

CORPORATE SUSTAINABILITY REPORTING IAASA OBSERVATIONS

Overview

Entities in scope

The [Corporate Sustainability Reporting Directive](#) (CSRD), introduced by the European Union, was formally transposed into Irish law in July 2024. In its first phase, CSRD requires all public-interest entities (PIEs) with more than 500 employees to prepare annual sustainability statements for financial years commencing on or after 1 January 2024. These entities are referred to as “Wave 1 entities” in this paper.

IAASA has been made aware of 20 entities, in scope for Wave 1 CSRD, that were required to publish their first sustainability statements during 2025, covering financial years beginning on or after 1 January 2024.

- AIB Group plc
- Allianz plc
- Arch Reinsurance Europe Underwriting DAC
- Axa Insurance DAC
- Bank of America Europe DAC
- Bank of Cyprus Holdings plc
- Bank of Ireland Group plc
- Barclays Bank plc
- Citibank Europe plc
- Dalata Hotel Group plc
- FBD Holdings plc
- Glenveagh Properties plc
- Kenmare Resources plc
- Kerry Group plc
- Kingspan Group plc
- MetLife Europe d.a.c.
- Permanent TSB Group Holdings plc
- Ryanair Holdings plc
- U.S Bank Europe DAC (formerly Elavon Financial Services DAC)
- Zurich Life Assurance plc

Variations in CSRD roll out across the EU

The implementation of CSRD Wave 1 has varied across EU member states due to differences in national transposition timelines. While several EU member states, including Ireland, have implemented Wave 1 requirements, some EU PIEs are not yet required to report under CSRD.

Voluntary sustainability disclosures

Sustainability statements under CSRD must comply with the ESRS and are subject to limited assurance. This requirement is intended to give assurance over the accuracy, consistency and reliability of the reported information.

In addition to mandatory CSRD reporting, some Wave 1 entities elected to disclose sustainability information beyond CSRD requirements, for example AIB Group plc, Bank of Ireland Group plc and Kingspan Group plc. Similarly, entities not currently in scope of CSRD also published sustainability disclosures, such as Cairn Homes plc. These “non-CSRD” disclosures currently fall outside of IAASA’s supervisory remit.

It is important to distinguish between the following:

CSRD-compliant sustainability statements: Prepared in accordance with European Sustainability Reporting Standards (ESRS) and subject to limited assurance, ensuring higher scrutiny and reliability.

Voluntary sustainability disclosures: Published outside of the CSRD framework and not subject to regulation.

IAASA’s supervisory role

Of the 20 entities in scope for CSRD Wave 1, 12 fell under IAASA’s corporate reporting supervision remit. As all Wave 1 entities are PIEs, IAASA also had responsibility for overseeing the quality of the limited assurance engagements performed on the sustainability statements.

Key statistics on 2025 CSRD reporting in Ireland	
Entities in scope of Wave 1 reporting during 2025	20
Individuals approved to carry out the assurance of sustainability reporting in Ireland on 1 December 2025	42
Audit firms approved to carry out the assurance of sustainability reporting in Ireland on 1 December 2025	11
Recognised accountancy bodies responsible for the approval of individuals and audit firms to carry out the assurance of sustainability reporting in Ireland	2
Sustainability statements examined by IAASA in 2025	4
Limited assurance engagements inspected by IAASA in 2025	7

Content of this paper

This paper discusses IAASA's observations on Wave 1 CSRD reporting and sets out the findings from IAASA's supervisory work on CSRD, including corporate reporting examinations and assurance quality inspections.

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CORPORATE SUSTAINABILITY REPORTING IAASA OBSERVATIONS

SECTION 1: CSRD REPORTING OBSERVATIONS

The observations presented in this section are informed by IAASA's supervisory activities and its engagement with relevant stakeholders, including audit firms, reporting entities, and audit committees.

Challenges for Wave 1 entities

Training and upskilling

Wave 1 entities noted that substantial training and upskilling were required across the organisation. This applied not only to reporting teams but also to those responsible for non-financial aspects of the business. Teams unfamiliar with reporting processes needed to develop an understanding of the rigour and evidence necessary to support CSRD disclosures. Effective governance of CSRD reporting should be cross-functional, led by Finance, ESG, Operations, and Legal teams.

Data quality and systems

Wave 1 entities highlighted the importance of robust data collection and processing systems to measure, aggregate and report sustainability information.

Early engagement

Stakeholders emphasised the need for early engagement with all parties involved in the reporting process, including the Board, Audit Committee, statutory auditors, and sustainability assurance service providers (SASPs). For sustainability statements prepared in 2025, all but two Wave 1 entities appointed their statutory auditor as their SASP.

Wave 1 reporting

CSRD reporting exemptions

Entities can claim an exemption from CSRD reporting in certain circumstances. The directors' report for the following three Wave 1 entities indicated that they availed of an exemption from preparing an individual sustainability statement, as they were included in a group or intermediate parent level sustainability statement prepared in compliance with the ESRS. It should be noted that the relevant group and intermediate parent entities do not fall within IAASA's remit.

- Allianz plc
- Axa Insurance DAC
- U.S Bank Europe DAC (formerly Elavon Financial Services DAC)

As a result, 17 of the 20 Wave 1 entities prepared sustainability statements under CSRD, which were incorporated into their annual reports, in 2025.

Sustainability assurance service providers

In 2025, all but two of the Wave 1 entities appointed their statutory auditor to perform the limited assurance engagement required under CSRD.

Report length and investor engagement

The sustainability statements prepared by Wave 1 entities varied significantly in length, ranging from 60 to 176 pages. This variation illustrates the challenge entities faced in determining the appropriate level of detail. Engagement from investors has been limited, reflecting the difficulty in producing reports that balance compliance and quantity of information disclosed while remaining meaningful to users.

IAASA notes that, where relevant, sustainability statements should be aligned with disclosures in financial statements prepared under IFRS or local GAAP.

Double materiality assessment

Double materiality assessment (DMA) was identified as a significant area of judgement. Reporting entities indicated that assessments required input from multiple teams across their organisation. Stakeholders highlighted the importance of all functions understanding the concept and contributing appropriately.

Presentation in sustainability statements

Wave 1 entities adopted varying approaches to presenting their DMA processes and outcomes within their sustainability statements.

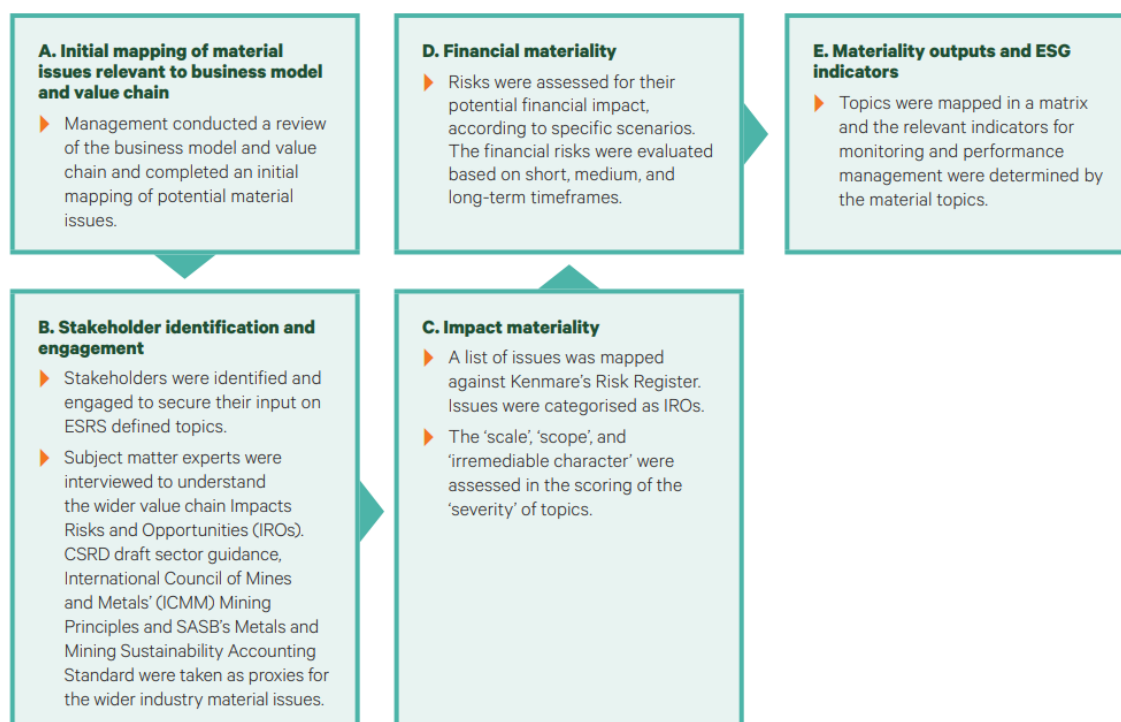
- In some cases, Wave 1 entities provided a comprehensive narrative, detailing their evaluation of the entity's impacts on environmental, social and governance factors and describing the methodologies used to measure sustainability information.
- In other cases, Wave 1 entities used visual aids such as infographics to illustrate their DMA in a more concise format.

The tables below illustrate the differences in how Wave 1 entities presented their DMA within their sustainability statements.

Variations in the presentation of the DMA process

The four excerpts below provide examples of how a selection of Wave 1 entities described their DMA process in their sustainability statements.

Excerpt 1: Kenmare Resources plc - Annual Report and Accounts 2024



Source: [Kenmare Resources plc - Annual Report and Accounts 2024](#)

Variations in the presentation of the DMA process

continued

Excerpt 2: Bank of Ireland Group plc

Identification of relevant sustainability matters and associated IROs	>	Stakeholder engagement	>	Impact and financial materiality	>	Finalise and document	>	Governance
Understanding the sustainability matters along with associated IROs, that are most relevant for the Group, considering its own operations, upstream and downstream value chain.		Engagement with internal stakeholders (through workshops / questionnaires) and external stakeholders (through surveys / interviews / via proxies) to get their view on the identified sustainability matters and associated IROs.		Conducting a preliminary assessment of the identified IROs using internal and external data. Assessment of the materiality of the identified IROs based on results of the preliminary assessment and discussions with stakeholders.		Finalisation of the list of material topics based on the identified material IROs and documentation of the approach and resultant output, in line with CSRD requirements.		Final results reviewed and approved jointly by GSC and BRC.

Source: [Bank of Ireland Group plc - Annual Report 2024](#)

Excerpt 3: Kingspan Group plc

<p>IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities</p> <p>The Group completed a DMA which was carried out in collaboration with both internal and external stakeholders. The process involved the identification of key IROs across our value chain. This assessment spanned short, medium and long-term time horizons, evaluating both impact materiality, the effects of the Group's activities on society and the environment and financial materiality, examining how sustainability factors could influence the Group's financial performance.</p> <p>The Group's DMA methodology aligns with CSRD and ESRS requirements. This process was supported by third-party experts and included a detailed, multi-step approach:</p> <p>1. Scoping The scope of the assessment included, but was not limited to, a review of the Group's operational segments, encompassing upstream and downstream activities, geographical reach and key suppliers. Internal business knowledge and external expertise was utilised to ensure an evaluation of impacts.</p>	<p>2. Identification A list of actual and potential IROs was developed through desktop research, peer benchmarking, internal consultations with subject matter experts and input from external experts. This assessment considered both the actual and potential impacts of the Group's business on society and the environment (impact materiality), as well as how sustainability matters could potentially affect the Group's financial performance and position (financial materiality). Additionally, publicly available tools were used to assess environmental risks. Each identified IRO was mapped to ESRS topical standards.</p> <p>For impacts, the Group assessed materiality based on criteria of severity and likelihood, with thresholds set accordingly. This assessment considers activities, business relationships and geographies where adverse impacts may be more likely, factoring in resource dependencies, regulatory variations and market conditions that influence risk exposure. Severity is determined by the scale, scope and irremediable nature of negative impacts, as well as the scale and scope of positive impacts. In contrast,</p>	<p>the financial materiality of risks and opportunities is assessed using thresholds based on the anticipated financial effects and likelihood of occurrence. This dual approach ensures that both the societal and environmental impacts, as well as financial risks and opportunities, are appropriately evaluated and prioritised for reporting purposes. This structured rating system is aligned with ESRS guidelines.</p> <p>3. Engagement The Group engaged with over 50 stakeholders from a range of groups, including executives, customers, employees, NGOs and regulatory bodies, through surveys and interviews. Also, input from NGOs and community organisations served as a valuable proxy to capture societal perspectives. This broad engagement ensured the validation of identified sustainability matters from both impact and financial perspectives, helping to prioritise IROs based on the significance of their potential societal and financial impacts.</p> <p>4. Consolidation Feedback from stakeholders was analysed and integrated into the final DMA. The results were validated by the Group's</p>	<p>management team to ensure alignment with the Group's strategic priorities. The DMA process remained flexible, allowing for recalibration and refinement where necessary to reflect additional insights, emerging issues or regulatory guidance.</p> <p>5. Reporting The outcome of the DMA identified material IROs across all ten ESRS topics, as detailed in the topical ESRS standards, forming the basis for the Group's sustainability reporting. The findings were aligned with both impact and financial materiality, ensuring that the Group's sustainability efforts focus on the most significant societal, environmental and business risks and opportunities.</p> <p>The assessment serves as a foundational tool for the Group's sustainability reporting. The dynamic nature of this process allows for continuous refinement and adjustment as new risks, opportunities and stakeholder expectations emerge. The Group monitors this assessment on an ongoing basis, with the findings integrated into the Group's overall risk management and decision making processes.</p>
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Source: [Kingspan Group plc - Annual Report & Financial Statements 2024](#)

Variations in the presentation of the DMA process

continued

Excerpt 4: Ryanair Holdings plc

2. Double Materiality Assessment

There are 12 binding ESRs with up to 120 mandatory non-financial Key Performance Indicators ("KPIs") and additional qualitative disclosures. The starting point of sustainability reporting in accordance with CSRD and the ESRs is a mandatory Double Materiality Assessment ("DMA"). Conducting a DMA ensures that the Group reports all ESG topics that are relevant to its business activities, and also enables the Group to reduce its "reporting burden" by excluding certain topics that are proven to be immaterial for the Group and the social and natural environment in which it operates.

ESRS 1 and ESRS 2 are mandatory "cross-cutting" standards which the Group is required to report on irrespective of its DMA results. The remaining 10 topic specific standards covering Environmental, Social and Governance topics are subject to a DMA (i.e. those topics, sub-topics and, where relevant, sub-sub topics, which are deemed as material following the Group's DMA are required to be reported on under CSRD).

The material topics, sub-topics and sub-sub topics are determined through identifying and assessing material Impacts, Risks, and Opportunities for ESG Sustainability Matters.

2.1 Methodologies and Assumptions

The Group has followed the May 2024 EFRAG Implementation Guidance for the Materiality Assessment in developing its DMA.

2.1.1 Scope

The Group has identified and assessed IROs across its own operations and value chain at a sub-sub topic level.

2.2 Process

The steps below were followed to help determine what topics meet the criteria of double materiality:

2.2.5 Validation and Approval

Once the scoring of the impact and financial materiality was complete and a list of material sustainability topics was determined, IRO scoring was validated in a workshop with the Group's Sustainability Committee. This process is integrated in the Group's overall management process (see the "Management of IROs" section) and the decision-making process (see the "Sustainability Governance" section).

Source: [Ryanair Holdings plc - Annual Report 2025](#)

Variations in the presentation of the DMA outcome

The four excerpts below provide examples of how a selection of Wave 1 entities described their DMA outcome in their sustainability statements.

Excerpt 1: Kenmare Resources plc



Source: [Kenmare Resources plc - Annual Report and Accounts 2024](#)

Variations in the presentation of the DMA outcome

continued

Excerpt 1 (continued): Kenmare Resources plc.

High impact, financially material

1	E1 Climate Change	Risk
2	E3 Water Stewardship	Risk
3	Kenmare topic Tailings Storage	Risk
4	Kenmare topic Social Licence to operate	Risk

High impact, financially less material

5	S1 Health and safety	Risk
6	E4 Biodiversity	Impact
7	S3 Land-related impacts	Impact
8	S1 Diversity and inclusion	Impact
9	S1 Training and development	Impact
10	S1 Human rights	Risk
11	Kenmare topic Socio-economic development	Opportunity
12	E1 Energy efficiency	Risk
13	G1 Bribery and corruption	Risk

Lower impact, financially material

None

Low impact, financially less material

14	S1 Measures against Violence and Harassment	Impact
15	S1 Labour Practices	Impact
16	E2 Pollution	Impact

Non-material topics

E5 Resource use and circular economy

S4 Consumers and end-users

G1 Animal Welfare

Note that S2 Workers in the value chain is likely to be a material topic, however, Kenmare does not currently have sufficient data on its supply chain to conclude this is the case or report on this ESRS.

Source: [Kenmare Resources plc - Annual Report and Accounts 2024](#)

Excerpt 2: Bank of Ireland Group plc

	Material topics	Material sub-topics	I	R	O	Non-material sub-topics
E	ESRS E1 - Climate Change	Climate change adaptation	✓	✓	✓	n/a
		Climate change mitigation	✓	✓	✓	
		Energy	✓	✓	✓	
S	ESRS S1 - Own Workforce	Equal treatment and opportunities for all			✓	Other work-related rights
		Working conditions	✓			
	ESRS S2 - Workers in the value chain	Other work-related rights	✓	✓		n/a
		Working conditions		✓		
		Equal treatment and opportunities for all		✓		
	ESRS S3 - Affected communities	Communities' economic, social and cultural rights	✓	✓	✓	Communities' civil and political rights
	ESRS S4 - Consumers and end users	Personal safety of consumers and / or end-user	✓		✓	n/a
		Information-related impacts for consumers and / or end-users		✓	✓	
		Social inclusion of consumers and / or end-users		✓		
	ESRS G1 - Business Conduct	Corporate culture	✓	✓	✓	Political engagement and lobbying activities
		Protection of whistle-blowers	✓	✓		
		Management of relationships with suppliers including payment practices	✓	✓		Animal welfare
		Corruption and bribery	✓			
Entity Specific	Housing	n/a - Entity specific topic	✓	✓	✓	n/a - Entity specific topic
	Digital Banking		✓	✓	✓	



Source: [Bank of Ireland Group plc - Annual Report 2024](#)

Variations in the presentation of the DMA outcome

continued

Excerpt 3: Kingspan Group plc

ESRS topic	Impacts		Risks	Opportunities
	Actual	Potential		
E1 – Climate change				
E2 – Pollution				
E3 – Water and marine resources				
E4 – Biodiversity and ecosystems				
E5 – Resource use and circular economy				
S1 – Own Workforce				
S2 – Workers in the value chain				
S3 – Affected communities				
S4 – Consumers and end users				
G1 – Business conduct				

Materiality Thresholds:  Material  Not Material

Source: [Kingspan Group plc - Annual Report & Financial Statements 2024](#)

Excerpt 4: Ryanair Holdings plc

2.2.6 Outcome

After the results were validated by internal and external stakeholders and senior management, the results were categorized. The result of the identification and assessment of IROs was a list of 13 topics material to the Group, details of which are outlined in this statement (see Figure 1).

Figure 1 – 13 ESRS Sub-Topics

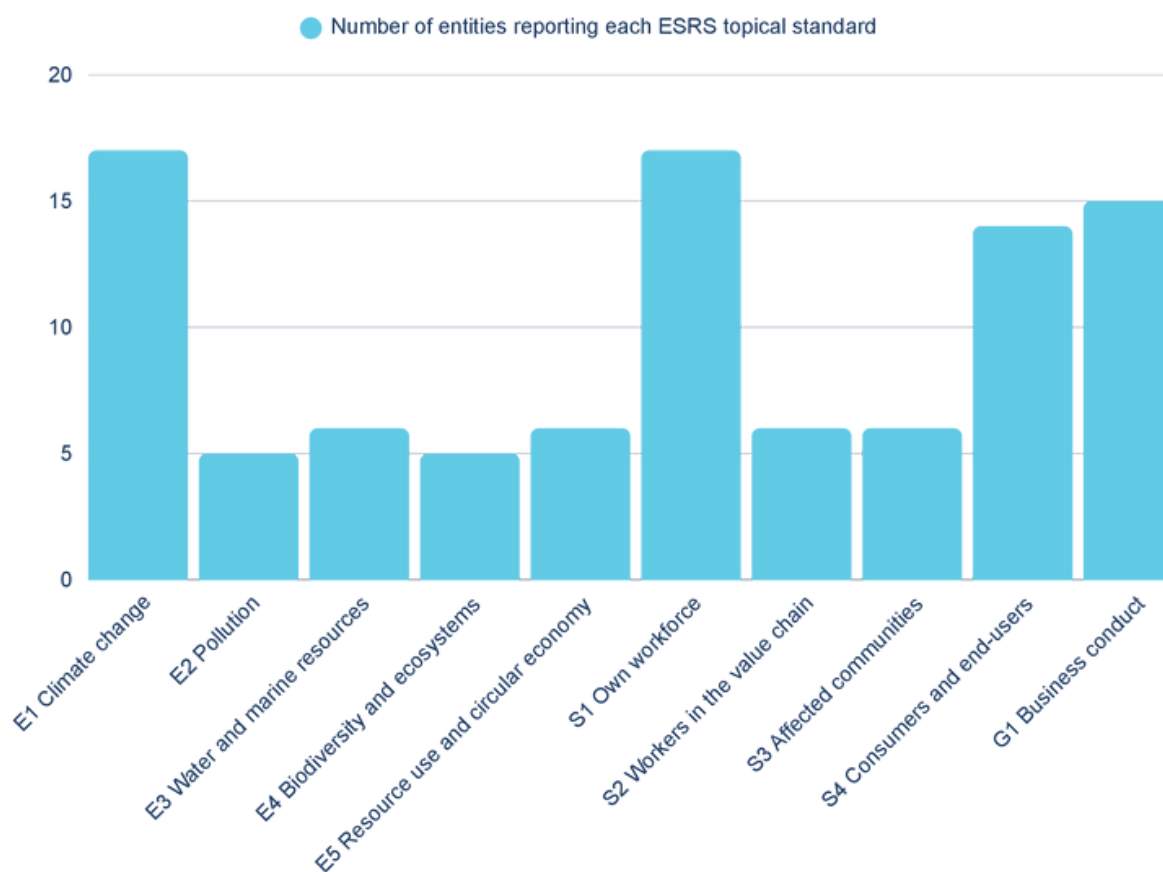
E. Environment				S1. Own workforce				S4. Consumers & end users				G1. Business conduct			
	I	R	O		I	R	O		I	R	O		I	R	O
Climate change adaptation				Own Workforce: Working Conditions				Personal safety of consumers and/or end-users				Corruption & bribery			
Climate change mitigation				Own Workforce: Equal Treatment and opportunities for all				Information-related impacts for consumers and/or end-users				Corporate Culture			
Energy												Protection of whistleblowers			
Pollution of Air												Management of relationships with suppliers including payment practices			
Resource Inflows															

Source: [Ryanair Holdings plc - Annual Report 2025](#)

ESRS topical standards

Entities must assess materiality for each topical standard and report on those that are material to their business.

Two Wave 1 entities reported all 10 topical standards. The most frequently reported topics were climate change and own workforce, each reported by all 17 Wave 1 entities. Consumers and end-users and business conduct were also frequently reported by Wave 1 entities. In contrast, topics such as pollution, biodiversity and ecosystems, affected communities, water and marine resources, resource use and circular economy and workers in the value chain were addressed less frequently.



This table shows the topical standards reported by each of the Wave 1 entities.

Wave 1 entity	# of material ESRS topical standards	ESRS topical standards reported
AIB Group plc	5	<ul style="list-style-type: none"> • E1 Climate change • S1 Own workforce • S3 Affected communities • S4 Consumers and end users • G1 Business conduct
Arch Reinsurance Europe Underwriting DAC	5	<ul style="list-style-type: none"> • E1 Climate change • S1 Own workforce • S2 Workers in the value chain • S4 Consumers and end users • G1 Business conduct
Bank of America Europe DAC	3	<ul style="list-style-type: none"> • E1 Climate change • S1 Own workforce • G1 Business conduct
Bank of Cyprus Holdings plc	7	<ul style="list-style-type: none"> • E1 Climate change • E2 Pollution • E3 Water and marine resources • E5 Resource use and circular economy • S1 Own workforce • S4 Consumers and end users • G1 Business conduct
Bank of Ireland Group plc	6	<ul style="list-style-type: none"> • E1 Climate change • S1 Own workforce • S2 Workers in the value chain • S3 Affected communities • S4 Consumers and end users • G1 Business conduct

Wave 1 entity	# of material ESRS topical standards	ESRS topical standards reported
Barclays Bank plc	6	<ul style="list-style-type: none"> • E1 Climate change • E4 Biodiversity and ecosystems • S1 Own workforce • S2 Workers in the value chain • S3 Affected communities • S4 Consumers and end users
Citibank Europe plc	3	<ul style="list-style-type: none"> • E1 Climate change • S1 Own workforce • G1 Business conduct
Dalata Hotel Group plc	6	<ul style="list-style-type: none"> • E1 Climate change • E3 Water and marine resources • E5 Resource use and circular economy • S1 Own workforce • S4 Consumers and end users • G1 Business conduct
FBD Holdings Plc	4	<ul style="list-style-type: none"> • E1 Climate change • S1 Own workforce • S4 Consumers and end users • G1 Business conduct
Glenveagh Properties plc	10	<ul style="list-style-type: none"> • E1 Climate change • E2 Pollution • E3 Water and marine resources • E4 Biodiversity and ecosystems • E5 Resource use and circular economy • S1 Own workforce • S2 Workers in the value chain • S3 Affected communities • S4 Consumers and end users • G1 Business conduct

Wave 1 entity	# of material ESRS topical standards	ESRS topical standards reported
Kenmare Resources plc	7	<ul style="list-style-type: none"> • E1 Climate change • E2 Pollution • E3 Water and marine resources • E4 Biodiversity and ecosystems • S1 Own workforce • S3 Affected communities • G1 Business conduct
Kerry Group plc	7	<ul style="list-style-type: none"> • E1 Climate change • E3 Water and marine resources • E4 Biodiversity and ecosystems • E5 Resource use and circular economy • S1 Own workforce • S2 Workers in the value chain • S4 Consumers and end users
Kingspan Group plc	10	<ul style="list-style-type: none"> • E1 Climate change • E2 Pollution • E3 Water and marine resources • E4 Biodiversity and ecosystems • E5 Resource use and circular economy • S1 Own workforce • S2 Workers in the value chain • S3 Affected communities • S4 Consumers and end users • G1 Business conduct
MetLife Europe d.a.c	4	<ul style="list-style-type: none"> • E1 Climate change • S1 Own workforce • S4 Consumers and end users • G1 Business conduct
Permanent TSB Group Holdings plc	4	<ul style="list-style-type: none"> • E1 Climate change • S1 Own workforce • S4 Consumers and end users • G1 Business conduct

Wave 1 entity	# of material ESRS topical standards	ESRS topical standards reported
Ryanair Holdings plc	6	<ul style="list-style-type: none"> • E1 Climate change • E2 Pollution • E5 Resource use and circular economy • S1 Own workforce • S4 Consumers and end users • G1 Business conduct
Zurich Life Assurance plc	4	<ul style="list-style-type: none"> • E1 Climate change • S1 Own workforce • S4 Consumers and end users • G1 Business conduct

Entity specific topics

Entity specific topics are additional topics that are not covered by ESRS topical standards but are material to the entity. IAASA observed that eight Wave 1 entities included entity specific topical disclosures in their sustainability statements. While some were presented as sub-topics under ESRS topical standards, most were reported as stand-alone topics. This table shows the entity specific topics reported by each of the eight entities.

Wave 1 entity	Entity specific topics reported
AIB Group plc	<ul style="list-style-type: none"> • Housing • Cyber security and data protection
Bank of Cyprus Holdings plc	<ul style="list-style-type: none"> • Information security • Financial crime & fraud • Conflict of interest • Compliance with laws & regulations • Reputational risk • Digitalisation • Bank of Cyprus Oncology Centre
Bank of Ireland Group plc	<ul style="list-style-type: none"> • Housing • Digital banking

Wave 1 entity	Entity specific topics reported
Barclays Bank plc	<ul style="list-style-type: none"> • Sustainable Products & Services • Cybersecurity • Data Privacy
FBD Holdings Plc	<ul style="list-style-type: none"> • Farm safety
Kenmare Resources plc	<ul style="list-style-type: none"> • Tailings storage • Social licence to operate • Socio-economic developments
Kerry Group plc	<ul style="list-style-type: none"> • Consumer Health • Food Waste
MetLife Europe d.a.c	<ul style="list-style-type: none"> • Digital / Artificial Intelligence (AI)

IAASA's observations on sustainability statements

IAASA had no significant concerns regarding the compliance of sustainability statements with the requirements of the ESRS. IAASA's reviews also considered the aspect of connectivity, and no significant concerns were noted in this area.

CORPORATE SUSTAINABILITY REPORTING IAASA OBSERVATIONS

SECTION 2: SUSTAINABILITY ASSURANCE

The observations presented in this section are informed by IAASA's supervisory activities and its engagement with relevant stakeholders, including audit firms, reporting entities, and audit committees.

Challenges noted by audit firms

Developing CSRD assurance methodology

IAASA observed variations across audit firms in the application of methodologies for CSRD assurance. Some audit firms developed dedicated CSRD-specific methodologies to support their limited assurance engagements, while others relied on existing limited assurance methodologies to guide their work.

Several audit firms indicated that they had commenced developing methodologies aligned with the requirements of the International Standard on Sustainability Assurance 5000 (ISSA 5000). This is a new global standard issued by the International Auditing and Assurance Standards Board (IAASB) to establish comprehensive requirements for sustainability assurance engagements. However, in Ireland, the assurance of sustainability reporting is performed in accordance with ISAE (Ireland) 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information – Assurance of Sustainability Reporting in Ireland. Under ISAE (Ireland) 3000, limited assurance procedures are performed.

Training and upskilling

Across all audit firms, IAASA noted that engagement teams completed CSRD-specific training and were supported by team members with expertise in CSRD requirements.

Extent of work performed

In the first year of implementation, audit firms faced challenges in ensuring completeness of the DMA assessment in particular. In many cases, audit firms performed extensive procedures to ensure compliance with the required framework. Overall, IAASA observed high-quality documentation supporting limited assurance opinions.

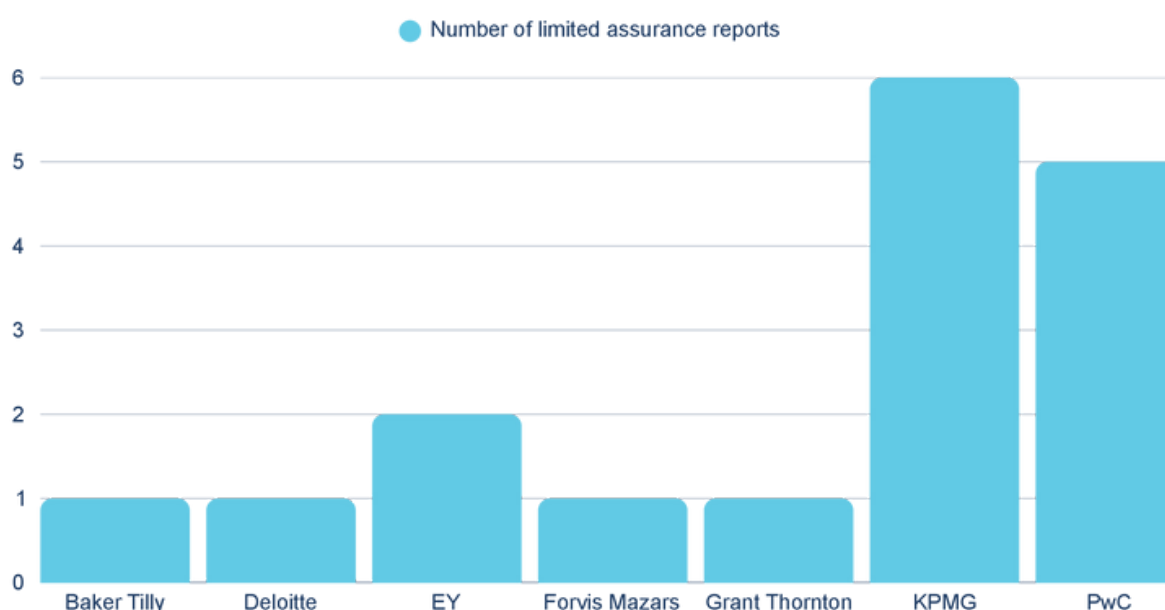
Obtaining evidence

Audit firms reported a challenge around performing limited assurance over CSRD information produced by non-finance teams within entities. To address this, audit firms engaged with these teams to communicate their requirements and ensure an understanding of the nature of evidence and the level of rigour required to support the audit firms' limited assurance work.

Wave 1 limited assurance

Limited assurance providers

In 2025, seven audit firms provided limited assurance over the sustainability statements prepared by the 17 Wave 1 entities. With two exceptions, all Wave 1 entities engaged their statutory auditor to perform the limited assurance engagement required under CSRD. For nine Wave 1 entities, the same individual signed both the limited assurance report and the auditor's report on the financial statements.



Unqualified limited assurance reports

The limited assurance reports that were issued for the 17 Wave 1 entities that prepared sustainability statements under CSRD were all unqualified.

Form and content of limited assurance reports

Chartered Accountants Ireland (CAI) issued a technical alert to its members, providing a sample CSRD Limited Assurance Report in accordance with ISAE (Ireland) 3000 as required by Section 1613 of the Companies Act 2014. The template report included:

- Illustrative procedures for the “summary of the work performed” section, noting that these would need to be tailored accordingly to the specific engagement and the nature of work that has been performed.
- An appendix setting out examples of inherent limitations regarding the measurement or evaluation of the Sustainability Statement subject to limited assurance, which may be considered relevant for inclusion in the report.

IAASA's inspection of seven limited assurance engagements found:

- Limited assurance reports in four of the audit firms expanded on the procedures set out in the CAI template, whilst limited assurance reports in three audit firms did not expand.
- Each limited assurance report included between five and eight limited procedures.
- One limited assurance report had not listed the specific inherent limitations relevant to the engagement.
- Where comparatives were disclosed by the entity, they were scoped out in the limited assurance report.
- Five limited assurance reports concluded that nothing came to the assurance providers' attention to indicate that the sustainability statements were not prepared in accordance with Part 28 of the Companies Act 2014. Two reports erroneously referred to Section 1613(3) of the Companies Act 2014.

Engagement quality review

An engagement quality review (EQR) is an objective evaluation of the significant judgments made by the engagement team and the conclusions reached, performed by the engagement quality reviewer and completed on or before the date of the engagement report.

While mandatory for audits of financial statements of public-interest entities, EQRs are not required for limited assurance engagements on sustainability statements. Nevertheless, most audit firms voluntarily included an EQR to review key judgements made by the engagement team. Of the seven engagements inspected by IAASA, six included an EQR.

Key judgements

Key judgements primarily related to the completeness and accuracy of entities' double materiality assessments.

IAASA's observations on limited assurance work

IAASA had no significant concerns regarding the sufficiency of procedures performed and quality of evidence obtained in the areas reviewed. The implications of findings raised by IAASA were very limited.

CORPORATE SUSTAINABILITY REPORTING IAASA OBSERVATIONS

SECTION 3: KEY MESSAGES FOR 2026

Evolving regulation

Monitoring CSRD developments

The Omnibus proposal has introduced uncertainty with regard to the ultimate scope and requirements of CSRD. IAASA is actively monitoring developments at European Commission level and assessing their potential impact. The scope, legal requirements and ESRS requirements, adopted by the European Commission in 2023, continue to apply to 2025 financial year ends. The draft simplified ESRS are anticipated to be adopted by the European Commission in mid-2026 and become mandatory for financial years ending in 2027, with early adoption permitted for 2026 year-ends. EFRAG hosted a [conference](#) dedicated to the draft simplified ESRS on 4 December 2025. EFRAG has also launched the [ESRS Knowledge Hub](#), which is an interactive platform giving users access to the adopted standards, practical implementation guidance, the latest draft ESRS and other key materials supporting sustainability reporting.

Impact on Irish business

In 2025, entities published sustainability statements for the first time, without industry benchmarks to guide them. This initial phase of reporting is expected to evolve significantly in 2026 as best practices emerge. Based on stakeholder feedback and IAASA's observations, substantial changes are anticipated in some sustainability statements to be released in early 2026, with others reporting that the revisions to formats and content will await the updated requirements from Omnibus, therefore likely to happen in 2026 year-end reporting.

Despite the uncertainties, **Wave 1 entities continue to be in scope of the current CSRD legislation** in Ireland. IAASA's supervision of the CSRD activities of RABs, entities and audit firms will continue in 2026.

Current CSRD legislation remains in effect, meaning Wave 1 entities must continue reporting under CSRD requirements. IAASA will maintain its standard setting, supervisory and enforcement activities across entities, audit firms and individuals authorised to provide sustainability assurance and RABs.

IAASA remains mindful of the impact of CSRD on Irish business and the current uncertainty surrounding future legislation. Accordingly, IAASA intends to adopt a pragmatic approach in working with entities, audit firms and professional bodies. For example, IAASA will not publish the results of its 2025 supervisory work on a named basis.

Emerging challenges

Through its supervisory activities and its engagement with relevant stakeholders - including audit firms, reporting entities, and audit committees - IAASA anticipates that additional challenges will arise in 2026 for Wave 1 entities and audit firms, some examples of anticipated challenges are noted below. IAASA remains committed to working closely with Wave 1 entities, audit firms and professional bodies to identify emerging issues and support the delivery of high quality CSRD reporting.

Wave 1 entities

Wave 1 entities anticipate ongoing challenges in balancing readability, meaningfulness, comparability and completeness in sustainability statements. Key questions persist around the appropriate level of detail, what constitutes sufficient information and when reporting becomes excessive.

As part of the EU's Omnibus proposal, the ESRS are undergoing revision. The objective of these revisions is to make the ESRS more practical and proportionate, while preserving their core purpose and alignment with the original framework. Wave 1 entities will need to prepare reporting in line with the revised ESRS, once they are adopted by the European Commission (expected mid-2026).

Audit firms

Audit firms expect to maintain a strong focus on the judgements applied by entities in determining double materiality.

Uncertainty remains regarding the assurance framework. At the time of writing, the European Trilogue process has concluded with an agreement that the European Commission will adopt an assurance standard to be rolled out across Europe by mid-2027 - however this position has been the subject of much change throughout the Omnibus process.

Ongoing uncertainty around the number of entities that will fall within CSRD scope presents challenges for firms as they plan resources and build capacity.

Individuals approved to carry out sustainability assurance

With the end of the transitional grandfathering provisions, new entrants seeking approval to carry out the assurance of sustainability reporting will need to obtain the appropriate qualification, which includes a written exam and 8 months of practical training.

Individuals approved to carry out the assurance of sustainability reporting must comply with their RAB's continuing education requirements, which may need to be updated once the post Omnibus requirements are clarified.

CORPORATE SUSTAINABILITY REPORTING IAASA OBSERVATIONS

GLOSSARY

CEAOB	Committee of European Auditing Oversight Bodies
CSRD	Corporate Sustainability Reporting Directive
DMA	Double materiality assessment
EFRAG	European Financial Reporting Advisory Group
EQR	Engagement Quality Review
ESG	Environmental, social, and governance
ESRS	European Sustainability Reporting Standards
IAASA	The Irish Auditing and Accounting Supervisory Authority
IAASB	International Auditing and Assurance Standards Board
ISAE (Ireland) 3000	ISAE (Ireland) 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information – Assurance of Sustainability Reporting in Ireland
ISSA 5000	International Standard on Sustainability Assurance 5000
PIE	Public-interest entity
PIE firm	A firm that audits public-interest entities
RAB	Recognised Accountancy Body
SASP	Sustainability assurance service provider