgement and skepticism. Practitioners are responsible for carrying out their engagement taking into consideration the specific characteristics of each of the entities subject to their verification.

#### **LEVEL OF ASSURANCE TO BE OBTAINED BY THE PRACTITIONER**

As mentioned above, the limited assurance engagement will result in the issuance of a report ("certification report"), issued on the basis of limited assurance, which could, over time, be strengthened to reach a reasonable level of assurance.

In the context of a limited assurance engagement, the verifications are less extensive than those required to obtain reasonable assurance, which means that the nature (choice of techniques) of the procedures, their scope (amplitude) and, consequently, their duration, are less demanding than those required to obtain reasonable assurance.

A limited assurance engagement requires that practitioners apply professional judgement to determine the procedures necessary to obtain assurance which, even if to a lesser extent than reasonable assurance, allows to enhance the confidence of the users in the information to which the engagement relates.

The conclusion of a limited assurance engagement is generally expressed in a negative form, whereby the practitioners conclude that they have not identified any errors, omissions or inconsistencies that would be likely to influence the decisions that users of the information might make. The conclusion of a reasonable assurance engagement is generally expressed in a positive form, through a statement by which the practitioners conclude that the information subject to the engagement does not contain any errors, omissions or inconsistencies likely to influence the decisions that users of information might make.

#### **POSTULATE RETAINED**

The French Commercial Code sets out the conditions that a practitioner must comply with in order to be able to accept and carry out an assurance engagement, in particular those relating to independence and competence.<sup>13</sup> The guidelines assume that the practitioner will comply with these conditions.

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<sup>12</sup> Caisse des dépôts et consignation and large groups of companies, large groups of credit institutions, large groups of insurance companies, large groups of mutual insurance companies, large groups of pension funds, required to publish sustainability information for the financial years 2024 or 2025, depending on the applicability of the threshold criteria.

<sup>13</sup> In particular, auditors are required to be registered with H2A (<https://h2a-france.org/inscrire-les-auditeurs-de-durabilite/>) and to comply with the rules of professional conduct defined in articles L. 821-27 et seq. (statutory auditors) or L.822-6 et seq. (independent third-party bodies).

# GUIDELINES FOR THE WORK TO BE CARRIED OUT IN RELATION TO THE CERTIFICATION OF SUSTAINABILITY INFORMATION AND THE VERIFICATION OF DISCLOSURE REQUIREMENTS SET OUT IN ARTICLE 8 OF REGULATION (EU) 2020/852 (LIMITED ASSURANCE)

## 1. TERMINOLOGY

The terms used in these guidelines are those used by :

- national legal and regulatory provisions resulting from the transposition of Directive (EU) 2022/2464 and incorporated in particular into the French Commercial Code;
- the European Sustainability Reporting Standards adopted by the European Commission on 31 July 2023, in the version published in the Official Journal of the EU on 26 July 2024; and
- all the texts governing the preparation of the information defined in Article 8 of Regulation (EU) 2020/852, in particular as supplemented by Regulation (EU) 2021/2178<sup>14</sup> (Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation»).

By way of exception, certain generic terms are used in these guidelines as follows:

- The term "*sustainability information*" refers to sustainability information, other than that required by the taxonomy reference framework, to be reported in a separate section of the management report in accordance with legal and regulatory provisions;<sup>15</sup>
- "*ESRS*" refers to the European Sustainability Reporting Standards mentioned above;
- the term "*taxonomy reference framework*" means the set of texts governing the establishment of the information defined in Article 8 of Regulation (EU) 2020/852; and
- the term "*practitioner*" means the statutory auditor or independent assurance services provider responsible for carrying out the limited assurance engagement of certifying the sustainability information and verifying the disclosure requirements set out in Article 8 of Regulation (EU) 2020/852.

## 2. BASIS AND EXPECTATIONS FOR THE ENGAGEMENT

Articles L. 821-54 and L. 822-24 of the French Commercial Code require the auditor, statutory auditor or independent third-party body called upon to perform a limited assurance engagement ("certify") over sustainability information to issue an opinion at the end of its engagement on:

- compliance with the ESRS of the process implemented by the entity to determine the sustainability information to be reported and, where the entity is subject to this, compliance with the requirement to consult the social and economic committee provided for in the sixth paragraph or last paragraph of Article L. 2312-17 of the Labour Code;<sup>16</sup>

<sup>14</sup> [Regulation \(EU\) 2021/2178 supplementing Regulation \(EU\) 2020/852 of the European Parliament and of the Council with details of the content and format of the information to be published by undertakings subject to Article 19a or Article 29a of Directive 2013/34/EU on their environmentally sustainable economic activities, and of the method to be followed to comply with that information requirement.](#)

<sup>15</sup> For entities subject to the publication requirement from 2025 (in relation to the 2024 financial year): article L. 232-6-3 or L. 233-28-4 of the Commercial Code depending on the entity concerned (direct application or by reference to the Monetary and Financial Code for entities governed by that Code) and the related regulatory provisions, in particular article R.232-8-4 of the Commercial Code.

<sup>16</sup> Depending on whether the practitioner is a statutory auditor or an independent third-party body



- compliance of the sustainability information reported in the management report with the requirements of Article L. 232-6-3 of the French Commercial Code (or Article L. 233-28-4 depending on the entity), including with the ESRS;
- compliance with the reporting requirements set out in Article 8 of Regulation (EU) 2020/852; and
- compliance with the sustainability information tagging requirements<sup>17</sup>, set out in Article 29d of Directive 2013/34/EU.

The limited assurance (“certification”) engagement therefore encompasses four parts of verification. However, until the tagging standards have been adopted, the engagement can only cover the first three parts.

This engagement is different from the engagements carried out by the statutory auditors in relation to the half-yearly or annual financial statements or by independent third-party bodies in relation to the declaration of non-financial performance.

The first two parts mainly involve ensuring that the practitioners :

- first, verify:

- the relevance of the entity's approach for the double materiality assessment process with regard to the objective that the outcome of this process should result in the disclosure of material impacts, risks and opportunities; and
- the correct description of this approach in the management report with regard to the objective of enabling this approach to be understood.

This step is crucial, since the correct application of the ESRS regarding this process determines the appropriateness of the identification of the information that is material and must therefore be reported.

- secondly, they specifically verify the reported disclosures for which they consider they present a significant risk of non-compliance with the applicable texts, including the ESRS, and/or for which there are strong expectations from the users of these disclosures.

The objective assigned to the practitioners to conclude on the compliance of the process and the information reported must be understood in the light of the ESRS, which stipulate in particular that **sustainability information must meet the criteria of relevance, faithful representation, comparability, verifiability and understandability.**

Consequently, the procedures carried out by the practitioners are not limited to **ensuring that the information required by the ESRS has appropriately been reported, but also consist of verifying that this information meets the afore mentioned characteristics**, which implies that the exercise of **professional judgement and skepticism** will be particularly important in these first two parts of the engagement.

It is important to understand that **the ESRS have been designed so that the information reported provides to readers a true and fair view of the impact of sustainability matters**<sup>18</sup> on the entity's business and of the impact of the entity's business on sustainability matters, as well as the way in which the entity takes these matters into account, particularly prospectively, in the development of its business model and strategy.

<sup>17</sup> Sustainability information and information provided for in Article 8 of Regulation (EU) 2020/852

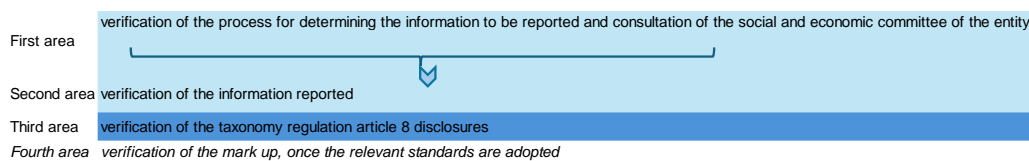
<sup>18</sup> Sustainability matters include environmental, social and corporate governance matters

Information to be published by entities subject to the CSRD

Part of the management report	Reference textual	Wording
1. General information	ESRS 1 ESRS 2	<i>General requirements</i> <i>General information to be published, including information provided under the application requirements of the thematic ESRSs listed in Appendix D of ESRS 2.</i>
2. Environmental information	Reference taxonomy ESRS E1 ESRS E2 ESRS E3 ESRS E4 ESRS E5	Publication of information pursuant to Article 8 of Regulation (EU) 2020/852 (taxonomy regulation) Climate change Pollution Water and marine resources Biodiversity and ecosystems Use of resources and circular economy
3. social information	ESRS S1 ESRS S2 ESRS S3 ESRS S4	Company staff Workers in the value chain Affected communities Consumers and end users
4. corporate governance information	ESRS G1	Conducting business

Balisage de l'ensemble des informations  
En attente des normes ad hoc

Assurance engagement :



### 3. RESOURCES REQUIRED TO CARRY OUT THE ENGAGEMENT

#### 3.1. PROFESSIONAL JUDGEMENT AND SKEPTICISM

Throughout the engagement, the practitioners exercise professional judgement and skepticism.

In particular, the exercise of professional judgement requires the practitioners to stand back from the sustainability information and the information required by the taxonomy reference framework and from the elements communicated to the practitioners which underpin this information.

Skepticism supports professional judgement. In particular, it implies that the practitioner:

- considers the source of the information obtained and assesses its relevance to the nature and characteristics of the engagement;
- keeps an open mind and is receptive to other information, conclusions and arguments that might contradict the evidence obtained and carries out further work and revises the conclusions, if necessary; and
- assesses the sufficiency and appropriateness of the evidence obtained, ensuring that it is consistent, in order to be able to draw the conclusions.

#### 3.2. COMMUNICATION WITH THE STATUTORY AUDITORS IN CHARGE OF THE AUDIT (“CERTIFYING”) THE ENTITY’S FINANCIAL STATEMENTS AND THOSE OF THE ENTITIES INCLUDED IN THE ENTITY’S SCOPE OF CONSOLIDATION OR COMBINATION

The connectivity between the financial statements, the sustainability information and the information required by the taxonomy reference framework implies that the practitioner communicates, as much as necessary, with the statutory auditor in charge of auditing (“certifying”) the entity’s financial statements and with the statutory auditors in charge of auditing (“certifying”) the financial statements of the entities included in the scope of consolidation or combination of the entity.<sup>19</sup>

<sup>19</sup> Article L. 821-35 of the French Commercial Code contains specific provisions releasing the statutory auditors responsible for certifying the financial statements from their professional secrecy with regard to the statutory auditors and independent third-party bodies responsible for certifying sustainability information.

These communications enable the practitioner to ensure that the sustainability information and the information required by the taxonomy reference framework reported in the dedicated section of the entity's management report are consistent with:

- the information reported in the financial statements, particularly where this is provided for in the ESRS,
- the information included in the other sections of the management report.

Where the practitioner considers it necessary to do so, the practitioner enquires the persons referred to above about the work they have carried out in relation to the audit of the financial statements and assesses whether that work and the conclusions they have reached are consistent with the practitioner's assessment of the sustainability information and the information required by the taxonomy reference framework.

On the basis of this assessment, the practitioner determines whether it is necessary to carry out additional work on the above-mentioned information.

### **3.3. USE OF THE WORK OF A THIRD PARTY, OTHER THAN THE STATUTORY AUDITORS RESPONSIBLE FOR THE AUDIT (“CERTIFYING”) OF THE FINANCIAL STATEMENTS OF THE ENTITY AND OF ENTITIES INCLUDED IN THE SCOPE OF CONSOLIDATION OR COMBINATION OF THE ENTITY**

The entity, one of the entities included in its scope of consolidation or combination or one of the entities in its value chain, may have engaged a third party, other than the practitioner, to carry out the verification of some parts of the sustainability information or some elements relating to this information.

Where the practitioner considers that some of the work carried out by the third party may be useful to the engagement, the practitioner considers using this work rather than carrying it out again, bearing in mind that the practitioner retains full responsibility for the engagement.

In this case, the practitioner:

- assesses, in addition to the independence of the third party with respect to the entity that has engaged it and with respect to the entity for which the practitioner is carrying out the limited assurance engagement (“certifying”) over the sustainability information, the third party's professional qualifications and competence as well as its reputation in the particular field concerned, as it would in the case for using an expert;
- analyses the nature and scope of the third party's engagement; and
- assesses the extent to which the practitioner will be able to rely on the work carried out by this third party to help form the conclusions to be drawn in the assurance report.

Where the entity prepares sustainability information on a consolidated or combined basis and the third party whose work the practitioner is considering using is the professional responsible for verifying the sustainability information of an entity included in the entity's scope of consolidation or combination, the practitioner shall also consider the following criteria:

- the professional's understanding of the rules of independence and ethics applicable to the limited assurance engagement (“certifying”) over sustainability information of the entity (consolidating or combining) and the professional's ability to comply with them;
- the existence of a public oversight system for his/her profession;
- the ability for the practitioner to be involved in the work to be carried out by this professional for the purposes of the limited assurance engagement (“certifying”) over the sustainability information of the entity (consolidated or combined if applicable).

When the practitioner decides to use all or part of the third party's work, he/she assesses its sufficiency and appropriateness with regard to the evidence needed for the purposes of the limited assurance engagement.

Based on this assessment, the practitioner determines whether further work is required.

### **3.4. USE OF EXPERTS**

Given the diversity of the sustainability information to be reported and the technical nature of the assessment of this information, the practitioner may consider it necessary to use experts, it being specified that he/she may not delegate powers to them and that he/she always remains fully responsible for the engagement.

The expert is a natural or legal person, who has qualifications and experience in a particular field that the practitioner does not have.

When using an expert, the practitioner:

- verifies, in addition to his/her independence vis-à-vis the entity for which the practitioner is carrying out the engagement, the professional competence and reputation in the particular field, taking into account, for example, experience, professional qualifications, diplomas or even the registration on the list of experts approved by a professional body or a court;
- defines the nature and scope of the work that he/she wishes to entrust to the expert, it being specified that this work must be circumscribed and that the use of experts must not be a means of compensating for a lack of skills required from the practitioner; and
- assesses the sufficiency and appropriateness of the work carried out by the expert and the conclusions drawn by the expert.

On the basis of this assessment, the practitioner determines whether further work is required, or even whether the use of the work of another expert is required.

### **3.5. DISCUSSIONS WITHIN THE ENGAGEMENT TEAM**

Before starting the work, the person responsible for the limited assurance engagement (“certifying”) over sustainability information and the disclosure requirements set out in the taxonomy reference framework ensures that all members of the engagement team understand the purpose of the engagement, the issues involved, the work entrusted to them and the contribution of this work to the conclusions to be reached at the end of the engagement.

Throughout the engagement, the practitioner also ensures that :

- regular communication is organised within the engagement team to ensure that these persons have the information needed to carry out their work properly;
- findings stemming from procedures performed are shared at the appropriate level of responsibility; and
- responses to these findings are provided.

## **4. ENGAGEMENT LETTER**

Before starting the work, the practitioner draws up an engagement letter setting out the terms and conditions of the engagement.

In particular, the practitioner includes the following:

- the objective and scope of the limited assurance engagement (“certification”) over sustainability information and the information set out in the taxonomy reference framework;
- the planning of the engagement;
- where applicable, the allocation of work between the joint practitioners;
- the name(s) of the signatory(ies) of the limited assurance (“certification”) report over sustainability information and of the information set out in the taxonomy reference framework;
- where appropriate, a review of the work carried out by the practitioner(s) of the sustainability information of the entities included in the scope of consolidation or combination of the entity;
- the ability to use, under the practitioner’s responsibility, external engagement team members and/or experts to carry out certain tasks;
- the need to make available to the practitioner any document, supporting evidence or other information requested as part of the engagement;
- the need to provide the practitioner with free access to individuals within or outside the entity from whom the practitioner considers it necessary to obtain information;
- the request for written confirmation from the entity's legal representative, usually referred to as “representation letter”, regarding the representations made to the practitioner and necessary for the engagement; and
- the fee budget for the engagement and, where applicable, the breakdown of this budget between the joint practitioners, and the invoicing conditions.

The practitioner asks the entity's legal representative to acknowledge receipt of the engagement letter and to confirm his/her agreement with the terms set out.

If necessary, during the course of the engagement, the practitioner reviews the terms of the initial engagement letter and seeks the agreement of the entity's legal representative on the revised terms.

## 5. UNDERSTANDING THE ENTITY AND ITS ENVIRONMENT

Understanding the entity and its environment enables the practitioner to understand the context in which the entity operates and, in particular, the level of knowledge, preparation and involvement of the administration, management and supervisory bodies in the sustainability matters affecting the entity's business.

This phase is essential in that it enables the practitioner to obtain information that will enable to define, on the basis of a risk analysis, the nature, timing and extent of the procedures to be carried out in order to issue the assurance report.

In this context, the practitioner obtains an understanding of:

- the entity's business sector, its legal and regulatory environment, and other external factors that are important in the context of sustainability reporting;
- the entity's understanding of the legal and regulatory requirements relating to sustainability information, and in particular:
  - the provisions of the Commercial Code and, where applicable, the Monetary and Financial Code;

- ESRS, including the texts to which these standards refer;
  - European regulations on taxonomy and on the single electronic information format;
  - interpretations, frequently asked questions or other application guides, conclusions and comments issued by the European Commission, EFRAG and/or European and French regulators;
- the characteristics of the entity, in particular:
- the scope of the sustainability information to be published by the entity in the management report, including the entities included in this scope and the entities in the entity's value chain;
  - the nature of the activities of the entity and of all the entities included in the scope of the sustainability information to be published;
  - the composition of the entity's share capital and its administration, management and supervisory bodies;
  - the current and potential material impacts, risks and opportunities identified by the entity;
  - the entity's business model and strategy as they result from the impacts, risks and opportunities identified, including its sustainability objectives and the strategies implemented to achieve them, and in particular:
    - ✓ policies and actions designed to:
      - identify and assess current and potential material risks and opportunities;
      - prevent, remedy and mitigate current and potential material risks;
      - assess current and potential material opportunities;
    - ✓ actions to monitor the results of these policies;
    - ✓ the way in which sustainability matters influence its activities, those of the entities included in its scope of consolidation or combination and the value chain of the entity and the consolidated or combined entities.<sup>20</sup>
  - its legal and operational organisation, in particular<sup>21</sup>:
    - ✓ the role and expertise of the administration, management and supervisory bodies with regard to sustainability matters, as well as those of other bodies or committees (e.g. audit, sustainability) involved in these matters;
    - ✓ the persons who define the entity's strategy and make decisions relating to sustainability issues;
    - ✓ the persons responsible for the policies of the entity to implement the strategy or management decisions referred to above; and
    - ✓ the rules of governance for the validation and revision of the above-mentioned policies and the monitoring of the resulting actions;

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<sup>20</sup> Articles R.22-10-29 and R.232-8-4. of the French Commercial Code

<sup>20</sup> ESRS 2, point 2 and ESRS G1

<sup>21</sup> ESRS 2 1, point 2 and ESRS G1

- the elements of internal control relevant to the determination, preparation and presentation of sustainability information and the information required by the taxonomy reference framework, and in particular the following elements:
  - the control environment, which is reflected in the behavior of the administration, management and supervisory bodies and the persons responsible for operational management, their degree of sensitivity and the actions they take in terms of internal control over the aforementioned information;
  - the internal control procedures in place with regard to the above-mentioned information;
  - the main resources deployed by the entity to ensure that the above-mentioned internal control procedures are operating effectively, and the manner in which corrective actions are implemented;
  - the information system used to prepare the above-mentioned information;
  - the way in which the entity communicates the above-mentioned information and the individual roles and responsibilities within the entity and the entities included in the scope of this information;
- with regard to the information to be reported in accordance with the taxonomy reference framework, the procedures implemented to:
  - identify, among the various economic activities of the entity and, where applicable, of the entities included in its scope of consolidation<sup>22</sup> or combination, those that are covered by the taxonomy reference framework;
  - determine the eligible and aligned characteristics of these economic activities;
  - collect and prepare the information required by the taxonomy reference framework, in particular the key performance indicators and the contextual information (narrative and quantitative) that accompanies these indicators;
- the use of third parties to the entity for the preparation of the above-mentioned information and/or for the verification of some parts of this information;
- the key assumptions and methodologies used by the entity and the significant judgements it has made in determining the sustainability information to be disclosed;
- any changes in methods or assumptions or corrections of errors compared with previous years;
- the existence of lawsuits, disputes, litigation or controversies relating to sustainability.

To obtain this information, the practitioner uses some or all of the following techniques:

- Requests for information from operating management and others within the entity who may provide the practitioner with perspectives different from those of operating management. In particular, the practitioner requests information relating to activities and conclusions:
  - persons working in sustainability-related positions;
  - internal auditors with regard to sustainability information;
- consultation of the minutes of meetings of the administration, management and supervisory bodies and of other bodies or committees (audit, sustainable development) at which sustainability matters were discussed, and, where applicable, of the minutes of meetings of the entity's departments involved in the production of sustainability information;

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<sup>22</sup> Accounting or prudential, depending on the entity

- analytical procedures<sup>23</sup>, which can be used to identify unusual items;
- physical observations and inspections, which may in particular enable to corroborate information gathered from operational management or other persons within the entity.

## 6. PLANNING THE WORK TO BE CARRIED OUT

The practitioner plans the work to be performed on the basis of the information gathered when obtaining an understanding of the entity and its environment.

Planning involves:

- providing for a general approach to the work based in particular on an analysis of the risks of non-compliance with the ESRS, of the process implemented by the entity to determine the sustainability information to be reported and/or of the sustainability information reported, and/or of non-compliance with the information requirements set out in the taxonomy reference framework;
- determining acceptable margins of error in quantitative information beyond which the judgement or decisions of users of sustainability information are likely to be influenced.

Bearing in mind that sustainability information is of a different nature and that its relative importance differs according to the users of the sustainability information, the practitioner defines as many acceptable margins of error as necessary.

- drawing up the work programme defining the nature and scope of the work to be carried out, including :
  - work to be carried out in the entities included in the scope of the sustainability information: entity, consolidated or combined entities, and entities in the value chain;
  - work to be entrusted to external engagement team members and/or experts;
  - work to be carried out in conjunction with:
    - ✓ the entity's statutory auditor and the statutory auditors of consolidated or combined entities;
    - ✓ third parties, other than the statutory auditors of the entity and of consolidated or combined entities, acting on behalf of the entity, consolidated or combined entities or entities in their value chain, on certain sustainability information or on certain elements relating to that information;
  - the review and supervision of the work to be carried out by the members of the engagement team, including the review and supervision to be carried out by the person responsible for the engagement;
- defining the number of working hours allocated to carrying out all the above work; and
- setting the timetable for the work to be carried out and the members of the engagement team.

These planning elements are set out in writing in an engagement plan and a work programme.

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<sup>23</sup> Analytical procedures consist of assessing sustainability information on the basis of its correlation with other information, whether or not it is sustainability information, or with previous, subsequent or forecast data for the entity or similar entities, and on the basis of the analysis of significant variations or unexpected trends.



During the course of the engagement, based on evidence obtained, the practitioner may decide to modify the planning set out in the audit plan. This may lead the practitioner to change the general approach to the work, to review the choices and to plan different or additional work. In such cases, the practitioner considers whether it is appropriate to revise the terms of the initial engagement letter and seeks the agreement of the entity's legal representative on the revised terms.

**7. VERIFICATION OF THE COMPLIANCE OF THE PROCESS IMPLEMENTED BY THE ENTITY TO DETERMINE THE SUSTAINABILITY INFORMATION TO BE REPORTED AND VERIFICATION OF COMPLIANCE WITH THE REQUIREMENT TO CONSULT THE SOCIAL AND ECONOMIC COMMITTEE**

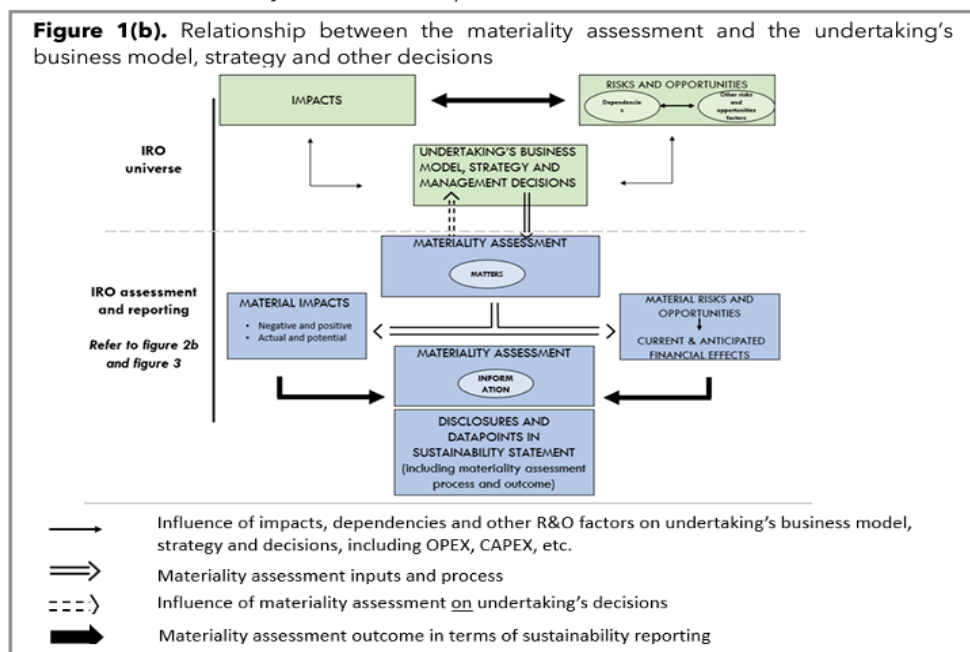
The inclusion by the entity of sustainability information in the management report implies that it identifies the information to be reported.

This approach is based primarily on the implementation by the entity of a process established from a double materiality perspective that enables it to:

- identify the impacts, risks and opportunities associated with the sustainability matters affecting the entities included in the scope of the sustainability information;
- then identify which of these impacts, risks and opportunities relating to sustainability matters are material and must therefore be reported in accordance with the qualitative characteristics for sustainability information set out below (see box section 8).

Verification of the double materiality process, which forms part of the first part of the practitioner's engagement, is particularly important since it is on the basis of this process (known as "materiality assessment" in the diagram below) that the entity will determine the information that it considers material and that it must disclose.

EFRAG IG 1: Materiality Assessment Implementation Guidance



Extract from the [Implementation Guidance, Materiality assessment, May 2024, EFRAG](#)

The ESRS define the principles to be applied by entities in defining and implementing their double materiality process. To support the application of these provisions, practical guides have also been developed, notably by EFRAG and the French ANC.<sup>24</sup>

<sup>24</sup> [ESRS implementation guidance documents](#), May 2024, EFRAG and [Déployer les ESRS : un outil de pilotage au service de la transition](#), June 2024, ANC

The definition and implementation of the double materiality process by the entities will require that the entities mobilise substantial resources, since it will involve all their business lines and functions.

As far as the practitioners are concerned, since they are required to conclude on the compliance of the double materiality process with the ESRS they are not expected to duplicate the work carried out by the entities, but rather to assess whether the analysis approach provided for in the ESRS has been implemented by the entity in accordance with these standards.

If they identify errors, omissions or inconsistencies of such importance that they call into question the compliance of the double materiality process with the ESRS, the practitioners will have to draw the consequences in their report (see section 17 of the guidelines).

It should also be emphasised that, like for the entities, the work of the practitioners should be particularly important in the first year of their involvement, particularly in terms of getting an understanding of the entity and its environment (see section 5 of the guidelines). It should be less in subsequent years, as the parties will have gained experience.

#### **7.1. IDENTIFICATION AND ASSESSMENT OF IMPACTS, RISKS AND OPPORTUNITIES RELATED TO SUSTAINABILITY MATTERS**

The practitioner checks that the entity has defined, implemented and described in its management report, in accordance with the ESRS, a process that enables it to identify and assess the impacts, risks and opportunities related to the sustainability matters of the entities included in the scope of the information to be reported. This process includes:

- the identification of stakeholders who may affect or be affected by the entities within the scope of the information; and
- the definition of impact materiality and financial materiality.

##### **7.1.1 Identification of stakeholders**

The practitioner checks that the entity has implemented an approach that complies with the requirements of the ESRS to identify its stakeholders and the impacts, risks and opportunities associated with these stakeholders.

The practitioner assesses the approach taken:

- based on the understanding of the entity and its environment, and taking into account the fact that there are two main groups of stakeholders (a single stakeholder may belong to both groups)<sup>25</sup> :
  - affected stakeholders: individuals or groups whose interests are affected or could be affected – positively or negatively – by the entity's activities and its direct and indirect business relationships across its value chain ; and
  - users of sustainability information: primary users of general-purpose financial reporting (existing and potential investors, lenders and other creditors, including asset managers, credit institutions, insurance undertakings), and other users of sustainability statements, including the business partners, trade unions and social partners, civil society and non-governmental organisations, governments, analysts and academics.
- by questioning whether or not this approach is based on established practices or recognised methodologies.

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<sup>25</sup> ESRS 1, point 3.1

### 7.1.2. Impact materiality

**Materiality of impact** - A sustainability matter is material from an impact perspective when it pertains to the undertaking's material actual or potential, positive or negative impacts on people or the environment over the short-, medium- or long-term. Impacts include those connected with the entity's own operations and upstream and downstream value chain, including through its products and services, as well as through its business relationships. Business relationships include those in the undertaking's upstream and downstream value chain and are not limited to direct contractual relationships.<sup>26</sup>

The practitioner assesses the entity's approach to assessing impact materiality for each of the sustainability matters covered by the ESRS and in particular whether this approach follows the three steps defined by ESRS 1<sup>27</sup>:

- (a) understanding of the context in relation to the impacts including activities, business relationships, and stakeholders;
- (b) identification of actual and potential impacts (both negative and positive), including through engaging with stakeholders and experts. In this step, the entity may rely on scientific and analytical research on impacts on sustainability matters;
- (c) assessment of the materiality of actual and potential impacts and determination of the material matters. In this step, the entity shall adopt thresholds to determine which of the impacts will be covered in its sustainability statement .

#### Concerning the approach to assessing negative impacts

The practitioner assesses the appropriateness of the sustainability due diligence process defined and implemented by the entity, in particular the criteria used to determine the severity and probability of occurrence of actual and potential negative impacts in the short, medium or long term.<sup>28</sup>

#### Concerning the approach to assessing positive impacts

The practitioner assesses the appropriateness of the approach defined and implemented by the entity, including the criteria used, to determine the scale, scope and likelihood of actual and potential positive impacts in the short, medium or long term.<sup>29</sup>

The assessment of the approach adopted by the entity to determine the impact materiality implies that the practitioner must be particularly vigilant with regard to the fact that the sustainability information is composed of independent data and that their relative importance differ according to the parties interested in the sustainability information.

<sup>26</sup> ESRS 1, point 3.4, 43

<sup>27</sup> ESRS 1 AR 9 et seq.

<sup>28</sup> ESRS 1, point 4

<sup>29</sup> ESRS 1, 46

### 7.1.3. Financial materiality

**Financial materiality** The scope of financial materiality for sustainability reporting is an expansion of the scope of materiality used in the process of determining which information should be included in the undertaking's financial statements.<sup>30</sup>

Information is considered material for primary users of general-purpose financial reports if omitting, misstating or obscuring that information could reasonably be expected to influence decisions that they make on the basis of the entity's sustainability statement.<sup>31</sup>

A sustainability matter is material from a financial perspective if it triggers or could reasonably be expected to trigger material financial effects on the undertaking.<sup>32</sup>

The financial materiality of a sustainability matter is not constrained to matters that are within the control of the entity but includes information on material risks and opportunities attributable to business relationships beyond the scope of consolidation used in the preparation of financial statement.<sup>33</sup>

The practitioner assesses the entity's approach to assessing financial materiality.

To this end, the practitioner verifies in particular that the entity has defined its financial materiality<sup>34</sup>

- having considered that it is expected to look beyond current risks and opportunities to consider risks and opportunities that may arise; and
- taking account of the following factors in particular:
  - the existence of dependencies on natural and social resources which are sources of financial effects ;
  - their classification as sources of risk or opportunity.

The practitioner verifies the entity's assessment of the risks and opportunities associated with sustainability matters and, in particular, the entity's determination of the likelihood of occurrence of these risks and opportunities, the potential magnitude of their financial effects in the short, medium or long term and the thresholds used to determine these effects.<sup>35</sup>

This verification implies in particular that, the practitioner:

- verifies that the entity has examined the contribution of risks and opportunities to the financial effects in the short, medium or long term, based on:
  - (a) scenarios / forecasts that are likely to materialize, and
  - (b) potential financial effects related to sustainability matters deriving either from situations with a below the "more likely than not" threshold or assets/liabilities not, or not yet, reflected in financial statements. This includes:
    - i. potential situations that following the occurrence of future events may affect cash flow generation potential;
    - ii. capitals that are not recognised as assets from an accounting and financial reporting perspective but have a significant influence on financial performance, such as natural, intellectual (organisational), human, social and relationship capitals; and
    - iii. possible future events that may have an influence on the evolution of such capitals.

<sup>30</sup> ESRS 1, 47

<sup>31</sup> ESRS 1, 48

<sup>32</sup> ESRS 1, 49

<sup>33</sup> ESRS 1, 49

<sup>34</sup> ESRS1, AR 14

<sup>35</sup> ESRS1, AR 15

- verifies how the entity has established and applied the criteria, including appropriate thresholds, for determining<sup>36</sup>:
  - (a) the information it discloses on metrics for a material sustainability matter according to the Metrics and Targets section of the relevant topical ESRS; and
  - (b) the information to be disclosed as entity-specific disclosures.

## **7.2. SPECIFIC PROVISIONS FOR INFORMATION REPORTED AT CONSOLIDATED OR COMBINED LEVEL<sup>37</sup>**

Where the entity is reporting sustainability information at a consolidated or combined level, the practitioner verifies that the entity has carried out an assessment of the material impacts, risks and opportunities for the entire consolidated or combined group, regardless of its legal structure, and that the entity has ensured that all entities within the consolidated or combined scope are covered, in a way that allows for the unbiased identification of material impacts, risks and opportunities.

Where the entity identifies significant differences between the material impacts, risks or opportunities at consolidated or combined level and the material impacts, risks or opportunities of the entities within the scope of consolidation or combination, the practitioner verifies that the entity provides an adequate description of the impacts, risks and opportunities, as appropriate, of the entity or entities concerned.

## **7.3. CONSULTATION OF THE SOCIAL AND ECONOMIC COMMITTEE**

The practitioner verifies that, in accordance with the provisions of the sixth paragraph or the last paragraph of Article L. 2312-17 of the Labour Code<sup>38</sup>, as part of the consultations of the Social and Economic Committee (CSE) relating to the entity's strategic orientations, its economic and financial situation, its social policy and the working and employment conditions it proposes, the committee is consulted on the sustainability information.

## **8. VERIFICATION OF THE COMPLIANCE OF SUSTAINABILITY INFORMATION WITH THE REQUIREMENTS OF ARTICLE L. 232-6-3 OR L. 233-28-4 OF THE FRENCH COMMERCIAL CODE, INCLUDING WITH ESRS**

The sustainability information to be reported by entities is defined, depending on the entity, in Article L. 232-6-3 or L. 233-28-4 of the French Commercial Code, and is specified in Article R.232-8-4 of the Code and the ESRS.

This information is to be reported:

- whatever their relative importance and
- insofar as the entity considers them to be material.<sup>39</sup>

The entity may also decide to include, in the section of the management report dedicated to sustainability information, disclosures defined by the ESRS but which reporting is not compulsory:

- either because the information will only be compulsory starting from subsequent financial years<sup>40</sup>;
- or because that the entity is only invited to report those disclosures to encourage good practice.<sup>41</sup>

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<sup>36</sup> ESRS 1, 36

<sup>37</sup> ESRS 1, 7.6

<sup>38</sup> Depending on whether the auditor is a statutory auditor or an independent third-party body

<sup>39</sup> double materiality perspective

<sup>40</sup> ESRS 1, appendix C

<sup>41</sup> ESRS 1, 18

The entity may also decide to include, in the section of the management report dedicated to sustainability information, disclosures deriving from local legislation or from generally accepted positions on sustainability that are issued by standard-setting bodies.<sup>42</sup>

All those disclosures shall be clearly identifiable and meet the characteristics of relevance and faithful representation, as well as verifiability and understandability.<sup>43</sup>

The concepts of relevance, fair presentation, comparability, verifiability and understandability are defined in Appendix B of ESRS 1 and cover substantially the following principles:

- **relevance** requires that the information provided enables users to make decisions under a double materiality approach (impact materiality and financial materiality);
- **faithful representation** requires that the information be (i) complete, (ii) neutral and (iii) accurate;
- **comparability** implies that the information provided by the entity for the financial year can be compared with the information provided for previous periods and that it can be compared with information provided by other entities, in particular those with similar activities or operating within the same industry;
- **verifiability** implies that it is possible to corroborate the information itself or the input used to derive it;
- **understandability** implies that the information is clear and concise. Understandable information enables any reasonably knowledgeable user to readily comprehend the information being communicated.

#### Points of attention:

- with regard to the relevance and faithful representation of sustainability information, the practitioner must pay particular attention to the double materiality process established by the entity (see section 7 above), which should enable the entity to identify the material impacts, risks and opportunities for which the entity shall prepare relevant information giving a faithful representation of all the sustainability matters relevant to the entity.
- When an entity concludes that an impact, risk or opportunity is not covered or not covered with sufficient granularity by an ESRS but is material due to its specific facts and circumstances, it shall provide additional entity-specific disclosures to enable users to understand the entity's sustainability-related impacts, risks or opportunities.<sup>44</sup> Those entity-specific information shall meet the qualitative characteristics mentioned before.<sup>45</sup>

The practitioner performs the procedures set out in this section 8 to conclude that he/she has not identified any errors, omissions or inconsistencies in the sustainability information provided by the entity that are of such importance that they call into question the compliance of the sustainability information with the requirements of the Commercial Code, including the ESRS. If the procedures performed by the practitioner reveal such errors, omissions or inconsistencies, the practitioner shall draw the appropriate conclusions in the assurance report (see section 17 of the guidelines).

<sup>42</sup> ESRS 1, 114

<sup>43</sup> ESRS 1, 19 and 20, and Appendix B

<sup>44</sup> ESRS 1, *ESRS categories, information domains and writing conventions*, 11.

<sup>45</sup> ESRS 1, *Annex A Application requirements*, in particular AR 2 (a)

### 8.1. BASIS FOR PREPARING SUSTAINABILITY INFORMATION<sup>46</sup>

The practitioner verifies that the entity has indicated, in the dedicated section of the management report, the general basis for preparation of sustainability information in such a way as to provide an understanding of how it is prepared (basis of preparation), including the scope of consolidation or combination, the upstream and downstream value chain information and, where relevant, the disclosure exemptions used.

With regard to the scope adopted by the entity to prepare sustainability information, the practitioner verifies that it complies with the provisions of the French Commercial Code and the ESRS while ensuring that the distinction made by these texts with regard to the inclusion of information relating to the value chain has been properly taken into account.

### 8.2. PRESENTATION OF SUSTAINABILITY INFORMATION

The presentation of sustainability information is essential to enable the readability and understandability of the sustainability matters.

In particular, the practitioner checks that<sup>47</sup>:

- the information is presented in a dedicated section of the management report and in a way that distinguishes it from the other information included in the management report;
- the information is structured in four parts, in the following order: general information, environmental information (including the information required by the taxonomy reference framework), social information and governance information;
- when information is incorporated by reference to different source(s), the conditions for this incorporation are met;
- where additional information required by other legislation regarding sustainability information or from generally accepted sustainability reporting standards and/or frameworks is provided, the applicable conditions are met;
- for information that is connected with the financial statements or financial information, a clear and precise narrative description or direct reference is made so as to enable to connect the information.

### 8.3 INFORMATION SPECIFICALLY VERIFIED

#### 8.3.1 Identification and selection of information to be specifically verified

Given the volume of sustainability information and the level of assurance expected (limited assurance), the practitioner specifically checks only some of the disclosures in order to identify whether or not there are material errors, omissions or inconsistencies, including as a result of fraud or greenwashing practices, that are likely to influence the judgement or decisions of the users of the sustainability information.

Therefore, on the basis of the evidence obtained during the procedures for understanding the entity and during the verifications mentioned in sections 7 to 8.2 above, the practitioner identifies and selects the disclosures:

- which, in his/her opinion, present a significant risk of non-compliance with the provisions of the French Commercial Code and, where applicable, the French Monetary and Financial Code, relating to sustainability information, including to ESRS and the characteristics which they must meet, namely: relevance, faithful representation, comparability, verifiability and understandability; and/or

<sup>46</sup> ESRS 2, and in particular *Preparation Basis* 3 to 17

<sup>47</sup> ESRS 1, *Structure of the state of sustainability*, 110 to 117

- for which, in his/her opinion, there are strong expectations from users of all or parts of the sustainability information.

The identification and selection of the disclosures to be specifically verified are based on the exercise of the practitioner's professional judgement and involve consideration of the likelihood of occurrence and extent of errors, omissions or inconsistencies in the disclosures, taking into account various factors such as:

- the complexity of the entity's organisation;
- the number of entities included in the scope of the sustainability information;
- the strong commitments made by the entity, particularly those that it disclosed publicly;
- the environmental, social and governance criteria on which the variable part of the executives' remuneration is indexed;
- the existence of financing agreements for which the interest rate is conditional on the fulfilment of environmental, social and governance criteria and/or the existence of markets for which the fulfilment of such criteria would be preponderant;
- the number of external stakeholders and the high expectations expressed and openly communicated by , for example at shareholders' meetings;
- the level of disaggregation of sustainability information required to understand the material impacts, risks and opportunities;
- the entity-specific information deemed necessary for the reporting
- information additional to that required by the ESRS that the entity has deemed necessary to provide (provisions resulting from local legislation, technical pronouncements by other standard-setters, etc.);
- the complexity of the topic(s) under consideration, due in particular to the time horizons and the level of uncertainty attached to the information, in particular forward-looking information, which may be linked in particular to :
  - the inherent limitations of current scientific knowledge;
  - the choice of methods (reference methodologies or entity developed methodologies);
  - assumptions about future trends;
  - the lack of available data.
- the maturity of the entity's internal control processes, in particular its processes for collecting data on the topic(s) in question;
- the choices made by the entity in preparing the information and, in particular, its decisions as to whether or not to apply recognised methods;
- the degree of judgment and subjectivity involved in determining the information to be reported;
- the use by the entity of third parties for the preparation of information and/or for the verification of certain disclosures;
- the existence of lawsuits, disputes, litigation or controversies relating to sustainability matters.

### 8.3.2. Nature of verifications carried out on selected disclosures

In order to verify the selected disclosures, the practitioner uses appropriate techniques for the disclosures subject to verification.



These techniques can include:

- analytical procedures, which involve assessing information on the basis of:
  - the correlation with other information, relevant in this case<sup>48</sup>, and
  - analysis of unexpected variations or trends;
- physical observations, whether on site or not, which consist of examining the way in which a procedure is carried out within the entity;
- inspections, whether on site or not, which include:
  - examining records or documents, internal or external to the entity, in paper, electronic or any other form; or
  - carrying out a physical inspection of tangible assets;
- the use of databases, methodologies or benchmarks, including those used at sector level;
- the use of experts and/or the work of a third party, in accordance with the principles set out in sections 3.2 and 3.4;
- exchanges with the statutory auditors of the entity and with those of entities included in the scope of consolidation or combination;
- enquiries from persons inside or outside the entity or entities included in the scope of consolidation or combination, or entities in the value chain.

For each of the disclosures selected, the practitioner uses the appropriate techniques to check the implementation of the requirements of sector agnostic ESRS (ESRS 1 and 2) and the relevant ESRS.

When deciding on the nature of the verifications to be carried out, including, in the case of a consolidated or combined scope, in the entities included in the scope of consolidation or combination of the entity, the practitioner shall take account of the fact that some of these verifications shall be carried out on site.

#### **Focus on the work expected of the practitioner for the verification of the transition plan (ESRS E1)**

*The objective of this reporting on transition plan is<sup>7</sup> to enable an understanding of the undertaking's past, current, and future mitigation efforts to ensure that its strategy and business model are compatible with the transition to a sustainable economy, and with the limiting of global warming to 1.5 °C in line with the Paris Agreement and with the objective of achieving climate neutrality by 2050 and, where relevant, the undertaking's exposure to coal, oil and gas-related activities<sup>7,49</sup>*

In view of the high expectations for these transition plans<sup>50</sup> it is worth stressing that the transition plan is only to be reported if climate has been assessed as a material matter (assessment carried out by the entity following implementation of the double materiality process).

<sup>48</sup> which can be information :

- relating to the financial year in question or to previous financial years, or forward-looking information,
- which concern and/or are produced by the entity and/or which concern and/or are produced by other entities (entities within the entity's scope of consolidation or combination, entities operating in the same sector of activity as the entity, etc.).

<sup>49</sup> ESRS E1 Climate change, point 15

<sup>50</sup> This is a critical subject, since these plans are intended to reflect the way in which companies aim to change their processes, and even their business model, in order to adapt as effectively as possible to the objectives of carbon neutrality and prepare for changes in demand from their downstream markets, which will also be disrupted by the transition.

In addition, ESRS E1 requires this reporting by entities<sup>51</sup> that have drawn up a transition plan but also stipulates that, if they do not have one, they shall indicate whether and, if so, when they will adopt one.<sup>52</sup>

With regard to the information to be reported, ESRS E1 **"mainly requires transparency with regard to the company's decarbonisation trajectory (...), supported by a credible technical and financial business plan, where the climate issue is material"**.<sup>53 54</sup>

The verification of the transition plan for climate mitigation<sup>55</sup> falls within the scope of the second part of the assurance engagement. It is therefore only carried out insofar as the practitioner considers it necessary in order to reach a conclusion. Indeed, given the volume of sustainability information and the level of assurance expected (limited assurance), the practitioner does not verify all disclosures, but only some of them, selected on the basis of professional judgement (see in particular section 8.3.1).

As far as the verification work is concerned, since the practitioners are expected to express a conclusion on the information reported with regards to the ESRS, it is up to them to assess whether the information reported under the transition plan meets the ESRS E1 requirements without having to express a conclusion on the appropriateness or the level of ambition of the objectives of this transition plan.

If their procedures identify errors, omissions or inconsistencies of such importance that they call into question the compliance of the information produced under the transition plan with the ESRS, the practitioners shall draw the appropriate conclusions in their report (see section 17).

## 9. VERIFICATION OF THE COMPLIANCE WITH THE REPORTING REQUIREMENTS SET OUT IN THE TAXONOMY REFERENCE FRAMEWORK

Sustainability information includes the information defined in Article 8 of Regulation (EU) 2020/852, supplemented in particular by Delegated Regulation (EU) 2021/2178.

More specifically, Article 8 stipulates that any entity required to report sustainability information must publish information on the manner and extent to which its activities are associated with environmentally sustainable economic activities with regard to the six environmental objectives adopted by the European Commission.

It also requires the provision of a limited number of key performance indicators to be determined and presented in accordance with the requirements of the regulation, including its annexes.

The production of this information implies that the entity determines, with regard to the taxonomy reference framework, its sustainable economic activities and to do that the entity determines:

- its eligible activities, i.e. those that fall within the scope of the activities defined by the delegated acts adopted by the European Commission as likely to make a substantial contribution to each environmental objective; and
- the alignment of these economic activities, i.e. that the activities meet the following cumulative conditions<sup>56</sup>:
  - they make a substantial contribution to one or more of the six environmental objectives;
  - they do not cause significant harm to any of these environmental objectives;
  - they are carried out in compliance with the minimum guarantees defined by the taxonomy reference framework, which correspond in particular to the procedures that

<sup>51</sup> ESRS E1 Climate change, point 14

<sup>52</sup> ESRS E1 Climate change, point 17

<sup>53</sup> *Deploying the ESRS: A steering tool for transition*, ANC, December 2023

<sup>54</sup> The application of this standard will be accompanied by a practical guide that EFRAG plans to publish shortly: [News - EFRAG](#)

<sup>55</sup> European terminology derived from the ESRS. Other terminologies are also used to cover the same concept, such as company transition plan, net zero transition plan or low carbon transition plan.

<sup>56</sup> Article 3 of the regulation (EU) 2020/852

- the undertaking implements to comply with the OECD and UN guidelines on business and human rights; and
  - they comply with the technical review criteria, which set out specific conditions that must be met for an activity to be considered environmentally sustainable.
- key performance indicators and accompanying disclosures, depending on whether the entity is a financial or non-financial undertaking.<sup>57</sup>

The practitioner performs the procedures set out in section 9 of these guidelines to conclude that he/she has not detected any errors, omissions or inconsistencies in the disclosures provided by the entity to implement Article 8 of Regulation (EU) 2020/852 that are of such importance that they call into question compliance with the disclosure requirements. If the procedures reveal such errors, omissions or inconsistencies, the practitioner must draw the appropriate conclusions in the assurance report (see section 17 of the guidelines).

**The six environmental objectives** set by the European Commission are as follows:

- climate change mitigation;
- climate change adaptation ;
- sustainable use and protection of water and marine resources ;
- transition to a circular economy ;
- pollution prevention and control,
- protection and restoration of biodiversity and ecosystems.

### 9.1. DETERMINING ELIGIBLE AND ALIGNED ACTIVITIES

On the basis of the knowledge of the taxonomy reference framework and the information obtained for understanding the entity, and in particular the information relating to the procedures implemented by the entity to:

- identify, among the various activities of the entity and, where applicable, of the entities included in the consolidated or combined scope of the sustainability information, those which are covered by the delegated acts (eligible activities);
- determine the eligible nature and, where appropriate, the aligned nature of these economic activities;
- collect information relating to the above-mentioned elements and produce the required information,

the practitioner:

- checks whether the procedures implemented by the entity cover all the economic activities of the entity and, where applicable, of the entities included in the consolidation or combination scope<sup>58</sup>,
- assesses whether these procedures have been drawn up in such a way as to comply with the requirements of the taxonomy reference framework in terms of preparation and formal presentation:
  - qualitative information, in particular the nature of the eligible and aligned activities, the way in which the entity has assessed whether the alignment technical criteria have been met, a description of the composition of the key performance indicators and the methodologies used to allocate these indicators to the various activities; and

<sup>57</sup> The concepts of "financial undertaking" and "non-financial undertaking" are defined in Article 1(8) and (9) respectively of Delegated Regulation (EU) 2021/2178.

<sup>58</sup> Accounting or prudential, depending on the company

- quantitative information, in particular key performance indicators; and
- assesses whether these procedures are established in such a way as to ensure that the figures used to prepare the key performance indicators are consistent with the accounting records.

## 9.2. PRESENTATION OF THE INFORMATION REQUIRED BY THE TAXONOMY REFERENCE FRAMEWORK

The practitioner verifies that the disclosures are provided and presented in accordance with the requirements of ESRS 1<sup>59</sup> and the taxonomy reference framework, namely:

- they are provided for each of the six environmental objectives;
- they are presented together, in a clearly identifiable part of the environmental part of the section of the management report dedicated to sustainability information; and
- they comply with the reporting rules specified in the taxonomy reference framework.<sup>60</sup>

## 9.3. INFORMATION SPECIFICALLY VERIFIED

### 9.3.1 Identification and selection of information to be specifically verified

On the basis of the information obtained during the understanding of the entity and its environment and the procedures mentioned in sections 9 to 9.2 above, the practitioner identifies and selects the disclosures which, in his/her opinion, presents a significant risk of non-compliance with the taxonomy reference framework.

The identification and selection of the information to be specifically verified are based on the exercise of the practitioner's professional judgement and involve consideration of the likelihood of occurrence and extent of errors, omissions or inconsistencies in the information reported, taking into account a variety of factors such as:

- the financial or non-financial sector to which the entity belongs;
- the complexity of its organisation;
- the number of entities included in the scope of the sustainability information;
- the diversity and complexity of the economic activities of the entity and, where applicable, of the entities included in the consolidated scope<sup>61</sup> or combined sustainability information;
- the number of eligible economic activities;
- the key performance indicators to be published, which involve the application of methodologies that leave room for greater or lesser degrees of uncertainty, depending in particular on:
  - the inherent limitations of current scientific knowledge;
  - the assumptions made;
  - available data;
- the maturity of the entity, in particular of its information systems designed to collect the data;
- the use by the entity of third parties for the preparation of information and/or for the verification of certain disclosures;

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<sup>59</sup> ESRS 1, 113

<sup>60</sup> See in particular Article 8 of Delegated Regulation (EU) 2021/2178

<sup>61</sup> Accounting or prudential, depending on the company

- the existence of lawsuits, disputes, litigation or controversies relating to sustainability.

### 9.3.2. Nature of verifications performed on selected disclosures

For each of the selected disclosures/information the practitioner uses appropriate techniques to verify compliance with the requirements of Article 8 of Regulation (EU) 2020/852, and in particular shall perform the following procedures.

These techniques may include those defined in section 8.3.2.

#### **Concerning the eligibility of economic activities**

The practitioner verifies :

- concerning the economic activities that the entity has determined to be eligible :
  - that these activities are included in the list of eligible economic activities and meet the descriptions in the taxonomy reference framework. If, as part of this verification, the practitioner relies on the NACE codes<sup>62</sup> that may be associated with these activities, the practitioner takes into account that these codes, which may provide useful guidance<sup>63</sup>, are generally only indicative and that the analysis of the eligibility is based solely on the definitions in the taxonomy reference framework; and
  - that the information provided for these eligible activities meets the conditions set out in the taxonomy reference framework, including the format in which these activities are presented;
- concerning economic activities that the entity has determined to be ineligible: that the information provided also meets the conditions laid down by the taxonomy reference framework, including the format in which these activities are presented.<sup>64</sup>

#### **Concerning the alignment of eligible economic activities**

The practitioner assesses whether the eligible economic activities meet the cumulative conditions set out in the taxonomy reference framework to qualify as aligned (substantial contribution, absence of significant harm, compliance with the minimum guarantees and completeness of the technical criteria) and in particular whether the technical criteria defined in the taxonomy reference framework are met.

As part of these procedures, the practitioner in particular:

- assesses the choices made by the entity as to whether or not to take account of interpretations, frequently asked questions, or other application guides, conclusions and comments that have been issued by the European Commission and/or European and French regulators;
- assesses the contextual information provided with regards to the taxonomy reference framework;
- regarding compliance with minimum guarantees:
  - verifies that the entity's analysis of compliance with minimum guarantees covers all the thematic areas;
  - takes into account the information obtained as part of the process of understanding the entity and its environment and relating to:
    - ✓ any controversies that the entity has faced or is facing;

<sup>62</sup> Statistical classification of economic activities in the European Community

<sup>63</sup> [AMF publication "Eclairages sur le premier reporting taxonomie des sociétés cotées" \(November 2022\)](#) and [FAQ from the European Commission \(October 2022\)](#)

<sup>64</sup> Delegated Regulation (EU) 2021/2178 and [FAQ from the European Commission \(December 2021\)](#)

- ✓ the due diligence procedures implemented by the entity, including those to identify, prevent, mitigate or remedy actual and potential negative impacts related to its operations and, where applicable, to the operations of entities included in its consolidation or combination scope or in its value chain.
  - ✓ the reasons why, where applicable, the entity was unable to identify, prevent, mitigate or remedy any negative impacts identified.
- with regard to compliance with technical criteria, assesses the methodologies used, the key assumptions and the estimates made by the entity.

### Concerning key performance indicators

The practitioner verifies that these indicators and the accompanying information<sup>65</sup> have been defined in accordance with the taxonomy regulations.

In this context, the practitioner in particular:

- verifies the entity's reconciliations with the accounting data used to prepare the financial statements and/or with the management data itself reconciled with the accounting data; and
- checks that the clerical accuracy of the indicators. In this respect:

*Where the entity is a non-financial entity*, for key performance indicators relating to the following items derived from products or services associated with economic activities that can be regarded as sustainable:

- turn over:
  - ✓ the practitioner verifies that the total turnover of the aligned, eligible non-aligned and non-eligible activities is consistent with the entity's turnover, consolidated or combined as applicable;
  - ✓ when the economic activity contributes to several environmental objectives, the practitioner checks that double counting has been avoided;
- the share of capital expenditure (CapEx):
  - ✓ the practitioner verifies that the total CapEx of aligned, eligible non-aligned and non-eligible activities is consistent with the increases in property, plant and equipment and intangible assets (including rights of use recognised under IFRS 16 Leases, where applicable) disclosed in the notes to the financial statements;
- operating expenses (OpEx):
  - ✓ the practitioner verifies that the total OpEx of aligned, eligible non-aligned and non-eligible activities is consistent with the information in the financial statements;
- when the entity considers that operating expenses are not material to its business model<sup>66</sup>, the practitioner verifies that the conditions set out in the taxonomy reference framework are met.

*When the entity is a financial entity*, the practitioner exercises the same vigilance and adapts the procedures according to the indicators reported, which depend on the sector of activity to which the entity belongs (green asset ratio (GAR), green asset ratio for financial guarantees, green asset ratio for assets under management, indicators relating to income received, underwriting indicators, etc.<sup>67</sup>).

<sup>65</sup> Article 8 of Delegated Regulation (EU) 2021/2178

<sup>66</sup> Delegated Regulation (EU) 2021/2178, Annex I, paragraph 1.1.3.2

<sup>67</sup> Delegated Regulation (EU) 2021/2178

## Connectivity with the financial statements and other sustainability information reported in the dedicated section of the management report

### *Connectivity with financial statements*

The practitioner verifies that the accounting information necessary for the preparation of the information on which the procedures are performed is consistent with the financial statements and, where necessary, communicates with the statutory auditors in charge of the audit of the the financial statement of the entity and of the entities included in the scope of consolidation or combination.

### *Connectivity with other sustainability information reported in the dedicated section of the management report*

The practitioner verifies that the information on which the procedures are performed is consistent with the other sustainability information reported in the dedicated section of the management report and in particular with the information defined by ESRS E1, E2, E3, E4 and E5.

The practitioner reads the whole document, including the contextual information and the judgements and approximations, in order to identify, where this is the case, information relating to the taxonomy that would be considered clearly inconsistent.

## 10. VERIFICATION OF THE COMPLIANCE WITH THE SINGLE ELECTRONIC FORMAT TAGGING REQUIREMENTS

At the date of publication of these guidelines, there is no legal adopted text specifying the content and presentation of the information to be published in single electronic format, including the methodology to be followed in order to comply with it.

Consequently, this document does not deal with the work to be carried out by the practitioner in this regard.

## 11. FINAL READING

At the end of their work, the practitioners carefully read the information that has not been subject to specific verification, in order to assess its consistency with the findings stemming from all the procedures that he/she has carried out (sections 5, 7, 8 and 9). If any obvious inconsistencies are identified, the practitioner discusses them with the person responsible for preparing the sustainability information.

The practitioner also performs an overall reading of:

- information reported in sections of the management report other than the section devoted to sustainability information and the information required by the taxonomy; and
- financial statements

in order to assess the consistency of the findings resulting from all the procedures carried out with this information and these financial statements. If any obvious inconsistencies are identified, the practitioner discusses the matter with the statutory auditor in charge of the audit of the financial statements and of verifying that the information provided in the management report is fair and consistent with the financial statements. After this discussion, if the findings remain, the practitioner discusses the matter with the person responsible for preparing the sustainability information and the information required by the taxonomy reference framework.

Given the scope of the engagement, the practitioner does not mention those steps in his/her report, including when those steps have resulted in concluding that there are inconsistencies in the financial statements or in the sections of the management report other than the section dedicated to sustainability information and the information required under the taxonomy reference framework. In the latter case, it is up to the statutory auditor responsible for the audit of (“certifying”) the financial statements to determine based on the audit work performed and

the discussions with the practitioner, any further procedures that needs to be carried out and/or the implications of this matter for his/her own conclusions.

## 12. ASSESSMENT OF EVIDENCE COLLECTED

Throughout the limited assurance engagement (“certifying”) over sustainability information and verifying the disclosure requirements set out in the taxonomy reference framework, the practitioner collects evidence or presumptions as to the compliance of this information with the provisions of the French Commercial Code relating to this information, including the ESRS, and compliance with the taxonomy reference framework.

These elements, which enable the practitioner to reach conclusions on which to base his/her conclusion, must be sufficient and appropriate, which are both assessed in terms of the quantity and quality of the evidence.

As part of this assessment, the practitioner uses professional skepticism to look for indications that could call into question compliance with the characteristics that sustainability information must meet, and the coherence of the information.

Given the importance of sustainability information both to the entity and to the users of that information, the practitioner is particularly vigilant with regard to these indications, which may be :

- internal or external to the entity ;
- provided by the entity or by certain of its stakeholders;

collected by the practitioner for the purposes of the engagement or of which he/she may have become aware outside of this engagement (such as public commitments made by the entity on its website or in the press, allegations made by certain stakeholders reported in the national press, etc.). This vigilance, which requires that the practitioner should be attentive to the entity's environment, does not, however, imply that the practitioner should take any particular action to identify such indicators nor that he/she should pay attention to any information that might call into question the sustainability information reported by the entity.

If there is any doubt as to the sufficiency and/or appropriateness the evidence obtained, the practitioner carries out further investigations and, where necessary, interviews the persons in the entity responsible for preparing the information.

At the appropriate time, when the practitioner identifies errors, omissions or inconsistencies, deficiencies in elements of internal control or any other matter relevant to the sustainability information or the information required by the taxonomy reference framework, as well as to its preparation, the practitioner determines which of these matters should be brought to the attention of the persons responsible for the preparation of the relevant information and/or the operational management and/or the administration, management and supervisory bodies. The communication is relevant for matters that the practitioner considers important to those persons or bodies in the performance of their duties.

When the practitioner identifies errors, omissions or inconsistencies that need to be corrected, the practitioner asks that they be corrected.

If these corrections are made, the practitioner assesses whether they are sufficient and appropriate.

If some or all of the requested corrections are not made, the practitioner inquires why.

On the basis of these additional inquiries, discussions and corrections made, or not made, the practitioner determines the consequences on the engagement namely:

- revising, if necessary, all or part of its general approach to the work; and/or
- revising the expression of its conclusion on sustainability information.



At the end of its work, the practitioner concludes on the materiality of the findings from the practitioner's procedures and determines the consequences to be drawn from them in formulating its conclusion on the sustainability information.

### 13. POST BALANCE SHEET EVENTS

The practitioner shall carry out the necessary procedures to identify events relating to sustainability information and/or the information required by the taxonomy reference framework that occurred after the end of the financial year to which the information relates.

To this end, and as close as possible to the date of signature of the report, the practitioner inquiries from operational management about their knowledge of the occurrence of such events.

If the practitioner identifies such an event, depending on the date on which it occurred and its materiality, the practitioner assesses how it should be treated and, where appropriate, draws consequences for the report.

For example, if the event occurred between the year-end date and the date on which the management report (which includes sustainability information and the information required by the taxonomy reference framework) was drawn up, the practitioner verifies that this event has been correctly taken into account.

### 14. COMMUNICATION WITH THE ADMINISTRATION, MANAGEMENT AND SUPERVISORY BODIES AND, WHERE THE ENTITY HAS SUCH BODIES, WITH THE SPECIALISED COMMITTEE (BODIES REFERRED TO IN ARTICLES L. 821-63 AND L. 822-28 OF THE FRENCH COMMERCIAL CODE)<sup>68</sup>

In accordance with the provisions of Articles L. 821-63 and L. 822-28 of the French Commercial Code, in the performance of the engagement, the practitioner shall communicate with the administrative, management and supervisory bodies and, where applicable, where the entity has such bodies, with the specialised committee responsible for monitoring matters relating to the preparation and control of accounting and financial information and information relating to sustainability.<sup>69</sup>

This communication is made at such times as the practitioner deems appropriate, depending on the importance of the issues and any action to be taken by the bodies and/or committee(s) concerned.

In particular, the communication covers:

- the nature (techniques) and scope (magnitude) of the work planned, as well as the timetable for the implementation;
- any significant difficulties encountered during the course of the work, which are likely to affect the smooth progress of the work or which have affected it;
- important issues discussed with operational management;
- the findings that are likely to have an impact on its conclusion on sustainability information, and in particular:
  - errors, omissions or inconsistencies, including those resulting from fraud or greenwashing practices, which a correcting or resolution has been requested and which have not been corrected or resolved;
  - material weaknesses in internal control relevant to the sustainability disclosures and/or disclosures required by the taxonomy reference framework and/or to the preparation of such disclosures;

<sup>68</sup> Applicable to statutory auditors and independent third-party bodies respectively

<sup>69</sup> Specialised committee referred to in Article L. 821-67 of the French Commercial Code

- significant shortcomings in the assessment methods<sup>70</sup> used to compile sustainability information;
- the consequences that the practitioner would draw, in formulating its conclusion on the sustainability information and the information required by the taxonomy reference framework, if the entity does not make the expected changes;
- any other matters that have come to light in the course of the practitioner's work which, in his/her professional judgement, are of importance to these bodies and/or this committee in the performance of their duties.

The practitioner communicates significant matters relating to the engagement in writing when the practitioner considers that oral communication is not appropriate or when specifically required by law or regulation.

#### **15. OTHER COMMUNICATIONS FROM THE PRACTITIONER AND DISCLOSURE OF OFFENCES TO THE PUBLIC PROSECUTOR**

In accordance with the provisions of Articles L. 821-10 and L. 822-25 of the French Commercial Code<sup>71</sup>, where the engagement is for a public interest entity and the practitioner suspects or has reasonable grounds to suspect that irregularities, including fraud, concerning sustainability information and/or information required by the taxonomy reference framework, may be occurring or have occurred, the practitioner shall inform the entity, at the appropriate level of responsibility, and request that investigations be carried out and that appropriate measures be taken to address these irregularities and prevent their recurrence. Where such investigations are not carried out, the practitioner shall inform the authorities responsible for investigating such irregularities.<sup>72</sup>

In addition, whatever the entity concerned, when the practitioner identifies irregularities or inaccuracies in the course of the engagement, he/she reports them to the next general meeting and/or to the competent body.

Lastly, where the irregularities or inaccuracies detected are the result of fraudulent intent, the practitioner shall disclose the offences to the public prosecutor, without being held liable for such disclosure.

#### **16. DOCUMENTATION OF THE PRACTITIONERS' FILE**

The practitioner prepares a file containing the documentation relating to the limited assurance engagement ("certifying") over the sustainability information and information required by the taxonomy reference framework.

In this file, the practitioner includes the documents needed to support the conclusion on the sustainability information and the information required by the taxonomy reference framework, and to establish that the engagement has been carried out in compliance with the applicable regulations and in accordance with the recommendations of these guidelines.

The documentation contained in the file must enable any person with experience of engagements to provide assurance on information relating to sustainability issues, and who was not involved in the engagement, to understand:

- the general approach to the work and, in particular, the reasons for the practitioner's selection of the information to be verified specifically, i.e.:
  - the factors justifying its assessment of the significant risk of non-compliance with the requirements of Articles L. 232-6-3 or L. 233-28-4 of the French Commercial Code,

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<sup>70</sup> Methods for assessing the actual and potential impacts, both negative and positive, of the sustainability issues covered by the ESRS and methods for assessing the risks and opportunities associated with these issues.

<sup>71</sup> Applicable to statutory auditors and independent third-party bodies respectively

<sup>72</sup> Article 7 of Regulation (EU) No 537/2014 by reference to Articles L.821-10 and L. 822-25 of the French Commercial Code.

- including with the ESRS, and/or the high expectations of users of all or part of the information in terms of sustainability, and
- the reasons for its assessment of the significant risk of non-compliance with the taxonomy reference framework;
- the nature ( techniques), extent (scope) and timetable of the work planned;
- the work actually carried out, including major communications with:
  - the entity, including the administration, management and supervisory bodies and, where the entity has such bodies, the specialised committee, the entities included in the scope of consolidation or combination and the entities in its value chain;
  - third parties, other than the statutory auditors responsible for auditing (“certifying”) the financial statements of the entity and the entities included in the scope of consolidation or combination, acting on behalf of one or more of these entities;
  - the experts whom the practitioner has decided to use;
  - the statutory auditors responsible for auditing (“certifying”) the financial statements of the entity and of the entities included in the scope of consolidation or combination;
- the findings of the work carried out and the impact of these findings on the expression of the practitioner’s conclusion.

The practitioner may make any substantive or formal changes to the documentation up to the date on which the report is signed. After that date, the practitioner shall not make any substantive changes. He/she may only make formal changes, of which he keeps a record, within sixty days of the date on which his/her report is signed.

The documentation makes it possible to identify the member of the engagement team who carried out the work and the date on which it was carried out.

They are documented on paper, electronically or on any other medium that retains all legible data for the legal retention period of the file.

## 17. PRACTITIONERS’ REPORT<sup>73</sup>

The practitioner presents the results of the limited assurance engagement in a written report to the body which is required to approve the financial statements.

### Form and content of the report

The report is written in a clear, concise and coherent manner so that any reasonably informed user of the report can easily understand its content.

It includes :

- a title indicating that the report is a “certification” report on sustainability information and verification of the reporting requirements set out in the taxonomy reference framework, and specifying the entity and financial year concerned;
- the name of the body for which the report is intended;
- the following distinct and clearly individual parts:
  - an introductory section which mentions :
    - ✓ the capacity of the practitioner, the information covered by the practitioner’s report and the location of this information within the entity’s management report;

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<sup>73</sup> Articles L.821-54 of the French Commercial Code (CAC) and L.822-24 of the French Commercial Code (OTI) and D.821-182

- ✓ the requirements incumbent respectively on the entity (information to be reported) and on the practitioner (verification of this information), including the textual references relating to these obligations;
  - ✓ a statement that the performance of the practitioner's engagement is governed by the rules of professional ethics, including independence, the quality rules prescribed by the French Commercial Code and these guidelines;
  - ✓ information useful for understanding the structure of the report and the developments presented in each of its parts; and
  - ✓ the limits of the engagement.
- a section dedicated to the first part of the engagement, which concerns the verification of compliance with the ESRS, the process for determining the sustainability information reported and the verification of compliance with the requirement to consult the social and economic committee. In this part, the practitioner sets out:
    - ✓ the nature of the procedures carried out;
    - ✓ the conclusion of these procedures;
    - ✓ if applicable, the emphasis of matter(s) that the practitioner considers useful; and
    - ✓ the elements to which he/she has paid particular attention.
  - a section dedicated to the second part of the engagement relating to the verification of the compliance of sustainability information with the requirements of Article L. 232-6-3 or L. 233-28-4 of the French Commercial Code, including the ESRS. In this part the practitioner sets out:
    - ✓ the nature of the procedures carried out;
    - ✓ the conclusion of these procedures;
    - ✓ if applicable, the emphasis of matter(s) that the practitioner considers useful; and
    - ✓ the elements to which he/she has paid particular attention.
  - a section dedicated to the third part of the engagement, which concerns the verification of compliance with the reporting requirements set out in the taxonomy reference framework. In this part the practitioner sets out:
    - ✓ the nature of the procedures carried out;
    - ✓ the conclusion of these procedures;
    - ✓ if applicable, the emphasis of matter(s) that the practitioner considers useful; and
    - ✓ the elements to which he/she has paid particular attention.
- the date of the report;
  - the signature of the individual practitioner carrying out the limited assurance engagement in his/her own name or on behalf of the legal entity that has designated him/her to carry out this engagement.

Reminder: as mentioned in section 2, until the upcoming standards have been published, the certification engagement can only be based on three parts of verification.

## Details of the content of the sections dedicated to the three parts of the engagement

### Concerning the nature of the procedures carried out by the practitioner

The purpose of this sub-section is to set out, in a substantive manner, the remit of the procedures defined in section 7 (first part of the engagement), section 8 (second part of the engagement) and section 9 of the guidelines (third part of the engagement).

### Concerning the conclusion of the procedures carried out

In this sub-section, the practitioner sets out the conclusions of his/her work by formulating an conclusion, differentiated for each part of the engagement.

#### – With regard to the first part of the engagement

The practitioner issues a conclusion on whether the process implemented by the entity complies with the ESRS. This conclusion may be:

##### ○ *an unqualified conclusion;*

An unqualified conclusion is issued when the procedures carried out have not led the practitioner to identify any errors, omissions or inconsistencies of such importance that they call into question the compliance of the process with the ESRS.

##### ○ *or a qualified conclusion, with rationale*

A qualified conclusion is issued when the practitioner:

- has identified one or more errors, omissions or inconsistencies which have not been corrected by the entity and which he/she considers to be of such importance that they call into question the compliance of the process with the ESRS; but
- that the implications of the error(s), omission(s) or inconsistency(ies) are clearly circumscribed and that the qualification(s) expressed, with the explanations for basis for qualification, appears sufficient to enable the user of the sustainability information to make an informed judgement.

##### ○ *or an adverse conclusion;*

An adverse conclusion is issued when the practitioner:

- has identified an error(s), omission(s) or inconsistency(ies) which has/have not been corrected by the entity and which he/she considers to be of such importance that it/they call(s) into question the compliance with the ESRS of the process, or where it has not been able to carry out all the verifications necessary to form a conclusion; and
- that the implications of such error(s), omission(s) or inconsistency(ies) cannot be clearly delineated or that the formulation of a reasoned qualification(s) does not appear sufficient to enable the user of the sustainability information to make an informed judgement.

##### ○ *or a disclaimer of conclusion;*

This conclusion is issued when the practitioner:

- has not been able to carry out all the procedures necessary to support the conclusion; and
- that the impact of the limitations cannot be clearly delineated or that the practitioner does not consider the formulation of one or more qualification(s) to be sufficient to enable the user of sustainability information to make an informed judgement.

The practitioner shall also express a conclusion regarding the consultation of the social and economic committee provided for in the sixth paragraph or in the last paragraph of Article L. 2312-17 of the Labour Code.<sup>74</sup>

– With regard to the second part of the engagement

The practitioner issues a conclusion on the compliance of the sustainability information included in the dedicated section of the management report with the requirements of Article L. 232-6-3 [or L. 233-28-4]<sup>75</sup> of the French Commercial Code, including the ESRS.

This conclusion may, under the same conditions as those mentioned above for the conclusion on the process be either an unqualified conclusion on compliance with the requirements, or a qualified conclusion on compliance with the requirements, subject to one or more reservations explained, or an adverse conclusion regarding non compliance with the requirements, with explanations, or a disclaimer of conclusion, with explanations.

– Concerning the third part of the engagement

The practitioner issues a conclusion on compliance of the information reported with the requirements of the taxonomy reference framework.

This conclusion may, under the same conditions as those mentioned above for the conclusion on the process and the conclusion on the sustainability information, be either an unqualified conclusion on compliance with the requirements, or a qualified conclusion on compliance with the requirements, subject to one or more reservations explained, or an adverse conclusion regarding non compliance with the requirements, with explanations, or a disclaimer of conclusion, with explanations.

**Concerning any emphasis of matter that the practitioner could consider useful**

With the issuance of a conclusion, with or without qualifications, the practitioner may add emphasis of matter paragraphs in order to draw the attention of the users of the sustainability information and/or of the information required by the taxonomy reference framework, to one or more disclosures provided by the entity in the dedicated section of its management report.<sup>76</sup>

These emphasis of matter paragraphs, which consist of a reference to relevant information provided by the entity in its management report, may relate in particular to:

- information allowing to understand how the entity has prepared the sustainability information and/or the information required by the taxonomy reference framework, in all its components, both quantitative and qualitative;
- the limits of the content of the sustainability information and/or the information required by the taxonomy reference framework, due for example to the coverage of the scope of consolidation or combination, or the entity's ability to measure accurately certain values or indicators due in particular to the limits of scientific data;
- the importance of judgements made by the entity in preparing certain disclosures;
- the areas for improvement, compatible with the ESRS, and how the entity undertakes to implement these improvements.

The emphasis of matters are expressed for each part of the engagement in a separate paragraph, inserted after the conclusion of the procedures carried out.

**Attention point:** the above mentioned disclosures referred to in emphasis of matters paragraphs must nevertheless be acceptable in the light of the provisions of the French Commercial Code, including the ESRS and the taxonomy reference framework. If this is not

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<sup>74</sup> Depending on whether the engagement is carried out by a statutory auditor and/or an independent third-party body

<sup>75</sup> Depending on the entity concerned

<sup>76</sup> Article D. 821-182 of the French Commercial Code

the case, the practitioner will issue a qualified conclusion or an adverse conclusion or a disclaimer of conclusion.

### **Concerning the elements to which the practitioner paid particular attention**

In this sub-section, the practitioner reports on the elements to which the practitioner has paid particular attention.

These elements are those to which the practitioner paid the greatest attention because, in his/her opinion, they presented:

- the most important risks of non-compliance with the requirements of the French Commercial Code, including the ESRS and the taxonomy reference framework; and/or
- the most important expectations of all or some of the users of the sustainability information and of the information required by the taxonomy reference framework.

This sub-section of the report is important, since it is intended to inform users of sustainability information and the information required by the taxonomy reference framework, about what was particularly important for the practitioner in carrying out the engagement.

It is therefore an exercise in transparency and education to which the practitioner shall devote the necessary time to:

- identify only those elements that are considered to be the most important;
- express these elements concisely, clearly and comprehensibly, but also in a way that is adapted to the specific characteristics of the entity and the information reported. This last point implies that developments should not be standardised but should be fully adapted to the circumstances.

To meet the objective assigned to this sub-section, the practitioner includes, for each element concerned:

- a reference to the information provided in the management report relating to this element.  
This reference enables users of sustainability information and the information required by the taxonomy reference framework to understand the element in question, which the entity has explained in its management report. This explicit reference to the information reported avoids the repetition of this information in the practitioner's report, which would make the report more cumbersome and/or would present the risk of transcribing it unfairly and/or incompletely.
- a description of the main procedures performed to verify that the information provided is consistent and/or complies with the applicable legal requirements (specific provisions of an ESRS or the taxonomy reference framework).

With regards to the information to be reported and the procedures required for the engagement, it is expected that certain elements will systematically receive particular attention from the practitioner, while other elements will only be the subject of attention depending on the circumstances. For these reasons, the report should or may include the following elements.

#### With regard to the first part of the engagement

The practitioner presents, in a separate bullet points, the elements which were the subject, on his/her part, of particular attention regarding:

- the entity's identification of its stakeholders;
- the entity's determination of impact materiality and financial materiality;
- the entity's determination of the impacts, risks and opportunities related to material sustainability matters.

### With regard to the second part of the engagement

Depending on the circumstances, the practitioner assesses whether any element have been the subject of special attention on his/her part that should be mentioned regarding:

- information provided in accordance with the standards relating to general requirements and general information to be reported (ESRS 1 and ESRS 2);
- information provided in application of environmental standards (ESRS E1 to E5);
- information provided in application of social standards (ESRS S1 to S4) ;
- information provided in application of the standard on the conduct of business (ESRS G1).

For the sake of clarity, the elements mentioned by the practitioner are presented separately according to the theme to which they relate (E, S or G) and the standard concerned.

### Concerning the third part of the engagement

Depending on the circumstances, the practitioner assesses whether any elements have been the subject of special attention on his/her part that should be mentioned under :

- the eligibility of activities;
- the alignment of eligible activities;
- key performance indicators and accompanying information.

For the sake of clarity, the elements mentioned by the practitioner are presented separately, according to the theme to which they relate (eligibility, alignment, indicators and related information).

## **18. PERFORMANCE OF THE ENGAGEMENT BY SEVERAL PRACTITIONERS**

Where the entity decides to entrust the limited assurance engagement (“certifying”) over sustainability information and verifying the disclosure requirements of the taxonomy reference framework) to more than one practitioner, the practitioners shall carry out the tasks in accordance with the following principles.

### **Understanding the business and its environment on an individual basis.**

Before beginning their work, each joint practitioner individually familiarises with the entity and its environment and performs an own assessment of the information collected.

These individual assessments enable them to work together to define the procedures to be carried out and how they are to be distributed between them.

### **A concerted definition of the procedures to be carried out**

Based on their individual understanding of the entity and its environment, the joint practitioners work together to define the general approach to the work to be carried out.

At this stage, the joint practitioners compare their individual analyses and agree together on the procedures to be carried out.

### **A joint engagement letter or individual engagement letters drawn up after coordination**

The joint practitioners draw up either a joint engagement letter or individual engagement letters, after having discussed together.



### **A balanced distribution of procedures to be carried out**

The joint practitioners divide the procedures to be carried out between them, ensuring that this division is balanced.

The notion of "*balanced distribution*" is a fundamental point in the proper performance of joint verification and requires to take into account quantitative criteria such as the volume of working hours, and qualitative criteria such as the experience or skills of the engagement team.

Dividing the procedures does not mean that each practitioner works alone. In fact, throughout the course of the engagement and, in particular, when it relates to important and/or complex sustainability matters or information, the joint practitioners exchange information, in particular to assess whether, in the light of the evidence obtained, the procedures initially planned are still appropriate.

Finally, if the joint practitioners carry out their engagement over several financial years, in order to encourage a contradictory examination of the sustainability information and the information provided for in the taxonomy reference framework, the division of work is regularly reviewed between the joint practitioners.

### **A critical review of the procedures carried out by the other practitioner (s)**

The procedures carried out by each practitioner are subject to a critical review by the other practitioner(s), known as a *cross-check*. This review enables them to assess whether:

- the procedures carried out by the joint practitioner correspond to what was decided and has enabled to collect sufficient and appropriate evidence on which to base his/her conclusion on the sustainability information and the information provided for in the taxonomy reference framework;
- the conclusions reached by the joint practitioner are relevant and consistent .

Based on their assessment of the procedures and conclusions of the other joint practitioner, each auditor determines whether additional procedures are required.

### **A report drawn up and signed jointly**

The report is drawn up jointly by the joint practitioners.

Where the joint practitioners have differing conclusions, they shall state their respective conclusions in the report.

### **Concerted communication with the entity's management, its administration, management and supervisory bodies and, where the entity has such committee, with the specialised committee**

The joint practitioners shall communicate jointly and in concert with the entity's management, its administration, management and supervisory bodies and, where the entity has such committee, with the specialised committee, whether this concerns the content of the conclusion that they intend to express in their report or any other important element relating to the engagement.

### **Appropriate individual documentation**

Each joint practitioner prepares a file containing the documents referred to in section 16 above.

The file also includes :

- communication with the other joint practitioner(s), and
- with regard to the procedures carried out by the joint practitioners, the elements of the review that support the practitioner's assessment of the procedures carried out by the joint practitioners, as well as any additional procedures that the practitioner considered necessary to perform.

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Joint assurance therefore implies close cooperation between the joint practitioners, which requires them to discuss any important matters identified in the course of their respective procedures and to speak out together when a matter needs to be discussed with the company's management or its governance bodies, including in situations of disagreement between them, where these situations exist.

## APPENDIX 1 . COMPOSITION OF THE H2A-CSR D WORKING GROUP

- **Florence Peybernès**, Chair of the working group, Chair of the Haute Autorité de l'Audit (H2A)
- **Olivier Arthaud**, Statutory Auditor, representative of the Fédération des Cabinets Intermédiaires (FCI)
- **Arnaud Audo**, Statutory Auditor, representative of the Fédération des Cabinets Intermédiaires FCI
- **Jean-Luc Barlet**, Statutory Auditor, representative of the Compagnie Nationale des Commissaires aux Comptes (CNCC)
- **Sarah Bagnon**, Statutory Auditor, representative of the Compagnie Nationale des Commissaires aux Comptes (CNCC)
- **Marie-Pierre Calmel**, member of the College of the Haute Autorité de l'Audit (H2A)
- **Géraldine Cavallé**, lawyer, representative of the Conseil National des Barreaux (CNB)
- **Marion Couffignal**, lawyer, representative of the Conseil National des Barreaux (CNB)
- **Carole Cherrier**, Statutory Auditor, representative of the Compagnie Nationale des Commissaires aux Comptes (CNCC)
- **Damien Duheron**, Statutory Auditor, representative of the Compagnie Nationale des Commissaires aux Comptes (CNCC)
- **Jean-Jacques Dussutour**, member of the College of the Haute Autorité de l'Audit (H2A)
- **Eric Ferdjallah-Chérel**, chartered accountant, representative of the Conseil national de l'ordre des experts-comptables (CNOEC) (National Council of Chartered Accountants)
- **Kévin Besançon**, member of the College of the Haute Autorité de l'Audit (H2A)
- **Cédric Haaser**, Statutory Auditor, representative of the Compagnie Nationale des Commissaires aux Comptes (CNCC)
- **Cédric Jacquet**, Statutory Auditor, CFI representative
- **Gérard Schoun**, Director of APAVE RSE France, representative of the Filiance federation, who succeeded **Alain Jounot**, Head of the CSR Department of the AFNOR Group
- **Jean-François Mallen**, statutory auditor, representative of the Experts-comptables et Commissaires aux comptes de France (ECF) union
- **Jean-Louis Morand**, Deputy Managing Director - Support Functions, Qualiconsult Group, representative of the Filiance federation
- **Laure Mulin**, Statutory Auditor, representative of the Compagnie Nationale des Commissaires aux Comptes (CNCC)
- **Julien Rivals**, Statutory Auditor, representative of the Compagnie Nationale des Commissaires aux Comptes (CNCC)
- **Jean-Paul Thill**, Statutory Auditor, representative of the Compagnie Nationale des Commissaires aux Comptes (CNCC)
- **Hubert Tondeur**, chartered accountant, CNOEC representative
- **Isabelle Tracq-Sengeissen**, Statutory Auditor, representative of the Compagnie Nationale des Commissaires aux Comptes (CNCC)

**Rapporteur: Sandrine Besnard**, Director of H2A's Standards and Ethics Division

**APPENDIX 2. ENTITIES INTERVIEWED BY THE H2A-CSR D WORKING GROUP**

- Amundi
- Association française des entreprises privées (Afed)
- Autorité des normes comptables(ANC)
- Bureau Véritas
- Confédération des petites et moyennes entreprises (CPME)
- European Trade Union Confederation (ETUC)
- Crédit Agricole
- Deloitte
- Ernst & Young et Associés
- Electricité de France (EDF)
- Eramet
- French Banking Federation (FBF)
- World Wildlife Fund - World Wide Fund for Nature (WWF)
- France Assureurs
- European Financial Reporting Advisory Group (EFRAG)
- KPMG SA
- Moët Hennessy Louis Vuitton Group (LVMH)
- Mazars SAS
- Middlednext
- Mouvement des entreprises de France (MEDEF)
- Observatoire de la responsabilité sociétale des entreprises (ORSE)
- PricewaterhouseCoopers (PwC)
- Sanofi
- Société Française des Analystes financiers (SFAF)
- TotalEnergies
- Transparency International France
- XBRL Europe

## APPENDIX 3. REPORT TEMPLATES

### To be noted:

1 These report templates are applicable to engagements relating to the 2024 financial years and therefore concern:

- large companies, large credit institutions, large insurance companies, large mutual insurers and large pension funds, subject to threshold criteria (Article L. 232-6-3 of the French Commercial Code), and
- Caisse des Dépôts, major groups of companies, major groups of credit institutions, major groups of insurance companies, major groups of mutual insurance companies, major groups of pension funds (L. 233-28-4 of the French Commercial Code)

2 These report templates are drawn up in the case of a single practitioner. If the engagement is carried out by more than one practitioner, the templates will need to be adapted accordingly.

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### **TEMPLATE 1 - FULL REPORT (WITHOUT APPENDICES)**

**REPORT ON THE CERTIFICATION OF SUSTAINABILITY INFORMATION AND VERIFICATION OF THE DISCLOSURE REQUIREMENTS UNDER ARTICLE 8 OF REGULATION (EU) 2020/852 OF [ENTITY], RELATING TO THE YEAR ENDED [DATE YEAR END].**

To... (*body responsible for approving the financial statements*),

This report is issued in our capacity as [STATUTORY AUDITOR OR INDEPENDENT THIRD PARTY BODY] of [entity]. It covers the sustainability information and the information required by Article 8 of Regulation (EU) 2020/852, relating to the year ended [...] and included in section [...] of the management report [or in the group management report].

Pursuant to Article [L. 232-6-3 or L. 233-28-4<sup>77</sup>] of the French Commercial Code, [entity] is required to include the above mentioned information in a separate section of its management report [or the group's management report]. This information enables to understand the impact of the activity of [entity or group] on sustainability matters, as well as the way in which these matters influence the development of [its business, performance and position - to be adapted in the case of a consolidated or combined scope]. Sustainability matters include environmental, social and governance matters.

Pursuant to Article [ L. 821-54 or L. 822-24<sup>78</sup> ] of the aforementioned Code our responsibility is to carry out the procedures necessary to issue a conclusion, expressing limited assurance, on :

- compliance with the sustainability reporting standards adopted pursuant to Article 29 ter of Directive (EU) 2013/34 of the European Parliament and of the Council of 14 December 2022 (hereinafter ESRS for *European Sustainability Reporting Standards*) of the process implemented by [entity.] to determine the information reported, and compliance with the requirement to consult the social and economic committee provided for in [the sixth paragraph or the last paragraph<sup>79</sup>] of Article L. 2312-17 of the Labour Code;

<sup>77</sup> Depending on the entity concerned

<sup>78</sup> Depending on whether the practitioner is a statutory auditor or an independent third-party body

<sup>79</sup> Depending on whether the practitioner is a statutory auditor or an independent third-party body

- compliance of the sustainability information included in section [...] of the management report [or group management report] with the requirements of article [L. 232-6-3 or L. 233-28-4] of the French Commercial Code<sup>80</sup>, including the ESRS; and
- compliance with the reporting requirements set out in Article 8 of Regulation (EU) 2020/852.

This engagement is carried out in compliance with the ethical rules, including independence, and quality control rules prescribed by the French Commercial Code.

It is also governed by the H2A guidelines on *Limited assurance engagement on the certification of sustainability information and verification of disclosures requirements set out in Article 8 of Regulation (EU) 2020/852*".

In the three separate parts of the report that follow, we present, for each of the parts of our engagement, the nature of the procedures that we carried out, the conclusions that we drew from these procedures and, in support of these conclusions, the elements that to which we paid particular attention and the procedures that we carried out with regard to these elements. We draw your attention to the fact that we do not express a conclusion on any of these elements taken in isolation and that the procedures described should be considered in the overall context of the formation of the conclusions issued in respect of each of the three parts of our engagement.

Finally, where deemed necessary to draw your attention to one or more disclosures of sustainability information provided by [entity] in its management report [or in the group management report], we have included an emphasis of matter paragraph hereafter.

#### The limits of our engagement

As the purpose of our engagement is to provide limited assurance, the nature (choice of techniques), extent (scope) and timing of the procedures are less than those required to obtain reasonable assurance.

Furthermore, this engagement does not provide guarantee regarding the viability or the quality of the management of [entity], in particular it does not provide an assessment, of the relevance of the choices made by [entity] in terms of action plans, targets, policies, scenario analyses and transition plans, which would go beyond compliance with the ESRS reporting requirements.

It does, however, allow us to express conclusions regarding the entity's process for determining the sustainability information to be reported, the sustainability information itself, and the information reported pursuant to Article 8 of Regulation (EU) 2020/852, as to the absence of identification or, on the contrary, the identification of errors, omissions or inconsistencies of such importance that they would be likely to influence the decisions that readers of the information subject to this engagement might make.

**Compliance with the ESRS of the process implemented by [entity] to determine the information reported, and compliance with the requirement to consult the social and economic committee provided for in the *sixth paragraph or the last paragraph*<sup>81</sup> ] of Article L. 2312-17 of the Labour Code**

#### Nature of procedures carried out

Our procedures consisted in verifying that:

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<sup>80</sup> Depending on the entity concerned

<sup>81</sup> Depending on whether the practitioner is a statutory auditor or an independent third-party body

- the process defined and implemented by *[entity]* has enabled, in accordance with the ESRS, to identify and assess its impacts, risks and opportunities related to sustainability matters, and to identify the material impacts, risks and opportunities, that are disclosed in section [...] of the management report *[or group management report]*, and
- the information provided on this process also complies with the ESRS.

We also checked the compliance with the requirement to consult the social and economic committee.

#### Conclusion of the procedures carried out

On the basis of the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies regarding the compliance of the process implemented by *[entity]* with the ESRS.

[Or: On the basis of the procedures we have carried out and subject to the qualification(s) described below, we have not identified any material errors, omissions or inconsistencies regarding the compliance of the process implemented by *[entity]* with the ESRS.

*Statement and reasons for the qualification (s).*

[Or: On the basis of the procedures we have carried out, we believe that the process implemented by *[entity]* does not comply with the ESRS.

*Statement and reasons for non-compliance.*

[Or: On the basis of the procedures we have carried out, we are unable to express a conclusion on the compliance of the process implemented by *[entity]* with the ESRS.

*Statement and reasons for inability to conclude.*

Concerning the consultation of the social and economic committee provided for in the *[sixth paragraph or last paragraph<sup>82</sup>]* of Article L. 2312-17 of the Labour Code, *[set out the conclusion relating to this consultation]*.

#### Emphasis of matter(s)

*If applicable, if the practitioner deems it necessary to include one or more emphasis of matter paragraphs intended to draw the attention of the reader of the report to information provided by the entity:*

Without qualifying the conclusion expressed above, we draw your attention to the information provided *[in item/paragraph...]* in the management report *[or in the group management report]*.

*Description of the matter on which emphasis is provided by the practitioner]*

#### Elements that received particular attention

##### ▪ Concerning the identification of stakeholders

*For each element*

- provide a reference to the information provided in the management report relating to this element to enable the reader to understand what is being presented
- set out the main procedures performed to verify that the information complies with the requirements of the ESRS

##### ▪ Concerning the identification of impacts, risks and opportunities

*For each element:*

- provide a reference to the information in the management report relating to this element to enable the reader to understand what is being presented
- set out the main procedures performed to verify that the information complies with the requirements of the ESRS

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<sup>82</sup> To be adapted depending on whether the practitioner is a statutory auditor or an independent third-party body

▪ Concerning the assessment of impact materiality and financial materiality

*For each element:*

- provide a reference to the information provided in the management report relating to this element to enable the reader to understand what is being presented
- set out the main procedures performed to verify that the information complies with the requirements of the ESRS

**Compliance of the sustainability information included in section [...] of the management report [or group management report] with the requirements of article [L. 232-6-3 or L. 233-28-4<sup>83</sup>] of the French Commercial Code, including the ESRS.**

Nature of procedures carried out

Our procedures consisted in verifying that, in accordance with legal and regulatory requirements, including the ESRS:

- the disclosures provided enable to understand the general basis for the preparation and governance of the sustainability information included in section [...] of the management report [or group management report], including the basis for determining the information relating to the value chain and the exemptions from disclosures used;
- the presentation of this information ensures its readability and understandability;
- the scope chosen by [entity] for providing this information is appropriate; and
- on the basis of a selection, based on our analysis of the risks of non-compliance of the information provided and the expectations of users, this information does not contain any material errors, omissions or inconsistencies, i.e. that are likely to influence the judgement or decisions of users of this information.

Conclusion of the procedures carried out

Based on the procedures we have carried out, we have not identified material errors, omissions or inconsistencies regarding the compliance of the sustainability information included in section [...] of the management report [or Group management report] with the requirements of Article [L. 232-6-3 or L. 233-28-4<sup>84</sup>] of the French Commercial Code, including the ESRS.

[Or: Based on the procedures we have carried out and subject to the qualification(s) described below, we have not identified any material errors, omissions or inconsistencies regarding the compliance of the sustainability information included in section [...] of the management report [or Group management report] with the requirements of Article [L. 232-6-3 or L. 233-28-485] of the French Commercial Code, including the ESRS.

Statement and reasons for the qualifications)].

[Or: Based on the procedures we have carried out, we believe that the information reported relating to [mention the information concerned] does not comply with [mention the requirements concerned].

Statement and reasons for non-compliance].

[Or: Based on the procedures we have carried out, we are unable to express a conclusion on whether [mention the information concerned] complies with [mention the requirements concerned].

Statement and reasons for inability to conclude].

Emphasis of matter(s)

*If applicable, if the practitioner deems it necessary to include one or more emphasis of matter paragraphs intended to draw the attention of the reader of the report to information provided by the entity:*

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<sup>83</sup> Depending on the entity concerned

<sup>84</sup> Depending on the entity concerned

<sup>85</sup> Depending on the entity concerned



Without qualifying the conclusion expressed above, we draw your attention to the information provided [*in item/paragraph...*] in the management report [*or in the group management report*].

*Description of the matter on which emphasis is provided by the practitioner*].

### Elements that received particular attention

*Depending on the circumstances of the case, the practitioner will decide which elements have been the subject of particular attention on his/her part and should be mentioned.*

*For the sake of clarity, the elements mentioned by the practitioner are presented separately in terms of the theme to which they relate (E, S or G) and the standard concerned.*

- Information provided in application of the standards relating to general requirements and general information to be reported (ESRS 1 and ESRS 2)

*Present the elements according to the standard to which they relate, and, for each element:*

- *provide a reference to the information provided in the management report relating to this element to enable the reader to understand what is being presented*
- *set out the main procedures performed to verify that the information complies with the requirements of the ESRS*

- Information provided in application of environmental standards (ESRS E1 to E5)

*Present the elements according to the standard to which they relate, and, for each element :*

- *provide a reference to the information provided in the management report relating to this element to enable the reader to understand what is being presented*
- *set out the main procedures performed to verify that the information complies with the requirements of the ESRS*

- Information provided in application of social standards (ESRS S1 to S4)

*Present the elements according to the standard to which they relate, and, for each element :*

- *provide a reference to the information provided in the management report relating to this element to enable the reader to understand what is being presented*
- *set out main procedures performed to verify that the information provided complies with the requirements of the ESRSs*

- Information provided in application of the standard on business conduct (ESRS G1)

*For each element concerned:*

- *provide a reference to the information provided in the management report relating to this element to enable the reader to understand what is being presented*
- *set out the main procedures performed to verify that the information complies with the requirements of the ESRS.*

## **Compliance with the reporting requirements set out in Article 8 of Regulation (EU) 2020/852**

### Nature of procedures carried out

Our procedures consisted in verifying the process implemented by [*entity*] to determine the eligible and aligned nature of its activities [*or the activities of the entities included in the consolidation*<sup>86</sup>].

They also involved verifying the information reported pursuant to Article 8 of Regulation (EU) 2020/852, which involves checking:

- the compliance with the rules applicable to the presentation of this information to ensure that it is readable and understandable;
- on the basis of a selection, the absence of material errors, omissions or inconsistencies in the information provided, i.e. information likely to influence the judgement or decisions of users of this information.

<sup>86</sup> Terms used in Article L.233-26 relating to the Group management report

### Conclusion of the procedures carried out

Based on the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies relating to compliance with the requirements of Article 8 of Regulation (EU) 2020/852.

[Or: Based on the procedures we have carried out and subject to the qualification(s) described below, we have not identified any material errors, omissions or inconsistencies regarding the compliance with the requirements of Article 8 of Regulation (EU) 2020/852.

*Statement and reasons for the qualification(s).*

[Or: Based on the procedures we have carried out, we believe that the information reported relating to *[mention the information concerned]* does not comply with *[mention the requirements concerned]*.

*Statement and reasons for non-compliance].*

[Or: On the basis of the procedures we have carried out, we are unable to express a conclusion on whether *[mention the information concerned]* complies with *[mention the requirements concerned]*.

*Statement and reasons for inability to conclude].*

### Emphasis of matter(s)

*If applicable, if the practitioner deems it necessary to include one or more emphasis of matter paragraphs intended to draw the attention of the reader of the report to information provided by the entity:*

Without qualifying the conclusion expressed above, we draw your attention to the information provided *[in item/paragraph...]* in the management report *[or in the group management report]*.

*Description of the matter on which emphasis is provided by the practitioner].*

### Elements that received particular attention

*[Depending on the circumstances of the case, the practitioner will decide which elements have been the subject of particular attention on his/her part and should be mentioned.*

*For the sake of clarity, the elements mentioned are presented separately in relation to the topic to which they relate (eligibility, alignment, performance indicators and related information).*

#### ▪ Concerning the eligibility of activities

*For each element:*

- *provide a reference to the information provided in the management report relating to this element to enable the reader to understand what is being presented*
- *set out the main procedures performed to verify compliance with the requirements of Article 8 of Regulation (EU) 2020/852 concerned*

#### ▪ Concerning the alignment of eligible activities

*For each element concerned, present :*

- *a description of the element, with a reference, where possible, to the information provided in the management report relating to that element*
- *a summary of the procedures carried out to assess this element*

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▪ Key performance indicators and accompanying information

*For each element concerned, present :*

- *a description of the element, with a reference, where possible, to the information provided in the management report relating to that element*
- *a summary of the procedures performed to assess this element*

*[City, date]*

*[practitioner]*

*[signatory designated to represent the statutory auditor or independent assurance provider].*

## **TEMPLATE 2 - REPORT CONTAINING AN APPENDIX WITH DETAILS OF ELEMENTS THAT RECEIVED PARTICULAR ATTENTION**

### **REPORT ON THE CERTIFICATION OF SUSTAINABILITY INFORMATION AND VERIFICATION OF THE DISCLOSURE REQUIREMENTS UNDER ARTICLE 8 OF REGULATION (EU) 2020/852 OF [ENTITY], RELATING TO THE YEAR ENDED [DATE YEAR END].**

To .. (*body responsible for approving the financial statements*),

This report is issued in our capacity as [*Statutory Auditor or Independent Third Party Body*] of [*entity*]. It covers the sustainability information and the information required by Article 8 of Regulation (EU) 2020/852, relating to the financial year ended [...] and included in section [...] of the management report [*or in the group management report*].

Pursuant to Article [*L. 232-6-3 or L. 233-28-4<sup>87</sup>*] of the French Commercial Code, [*entity*] is required to include the above mentioned information in a separate section of its management report [*or the group's management report*]. This information enables to understand the impact of the activity of [*entity or group*] on sustainability matters, as well as the way in which these matters influence the development of [*its business, performance and position- to be adapted in the case of a consolidated or combined scope*]. Sustainability matters include environmental, social and corporate governance matters.

Pursuant to II of Article [*L. 821-54 or L. 822-24<sup>88</sup>*] of the aforementioned Code, our responsibility is to carry out the procedures necessary to issue a conclusion, expressing limited assurance, on :

- compliance with the sustainability reporting standards adopted pursuant to Article 29ter of Directive (EU) 2013/34 of the European Parliament and of the Council of 14 December 2022 (hereinafter ESRS for *European Sustainability Reporting Standards*) of the process implemented by [*entity ...*] to determine the information reported, and compliance with the requirement to consult the social and economic committee provided for in [*the sixth paragraph or the last paragraph<sup>89</sup>*] of Article L. 2312-17 of the Labour Code;
- compliance of the sustainability information included in section [...] of the management report [*or group management report*] with the requirements of article [*L. 232-6-3 or L. 233-28-4*] of the French Commercial Code<sup>90</sup>, including the ESRS; and
- compliance with the requirements set out in Article 8 of Regulation (EU) 2020/852.

This engagement is carried out in compliance with the ethical rules, including independence, and quality control prescribed by the French Commercial Code.

It is also governed by the H2A guidelines on *Limited assurance engagement on the certification of sustainability information and verification of disclosures requirements set out in Article 8 of Regulation (EU) 2020/852*.

In the three separate parts of the report that follow, we present, for each of the parts covered by our engagement, the nature of the procedures that we carried out, the conclusions that we drew from these procedures and, in support of these conclusions, the elements to which we paid particular attention and the procedures we carried out with regards to these elements . We draw your attention to the fact that we do not expressing a conclusion on any of these elements taken in isolation and that the procedures described should be considered in the

<sup>87</sup> Depending on the entity concerned

<sup>88</sup> Depending on whether the auditor is a statutory auditor or an independent third-party body

<sup>89</sup> Depending on whether the auditor is a statutory auditor or an independent third-party body

<sup>90</sup> Depending on the entity concerned

overall context of the formation of the conclusions issued in respect of each of the three parts of our engagement.

Finally, where deemed necessary to draw your attention to one or more items of sustainability information provided by *[entity]* in its management report *[or in the group management report]*, we have included an emphasis of matter paragraph hereafter

#### The limits of our engagement

As the purpose of our engagement is to provide limited assurance, the nature (choice of techniques), extent (scope) and timing of the procedures are less than those required to obtain reasonable assurance.

Furthermore, this engagement does not provide guarantee regarding the viability or the quality of the management of *[entity]*, in particular it does not provide an assessment of the relevance of the choices made by *[entity]* in terms of action plans, targets, policies, scenario analyses and transition plans, which would go beyond compliance with the ESRS reporting requirements.

It does, however, allow us to express conclusions regarding the process for determining the sustainability information to be reported, the sustainability information itself, and the information reported pursuant to Article 8 of Regulation (EU) 2020/852, as to the absence of identification or, on the contrary, the identification of errors, omissions or inconsistencies of such importance that they would be likely to influence the decisions that readers of the information subject to this engagement might make.

**Compliance with the ESRS of the process implemented by *[entity ...]* to determine the information reported, and compliance with the requirement to consult the social and economic committee provided for in *[sixth paragraph or last paragraph<sup>91</sup>]* of Article L. 2312-17 of the Labour Code.**

#### Nature of procedures carried out

Our procedures consisted in verifying that :

- the process defined and implemented by *[entity ...]* has enabled it, in accordance with the ESRS, to identify and assess its impacts, risks and opportunities related to sustainability matters, and to identify the material impacts, risks and opportunities that are disclosed in section *[...]* of the management report *[or group management report]*; and
- The information provided on this process also complies with the ESRS.

We also checked compliance with the requirement to consult the social and economic committee.

#### Conclusion of the procedures carried out

On the basis of the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies regarding the compliance of the process implemented by *[entity]* with the ESRS.

[Or: On the basis of the procedures we have carried out and subject to the qualification(s) described below, we have not identified any material errors, omissions or inconsistencies concerning the compliance of the process implemented by *[entity]* with the ESRS.

*Statement and reasons for the qualification*

[Or: On the basis of the procedures we have carried out, we consider that the process implemented by *[entity]* does not comply with the ESRS.

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<sup>91</sup> Depending on whether the practitioner is a statutory auditor or an independent third-party body

*Statement and reasons for non-compliance*].

[Or: On the basis of the procedures we have carried out, we are not in a position to express an opinion on the compliance of the process implemented by *[entity]* with the ESRS.

*Statement and reasons for inability to conclude*].

Concerning the consultation of the social and economic committee provided for in the *[sixth paragraph or last paragraph<sup>92</sup>]* of article L. 2312-17 of the Labour Code, *[set out the conclusion relating to this consultation]*.

#### Emphasis of matter(s)

*If applicable, if the practitioner deems it necessary to include one or more emphasis of matter paragraphs intended to draw the attention of the reader of the report to information provided by the entity:*

Without qualifying the conclusion expressed above, we draw your attention to the information provided *[in item/paragraph...]* in the management report *[or in the group management report]*.

*Description of the matter on which emphasis is provided by the practitioner*].

### **Compliance of the sustainability information included in section [...] of the management report *[or group management report]* with the requirements of Article *[L. 232-6-3 or L. 233-28-4<sup>93</sup>]* of the French Commercial Code, including the ESRS.**

#### Nature of procedures carried out

Our procedures consisted in verifying that, in accordance with legal and regulatory requirements, including the ESRS:

- the disclosures provided enables to understand the general basis for the preparation and governance of the sustainability information included in section [...] of the management report *[or group management report]*, including the general basis for determining the information relating to the value chain and the exemptions from disclosures used;
- the presentation of this information ensures its readability and understandability
- the scope chosen by *[entity]* for providing this information is appropriate; and
- on the basis of a selection, based on our analysis of the risks of non-compliance of the information provided and the expectations of users, this information does not contain any material errors, omissions or inconsistencies, i.e. that are likely to influence the judgement or decisions of the users of this information.

#### Conclusion of the procedures carried out

Based on the procedures we have carried out, we have not identified materials errors, omissions or inconsistencies regarding the compliance of the sustainability information included in section [...] of the management report *[or Group management report]* with the requirements of article *[L. 232-6-3 or L. 233-28-4<sup>94</sup>]* of the French Commercial Code, including the ESRS.

[Or: Based on our the procedures we have carried out and subject to the qualification(s) described below, we have not identified any material errors, omissions or inconsistencies regarding the compliance of the sustainability information included in section [...] of the management report *[or Group management report]* with the requirements of article *[L. 232-6-3 or L. 233-28-4<sup>95</sup>]* of the French Commercial Code, including the ESRS.

*Statement and reasons for the qualifications*

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<sup>92</sup> Depending on whether the practitioner is a statutory auditor or an independent third-party body

<sup>93</sup> Depending on the entity concerned

<sup>94</sup> Depending on the entity concerned

<sup>95</sup> Depending on the entity concerned

[Or: Based on the procedures we have carried out, we believe that the information reported relating to *[mention the information concerned]* does not comply with *[mention the requirements concerned]*.

*Statement and reasons for non-compliance*].

[Or: On the basis of the procedures we have carried out, we are unable to express an conclusion on whether *[mention the information concerned]* complies with *[mention the requirements concerned]*.

*Statement and reasons for inability to conclude*].

### Emphasis of matter(s)

*If applicable, if the practitioner deems it necessary to include one or more emphasis of matter paragraphs intended to draw the attention of the reader of the report to information provided by the entity:*

Without qualifying the conclusion expressed above, we draw your attention to the information provided *[in item/paragraph...]* in the management report *[or in the group management report]*.

*Description of the matter on which emphasis is provided by the practitioner*].

## **Compliance with the reporting requirements set out in Article 8 of Regulation (EU) 2020/852**

### Nature of procedures carried out

Our procedures consisted in verifying the process implemented by *[entity]* to determine the eligible and aligned nature of its activities *[or the activities of the entities included in the consolidation<sup>96</sup>]*.

They also involved verifying the information reported pursuant to Article 8 of Regulation (EU) 2020/852, which involves checking:

- compliance with the rules governing the presentation of this information to ensure that it is readable and understandable;
- on the basis of a selection, the absence of material errors, omissions or inconsistencies in the information provided, i.e. information likely to influence the judgement or decisions of users of this information.

### Conclusion of the procedures carried out

Based on the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies in relation to compliance with the requirements of Article 8 of Regulation (EU) 2020/852.

[Or: Based on the procedures we have carried out and subject to the qualification(s) described below, we have not identified any material errors, omissions or inconsistencies regarding the compliance with the requirements of Article 8 of Regulation (EU) 2020/852.

*Statement and reasons for the qualification(s)*].

[Or: Based on the procedures we have carried out, we believe that the information reported relating to *[mention the information concerned]* does not comply with *[mention the requirements concerned]*.

*Statement and reasons for non-compliance*].

[Or: On the basis of the procedures we have carried out, we are unable to express an conclusion on whether *[mention the information concerned]* complies with *[mention the requirements concerned]*.

*Statement and reasons for inability to conclude*].

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<sup>96</sup> Terms used in Article L.233-26 relating to the Group management report

### Emphasis of matter(s)

*If applicable, if the practitioner deems it necessary to include one or more emphasis of matter paragraphs intended to draw the attention of the reader of the report to information provided by the entity:*

Without qualifying the conclusion expressed above, we draw your attention to the information provided [*in item/paragraph...*] in the management report [*or in the group management report*].

*Description of the matter on which emphasis is provided by the practitioner*].

[*City, date*]

[*practitioner*]

[*signatory designated to represent the statutory auditor or independent assurance provider*].

## **APPENDIX - ELEMENTS THAT RECEIVED PARTICULAR ATTENTION**

**Compliance with ESRS standards of the process implemented by [*entity*] to determine the information reported, and compliance with the requirement to consult the social and economic committee provided for in [*sixth paragraph or last paragraph*<sup>97</sup>] of Article L. 2312-17 of the Labour Code.**

### Elements that received particular attention

#### ▪ Concerning the identification of stakeholders

*For each element:*

- *provide a reference to the information provided in the management report relating to this element to enable the reader to understand what is being presented*
- *set out the main procedures performed to verify that the information complies with the requirements of the ESRS*

#### ▪ Concerning the identification of impacts, risks and opportunities

*For each element:*

- *provide a reference to the information in the management report relating to this element to enable the reader to understand what is being presented*
- *set out the main procedures performed to verify that the information complies with the requirements of the ESRS*

#### ▪ Concerning the assessment of impact materiality and financial materiality

*For each element:*

- *provide a reference to the information provided in the management report relating to this element to enable the reader to understand what is being presented*
- *set out the main procedures performed to verify that the information complies with the requirements of the ESRS*

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<sup>97</sup> Depending on whether the auditor is a statutory auditor or an independent third-party body



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**Compliance of the sustainability information included in section [...] of the management report [or group management report] with the requirements of Article [L. 232-6-3 or L. 233-28-4<sup>98</sup>] of the French Commercial Code, including the ESRS standards.**

*Depending on the circumstances of the case, the practitioner will decide which elements have been the subject of particular attention on his/her part and should be mentioned.*

*For the sake of clarity, the elements mentioned by the practitioner are presented separately in terms of the theme to which they relate (E, S or G) and the standard concerned.*

- Information provided in application of the standards relating to general requirements and general information to be reported (ESRS 1 and ESRS 2)

*Present the elements according to the standard to which they relate, and, for each element:*

- *provide a reference to the information provided in the management report relating to this element to enable the reader to understand what is being presented*
- *explain the main procedures performed to verify that the information complies with the requirements of the ESRS*

- Information provided in application of environmental standards (ESRS E1 to E5)

*Present the elements according to the standard to which they relate, and, for each element :*

- *provide a reference to the information provided in the management report relating to this element to enable the reader to understand what is being presented*
- *explain the main procedures performed to verify that the information complies with the requirements of the ESRS*

- Information provided in application of social standards (ESRS S1 to S4)

*Present the elements according to the standard to which they relate, and, for each element :*

- *provide a reference to the information provided in the management report relating to this element to enable the reader to understand what is being presented*
- *set out main procedures performed to verify that the information provided complies with the requirements of the ESRSs*

- Information provided in application of the standard on business conduct (ESRS G1)

*For each element:*

- *provide a reference to the information provided in the management report relating to this element to enable the reader to understand what is being presented*
- *set out the main procedures performed to verify that the information complies with the requirements of the ESRS.*

**Compliance with the reporting requirements set out in Article 8 of Regulation (EU) 2020/852**

*[Depending on the circumstances of the case, the practitioner will decide which elements have been the subject of particular attention on his/her part and should be mentioned.*

*For the sake of clarity, the elements mentioned are presented separately in relation to the topic to which they relate (eligibility, alignment, performance indicators and related information).*

- Concerning the eligibility of activities

*For each element:*

- *provide a reference to the information provided in the management report relating to this element to enable the reader to understand what is being presented*
- *set out the main procedures performed to verify compliance with the requirements of Article 8 of Regulation (EU) 2020/852 concerned*

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<sup>98</sup> Depending on the entity concerned

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- Concerning the alignment of eligible activities

*For each element concerned, present:*

- a description of the element, with a reference, where possible, to the information provided in the management report relating to that element
- a summary of the procedures carried out to assess this element

- Key performance indicators and accompanying information

*For each element concerned, present:*

- a description of the element, with a reference, where possible, to the information provided in the management report relating to that element
- a summary of the procedures performed to assess this element