

ECG Roundtable on the future EU limited assurance standard

Event Summary

June 2026

This roundtable was organized by the European Contact Group to support development of the future EU limited assurance standard for sustainability reporting, using ISSA 5000¹ as the baseline. It brought together perspectives from stakeholders across the reporting ecosystem (including preparers, assurance providers, investors, standard setters, policymakers, supervisors) to share practical experience, identify implementation challenges, and discuss whether ISSA 5000 provides a sufficient foundation for the future EU standard. A recurring theme throughout the discussion was the importance of reducing fragmentation across Europe, preserving international alignment to the fullest extent, and ensuring that the future framework remains practical for preparers, assurance providers, regulators, and users of sustainability information.

Summary of Key Takeaways

The discussion highlighted strong support for a constructive and consistent EU framework anchored in ISSA 5000, with broad consensus that the standard provides a solid baseline. Participants emphasized that any EU-specific adaptations should remain limited and carefully calibrated to preserve consistency, interoperability, and avoid fragmentation. Keeping the user perspective central was seen as critical, with the ultimate objective being reliable, decision-useful, and globally comparable sustainability information - requiring continued alignment with global standards to support market confidence and cross-border investment. Rather than introducing additional prescriptive requirements, there was a clear preference for targeted, practical guidance to address key challenges such as the expectation gap, materiality, and the use of the work of others, while maintaining flexibility as the framework evolves. At the same time, the expectation gap remains a concern, underscoring the need for a shared understanding across preparers, assurance providers, and supervisors to ensure limited assurance engagements do not become more demanding in practice than intended. Supervisors were seen as playing an important role in reducing uncertainty through clearer expectations, thereby supporting consistent market practice. Finally, a pragmatic approach to reasonable assurance within the current framework was encouraged, recognising limited assurance as the legal baseline while allowing for reasonable assurance elements in specific areas where appropriate, supported by further clarification at EU level.

The discussion centered on four themes:

1. Limited assurance versus reasonable assurance

Participants broadly agreed that while the EU legal framework is currently confined to limited assurance, voluntary reasonable assurance remains possible. A consistent observation was that some first-year limited assurance engagements have been perceived by preparers to resemble reasonable assurance in practice, largely because immature reporting systems, weak controls, evidence gaps, broad information requests, and concerns about supervisory expectations have driven auditors to

¹ ISSA 5000 stands for the International Standard on Sustainability Assurance 5000. It is a global standard used by auditors and practitioners to provide assurance on sustainability reports, developed by the International Auditing and Assurance Standards Board (IAASB).

perform more extensive procedures. Several participants emphasized the need to articulate more clearly what limited assurance should look like in practice - including the expected work effort, documentation, and the distinction from reasonable assurance - so as to avoid scope creep and reduce the expectation gap between preparers, assurance providers, regulators, and users. At the same time, discussion underscored that the level of assurance should not be confused with the level of expected compliance with reporting requirements. Several participants also highlighted the importance of having a clear understanding of the expectations of audit regulators. Some noted growing market interest in hybrid approaches, where limited assurance is combined with voluntary reasonable assurance on selected disclosures, particularly greenhouse gas emissions and certain social metrics.

2. Fair presentation versus compliance

Participants generally considered that ISSA 5000 already provides an adequate basis for addressing fair presentation in ESRS engagements and that additional EU-specific requirements may not be necessary. The discussion highlighted that fair presentation in this context goes beyond formal compliance and is closely linked to the preparer's materiality assessment, the identification of material impacts, risks and opportunities, and the completeness, neutrality and accuracy of disclosures. At the same time, several participants pointed to continuing uncertainty about how materiality should be operationalized in sustainability assurance, particularly given that familiar financial audit concepts do not translate neatly into this context and that judgments may need to evolve through practice and guidance. There was also discussion about the relationship between the CSRD legal wording on compliance and the broader fair presentation concept in the ESRS context, with a shared sense that additional explanation or application guidance may be useful rather than new requirements in the standard.

3. Other aspects of ISSA 5000

Participants expressed broad support for relying on ISSA 5000 with minimal additions and viewed many detailed implementation questions as better addressed through guidance rather than through more prescriptive requirements in the EU standard itself. Specific discussion covered supplementary immaterial information, where participants noted that excessive voluntary disclosure can expand the assurance burden and potentially obscure material information. There was also significant discussion of the use of the work of others, including experts, component teams, and accredited third parties. Participants noted that third-party certifications or external verification may increase confidence but cannot automatically be relied upon for assurance purposes, and some raised concerns that assurance providers may be duplicating work rather than making appropriate use of existing verification. Additional guidance was welcomed in this regard. Information incorporated by reference and the treatment of "other information" were also discussed, with many seeing these topics as largely covered by ISSA 5000, though some considered that targeted clarification could still be helpful in the EU context. Finally, participants discussed other aspects such as quality management, independence, and value-chain-related considerations, especially where sustainability assurance may be provided by parties other than the statutory auditor.

4. Digital tagging

The digital tagging standard is pending adoption, expected for the second half of 2026. Participants generally viewed digital tagging assurance as distinct from the core sustainability assurance engagement. The discussion suggested that existing local approaches used for financial reporting

tagging may provide a workable starting point, acknowledging that reasonable assurance is required on digital tagging of financial statements while CSRD requires limited assurance over digital tagging. At the same time, participants noted open questions about how any tagging assurance conclusion should be linked to the broader sustainability assurance conclusion and whether the EU framework should provide any additional clarity once the tagging rules are finalized. A number of comments also stressed that tagging often operates as a more binary exercise than the broader sustainability assurance engagement and may therefore call for a different practical treatment.