

# TIC Council position paper on the Omnibus I (Sustainability)

April 2025

TIC Council, the global association of the Testing, Inspection and Certification (TIC) sector takes note of the recent proposal of the Omnibus on Sustainability. As the main representative of Independent Assurance Service Providers (IASP), as included in the Corporate Sustainability Reporting Directive (CSRD), TIC Council would like to propose the co-legislators several suggestions to simplify the application of reporting requirements for companies, without compromising the integrity of the Directive.

The CSRD represents a remarkable step forward in enhancing transparency and accountability across European companies. By requiring the assurance of sustainability reports, the European Union is paving the way for more transparent and comparable sustainability disclosures.

The CSRD was designed to promote competition in sustainability assurance by allowing a broader range of qualified actors, notably the accredited Independent Assurance Service Providers (IASPs), to verify the reports, should Member States individually allow for it.

However, in their national transposition, most Member States have not opened the market to IASPs, restricting it to traditional financial auditors. This creates a *de facto* concentration in the market, where only a small number of firms, whose primary activities are financial and not sustainability auditing, offer assurance services to companies in scope. This hinders competition, prevents a fair level playing field and creates substantial higher costs for companies that need to comply with CSRD, thereby undermining the acceptability of the CSRD system among European companies. The lack of alternatives is likely one of the causes of the criticism of companies who have already submitted their sustainability disclosures for limited assurance to statutory auditors, and who have complained about the approach and cost of the assurance they have experienced.

This is why we propose the following points to the co-legislators in their negotiations on the Proposal for a Directive as regards certain corporate sustainability reporting and due diligence requirements (2024/0045 COD):

- **Mandatory authorization of IASPs:** All EU Member States shall authorize accredited IASPs to conduct sustainability assurance services. This will enhance competition, create a harmonized market and provide companies with a broader range of qualified verifiers.
  - Proposal: “Member States *may shall* allow an independent assurance services provider established in their territory to express the opinion...” (Accounting Directive (2013/34/EU), Article 34, Paragraph 4, first subparagraph)
- **Keep the 2028 revision of the assurance market in place:** As stated in Article 6.2 of CSRD, by December 2028, the Commission shall review the concentration of the assurance market and assess possible legal measures to ensure sufficient diversification. We call on co-legislators to maintain this article in the final text, since it will provide a valuable fitness check on the application of the Directive, five years after its entry into force, as it is custom in other pieces of legislation.
- **Development of voluntary standards with clear instructions on the assurance process:** Since the Commission proposes to change the scope of companies subject to compulsory reporting, most of the companies in the current scope may only be subject to voluntary reporting and assurance. We propose that the Commission and EFRAG draft guidelines on how this voluntary assurance will be conducted, so that it remains affordable for all companies, especially SMEs.

## Addressing the expertise of the TIC sector

IASPs, and first and foremost TIC companies, count on their personnel's proven expertise and technical capacity to verify all sustainability claims through laboratory controls, calculations, on-site visits and other specialized services. The TIC sector has longstanding experience in offering services related to sustainability, such as supply chain due diligence, energy efficiency, CO<sub>2</sub> emission controls, and circular economy, which allow them to have a deep understanding of their client's materiality, which can help streamline the sustainability reporting process.

Moreover, independent providers are accredited according to ISO/IEC 17029. This ensures that they have the technical expertise for the validation and verification of sustainability disclosures. The accreditation of IASPs is a guarantee of their high professionalism and independence.

In this regard, TIC Council is committed to matching the implementation of the quality management systems used by auditors and the ones used by the TIC industry, and to make the implementation of these mandatory for IASPs, to provide full assurance of the level playing field and comparable quality with the statutory auditors. This work is being carried out in partnership with the International Accreditation Forum, the worldwide association of accreditation bodies, which will ensure harmonization in the European Union and beyond.

To show the sector's expertise on sustainability assurance, TIC Council has recently published the [Double Materiality Guidelines for TIC companies](#). This document aims to show the different impacts, risks and opportunities of the wide range of services that the sector offers, throughout the different ESRS.

## A different approach to auditing

Sustainability assurance cannot be carried out with the same approach as financial assurance. Materiality assessments encompass complex environmental, social, and governance (ESG) factors that require specific knowledge and experience in sustainability. If carried out without that knowledge and experience, sustainability audits tend to prove broader in scope than necessary and hence overburdensome. The double materiality assessment under ESRS needs to be based only on the material topics of the companies, not on a complete analysis of all data points of ESRS. IASPs endeavor to focus only on actual material elements of the company, avoiding a burdensome data collection exercise and extra resources for companies to ensure compliance. Opening the market for IASPs is the best way to ensure this approach is available to companies, simplifying their assurance process, with lower cost.

## Less concentration, more affordable audits

The first reports under Wave 1 on CRSD have been already published. They show a tremendous concentration on the choice of the assurance service provider. Many companies that have been subject to reporting under this first wave, have complained about the excessive pricing received and the overly thorough approach of the assigned auditors. Opening the market to a varied range of providers will create the needed competition, bring prices down and introduce a large pool of qualified auditors bringing a new approach that better adapts to companies' needs.

Assurance is a key part of the sustainability reporting process. Assurance brings trust and comparability to the reported data for all its end users. This is the best way for the European Union to really foster a comparable and highly usable data environment and a data economy, for the European legislators to have comparable data on the effect of sustainability policies and for companies, investors and consumers to have reliable data on the impacts, risks and opportunity of companies operating in the EU. By opening the market to a diverse range of providers, we can ensure companies that need assurance have access to it in an affordable manner.

We are at your disposal in case you need further information on our position.

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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.