

Response to Public Consultation

TIC Council Recommendations For The Revision Of The European Sustainability Reporting Standards (ESRS)

SUMMARY

[TIC Council](#), the global association of the Testing, Inspection and Certification (TIC) sector, presents its recommendations for the revision of the European Sustainability Reporting Standards (ESRS) from the Corporate Sustainability Reporting Directive (CSRD).

The current simplification of the ESRS aims to enhance competitiveness and reduce administrative burdens for reporting entities. TIC Council believes that the **European Commission guidelines for limited assurance** and the **EFRAG European Sustainability Reporting Standards** should **leverage** in their revision **the third-party certified management systems to avoid work duplication for reporting and auditing**.

Several ISO standards cover management systems dedicated to sustainability topics. Among these standards, several of them are directly linked to ESRS topical standards, among others:

- ISO 14001 Environmental management system (linked to ESRS E1-E5)
- ISO 45001 Safety management system (linked ESRS E1-E4)
- ISO 50001 Energy management system (linked to ESRS E1)

The companies that have already obtained a management system certified by an accredited certification body can demonstrate their conformity to many requirements presented in the ESRS 2 and the corresponding ESRS topical standards.

Recognising these certifications when delivering the assurance of the sustainability statement will streamline, simplify, and reduce cost and duration of the assessment process. It contributes to reducing the administrative burden for preparers avoiding duplication of the verifications made by the assurance service provider and the certification body.

ISO Management Systems Standards are **already recognised in other pieces of legislation** such as the Eco-Management and Audit Scheme (EMAS) and the Industrial Emissions Directive (IED), that require a certification of the Environmental or Energy Management Systems.

The recent strategic partnership announced by ISO and GHG Protocol to deliver unified global standards for greenhouse gas emissions accounting, enhances the possibility of EFRAG to align ESRS E1 with ISO/GHG Protocol definitions to reinforce the interoperability of these standards.

Companies not in CSRD scope that decide to issue a sustainability statement could use their management system certification to give trust and confidence to their stakeholders.

TIC Council is in the best position to present these recommendations, as our members provide these comprehensive certifications to all kinds of companies in the value chain. TIC companies

are already a trusted partners of industry in their seek of legal compliance and company's effectiveness. Even if recognised in some pieces of legislation, the Management System's acceptance is driven by market requests on a voluntary basis, which proves their effectiveness, and the great benefits companies get from them.

ISO MANAGEMENT SYSTEM STANDARDS

ISO Management System Standard are systems-based standards that apply to the management of organizations on a voluntary basis. They take a risk-based approach to implementing controls and use the iterative Demming Cycle of Plan, Do, Check, Act (PDCA) at their core to ensure compliance and achieve continual improvement. They have been developed and periodically updated over more than three decades to build on the real-life applied experience and mirror the market evolution. They concisely represent best practice of current management thinking. In order to facilitate integration of the strategic focus with leadership and management of various subject areas (quality, environment, energy and climate, health and safety, etc.), ISO has built up the structure for different management systems in the same way, the so-called Harmonized Structure (HS).

EN ISO 14064-1 (and GHG protocol) – which is not a Management System standard – is already recognised in [ESRS E1](#) for GHG emissions calculation. TIC Council proposal would expand this recognition to other widely used ISO Management System standards.

According to ISO data for the EU in 2023, there are:

- 94,916 ISO 14001 certificates covering 185,760 sites;
- 45,674 ISO 45001 certificates covering 103,190 sites; and
- 17,701 ISO 50001 certificates covering 48,326 sites.

This data demonstrates the high acceptance of ISO Management Systems among European industry and indicates that implementing these systems can help companies streamline their reporting.

ISO MANAGEMENT SYSTEM STANDARDS AND ESRS

TIC Council presents ISO Management System Standards as a solution to reduce administrative burdens and avoiding work duplication in sustainability reporting in CSRD for the following reasons:

- ISO Management System Standards provide robust systems for data collection, internal controls, and performance tracking, key components of ESRS reporting.
- ISO Management System Standards require setting policies, objectives and targets and action plans, regularly reviewed by top level management. This is a key component of ESRS-2 MDR (Minimum Disclosure Requirements) and it relevant as input for the supervisory bodies under CSRD.
- Many companies already maintain ISO aspects and impacts registers. Material aspects and impacts can be used to support environmental disclosures under ESRS.
- ISO Management System Standards can also weigh in the Double Materiality process:
 - Stage 1: includes understanding the organisation's context, including stakeholders and interested parties – often derived from the ISO Management System
 - Stage 2: includes identification of IROs, often derived from the ISO “aspects and impacts” register, especially for environmental topics.
- ISO Management System Standards require identification and consideration of interested parties, which aligns with ESRS's emphasis on stakeholder engagement and double materiality.
- The revision of ISO 14001 expected in 2026 aims to align more closely with global reporting frameworks like CSRD and ISSB, further reinforcing the connection.

There are two differences between ISO Management System Standards and ESRS:

- Terminology: ISO Management System Standards and ESRS refer to the same realities, even if sometimes they use similar terminologies for it. ESRS refers to “Material sustainability topics”, “sustainability matters” or “material Impacts, Risks and Opportunities” (IROs), whereas ISO Management System Standards use the words “hazards”, “aspects”, “risks”, “impacts” and “opportunities”.
- Approach: ESRS has a regulatory, compulsory approach for companies in CSRD scope. However, ISO Management System Standards are based on a purely voluntary approach, as they are not imposed by any regulation.

Some companies that have reported under the first wave of CSRD have issued criticism about the fact that their assurance provider did not give as valid the data taken from their ISO Management System, which led them to work duplication. For the users of the sustainability reports it will be important that information about certified ISO Management System can be included in them. This will provide a much clearer understanding for users and auditors of the solidity behind the statement in relation to processes, policies, targets and action plans, since these have already been audited and certified by a certification body that has been accredited. Assurance of sustainability disclosures and KPI's to the 'Limited' level (as defined in ISAE 3000 or ISO14064-3) will probably not be able to provide the same depth if data from certified systems is not considered.

KEY RECOMMENDATIONS

TIC Council suggests that the EU Commission and EFRAG:

- Recognize the value of established and successful management system frameworks.
- Integrate existing business practices in the ESRS to simplify sustainability reporting by leveraging certified ISO management systems by accredited Certification Bodies, given that ISO certifications cover most of the ESRS requirements such as governance, policies, actions, targets, KPIs and also internal controls and management reviews.
- Integrate a recognition of certified management systems in the European Commission guidelines for limited assurance to allow for a simplification of the assurance process and eliminate duplication of qualitative and quantitative data verification.
- Create a recognition chart on the different terminologies of both frameworks that refer to the same realities.
- Create stronger links between sustainability reporting to other EU legislation requiring management systems and/or certification/verification to leverage European policy goals.
- Recognize the role of the upcoming ISO 14060 on Net Zero, also given the fact that ISO has signed an agreement with GHG Protocol to coordinate their standards, being GHG protocol a widely accepted calculation methodology for GHG emissions in company's reporting.
- Recognize alignment with the upcoming ISO 53000 on SDGs.

SPECIFIC PROPOSALS FOR AMENDMENTS IN ESRS2

BP1. New 4 c)

Proposal: *“the extent to which the preparation of the sustainability statement has taken into account existing ISO management system(s) already certified, EMAS and/or sustainability information and data or sustainability topics already verified by organisations that have been accredited by a national accreditation body (regulation (EC) No. 765/2008)”*

AR1

Relevant management system(s) to apply are high level structure ISO management systems, especially ISO 14001, ISO 50001, ISO 45001 and EMAS, (please note the ISO coming standard 53001 on the SDGs). Various types of verified sustainability information, based on internationally recognized schemes, covering relevant topics within the ESRS, are for instance ISO 14064-1 (climate change), ISO 14040 and 14044 (lifecycle assessments).

GOV1

New 9f): *“the extent to which the administrative, management and supervisory bodies have dealt with the issues under points d and e under an accredited, certified ISO management system”*

New AR 4 for para. 9f)

If the enterprise runs a certified ISO management system or is registered under EMAS the top level management is engaged and responsible for PAT's as well as performing supervision of the effectiveness of the system and efforts, including improvements.

IRO-1. Point 26 c)

Include text in sentence *“.... due diligence process, and is based on criteria laid down and evaluated on a regular basis in an ISO MS run by the enterprise”*

AR 20

Include for context in sentence *“....specific to its process, (new text:) including processes defined within a ISO MS with a scope for the material sustainability topics”*

IRO-1. Point 29

Include text in sentence *“....corresponding material impacts, risks and opportunities. It shall be disclosed whether the undertaking's policies, actions, metrics, and targets are operated under an accredited and certified ISO Management System, with specific reference to the scope and certification of such management system.”*

AR 26

Include text: *“Where policies, actions, metrics, and targets are implemented through an accredited, certified ISO Management System, the undertaking should include this in the disclosures to consolidate the basis of information given. Information shall be given relating which material sustainability topics are certified.”*

GDR-A point 36

New 36 c: *“(c) information about whether these key actions have been certified under a ISO Management System, specifying the scope and standard of certification”*

APPENDIX: LIST OF ISO STANDARDS AND THEIR LINKS WITH ESRS

Management Systems		
ISO 9001: 2015	Quality management systems — Requirements	ESRS 2 (4.2 - MDR)
ISO 14001: 2015 (in current revision, to be also aligned with GHG protocol)	Environmental management systems — Requirements with guidance for use	ESRS E1-E5
ISO 22301: 2019	Business continuity management systems	ESRS 2
ISO/IEC 27001:2022	Information security, cybersecurity and privacy protection — Information security management systems — Requirements	ESRS G1
ISO 37001:2025	Anti-bribery management systems — Requirements with guidance for use	ESRS G1
ISO 45001: 2018	Occupational health and safety management systems — Requirements with guidance for use	ESRS E1-E4, S1
ISO 46001:2019	Water efficiency management systems	ESRS E3
ISO 50001	Energy management	ESRS E1
(upcoming) ISO 14060	Net Zero Aligned Organisations	ESRS E1
(upcoming) ISO 53001	Management systems for United Nations Sustainable	ESRS 1 (AR9 et AR15)

	Development Goals (SDGs) — Requirements	
Other ISO standards		
ISO 14046: 2014	Water Footprint requirements	ESRS E3
ISO 14064-1: 2008	Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals	ESRS E1



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About TIC Council

TIC Council is the global trade association representing the independent third-party Testing, Inspection and Certification (TIC) industry which brings together about 100-member companies and organizations from around the world to speak with one voice. Its members provide services across a wide range of sectors: consumer products, medical devices, petroleum, mining and metals, food, and agriculture among others. Through provision of these services, TIC Council members assure that not only regulatory requirements are met, but also that reliability, economic value, and sustainability are enhanced. TIC Council's members are present in more than 160 countries and the wider TIC sector currently employs more than 1 million people across the globe.

The Value of TIC Report

To learn more about TIC Council and its member's activities, the landmark report on the Value of the TIC sector, developed jointly by the international law firm Steptoe and the London-based consultancy Europe Economics is now available to read. This report illustrates, by using data and case studies, how the TIC sector benefits a variety of stakeholders and industries around the world. You can find the study [here](#), and we welcome you to share it with anyone who might be interested.

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