

# STANDARDS IN SUPPORT OF ESG REPORTING



**E S G**

## **ABOUT**

CEN (European Committee for Standardization) and CENELEC (European Committee for Electrotechnical Standardization) are recognized by the European Union (EU) and the European Free Trade Association (EFTA) as European Standardization Organizations responsible for developing standards at European level, as per the EU Regulation 1025/2012. The members of CEN and CENELEC are the National Standardization Bodies and National Electrotechnical Committees of 34 European countries. European Standards (ENs), and other standardization deliverables adopted by CEN and CENELEC, are accepted and recognized in all these countries. European Standards contribute to enhancing safety, improving quality, facilitating cross-border trade and strengthening the European Single Market. They are developed through a process of collaboration among experts nominated by business and industry, research institutes, consumer and environmental organizations, trade unions and other stakeholders. CEN and CENELEC work to promote the international alignment of standards in the framework of technical cooperation agreements with ISO (International Organization for Standardization) and the IEC (International Electrotechnical Commission).

\*Number of full Members in February 2024

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The Corporate Sustainability Reporting Directive (CSRD) mandates reporting obligations on the environmental, social and governance (ESG) aspects of an organization, which represent an opportunity to improve performance in these areas. At the same time, it also leads to a workload with significant difficulties and uncertainties.

The need to demonstrate the sustainability of an organization extends beyond the direct scope of the directive, from the obliged company to their suppliers who must provide supporting information. It will also affect those seeking to increase their financing possibilities as investors and financial markets are increasingly paying attention to the sustainability of projects they invest in.

**Technical standards (CEN, ISO, CENELEC, IEC) facilitate organizations' progress on ESG objectives while enabling them to improve the robustness of their reporting.**

Many of the standards used by organizations provide support to improve sustainability performance in all three aspects (environmental, social and governance). **Organizations can align with these standards as part of their corporate sustainability reporting**, building on their existing efforts in complying with them and using them as reliable sources of data to report.

This document includes an indicative compilation of existing ESG standards to encourage organizations to use technical standards to support this reporting and to present information (data, policies, actions, results) based on them. In addition, it provides several elements that support this approach **and the benefits that it can bring for both the organizations involved in the reporting process and the actors in charge of verifying the sustainability information provided.** It is not the purpose of this report to provide detailed information on each of the standards. While there are many other standards that promote the development of sustainable technologies, products and services, this document focuses primarily on standards aimed at organizations. The standards included facilitate strategy design, policy definition and decision making. They are generally applicable to all types of organizations, regardless of their size, activity, or nature (private or public).

## TECHNICAL STANDARDS (CEN, ISO, CENELEC, IEC)

facilitate organizations' progress on ESG objectives while enabling them to improve the robustness of their reporting.

# 2

## Benefits of using technical standards in corporate sustainability reporting

### 1

#### Reference to technical standards in European reporting

The Corporate Sustainability Reporting Directive adopted the first rules for corporate sustainability reporting and includes reference to the use of technical standards. Specifically, European Sustainability Reporting Standards 2, « General Disclosures », which sets out the general considerations for the information to be included in the three aspects (environmental, social and governance), includes the following reference:

This reference lays the groundwork for organizations to rely on technical standards when preparing their sustainability reports.

**AR 2. The undertaking may disclose whether it relies on any European standards approved by the European Standardization System (ISO and IEC or CEN and CENELEC standards), as well as the extent to which data and processes that are used for sustainability reporting purposes have been verified by an external assurance provider and found to conform to the corresponding ISO and IEC or CEN and CENELEC standard.**

### 2

#### Alignment with the European regulatory framework

Technical standards are integrated into the regulatory framework through the [New Legislative Framework](#). Numerous European Directives and Regulations are complemented by harmonized technical standards that define the technical solutions to the essential requirements established in these regulations.

Many of these standards are developed at the direct request of the European Commission to support these legislative elements. In addition, in its [European Standardization Strategy](#), the European Commission itself reinforces the role of technical standards for a sustainable European market.

Therefore, the use and recognition of standards-based sustainability reporting leads to a more coherent European regulatory framework.

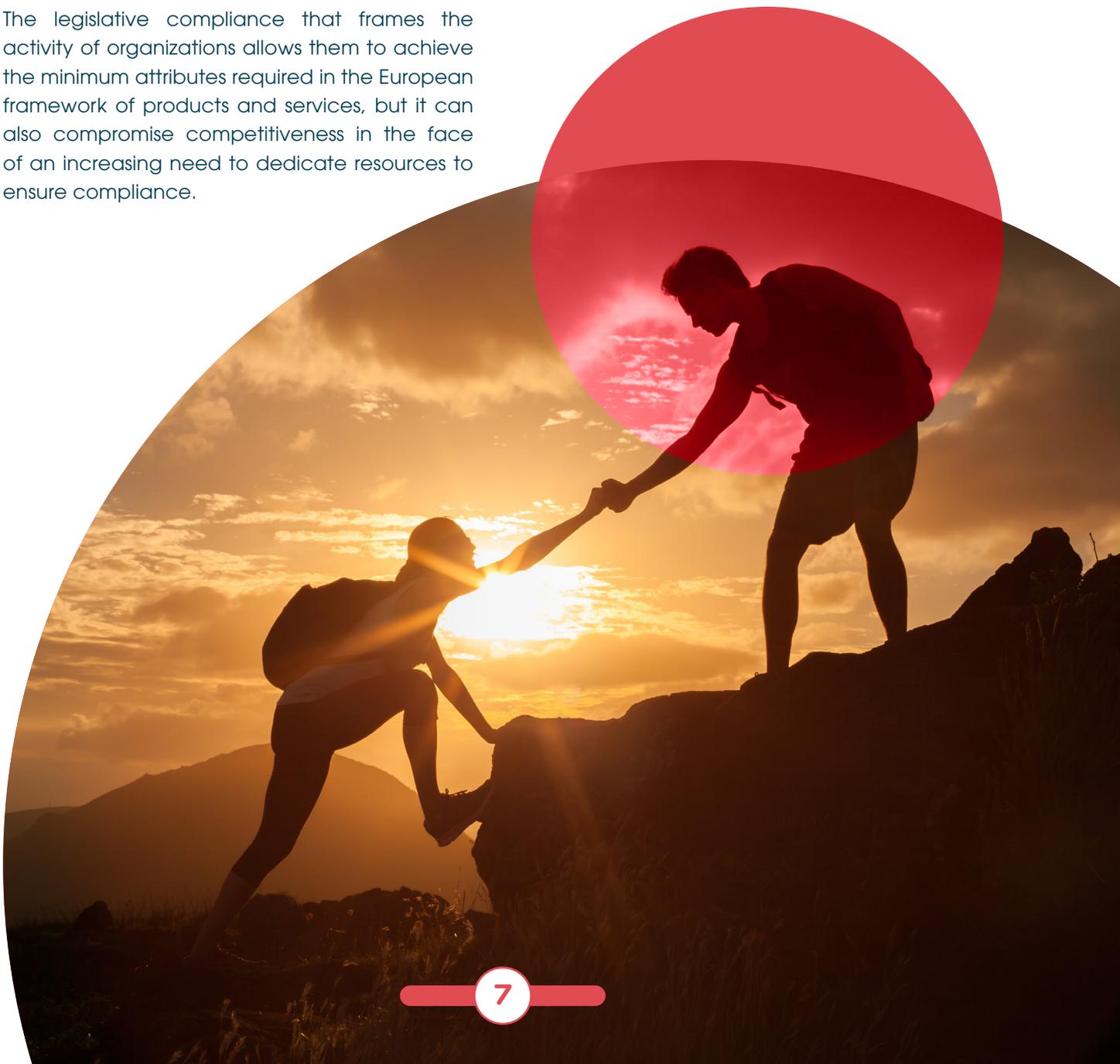
### 3

## Leveraging the efforts made by organizations

Organizations devote significant efforts to the development of technical standards and to adapting their activity to ensure compliance with these standards, relying on them as tools to facilitate the single market, ensure the quality and safety of their activity and demonstrate compliance with European and national regulatory frameworks.

The legislative compliance that frames the activity of organizations allows them to achieve the minimum attributes required in the European framework of products and services, but it can also compromise competitiveness in the face of an increasing need to dedicate resources to ensure compliance.

For all these reasons, the use and recognition of standards-based sustainability reporting makes it possible to **optimize resources and leverage the efforts made by organizations** to develop and comply with technical standards.



# 4

## Robust and extensive sustainability coverage

Technical standards provide support for sustainability which is highly relevant in all three aspects (environmental, social and governance). This report provides more detail on existing standards; however, some illustrative examples are provided below.

Sustainability aspects <small>(European rule from the corresponding report)</small>	Examples of topics covered by technical standards
<b>Climate (ESRS E1)</b>	<ul style="list-style-type: none"> <li>• Net zero emissions</li> <li>• Carbon footprint of products and organizations</li> <li>• Adaptation to climate change</li> </ul>
<b>Pollution (ESRS E2)</b>	<ul style="list-style-type: none"> <li>• European reference methods for determining pollutants in the air</li> </ul>
<b>Water (ESRS E3)</b>	<ul style="list-style-type: none"> <li>• Water footprint</li> <li>• Water use efficiency</li> </ul>
<b>Biodiversity (ESRS E4)</b>	<ul style="list-style-type: none"> <li>• Strategic consideration of biodiversity for organizations (in development)</li> </ul>
<b>Circular economy and resources (ESRS E5)</b>	<ul style="list-style-type: none"> <li>• Circular Economy Implementation and Circularity Measurement (in development)</li> <li>• Methods to assess the ease of reusing, repairing or recycling products</li> <li>• Energy management</li> </ul>
<b>Own workforce (ESRS S1)</b>	<ul style="list-style-type: none"> <li>• Occupational health and safety management</li> <li>• Diversity and Inclusion in Human Resource Management</li> <li>• Implementation of gender equality (in development)</li> </ul>
<b>Workers in the value chain (ESRS S2)</b>	<ul style="list-style-type: none"> <li>• Corporate Social Responsibility</li> </ul>
<b>Affected communities (ESRS S3)</b>	<ul style="list-style-type: none"> <li>• Sustainable procurement and contracting</li> </ul>
<b>Consumers and end users (ESRS S4)</b>	<ul style="list-style-type: none"> <li>• Accessible design</li> <li>• Inclusive service</li> </ul>
<b>Governance (ESRS G1)</b>	<ul style="list-style-type: none"> <li>• Governance</li> <li>• Compliance management. General and specific topics: criminal, tax, socio-labour...</li> <li>• Antifraud and Whistleblowing</li> </ul>

## 5 Qualitative and quantitative information

The information to be reported includes both quantitative data (e.g. water or energy consumption) and qualitative data (e.g. policies adopted by organizations regarding sustainability). Technical standards provide a solid foundation for both types of reporting.

There are both standards that address measurement/quantification methods and standards that address the implementation of management systems that affect the entire organization, facilitating the adoption of strategies and optimizing its processes in a sustained manner over time and with a focus on continuous improvement.

## 6 Proven reliability

Standardization is a regulated activity, based on Regulation (EU) 1025/2012 at the European level.

The open, transparent, and consensus-based process among stakeholders at the basis of standards development ensures quality technical content that is widely accepted among companies and organizations and generates confidence among users.

In addition, the European and international nature of many of these standards allows the requirements and guidelines to be recognized in a multitude of countries.

On the other hand, the periodic review to which standards are subjected ensures their validity over time. Standards are constantly evolving to keep pace with innovation, so using them will help to keep sustainability reports up to date and in line with market changes.

For this reason, **a multitude of national, regional and local legislation, as well as public procurement specifications, make use of technical standards for their effective implementation** by referring to technical standards in legal texts.

# 7

## Facilitating the activity of auditors/verifiers

The elements described in the previous point ensure that **sustainability reporting based on technical standards has a reliable basis** and can therefore simplify the verification of this information.

Furthermore, the standards-based conformity assessment system is a well-established, well-known and reliable system, not only for the organizations demonstrating compliance and for the actors of the conformity assessment, but also for public and private organizations when it comes to recognizing compliance with these standards.

ESRS 2 “General disclosures” also refers to organizations being able to report whether the standards-based information they provide has been verified by a third party.

Therefore, this conformity assessment system can **significantly simplify the verification of sustainability information**. This is a differentiating element of the standardization system.

Sustainability reporting based on technical standards has a reliable basis

Significantly simplifies the verification of sustainability information

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## Recognition under the international reporting framework

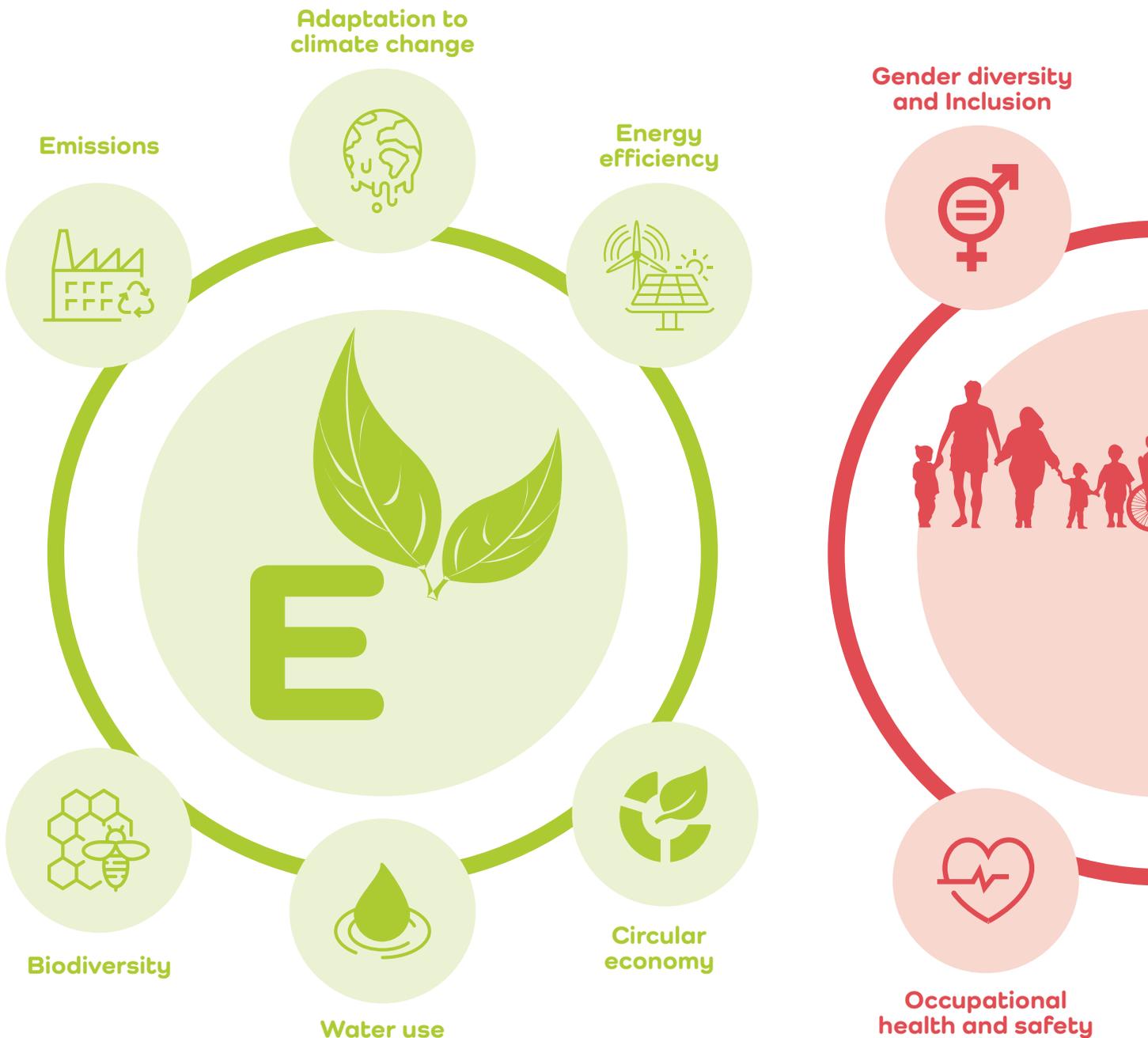
Similarly to the contacts that have been established between CEN and CENELEC and EFRAG in the European context, ISO is building bridges with ISSB/IFRS (EFRAG's international counterpart) to have ISO standards recognized in their IFRS reporting standards.



# 3

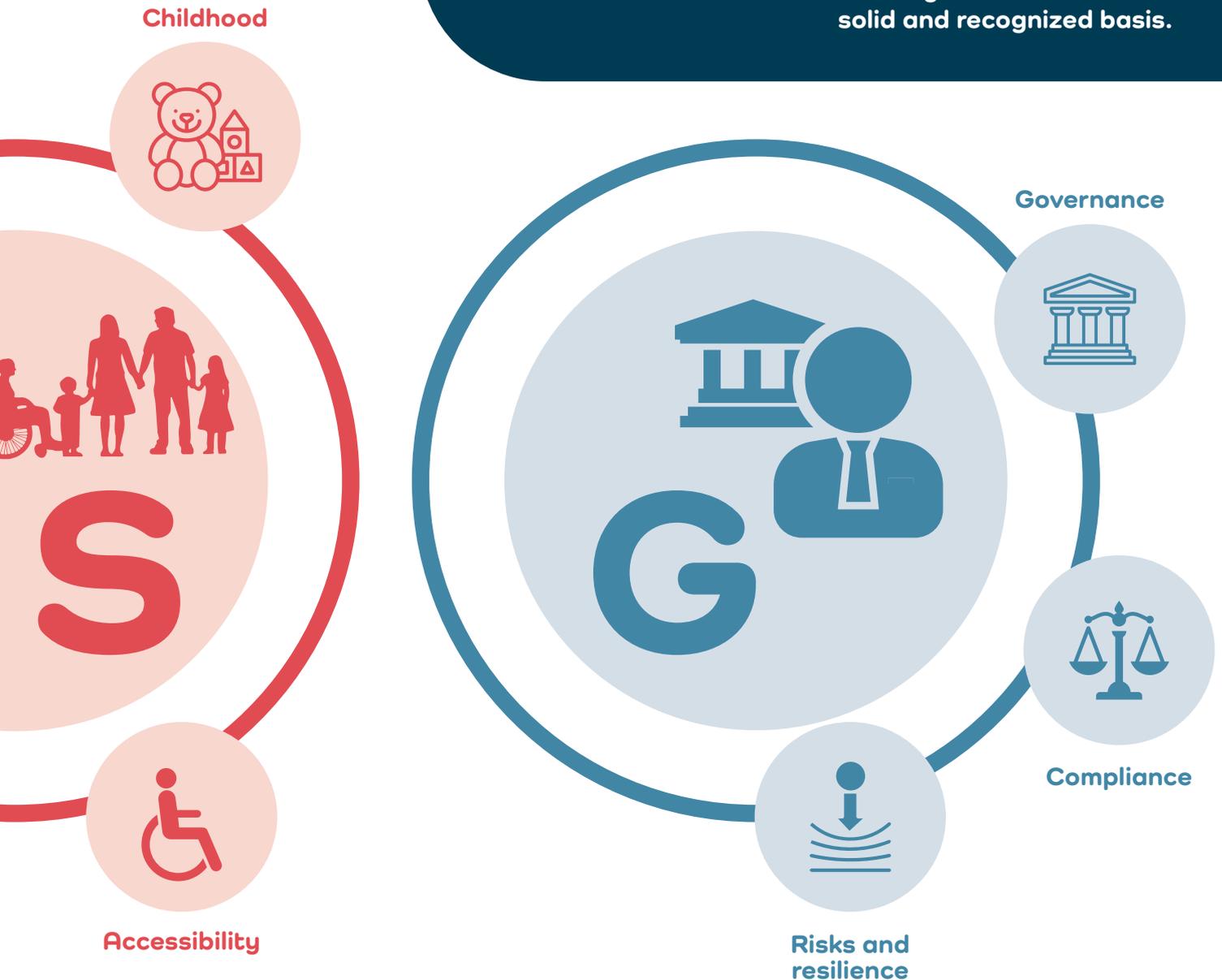
# ESG standards

Standards (CEN, ISO, CENELEC, IEC) that address sustainability issues help organizations to progress in the three aspects defined by the ESG criteria. They provide guidelines and orientations for the definition of policies and strategies, as well as solid sources for obtaining reliable data.



Therefore, including the use of and alignment with existing sustainability standards as part of the ESG report makes it easier for organizations to provide evidence of both qualitative and quantitative information. In addition, it helps organizations provide their investors and stakeholders with sustainability information that has a sound and recognized basis. The following figure provides an overview of the ESG areas in which standards are available to organizations.

**Including the use of standards in the ESG report makes it easier for organizations to demonstrate their performance while providing their investors and stakeholders with sustainability information with a solid and recognized basis.**



# 1 Environmental

Emissions, adaptation to climate change, circular economy and biodiversity are some of the key elements in this area.

The environmental aspect is the area of sustainability that has traditionally had the longest history and the most regulation associated with it through national and European policies.

Below are standards that support organizations in defining and achieving their goals in these areas while helping them to comply with the applicable regulatory frameworks.



## Cross-sectional application

- **Environmental management.**  
EN ISO 14001
- **Ecodesign implementation.**  
EN ISO 14006
- **Environmental due diligence assessment.**  
EN ISO 14015
- **Determining environmental costs and benefits.** EN ISO 14007
- **Monetary valuation of environmental impacts and aspects.** EN ISO 14008
- **Life cycle analysis.**  
EN ISO 14040, EN ISO 14044



### ESRS E1 Climate change

## Emissions

- Emissions at an organization level (inventory). EN ISO 14064-1
- Zero net guidelines. ISO IWA 42
- Emission reduction projects. EN ISO 14064-2
- Carbon footprint of products. EN ISO 14067
- Emissions from transport chain operations. ISO 14083
- Carbon neutrality. ISO 14068
- Emissions in energy-intensive industries. EN 19694



### ESRS E3 Water and marine resources

## Water use

- Water footprint. EN ISO 14046
- Water management. EN ISO 14002-2, ISO 46001
- Use of wastewater in irrigation projects. ISO 16075 series
- Use of rainwater and greywater. EN 16941 series



### ESRS E1 Climate change

## Adaptation to climate change

- Adaptation framework. EN ISO 14090
- Vulnerability, impact and risk assessment. EN ISO 14091
- Development of adaptation plans. ISO/TS 14092



### ESRS E1 Climate change

## Energy efficiency

- Energy management system. EN ISO 50001
- Energy audits. EN 16247 series



### ESRS E5 Circular economy

## Circular economy

- Principles, terminology and implementation. ISO 59004 (standard under development)
- Business models and value networks. ISO 59010 (standard under development)
- Measurement and assessment of circularity. ISO 59020 (standard under development)
- Circular product design. EN 45560



### ESRS E4 Biodiversity and ecosystems

## Biodiversity

- Strategic and operational consideration of biodiversity. ISO 17298 (standard under development)
- Design and implementation of projects with biodiversity net gain. ISO 17620 (standard under development)
- Natural capital accounting. ISO 14054 (standard under development)

## 2 Social

The following standards help organizations to balance business objectives with social interests, increasing the social commitment of their policies and programs. They provide guidelines to improve the opportunities and management of disadvantaged groups and communities, both in their value chain and in their own work environment, while helping them to take these needs into account when designing their activities, products and services.



## Cross-sectional application

- **Social responsibility.**  
EN ISO 26000 (also applies to the areas of Environment and Good Governance)
- **Sustainable procurement.**  
ISO 20400 (also applies to the areas of Environment and Good Governance)
- **Social life cycle assessment.**  
ISO 14075 (standard under development)



**ESRS S1 Own workforce**

**ESRS S2 Workers in the value chain**

## Gender equality, diversity and inclusion, social and labour field

- Diversity and inclusion management. ISO 30415
- Human resource management. ISO 30414:2018
- Implementation of gender equality and women's empowerment. ISO 53800 (standard under development)
- Inclusive service design and delivery. ISO 22458



**ESRS S1 Own workforce**

## Occupational health and safety

- Occupational health and safety management. EN ISO 45001
- Mental health at work. ISO 45003
- Safe work during the COVID-19 pandemic. ISO/PAS 45005
- Prevention and management of infectious diseases. ISO 45006 (standard under development)



**ESRS S4 Consumers and end users**

## Accessibility

- Accessible design of products, goods and services. EN 17161
- Accessibility for ICT products and services. EN 301549
- Accessibility of the built environment. EN 17210

## 3 Governance

Existing (good) governance standards help organizations to establish practices, policies and structures that enable them to direct and control their operations in an ethical and transparent way. They facilitate the identification of and compliance with the legal frameworks that apply to them while helping them to prevent irresponsible or fraudulent business practices. They also offer support to increase their resilience through risk management and business continuity in the face of adverse contexts.



## Cross-sectional application

- **Managing the SDGs in the organization. ISO 53001 (standard under development) (also applies to the Environmental and Social aspects)**



### ESRS G1 Business conduct

## Governance

- Principles and key aspects. ISO 37000
- Development of indicators. ISO 37005 (standard under development)
- Maturity model. ISO 37004



### ESRS G1 Business conduct

## Compliance

- Management System. ISO 37301
- Anti-bribery. ISO 37001
- Fraud control. ISO 37003 (standard under development)
- Internal investigations. ISO/TS 37008



### ESRS G1 Business conduct

## Risk management, resilience, business continuity

- Risk management. ISO 31000
- Risk assessment techniques. EN 31010
- Emerging risk management. ISO/TS 31050
- Business continuity management. EN ISO 22301
- Business continuity strategy. ISO/TS 22331
- Business impact analysis. ISO/TS 22317
- People aspects of business continuity. ISO/TC 22330
- Principles of organizational resilience. ISO 22316
- Governance Policy and Strategy. ISO 22336 (standards under development)



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