
N Omnibus I-richtlijn & VSME A1
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ADVIES

OVER

**HET VOORSTEL VAN DE EUROPESE COMMISSIE BETREFFENDE DE OMNIBUS
I- RICHTLIJN EN DE VRIJWILLIGE DUURZAAMHEIDSRAPPORTERING VOOR
KMO'S (VSME)**

De Hoge Raad voor de Zelfstandigen en de KMO heeft kennis genomen van het voorstel van de Europese Commissie voor een Richtlijn van het Europees parlement en de Raad tot wijziging van de Richtlijnen 2006/43/EG, 2013/34/EU, (EU) 2022/2464 en (EU) 2024/1760 wat betreft bepaalde vereisten inzake duurzaamheidsrapportering door ondernemingen en passende zorgvuldigheid in het bedrijfsleven (Omnibus I-richtlijn) en van de aanbeveling die de Europese Commissie in afwachting van een gedelegeerde handeling zal uitbrengen over de vrijwillige duurzaamheidsrapportering voor kmo's (VSME).

Na raadpleging van de leden van de Commissie Algemeen Kmo-beleid en de WG Duurzaam Ondernemen heeft het bureau van de Hoge Raad op 9 juli 2025 bij hoogdringendheid onderstaand advies uitgebracht.

CONTEXT

In het kader van de Green Deal werden de Europese regels inzake de bekendmaking van niet-financiële informatie door ondernemingen geëvalueerd. Vervolgens werd op 14 december 2022 de CSRD-richtlijn door het Europees Parlement en de Raad aangenomen. Deze CSRD-richtlijn verplicht vanaf 2024 meer ondernemingen om te rapporteren over hun impact op de mens, het klimaat en het bestuur van de onderneming.¹ Deze richtlijn voorziet eveneens dat de gerapporteerde duurzaamheidsinformatie van een grote onderneming informatie moet bevatten over de gehele waardeketen van de onderneming, met inbegrip van haar eigen activiteiten, haar producten en diensten, haar zakelijke betrekkingen en haar toeleveringsketen. Het doel is om tot een betere transparantie over duurzaamheidsinformatie te komen en tot een betere kwaliteit en vergelijkbaarheid ervan.

Op 13 juni 2024 hebben het Europees Parlement en de Raad eveneens de Richtlijn inzake passende zorgvuldigheid in het bedrijfsleven op het gebied van duurzaamheid aangenomen (CSDDD-richtlijn).²

De Hoge Raad heeft op 14 mei 2024 een advies uitgebracht over de omzetting van de CSRD-richtlijn in Belgische wetgeving.³

In februari 2025 heeft de Europese Commissie dan het ‘Omnibus Simplification Package’ gepresenteerd. Het beoogde doel van het Omnibus pakket is om de administratieve lasten voor ondernemingen te verlagen en de concurrentiekracht van Europa te behouden. De Commissie heeft zich een duidelijk doel gesteld: vóór het einde van zijn mandaat een ongekeende vereenvoudigingsinspanning leveren, door de administratieve lasten te verminderen met ten minste 25 %, en ten minste 35 % voor kmo's.

Het Omnibus pakket bestaat uit verschillende delen. Wat de CSRD en de CSDDD betreft is vooral Omnibus I⁴ van belang. Het Omnibus I pakket bestaat uit een voorstel van de Europese Commissie voor een richtlijn inzake de vereenvoudiging van de duurzaamheidsrapportage voor

¹ Richtlijn (EU) [2022/2464](#) van het Europees Parlement en de Raad van 14 december 2022 tot wijziging van Verordening (EU) nr. 537/2014, Richtlijn 2004/109/EG, Richtlijn 2006/43/EG en Richtlijn 2013/34/EU, met betrekking tot duurzaamheidsrapportering door ondernemingen.

² Richtlijn (EU) [2024/1760](#) van het Europees Parlement en de Raad van 13 juni 2024 inzake passende zorgvuldigheid in het bedrijfsleven op het gebied van duurzaamheid en tot wijziging van Richtlijn (EU) 2019/1937 en Verordening (EU) 2023/2859

³ Advies nr. [925-2024](#) over het voorontwerp van wet betreffende de zorgplicht, de openbaarmaking van duurzaamheidsinformatie door bepaalde vennootschappen en groepen en de assurance van duurzaamheidsinformatie

⁴ [Omnibus I - European Commission](#)

ondernemingen (CSRD), de due diligence (CSDDD) en de taxonomie^{5,6}. Het pakket bevat eveneens een voorstel van richtlijn van de Europese Commissie tot vereenvoudiging en versterking van het mechanisme voor koolstofgrenscorrectie⁷ en een voorstel voor een “Stop the clock” richtlijn. Door de “Stop the clock” richtlijn wordt de inwerkingtreding van de CSRD en de CSDDD uitgesteld.⁸

De Omnibus I-richtlijn stelt onder andere volgende concrete maatregelen met betrekking tot de CSRD en de CSDDD voor:

1. CSRD

- Verhoging van de toepassingsdrempel van de CSRD van 250 naar 1.000 werknemers, waardoor ongeveer 80% van de bedrijven die momenteel onder de CSRD-verplichtingen vallen, wordt uitgesloten.
- Beperking van de gegevens die ondernemingen die onder de CSRD vallen van hun leveranciers in de waardeketen mogen opvragen nl. alleen de gegevens die zijn vastgelegd in de VSME-norm mogen worden geëist, tenzij er een strikte noodzaak is voor aanvullende informatie.
- Herziening en vereenvoudiging van de Europese duurzaamheidsrapportagestandaarden (ESRS) om de rapporteringsverplichtingen te verlichten.
- Er zullen geen sectorale standaarden voor duurzaamheidsrapportage meer opgesteld worden.
- Voor de ondernemingen die momenteel binnen het toepassingsgebied van de CSRD vallen en verplicht zijn om vanaf 2026 of 2027 informatie te publiceren, worden de rapporteringsverplichtingen met twee jaar uitgesteld.
- Invoering van een specifieke vrijwillige norm voor kmo's (VSME), bedoeld om grote ondernemingen, banken en investeerders te ondersteunen bij het verkrijgen van de benodigde gegevens voor hun ESG-rapportering, zonder dat dit een wettelijke verplichting inhoudt.

2. CSDDD

- De toepassing op de grootste groep ondernemingen en de omzettingstermijn voor de lidstaten worden met een jaar uitgesteld.
- Er ligt meer focus op het in kaart brengen van de risico's bij directe zakenpartners in de waardeketen ten opzichte van indirecte zakenpartners.
- Het opvragen van informatie van ondernemingen die niet onder de CSRD vallen, wordt beperkt tot de VSME Standaard.

Op 14 april 2025 werd de 'Stop de klok' richtlijn gepubliceerd. De rapportageverplichting voor de ondernemingen wordt door de richtlijn met twee jaar uitgesteld. Dit uitstel moet vermijden dat een situatie ontstaat waarin bepaalde ondernemingen over het boekjaar 2025 (tweede golf)

⁵ Verordening (EU) [2020/852](#) van het Europees Parlement en de Raad van 18 juni 2020 betreffende de totstandbrenging van een kader ter bevordering van duurzame beleggingen en tot wijziging van Verordening (EU) 2019/2088

⁶ Voorstel van de Europese Commissie voor een richtlijn van het Europees Parlement en de Raad tot wijziging van de Richtlijnen 2006/43/EG, 2013/34/EU, (EU) 2022/2464 en (EU) 2024/1760 wat betreft bepaalde vereisten inzake duurzaamheidsrapportering door ondernemingen en passende zorgvuldigheid in het bedrijfsleven, [COM\(2025\) 81 final](#)

⁷ Verordening (EU) [2023/956](#) van het Europees Parlement en de Raad van 10 mei 2023 tot instelling van een mechanisme voor koolstofgrenscorrectie

Voorstel van de Europese Commissie voor een verordening van het Europees Parlement en de Raad tot wijziging van verordening (EU) 2023/956 wat betreft de vereenvoudiging en versterking van het mechanisme voor koolstofgrenscorrectie, [COM\(2025\) 87 final](#)

⁸ Voorstel van de Europese Commissie voor een richtlijn van het Europees Parlement en de Raad tot wijziging van de Richtlijnen (EU) 2022/2464 en (EU) 2024/1760 wat betreft de datums waarop lidstaten bepaalde vereisten inzake duurzaamheidsrapportering en passende zorgvuldigheid in het bedrijfsleven moeten toepassen, [COM\(2025\)80](#).

of 2026 (derde golf) moeten rapporteren, en nadien van die verplichting worden ontslagen. Dit soort situatie zou betekenen dat de betrokken ondernemingen onnodige en vermijdbare kosten moeten maken. De Europese lidstaten moeten de richtlijn uiterlijk tegen 31 december 2025 omzetten in nationale wetgeving.

Voor ondernemingen waarvoor geen verplichte duurzaamheidseisen gelden en voor ondernemingen uit de waardeketen, werd door EFRAG een vrijwillige standaard voor duurzaamheidsrapportering voor kmo's (VSME) opgesteld. Volgens het voorliggende voorstel zou de Commissie deze vrijwillige standaard vaststellen als een gedelegeerde handeling. In afwachting is de Commissie, om tegemoet te komen aan vragen vanuit de markt, van plan om zo spoedig mogelijk een aanbeveling over vrijwillige duurzaamheidsrapportage te publiceren die gebaseerd is op de door EFRAG ontwikkelde VSME-standaard.

STANDPUNTEN

Kmo's vertegenwoordigen 99% van de ondernemingen en 70% van de werkgelegenheid in ons land. Hun betrokkenheid bij een duurzame transitie is cruciaal om de klimaatdoelstellingen van de Europese Green Deal te behalen. Belgische kmo's zijn bereid hun rol te spelen in de duurzame transitie, op voorwaarde dat zij beschikken over een duidelijk kader, duurzame maatregelen en een eenvoudige implementatie. De Hoge Raad zal eerst ingaan op het voorstel inzake Omnibus I-richtlijn en vervolgens op de essentiële zaken die de Europese Commissie nog moet aanpassen aan de vrijwillige duurzaamheidsrapportage (VSME) om de administratieve lasten voor kmo te verlagen en de concurrentiekracht te versterken.

A. OMNIBUS I – RICHTLIJN

1. CSRD

a) Criteria toepassingsgebied

De rapportageverplichtingen zouden alleen gelden voor grote ondernemingen met meer dan 1.000 werknemers (d.w.z. ondernemingen met meer dan 1000 werknemers en ofwel een omzet van meer dan 50 miljoen euro of een balanstotaal van meer dan 25 miljoen euro). De minimumdrempel voor werknemers stijgt daarmee van 250 naar 1.000 werknemers.

De verhoging van de minimumdrempel voor het aantal werknemers heeft een invloed op de ondernemingen en het gebruik van de VSME standaard. Doordat de CSRD-rapportageplicht zou worden beperkt tot ondernemingen met meer dan 1.000 werknemers, zullen veel ondernemingen buiten de verplichte duurzaamheidsrapportage vallen. Hierdoor vormt de VSME-standaard een aantrekkelijk alternatief voor ondernemingen die vrijwillig ESG-informatie willen delen met investeerders en zakenpartners. Daarnaast zullen door de verhoging van deze drempel meer ondernemingen uit de waardeketen de VSME gebruiken om gestructureerd te reageren op duurzaamheidsvragen van grote ondernemingen die aan de CSRD-verplichtingen moeten voldoen en aan de duurzaamheidsvragen van andere stakeholders (o.a. financiële instellingen).

De Hoge Raad steunt de verhoging van de minimumdrempel tot 1.000 werknemers. Die verhoging zal leiden tot gerichtere duurzaamheidsrapportage en een betere focus op de grootste ondernemingen, waardoor kleinere ondernemingen minder indirecte verplichtingen zullen hebben. De verhoging van de minimumdrempel vermindert immers het doorsijpeleffect ('trickle down' effect), waarbij kleinere ondernemingen indirect worden belast met de

rapportageverplichtingen van grotere ondernemingen. Door de vereenvoudiging van de regelgeving kunnen ondernemingen zich dan ook beter richten op groei en innovatie en worden de administratieve lasten en financiële kosten voor ondernemingen, met name voor kmo's, aanzienlijk verlaagd.

b) VSME-standaard

De VSME-norm is opgezet als een vrijwillig en vereenvoudigd kader om kmo's die buiten het verplichte toepassingsgebied van de CSRD vallen, te helpen communiceren over hun ESG-prestaties. Dit initiatief heeft tot doel de transparantie te bevorderen en kmo's geleidelijk bewust te maken van de duurzaamheidsuitdagingen, zonder hen te belasten met zware reglementaire verplichtingen. Daarnaast mogen ondernemingen die onder de CSRD-verplichtingen vallen van hun leveranciers in de waardeketen niet méér informatie vragen dan wat voorzien is in de VSME-norm, tenzij bijkomende informatie strikt noodzakelijk is.

De Hoge Raad merkt op dat door de voorgestelde drempelverhoging tot 1000 werknemers in het kader van de Omnibus-richtlijn, ondernemingen met 250 tot 1.000 werknemers buiten het toepassingsgebied van de CSRD zullen vallen. Deze ondernemingen zijn daardoor niet langer verplicht om duurzaamheidsinformatie te rapporteren volgens de Europese rapporteringsstandaarden maar worden volgens de CSRD-regelgeving ook niet langer verplicht om de VSME-standaard te hanteren. De kans bestaat dat de grotere ondernemingen, die niet langer onder de CSRD-regelgeving vallen, op hun beurt informatie over de waardeketen zullen opvragen bij hun leveranciers — vaak kmo's — dat verder gaat dan de gegevens die in de VSME opgenomen zijn. Hierdoor kunnen kmo's geconfronteerd worden met niet-gestandaardiseerde en uiteenlopende rapporteringsverzoeken, wat leidt tot meer administratieve lasten in plaats van minder.

De Hoge Raad vraagt daarbij uitdrukkelijk dat ondernemingen — ongeacht of zij onder de CSRD vallen of niet — hun informatieverzoeken moeten beperken tot de gegevenspunten die opgenomen zijn in de VSME-standaard.

De Hoge Raad onderstreept bovendien dat deze standaard het maximale informatieniveau moet vormen voor alle stakeholders, inclusief financiële instellingen en verzekeringsondernemingen. De Hoge Raad vraagt dan ook om in het voorstel van de Europese Commissie het gebruik van de VSME-standaard te verplichten voor alle ondernemingen en overheden die ESG-informatie opvragen bij kmo's, ongeacht hun eigen CSRD-status.

c) Schrapping sectorale standaarden

De Europese Commissie zal geen sectorale standaarden voor de duurzaamheidsrapportage meer kunnen vastleggen. De Hoge Raad ondersteunt het argument in het voorstel van de Europese Commissie dat het invoeren van sectorspecifieke rapportagestandaarden bovenop de eerste reeks ESRS de duurzaamheidsrapportage nog verder zou compliceren voor kmo's.

d) Omzetting 'Stop de klok' richtlijn in Belgische wetgeving

De CSRD-richtlijn werd omgezet in Belgische wetgeving door de wet van 2 december 2024 betreffende de openbaarmaking van duurzaamheidsinformatie door bepaalde vennootschappen en groepen en de assurance van duurzaamheidsinformatie en houdende diverse bepalingen.

De Hoge Raad vraagt aan de Regering om zo snel mogelijk de 'Stop de klok' richtlijn om te zetten in Belgisch recht en uiterlijk tegen 31 december 2025. In afwachting verwacht de Hoge Raad duidelijke richtlijnen over de al dan niet geldende rapporteringsverplichting, aangezien de richtlijn reeds in Belgisch recht werd omgezet.

e) Omzetting Omnibus I-richtlijn in Belgische wetgeving

De Hoge Raad vraagt om bij de omzetting van de Omnibus I-richtlijn naar Belgisch recht volgende elementen te bewaken:

- het opvragen van informatie bij de niet-onderworpen vennootschappen en entiteiten te beperken tot de verplichte datapunten die staan vermeld in de specifieke Europese standaard voor vrijwillige duurzaamheidsrapportage van kleine en middelgrote ondernemingen.⁹
- de vennootschappen die moeten voldoen aan de CSRD-regelgeving uitdrukkelijk te verbieden om van de kmo's en andere entiteiten in de waardeketen 'assurance' van hun duurzaamheidsinformatie te verlangen.¹⁰
- Het automatisch aanvaarden van bestaande certificaten (CO2PL, ISO-standaarden) van leveranciers uit de waardeketen door ondernemingen die niet onder de CSRD-regelgeving vallen.
- Er een evenwicht wordt behouden tussen vereenvoudiging en de nood aan transparantie,

2. Zorgvuldigheidsplicht (CSDDD)

a) Transitieplannen

Ondernemingen moeten een transitieplan opstellen in het kader van zowel de CSRD¹¹ als de CSDDD¹² waarmee het aantoont hoe ze hun activiteiten in lijn brengen met de klimaatdoelstellingen van het Akkoord van Parijs, met name het beperken van de opwarming tot 1,5°C en het bereiken van klimaatneutraliteit. In het voorstel Omnibus I-richtlijn wordt daarom voorgesteld om de bepaling inzake klimaattransitieplannen in de CSDDD beter af te stemmen op de formulering van de CSRD, maar de CSRD wel te behouden met een duidelijke verplichting

⁹ Artikel 3:6/4 § 2 WVV “Aan de vennootschappen en entiteiten die niet onderworpen zijn aan de verplichting van het openbaar maken van duurzaamheidsinformatie maar wel deel uitmaken van de waardeketen bedoeld in het eerste lid, mag er niet meer informatie worden gevraagd dan wat vereist is in het licht van de Europese standaarden van duurzaamheidsrapportage voor kleine en middelgrote ondernemingen en wat redelijkerwijs verlangd kan worden van vennootschappen en entiteiten die leveranciers of klanten zijn in de waardeketen.” Ibid art. 3:32/3 § WVV

¹⁰ artikel 3:75/2, vijfde lid WVV : “Het eisen van assurance van duurzaamheidsinformatie is verboden voor die informatie die wordt aangeleverd door vennootschappen als entiteiten binnen de waardeketen van de vennootschappen en entiteiten bedoeld in artikel 3:6/1, maar die zelf niet onderworpen zijn aan de verplichtingen van het openbaar maken van duurzaamheidsinformatie.” Ibid art. 3:82/5, vierde lid WVV.

¹¹ Artikel 19bis, 2,a, iii CSRD: “de plannen van de onderneming, met inbegrip van uitvoeringsmaatregelen en daaraan gerelateerde financiële en investeringsplannen, om ervoor te zorgen dat haar bedrijfsmodel en strategie verenigbaar zijn met de overgang naar een duurzame economie en met de beperking van de opwarming van de aarde tot 1,5 °C in overeenstemming met de in het kader van het Raamverdrag van de Verenigde Naties inzake klimaatverandering op 12 december 2015 aangenomen Overeenkomst van Parijs (“de Overeenkomst van Parijs”) en de doelstelling om uiterlijk in 2050 klimaatneutraliteit te bereiken zoals vastgesteld in Verordening (EU) 2021/1119 van het Europees Parlement en de Raad^(*), en in voorkomend geval de blootstelling van de onderneming aan steenkool-, olie- en gasgerelateerde activiteiten.” Ibid artikel 29bis, 2, a, iii CSRD

¹² Artikel 1,1,c CSDDD: “de verplichting voor ondernemingen een transitieplan voor beperking van de klimaatverandering op te stellen en naar beste vermogen uit te voeren om ervoor te zorgen dat het bedrijfsmodel en de strategie van de onderneming verenigbaar zijn met de transitie naar een duurzame economie en met de beperking van de opwarming van de aarde tot 1,5 °C, in lijn met de Overeenkomst van Parijs.”

om dit soort plan op te stellen.¹³ De Hoge Raad vraagt om de transitieplannen in de CSDDD volledig af te stemmen op de CSRD. Hij vraagt om de verplichting om het transitieplan voor klimaatmitigatie in de CSDDD ten uitvoer te brengen te vervangen door een formulering waarin wordt gespecificeerd dat het plan een overzicht moet bevatten van geplande en genomen maatregelen.

b) Waardeketen

De CSDDD verplicht ondernemingen om due diligence toe te passen op hun volledige waardeketen, inclusief indirecte zakenpartners.¹⁴ De Europese Commissie voorziet in het voorstel Omnibus I-richtlijn om ondernemingen alleen te verplichten om due diligence toe te passen op hun directe zakenpartners, tenzij er plausible vermoedens zijn van negatieve impact bij indirecte zakenpartners.¹⁵ De Hoge Raad steunt dit voorstel tot aanpassing van de Europese Commissie. Deze beperking is eenvoudiger te implementeren en weerspiegelt beter het werkelijke controlevermogen dat kmo's kunnen uitoefenen.

c) Afstemming CSRD- en CSDDD-richtlijn

De Hoge Raad merkt op dat het essentieel is dat de toepassingsgebieden van de CSRD- en CSDDD-richtlijnen op elkaar worden afgestemd, zoals voorzien wordt in het voorstel van de Europese Commissie. Elke afwijking tussen deze bepalingen zou afbreuk doen aan de duidelijkheid en samenhang van het regelgevend kader. De Hoge Raad ondersteunt dan ook de doelstelling uit het voorstel om *“het regelgevingsraamwerk te vereenvoudigen en te stroomlijnen en zo de druk die voor ondernemingen voortvloeit uit de CSRD en de CSDDD te verminderen, zonder dat een en ander ten koste gaat van de beleidsdoelstellingen van een van deze beide wetgevingshandelingen.”*

B. Vrijwillige duurzaamheidsrapportage (VSME)

De Hoge Raad heeft deelgenomen aan de raadpleging in 2024 van EFRAG over de vrijwillige rapportagevereisten van niet-financiële duurzaamheidsgegevens voor niet-beursgenoteerde kmo's (VSME) en heeft hierover een advies uitgebracht.¹⁶ De Hoge Raad merkt op dat de VSME op verschillende vlakken verbeterd is ten opzichte van het initieel voorstel. De Hoge Raad is ook verheugd dat EFRAG een online tool ter beschikking gaat stellen.

¹³ Art 4, voorstel omnibus I-richtlijn tot wijziging van artikel 1,1,c van de CSDDD-richtlijn *“de verplichting voor ondernemingen een transitieplan voor beperking van de klimaatverandering op te stellen, met inbegrip van uitvoeringsmaatregelen, die er naar beste vermogen moeten voor zorgen dat het bedrijfsmodel en de strategie van de onderneming verenigbaar zijn met de transitie naar een duurzame economie en met de beperking van de opwarming van de aarde tot 1,5 °C, in lijn met de Overeenkomst van Parijs.”*

¹⁴ Artikel 7, 2, b CSDDD: *“een gedragscode met de in de hele onderneming en in haar dochterondernemingen, alsook de bij haar directe of indirecte handelspartners, na te leven regels en beginselen, overeenkomstig artikel 10, lid 2, punt b), artikel 10, lid 4, artikel 11, lid 3, punt c), of artikel 11, lid 5, en”*

¹⁵ Art 4,4, b voorstel omnibus I-richtlijn tot toevoeging van artikel 8, 2bis in de CSDDD *“2 bis. Wanneer een onderneming over plausible informatie beschikt die erop wijst dat zich negatieve effecten op het niveau van de activiteiten van een indirecte zakenpartner hebben voorgedaan of kunnen voordoen, voeren zij een diepgaande beoordeling uit. De onderneming voert dit soort beoordeling steeds uit wanneer het indirecte – en niet het directe – karakter van de relatie met de zakenpartner resulteert uit een kunstmatige regeling die geen economische realiteit weergeeft, maar wijst op een omzeiling van lid 2, punt b). Wanneer die beoordeling de waarschijnlijkheid of het bestaan van het negatieve effect bevestigt, moet dat effect geacht worden te zijn vastgesteld.”*

¹⁶ Advies van de Hoge Raad [nr. 935-2024](#) over een vrijwillige standaard inzake duurzaamheidsrapportering voor niet-beursgenoteerde kmo's (goedgekeurd door het bureau op 21 mei 2024, bekrachtigd door de algemene vergadering van de Hoge Raad op 10 december 2024)

De Hoge Raad is wel van mening dat de VSME op verschillende vlakken nog verbeterd kan worden. Hij heeft kennis genomen van het voornemen van de Europese Commissie om deze vrijwillige standaard vast te stellen als een gedelegeerde handeling en in afwachting van plan is om zo spoedig mogelijk een aanbeveling over de vrijwillige duurzaamheidsrapportage te publiceren, die gebaseerd wordt op de door EFRAG ontwikkelde VSME-standaard.

De Hoge Raad vraagt nog een aantal aanpassingen die zowel de normen als de richtsnoeren uit de VSME kunnen verbeteren, alvorens de standaard in de vorm van een aanbeveling door de Europese Commissie wordt goedgekeurd.

In de bijlage bij dit advies worden alle aanpassingen aan de VSME, zoals voorgesteld door de Hoge Raad, weergegeven d.m.v. amendementen met daarbij concrete voorstellen tot aanpassing van elke datapunt in de norm, de begeleidende richtlijnen en bijlagen A en B. Er worden eveneens voorstellen geformuleerd met het oog op een uitbreiding en gemakkelijker gebruik van de online tool. De Hoge Raad deelt hierna haar algemene aanbevelingen mee en herneemt enkele aandachtspunten uit de bijlage.

1. Algemene aanbevelingen

De Hoge Raad is van mening dat de normen en de toelichtingen uit de VSME standaard nog te complex zijn en vereenvoudigd kunnen worden. De Hoge Raad formuleert daartoe volgende voorstellen:

- Er zijn nog steeds te veel kruisverwijzingen naar bronnen, documenten en voorschriften die niet opgenomen zijn in de VSME zelf. De Hoge Raad stelt voor om zoveel mogelijk kruisverwijzingen te integreren in één document om te vermijden dat je in verschillende documenten verschillende regelingen moet opzoeken.
- Het taalgebruik moet nog verder vereenvoudigd worden.
- In de norm of in de leidraad mag niet worden verwezen naar documenten die niet beschikbaar zijn in alle EU-talen, te lang zijn of verwijzen naar te complexe hulpmiddelen die niet zijn aangepast aan de kmo's.¹⁷ Op zijn minst moeten deze documenten vervangen worden door echte richtlijnen en aangevuld worden door praktische tools en samenvattingen in de nationale talen.
- Elke verwijzing in de VSME naar andere (betalende) normen moet worden geschrapt omdat ze een extra (administratieve) last vormen.
- De leidraad voegt een aantal extra toelichtingen toe die niet in de VSME standaard (normen) zelf worden gevraagd. Dit is te wijten aan het feit er te weinig aandacht werd besteed aan de herziening van de leidraad. Dit druist volgens de Hoge Raad in tegen de goede praktijken bij het opstellen van standaarden, die vereisen dat de noodzakelijke toelichtingen deel moeten uitmaken van de standaard zelf.
- Het eisen van 'assurance' van duurzaamheidsinformatie moet verboden worden voor ondernemingen uit de waardeketen die de vrijwillige duurzaamheidsstandaarden toepassen.¹⁸

¹⁷ Bv. Verwijzing naar CDP Technical Note, GHG Protocol, SME Climate hub, Business Carbon Calculator, Carbon Trust SME Carbon Footprint Calculator, UK Business Climate hub, Carbon Planner, Key Biodiversity Areas, EMAS Guidance, EMAS Reference Document for the Construction sector, CDP 2024, GHG Protocol Land Sector and Removals Guidance 13, WBCSD guidance, TCFD,...

¹⁸ Art. 53, 5^{de} lid van de wet van 2 december 2024 betreffende de openbaarmaking van duurzaamheidsinformatie door bepaalde vennootschappen en groepen en de assurance van duurzaamheidsinformatie en houdende diverse bepalingen "Het eisen van assurance van duurzaamheidsinformatie is verboden voor die informatie die wordt aangeleverd door vennootschappen als entiteiten binnen de waardeketen van de vennootschappen en entiteiten bedoeld in artikel 3:6/1, maar die zelf niet onderworpen zijn aan de verplichtingen van het openbaar maken van duurzaamheidsinformatie."

- De VSME moet als de maximale drempel gelden voor de waardeketen en moet expliciet vermeld worden in de VSME. Dit zou de acceptatie van de VSME bevorderen en zou aansluiten bij de doelstelling van de Europese Commissie om de administratieve lasten voor kmo's te verminderen en de wettelijke garantie te bieden die banken en grote ondernemingen nodig hebben.
- Het voeren van een effectbeoordeling (ex ante voor het invoeren van de gedelegeerde handeling en ex post) van de VSME-norm: Deze aanpak laat toe om zowel voorafgaand in te schatten wat de verwachte impact van de VSME zal zijn op de kmo's en om te analyseren of de maatregel in de praktijk de beoogde effecten heeft gehad, en of er aanpassingen nodig zijn.

2. Specifieke aanbevelingen

De Hoge Raad formuleert hier alvast enkele punten die in de VSME aangepast moeten worden (cf. bijlage voor het volledig overzicht):

1. De norm zou moeten voorzien in een in alle EU-talen beschikbare, gecentraliseerde tool op Europees niveau, die de CO₂-impact op een uniforme wijze berekent met een onderscheid tussen Scope 1 en 2 emissie en die gratis beschikbaar wordt gesteld. De Hoge Raad merkt op dat enkel door het hanteren van één centrale tool geharmoniseerde resultaten kunnen worden gegarandeerd. Wanneer verschillende rekentools worden toegestaan, bestaat het risico dat kmo's - door uiteenlopende uitkomsten van deze tools - meerdere rapporten moeten opstellen, wat leidt tot extra complexiteit en werklust.
2. De norm mag geen scope 3 emissie opleggen. De Hoge Raad merkt op dat voor kmo's de berekening van de scope 3 emissie te ingewikkeld, te duur en moeilijk te verkrijgen en te berekenen is. Bij het definiëren van het waardeketenplafond moet ervoor worden gezorgd dat het opvragen van scope 3 gegevens niet is toegestaan.¹⁹ De Hoge Raad wijst erop dat de scope 3 emissie berekening niet "evenredig is met de capaciteiten en middelen van kmo's" en dus in tegenspraak is met de doelstelling in de CSRD-richtlijn dat de duurzaamheidsrapporteringsstandaarden evenredig moeten zijn en geen onnodige administratieve lasten met zich mee mogen brengen voor kmo's.²⁰
3. De definitie van eigen personeel moet worden aangepast. In de tekst komt het begrip niet-werknemers niet meer voor. De verwijzing naar niet-werknemers in de definitie van eigen personeel moet dan ook geschrapt worden in bijlage A.²¹
4. De Hoge Raad wijst erop dat een kmo volgens de norm/standaard terecht niet moet rapporteren over de lokale, directe en indirecte gevolgen voor de biodiversiteit, terwijl dit wel in de Guidance gevraagd wordt. De Hoge Raad vraagt dan ook de tekst van de Guidance in overeenstemming te brengen met de tekst van de norm.²²

¹⁹ Cf. 50-53 and Guidance 215 VSME.

²⁰ Overweging 53 CSRD - Richtlijn (2022/2464): "... In de duurzaamheidsrapporteringsstandaarden moet worden gespecificeerd welke te verschaffen informatie over waardeketens in verhouding staat tot en relevant is in verband met de omvang en complexiteit van de activiteiten van de ondernemingen en de capaciteiten en kenmerken van ondernemingen in waardeketens, met name de capaciteiten en kenmerken van ondernemingen die niet hoeven te voldoen aan de in deze wijzigingsrichtlijn vastgestelde duurzaamheidsrapporteringsvereisten. In de duurzaamheidsrapporteringsstandaarden moet geen verplichting worden opgenomen tot het verschaffen van informatie waarvoor ondernemingen van kleine en middelgrote ondernemingen in hun waardeketen informatie zouden moeten vergaren die verder gaat dan de informatie die overeenkomstig de duurzaamheidsrapporteringsstandaarden voor kleine en middelgrote ondernemingen moet worden verschaft..."

²¹ Cf. Bijlage A VSME: "Own workforce/own workers".

²² Cf. §34 en Guidance 140 VSME

5. De Hoge Raad merkt op dat er behoefte is aan één geactualiseerde informatiebron op gedetailleerd niveau (vb. perceelnr.) voor de biodiversiteit “biodiversiteitsgevoelig gebied” en de “waterstressgebieden”.²³
6. De omzet van een kmo mag niet opgevraagd mag worden.²⁴ Veel Belgische kmo's kiezen er immers voor om een verkorte jaarrekening op te stellen en in te dienen waarin de omzet niet is opgenomen. De Hoge Raad merkt op dat de vraag tot het openbaar maken van de omzet te ver gaat voor een Belgische kmo. Hij vraagt dan ook om de omzet openbaar te maken indien deze informatie beschikbaar zou zijn.

De Hoge Raad verwijst verder naar de bijlage bij dit advies waarin alle noodzakelijke amendementen voor de VSME worden weergegeven voor de datapunten in de norm, de begeleidende richtlijnen en de begrippen in bijlage A en B. Eveneens worden er concrete voorstellen weergegeven om de online tool te vereenvoudigen.

C. Overleg, informatiecampagnes & opportuniteiten

De Hoge Raad wijst erop dat toegang tot gratis, gestandaardiseerde tools voor kmo's, met sectorspecifieke elementen voor de meest geviseerde sectoren noodzakelijk is. Hij vraagt om eveneens opleidingen, (financiële) ondersteuning, begeleiding en informatie- en sensibiliseringscampagnes voor de ondernemingen over de omnibus I-richtlijn en de VSME te voorzien. Hij vraagt om de Hoge Raad daarover te informeren en te raadplegen.

Zonder deze ondersteuning zullen kmo's immers als laatsten in staat zijn zich aan te passen (geen verplichting, geen kader, geen middelen), terwijl ze wél zullen moeten voldoen aan de eisen van hun klanten – de grote ondernemingen – zonder voldoende voorbereiding.

De Hoge Raad vraagt ook om geïnformeerd en geraadpleegd te worden over de omzetting van de richtlijnen "Stop the clock" en Omnibus I.

De Hoge Raad merkt op dat de transitie naar duurzaam ondernemen, die rekening houdt met het proportionaliteitsbeginsel voor kmo's, groeikansen inhoudt voor kmo's en hun concurrentiepositie verstrekt. Door het hanteren van een proactieve benadering en het ontwikkelen van kmo-gerichte instrumenten kunnen kmo's zich onder meer focussen op innovatie wat kan leiden tot meer kosteneffectieve maatregelen en specialisatie in specifieke marktsegmenten.

BESLUIT

De Hoge Raad merkt op dat het Omnibus-initiatief nog moet worden bijgestuurd – opdat het voor kmo's niet complexer wordt. Hij is voorstander om voor de CSRD-rapportering de minimumdrempel voor werknemers te verhogen naar 1.000 werknemers. Echter het is daarbij volgens de Hoge Raad essentieel dat het gebruik van de VSME-standaard wordt verplicht voor alle ondernemingen die ESG-informatie opvragen bij kmo's, ongeacht hun eigen CSRD-status.

De Hoge Raad benadrukt dat échte vereenvoudiging enkel mogelijk is binnen een geharmoniseerd en proportioneel kader, ondersteund door toegankelijke instrumenten zoals de VSME-standaard. Alleen zo kunnen kmo's volwaardig deelnemen aan de duurzame transitie, zonder dat hun concurrentievermogen in het gedrang komt."

²³ Cf. §33 and Guidance 157 VSME

²⁴ Cf. §24 (e) VSME

Hij vraagt dat de "Stop the clock"-richtlijn zo snel mogelijk in Belgisch recht wordt omgezet, en dat de huidige juridische onzekerheid in de overgangsperiode dringend wordt opgehelderd, aangezien de CSRD-richtlijn reeds in Belgisch recht werd omgezet.

De Hoge Raad wijst eveneens op enkele aandachtspunten bij de omzetting van de omnibus I-richtlijn.

Voor de zorgvuldigheidsplicht vraagt de Hoge Raad om de transitieplannen in de CSDDD volledig af te stemmen op deze van de CSRD en om ondernemingen alleen te verplichten om due dilligence toe te passen op hun directe zakenpartners, behalve wanneer er gegronde vermoedens bestaan van een negatieve impact bij indirecte handelspartners. Verder vraagt hij om zoveel als mogelijk beide regelgeving (CSRD en CSDDD) op elkaar af te stemmen.

De Hoge Raad merkt op dat inzake de VSME er nog te veel verwijzingen zijn naar bronnen, documenten en regelgeving die niet opgenomen zijn in de VSME standaard. Ook de richtsnoeren, het taalgebruik en de online tool moeten nog verder vereenvoudigd worden. De VSME-normen moeten volgens de Hoge Raad realistisch blijven en aangepast zijn aan het vermogen van ondernemingen om eraan te voldoen. Momenteel is het vereiste datavolume buiten proportie en veroorzaakt het een onevenredige administratieve last. De Hoge Raad formuleert dan ook in bijlage bij dit advies verschillende amendementen op de normen en richtsnoeren die noodzakelijk zijn om rekening te houden met de lasten voor kmo's.

Bijlage

Objectives of this Standard and to which undertakings it applies

1	(b) providing information that will help satisfy data needs from banks and investors, therefore helping undertakings in their access to finance;	(b) providing information that will help satisfy data needs from banks and investors, therefore helping undertakings in for their access to finance;	We still question as stated in Para 1 (b) that the Standard is “therefor helping undertakings in their access to finance”. Indeed it is not “helping” them, but it has become in fact an additional condition, an additional requirement to obtain finance.
2	It applies to undertakings ¹ whose securities are not admitted to trading on a regulated market in the European Union (not listed). ¹ This includes self-employed, non-incorporated undertakings and listed micro undertakings.	It <u>can be used by all</u> micro- <u>not listed</u> small- and <u>not-listed</u> medium -sized undertakings, which include self-employed, <u>solo-entrepreneurs</u> , and non-incorporated undertakings.” As a consequence of the Omnibus adoption it should be: “It <u>can be used by all</u> micro- small- and medium -sized undertakings, which include self-employed, <u>solo-entrepreneurs</u> , and non-incorporated undertakings.” (Note: to be adjusted if Omnibus 1 is adopted)	Footnote 1 in the VSME states that micro enterprises “... include[s] self-employed, non-incorporated undertakings and listed micro undertakings” This important “addition” should not figure as a footnote but should clearly be mentioned in the main text of “Objectives”. In addition, although self-employed are covered, as they are mentioned in the footnote, we recommend to reformulate the text and to add a sentence in the body of the text to clearly mention that the Standard is also covering self-employed and non-incorporated undertakings, which are the overwhelming part of the future users.
3	These undertakings fall outside the scope of the Corporate Social Reporting Directive (CSRD) but are encouraged to use this Standard. This Standard covers the same sustainability issues as the European Sustainability Reporting Standards (ESRS) for large undertakings. However, it is proportionate and therefore takes into account micro-, small- and medium-sized undertakings’ fundamental characteristics. Micro-undertakings are welcome to use only certain parts of this Standard as highlighted in paragraph 5(a).	Proposal: to add in para 3: <u>“Large undertaking, banks, investors and public authorities should use this standard as a value-chain cap for their sustainability data needs”</u> . see Para 5 (a)). Proposal: However it should be clearly mentioned in the text that banks, large enterprises or others do not have to use the full basic and comprehensive module but can or even should skip questions which they do not need or to limit the red tape for the SME. This is only logic.	When adopting the VSME the Commission should recommend strongly the use of the VSME by banks, large companies and also public authorities. Once the Omnibus adopted the VSME should also explicitly mention that it is the value cap, meaning that undertakings are not allowed to ask more from SMEs than the “compulsory” datapoints of VSME.
4	Consistency with ESRS for large undertakings has been carefully considered in the preparation of this Standard while defining proportionate requirements. This Standard	to skip the sentence “This Standard has no legal authority unlike the ESRS for large undertakings” to avoid any misunderstanding.	As it is mentioned that there is consistency with the ESRS for large undertakings, the Commission should make a statement that when the VSME is used to report to banks, large companies and investors, this is fulfilling the ESRS requirements

	has no legal authority unlike the ESRS for large undertakings.		
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Structure of this Standard

5		Under Para 3 (for micro's) referring to Para 5 (a); Under Para 5 last alinea : "Para 24....circumstances"; Para 6; Para 22. This issue should be explained better. If, as stated in Para 3, "micros are welcome to use only certain parts of this Standard", this should mean that they do not have to use fully the Basic, but does this mean that they "apply the Basic Module"? We advocate for this.	In general the information given on which parts / modules can / have to be used is very confusedly mentioned under different points
6		Proposal : to be skipped	We are of the opinion that this paragraph (Applying the basic module is a prerequisite for applying the Comprehensive Module) is redundant and could be skipped as in Para 5a it is already mentioned that the Basic Module constitutes a minimum requirement for other undertakings.
7		It should also be applied in the digital version by a "click through" function.	This paragraph and approach - to put terms that are defined in the glossary of definitions - has to be welcomed.

Principles for the preparation of the sustainability report (Basic and Comprehensive Module)

	Principles for the preparation of the sustainability report (Basic and Comprehensive Module)	Proposal: "Principles for the preparation of the VSME sustainability report (Basic and Comprehensive Module)".	
8 (a) and (b)	<p>This Standard sets requirements that allow the undertaking to provide relevant information on:</p> <p>(a) how it has had and is likely to have a positive or negative impact on people or on the environment in the short-, medium- or long-term; and</p>	Proposal We propose the skip this as it is setting new objectives of the VSME while the objectives are already defined in Para 1.	Specifying that the information must be provided for the 'short, medium and long term' makes it more complicated and too detailed for businesses, We recommend to skip this as it is only requested in the Comprehensive Module under Climate Risks (datapoint 57 and 58) C4, as well as the performance and cash flow consequences. Data on Cash-flow is nowhere else mentioned or requested in the VSME. This is a remaining text of previous versions. In addition it

	(b) how environmental and social issues have affected or are likely to affect its financial position, performance and cash flows in the short-, medium- or long-term.		seems to be the application of the double materiality principle, which was decided not to apply it in the VSME.
10	Depending on the type of activities carried out by the undertaking, the inclusion of additional information (metrics and/or narrative disclosures) not covered in this Standard is appropriate in order to disclose sustainability issues that are common in the undertaking's sector (i.e. typically encountered by businesses or entities operating within a specific industry or field) or that are specific to the undertaking, as this supports the preparation of relevant, faithful, comparable, understandable and verifiable information. This includes the consideration of information on Scope 3 GHG emissions (see paragraphs 50 to 53 of this Standard). Appendix B provides a list of possible sustainability issues.	Proposal: "Depending...information (qualitative and or quantitative metrics and/or narrative disclosures) not covered..."	This point is the recognition of the uniqueness and specificity of many SMEs. It is an important achievement as "standards" and "standardisation" stand for streamlining, generalisation. We always warned in the past that the "standardisation" of CSR activities and business conduct goes against the diversity, particularity and specificity of our SMEs.
11	The undertaking may complement the metrics from the Basic and Comprehensive modules with additional qualitative and/or quantitative information where appropriate in accordance with paragraph 10 above.	Proposal: to skip Para 11.	This point is redundant as it repeats what is already mentioned in Para 10. Proposal: to skip Para 11. See however our proposal to change Para 10 accordingly.

Comparative information

12	The undertaking shall report comparative information in respect of the previous year except for metrics disclosed for the first time. The undertaking shall report comparative information from the second year of reporting.	We propose instead to replace it* by "Comparative information in respect of the previous year shall be included in the report except for metrics being disclosed for the first time when the report is drafted annually ". The actual text of Para 12 only deals with the situation that an SME will report annually. As this will not always be the case, we suggest to add: " If the report is not made annually, comparable information in respect of the	As SMEs are not in the scope of the CSRD and reporting remains voluntary, there is also no obligation to draft the report annually. We are of the opinion that mentioning "except for metrics being disclosed for the first time" is obvious and thus redundant. This proposal is fully in line with the spirit of the Standard (see Para 16) and tries to solve an omission. In order to reduce red-tape and as some metrics will not change (e.g. surface,...) the rule should
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		<u>last reported year shall be included, except when there were no changes</u> .	apply that when no comparative information is given, no change took place.
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If applicable principle

13	<p>Certain disclosures only apply to specific circumstances². In particular, the instructions provided in each disclosure specify such circumstances and the information that is to be reported only if considered 'applicable' by the undertaking. When one of these disclosures is omitted, it is assumed to not be applicable.</p> <p>² For example, the legal requirement to disclose specific information, or already voluntarily disclosing specific information through an Environmental Management System.</p>	Proposal: we would instead recommend to give in the footnote the example of the Social matters, B8-B10 which do not apply to one-person undertakings (self-employed without personnel).	We fully support the application of the "if applicable principle" as we have it always put forward as a fundamental principle to be applied in order to avoid red tape. However the example in footnote 2 gives the impression that this principle is limited to the concrete case of B4 – Pollution of air, water and soil, datapoint 32, - quod non. Also the reference to an Environmental Management System is not very representative as they are in general too burdensome for SMEs and thus not at all informative for 99.999% of the European SMEs....
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Inclusion of subsidiaries in the reported data

14 & 15		Proposal: Consequently we suggest to put Para 14 and 15 at the end of this "Principles" part (and thus become 19 and 20).	"General issues", i.e. topics that are common to the majority of micro and / or small enterprises, should always come first in the Standard and less or not common topics at the end. This is a general rule of good practice for drafting forms and/or questionnaires.
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Timing and location of the sustainability report

16	If a sustainability report is prepared to meet the needs of large undertakings or banks that require an update annually, it shall be prepared annually. If the undertaking prepares financial statements, the sustainability report shall be prepared with a period of time that is consistent with the preparation of the financial	Proposal: It should be allowed, as there is indeed no legal obligation on SMEs, that depending on the circumstances, SMEs can only update information when a real change occurred or/and that SMEs should be able to	The Council fully agrees and accepts that an annual update will allow business partners and banks to value better the evolution of sustainability in the SME's strategies and management. If a SME is requested to provide information to business partners/banks it is important that this information fits their needs as they are bound by annual reports. So it seems logical that SMEs are also "bound" by
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	statement. If specific datapoints did not change from the previous reporting year, the undertaking may indicate that no changes occurred and refer to the information provided for that specific datapoint in the previous year's report.	report in some cases with longer terms, at their own discretion.	annual reporting in these situations. We also stress that the sustainability report doesn't have to depend on business partners' requests only, but it should be a choice of the SME itself to respond to the "needs/demands" of all other stakeholders. However reporting on an annual basis will be extremely heavy and will not incentivise SMEs to use the VSME in the cases there is no request from business partners, banks or investors.
17	The primary function of this report is to inform actual or potential business counterparties. The undertaking may decide to make its sustainability report available to the public. In this case, the undertaking may present its sustainability report in a separate section of the management report if it has one. Otherwise, the undertaking may present its sustainability report as a separate document.	Proposal: we recommend to add "in the manner most convenient for the undertaking".	This makes it clearer for entrepreneurs

Basic Module

G66	The guidance below is intended as part of an ecosystem that will include also the development of further support guides by EFRAG, further digital tools and implementation support (educational activities, stakeholders' engagement) that aim to facilitate the understanding of some of the technical elements in the guidance.	Proposal: the word "ecosystem" should be skipped and for a better understanding replaced by a plain English word or description	same request for 210.
G67	This guidance supports undertakings that wish to apply the Basic Module.	Proposal: Text has to be changed as follows "This guidance supports undertakings that wish or have to apply the Basic Module."	Rationale: undertakings that suffer from the "trickle-down" effect <u>have to</u> apply it as well as undertakings that apply the Comprehensive Module.

Basic Module – General information

B1 - Basis for Preparation (Guidance 68-77)

24	<p>The undertaking shall disclose:</p> <p>(a) which of the following options it has selected:</p> <p>i. OPTION A: Basic Module (only); or</p> <p>ii. OPTION B: Basic Module and Comprehensive Module;</p> <p>(b) if the undertaking has omitted a disclosure as it is deemed classified or sensitive information (see paragraph 19), the undertaking shall indicate the disclosure that has omitted.</p> <p>(c) whether the sustainability report has been prepared on an individual basis (i.e. the report is limited to the undertaking's information only) or on a consolidated basis (i.e. the report includes information about the undertaking and its subsidiaries);</p> <p>(d) in case of a consolidated sustainability report, the list of the subsidiaries, including their registered address⁴, covered in the report; and</p> <p>(e) the following information:</p> <p>i. the undertaking's legal form;</p> <p>ii. NACE sector classification code(s);</p> <p>iii. size of the balance sheet (in Euro);</p> <p>iv. turnover (in Euro);</p> <p>v. number of employees in headcount or full-time equivalents;</p>	<p>Proposal: In 24 (a) i : the word “only” should be skipped as well as the word “following” as both are redundant.</p> <p>24 (c and d). Proposal: As already mentioned above (Para 14 - 15) “general issues”, i.e. topics that are common to the majority of micro and / or small enterprises, should always come first in the Standard and less or not common topics at the end. This is a general rule of good practice for drafting forms and/or questionnaires. 24 (c and d) should come after actual point (e).</p> <p>24 d. Proposal: Footnote 4 on the definition of “registered address” should be deleted and the content removed to the Annex A ‘Defined terms’.</p> <p>24(e) i. Proposal: in the online tool the different legal forms of the undertaking should be available in the menu and refer to the national legal forms and companies.</p> <p>24 (e) iv. Proposal: “if available” should be added.</p>	<p>24 (a). Text needs to be clarified: what if an undertaking has applied Para 22 by providing more comprehensive information with disclosures selected from the Comprehensive Module? Can one declare then that option B has been used?</p> <p>24 (e) iv. Turnover: Many SMEs opt to prepare and file abridged accounts which do not include the turnover (this is a consequence of the simplification of the accounting directives in 2013!). It cannot be that now for a voluntary standard they will have to provide this</p>
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	vi. country of primary operations and location of significant asset(s); and vii. geolocation of sites owned, leased or managed.		
G69 (ref 24(e) ii.)	When reporting on the NACE code(s) of the undertaking under paragraph 24(e)(ii), NACE codes (Nomenclature statistique des Activités économiques dans la Communauté Européenne) are classifications of economic activities used in the European Union. They provide a standardized framework for classifying economic activities into sectors, enabling comparability and a common understanding among the various EU countries.	Proposal: When reporting on the NACE code(s) of the undertaking under paragraph 24(e)(ii), NACE codes (Nomenclature statistique des Activités économiques dans la Communauté Européenne) are standardized classifications of economic activities used in the European Union. They provide a standardized framework for classifying economic activities into sectors, enabling comparability and a common understanding among the various EU countries.	<u>Guidance:</u> Proposal 69 should be merged and shortened as follows
G70 (ref 24(e) ii.)	The NACE code consists of a number of digits ranging from 2 to 5 depending on the level of specificity with which the economic activity is identified. The list of NACE codes can be found in the following document: REGULATION (EC) No 1893/2006.	Proposal: The NACE code consists of a number of digits ranging from 2 to 5 depending on the level of specificity with which the economic activity is identified. The list of NACE codes can be found in the following document: Annex 1 of REGULATION (EC) No 1893/2006. Rest skipped.	<u>Guidance:</u> Proposal 70 should be merged and shortened. I have my doubts about the usefulness / need of the table in 70 which explains the structure of a NACE code. In any case, if kept, we propose to add above the table : <u>"NACE codes are structured as follows: ..."</u> In the future digital tool the link to the Guidance and the Regulation should be provided through a click through function in 24 e ii. It would be sufficient to simplify further 69/70 and only refer to the NACE Regulation as in principle every undertaking should know its NACE codes (in any case in Belgium as it has to be mentioned when registering / starting an undertaking).
G71 (ref 24 (e) v.))	When reporting the number of employees under paragraph 24(e)(v), full-time equivalent (FTE) is the number of full-time positions in an undertaking. It can be calculated by dividing an employee's scheduled hours (total effective hours worked in a week) by the employer's hours for a full-time workweek (total hours performed by full-time employees). For example, an employee who works 25 hours every week for a company where the full-time week is 40 hours represents a 0,625 FTE (i.e. 25/ 40 hours).	Proposal : "When reporting the number of employees under paragraph 24(e)(v), Full-time equivalent (FTE) is the number of full-time positions in an undertaking. It can be calculated by dividing an employee's scheduled weekly hours (total effective hours worked in a week) by the employer's hours for a full-time workweek (total hours to be performed by full-time employees). For example, an employee who works 25 hours every week for an company undertaking where the full-time	FTE calculation. <u>Guidance 71:</u> Is confusedly drafted, in addition it does not only apply to paragraph 24 (e) (v) but also to para 39.

		week is 40 hours represents a 0,625 FTE (i.e. 25/ 40 hours)."	
G72 (ref 24 (e) v.)	Headcount is the total number of people employed by the undertaking at a given time.	Proposal : "Headcount is the total number of people employed by the undertaking at a given time <u>the beginning of the reporting period.</u> "	While the given definition is correct, it would be better to avoid discussions to be reformulated.
G73 (ref 24 (e) vii)	When reporting on the country of primary operations and the location of significant assets under paragraphs 24(e)(vi) and (vii), the undertaking shall disclose this information for each of its sites using the table below:	Proposal : When reporting on the country of primary operations and the location of significant assets under paragraphs 24(e)(vi) and (vii), the undertaking shall <u>may</u> disclose this information for each of its sites using the table below:	It can and should not be the case that the table in 73 has to be used. Text to be changed.
G74 (ref 24 (e) vii)	The geolocation of an undertaking is expected to be a valuable datapoint for stakeholders for the assessment of risks and opportunities connected to the SME, particularly in relation to the sustainability issues of climate change adaptation , water, ecosystems and biodiversity.	Proposal : The geolocation of an undertaking is expected to be a valuable datapoint for stakeholders for the assessment of risks and opportunities connected to the SME, particularly in relation to the sustainability issues of climate change adaptation, water, ecosystems and biodiversity.	The Standard and the Guidance is not the place to justify the content of the datapoints. Should be skipped.
G75 (ref 24 (e) vii)	The geolocation shall be provided in spatial points for single units or polygon points defining the boundaries of a larger, less unit-like site , such as a farm, mine or facility. The undertaking may also provide a cluster of points to allow for the easy identification of the concerned area. The spatial points shall be provided as coordinates, with five decimal places (e.g. 0° 00' 0.036").	Proposal : <u>The undertaking may use web mapping tools (e.g. google maps, apple maps) to identify the coordinates of sites that it owns, leases or manages. The undertaking may also use any appropriate software tools or platforms to further establish the perimeter or area of larger sites.</u> The geolocation shall be provided in spatial points for single units or polygon points defining the boundaries of a larger, less unit-like site, such as a farm, mine or facility. The undertaking may also provide a cluster of points to allow for the easy identification of the concerned area. The spatial points shall be provided as coordinates, with five decimal places (e.g. 0° 00' 0.036").	It should be logic that the information on where to find the tool to find the geolocation comes first in 75.

G76 (ref 24 (e) vii)	When disclosing the geolocation of sites owned, leased, or managed, the undertaking shall include the coordinates of the sites in the table shown in paragraph 73. The undertaking may use web mapping tools (e.g. google maps, apple maps) to identify the coordinates of sites that it owns, leases or manages. The undertaking may also use any appropriate software tools or platforms to further establish the perimeter or area of larger sites.	Proposal: When disclosing the geolocation of sites owned, leased, or managed, the undertaking shall include the coordinates of the sites in the table shown in paragraph 73. The undertaking may use web mapping tools (e.g. google maps, apple maps) to identify the coordinates of sites that it owns, leases or manages. The undertaking may also use any appropriate software tools or platforms to further establish the perimeter or area of larger sites.	It should be logic that the information on where to find the tool to find the geolocation comes first in 75.
G77 (ref 25)	In relation to paragraph 25, sustainability-related certification can include registered eco-labels from an EU, national or international labelling scheme, corresponding to the main activity of an SME. For instance, the EU Ecolabel covers specific products, such as textiles and footwear, coverings (e.g. wood floor coverings), cleaning and personal care products, electronic equipment, or furniture. The undertaking may consult the EU Ecolabel Product Groups and Product Catalogue for further information.	Proposal: [...] The undertaking may consult the EU Ecolabel Product Groups and Product Catalogue for further information.	We do not see the added value for an entrepreneur of mentioning and referring to the EU Ecolabel Product Groups and Product Catalogue for further information. These websites are only available in English and only contain the names of the products that have already an Ecolabel. As an Ecolabel is quite difficult to obtain, SME owners do not need the mentioned websites to know if their products have obtained an Ecolabel. In addition the VSME should not be used to give information about the Ecolabel. Last sentence should be skipped:

B 2 – Practices, policies and future initiatives for transitioning towards a more sustainable economy (Guidance 78-80)

26	<p>If the undertaking has put in place specific practices, policies or future initiatives for transitioning towards a more sustainable economy, it shall state so. The undertaking shall state whether it has:</p> <p>(a) practices. Practices in this context may include, for instance, efforts to reduce the undertaking's water and electricity consumption, to reduce GHG emissions or to prevent pollution, and initiatives to improve</p>	<p>Proposal: "If the undertaking has put in place specific practices, policies or future initiatives for transitioning towards a more sustainable economy, it shall state so. <u>In that case t</u>he undertaking shall state whether it has:</p> <p>(a) practices. Ppractices <u>which</u> in this context may include, for instance, efforts to reduce the undertaking's water and electricity consumption, to reduce <u>Greenhouse Gases (GHG)</u> emissions or to prevent pollution, and</p>	<p>In order to make it clear that one has not to declare anything if there are no practices etc. in place, the first alinea of Para 26 should be redrafted as well as point a. It would also be better not to use acronyms at all in the Standard and to spell out terms (here GHG) when used for the first time.</p> <p>See also our comments on the Appendix A Defined terms – Greenhouse Gases (GHG) and Gross greenhouse gas (GHG) emissions.</p>
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	product safety as well as current initiatives to improve working conditions and equal treatment in the workplace, sustainability training for the undertaking's workforce and partnerships related to sustainability projects;	initiatives to improve product safety as well as...	
27	Such practices, policies and future initiatives include what the undertaking does to reduce its negative impacts and to enhance its positive impacts on people and the environment, in order to contribute to a more sustainable economy. Appendix B provides a list of possible sustainability issues that could be covered in this disclosure. The undertaking may use the template found in paragraph 78 to report this information.	<p>Proposal: "Such practices, policies and future initiatives include what the undertaking does to reduce its negative impacts and to enhance its positive impacts on people and the environment, in order to contribute to a more sustainable economy. Appendix B provides a list of possible sustainability issues that could be covered in this disclosure. The undertaking may use the template found in paragraph 78 to report this information."</p> <p>Proposal: needs more explanation / concrete examples.</p> <p>Proposal Information and examples should be provided what kind of process cause these emissions.</p>	<p>The first sentence of this para should be skipped as it is redundant as it repeats what is already mentioned in 26.</p> <p>The use of and the proposal of the template is to be welcomed. However the simple reference to Appendix B (list of possible sustainability issues) is not fit for SME owners, although it is only a suggestion. This Appendix is a long list of words without any further information or explanation about their exact meaning and scope and not apt for use by non-experts</p> <p>Also the simple enumeration of the GHG in Annex A is not adapted to the knowledge of an average citizen. While most people have an idea what is producing CO2, this is not the case for the other gases.</p>
G78	78. Undertakings may use the following template to report on B2 datapoints. Are they publicly available? [YES/NO]	Proposal: Guidance title of 3 rd column should be changed in : "Are these policies they publicly available", as in the Standard the "publicly availability" is not requested for.	
G80	In order to understand the sustainability issues that relate to social and human rights, refer to Appendix B for a list of possible sustainability issues. This list could help identify if the policies, practices or future initiatives are aimed at addressing negative human rights impacts in a comprehensive way or if they are limited to certain groups of affected stakeholders (for example, workers in the upstream value chain). As part of this disclosure undertakings may also disclose whether they have a process to address human rights related complaints.	Proposal: Last sentence: "As part of this disclosure undertakings may also disclose whether they have a process to address human rights related complaints." Has to be skipped as this is a request in the Comprehensive Module C6. 61.	Last sentence has to be skipped as this is a request in the Comprehensive Module C6. 61.

Basic Module – Environment metrics

B3 – Energy and greenhouse gas emissions (Guidance 81-109)

29	Electricity (as reflected in utility billings) Fuels	Proposal: has to be added Electricity (other)” to report on e.g. self-generated electricity (e.g. solar, wind,...). Fuels (as reflected in utility bills)”	“as reflected in utility bills” has been added again only for electricity, not for the other energies, contrary to what has been proposed by C8. Utility bills and invoices should be sufficient to fulfill the data needs on energy (and most greenhouse gas emissions.) However in the table given as example under “Electricity (as reflected in utility bills)” there should be another line: “Electricity (other)” to report on e.g. self-generated electricity (e.g. solar, wind,...).
G81	Under paragraphs 29 and 30, the undertaking reports on its climate impacts , providing information about its energy use and greenhouse gas emissions . This guidance for disclosure B3 does not constitute an additional datapoint to the disclosures described in paragraphs 29 (on energy consumption) and 30 (on GHG emissions) but rather reinstates an overarching objective and provides context for the Basic disclosure B3.	“This guidance for disclosure B3 does not constitute an additional datapoint to the disclosures described in paragraphs 29 (on energy consumption) and 30 (on GHG emissions) but rather reinstates an overarching objective and provides context for the Basic disclosure B3. “. What is the meaning of this statement?	“This guidance for disclosure B3 does not constitute an additional datapoint to the disclosures described in paragraphs 29 (on energy consumption) and 30 (on GHG emissions) but rather reinstates an overarching objective and provides context for the Basic disclosure B3. “. What is the meaning of this statement?
G85	When preparing the information on energy consumption required under paragraph 29, the undertaking shall exclude feedstocks and fuels that are not combusted for energy purposes. The undertaking that consumes fuel as feedstocks can disclose information on this consumption separately from the required disclosures.	Proposal: The undertaking that consumes fuel as feedstocks can disclose information on this consumption separately from the required disclosures.	States that feedstocks and fuels that are not combusted for energy purposes should not be included in the energy consumption to be reported on in 29. However it also states that this information can be disclosed “separately from the required disclosures”. This is confusing: 1. where should / can it be reported and 2. this seems in contradiction with what is mentioned in Guidance 81 that the Guidance does not constitute an additional datapoint. To avoid uncertainty, the second sentence of 85 should be better skipped.
G86-89		Proposal: As this does not belong to the normal knowledge of people and it can also vary, there are two suggestions to simplify:	Guidance 86 – 89: Contains guidance on the conversion between the different energy units of fuels (including gas, biomass, wood, coal...) to be disclosed under para 29. According to 87 a conversion to MWh is necessary for data expressed in other units such as

		<p>1. The obligation for conversion to MWH is skipped. Preferred option.</p> <p>2. The electronic tool will do the conversion automatically (for the different types of fuels). I have already suggested this in the EFRAG SME Forum where it has been welcomed by the Secretariat.</p> <p>Proposal: Again the Documentation Source referring to CDP Technical Note should be skipped (13 pages only in English) as not adapted to SMEs.</p>	<p>energy content (e.g. kJ, Btu), volume (e.g. litres, m³) or mass (e.g. metric tons, short tons).</p> <p>This conversion requires complex calculations for which for example the density of the fuel needs to be known.</p>
30 G91-97	<p>The undertaking shall disclose its estimated gross greenhouse gas (GHG) emissions in tons of CO₂ equivalent (tCO₂eq) considering the content of the GHG Protocol Corporate Standard (version 2004), including:</p> <p>(a) the Scope 1 GHG emissions in tCO₂eq (from owned or controlled sources); and</p> <p>(b) the location-based Scope 2 emissions in tCO₂eq (i.e. emissions from the generation of purchased energy, such as electricity, heat, steam or cooling).</p>	<p>Proposal: Guidance 91- 97 should be drastically shortened or even better skipped and replaced by a link to this unique tool.</p>	<p>30. Concerning this paragraph 30, Guidance 81 explains “that undertakings are to report on their Scope 1 and Scope 2 emissions. Scope 1 GHG emissions cover direct emissions from owned or controlled sources. Scope 2 emissions are indirect GHG emissions resulting from the activities of the reporting company (as they derive from the undertaking’s consumed energy) which, however, occur at sources owned or controlled by another company.”</p> <p>Data collection of emissions is really complex for a MSME. According to environmental legislation only a few sectors and enterprises are obliged to monitor their emissions. Calculation methods are very complex and external support (consultants) is most often needed. This is not acceptable, as it is costly and has to be avoided, especially in a voluntary standard as there is no legal obligation for SMEs to report.</p> <p>As mentioned already above, para 30 deals only with two datapoints but the Guidance fills 4 (four!) full pages, proof of the complexity of the exercise. This is way too complex for SME’s. As for gross greenhouse gas emissions (GHG) arising from the undertaking’s activities, the requirement in paragraph 30 builds on the definitions and rules of the GHG Protocol, the leading accounting standard for GHG emissions. While it is positive that the VSME did not went further, this is however a very technical standard, which will oblige the entrepreneur to get acquainted with it. This will need time and investment which has to be avoided. Indeed the Guidance refers to the Protocol see https://ghgprotocol.org/sites/default/files/standards/ghg-</p>

			<p>protocol-revised.pdf but this is a PDF of more than 116 pages, only in English. Constant reference to all kinds of extensive external annexes is not what SMEs need. Entrepreneurs are not going to keep clicking through to external links or external documents, and if they do, they will give up when they see that they have to read through more than 110 pages! Reference should be made to simple freely available GHG calculation tools and that allow for a simple GHG emission estimate based on consumption data of gas, electricity, fuel oil, etc.....</p> <p>In the Guidance in paragraph 97 several tools are suggested for calculating GHG emissions. However the tools mentioned are not accompanied by a benchmark or explanation of the differences and their quality or output. They are very different from one to another, complex and only in English.²⁵</p> <p>Which one of these tools will fit a particular situation? There should have been given more explanation and help which tool to use in which situations. Besides this... suggesting different tools gives a certain risk. Big companies in the value chain may use other tools and companies may refer in their information requests and contracts to other (national) tools that fit better with their own calculations and methods and fit national standards in their own language. It should be prevented (as CO2 calculations are very complex) that SME's are forced to use more than one tool. As already requested: <u>the Standard should provide for ONLY ONE TOOL, at European level that calculates the CO2 impact with a distinction between Scope 1 and 2 and made available for free by the public authorities which will ensure harmonised outcomes.</u></p>
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²⁵ To illustrate a bit the content of the provided tools in the Guidance, herewith a short analysis: The first suggested tool (calculation tools and guidance by the GHG Protocol: <https://ghgprotocol.org/calculation-tools-and-guidance>) exist only in English and contains many different tools: Cross-sector tools; Country-specific tools; Sector-specific tools: Tools for countries and cities. So searching for the right one is already time-consuming. If you choose the cross sector tools: 9 different tools appear! If you open the first one Emission Factors 10 (!) excel worksheets appear that are not even adapted to the EU. This is not feasible for SMEs and unacceptable that this is presented as a tool for SMEs. In addition the "Disclaimer" states that the authors do not take up any responsibility for "any inaccuracies in numbers generated by the worksheets or variation between predictions and the actual results." The second suggested tool (only English and Spanish) (SME Climate hub: <https://smeclimatehub.org/start-measuring/>) is not available yet...The third one: (Only English) Business Carbon Calculator by Normative : not for free! The fourth one (English and German): Carbon Trust SME Carbon Footprint Calculator is apparently from a service provider, so not a tool that an SME can use itself, probably not for free. The fifth one: UK Business Climate hub (only in English of course...): refers to a webpage that contains 3 tools: 1. The SME Climate hub (see above) not available yet. 2. SME Carbon Footprint Calculator - Calculate your organisation's emissions - for small and medium-sized businesses. Seems easy to use but only in English. 3. Carbon Planner : is free to use for any UK businesses.

			If different tools can be used, there is the risk that the clients of the SMEs will request them to use different calculation tools which can lead not only to different outcomes, but will oblige SMEs to make different reports. This goes against the aim of the CSRD.
G107	As mentioned, CH4 and N2O emissions add around 1 tCO2e to the CO2 value of 301.5 tCO2, which amounts to about 0.3% of the total. This could be considered well within an acceptable reporting error and so could not have been calculated and reported. Global Warming Potentials for CH4 and N2O are derived from the IPCC's Sixth Assessment Report, Chapter 7SM9.	Proposal: Footnote 9 is not necessary and should be skipped to reduce unnecessary text as there is a link in the text to this document, which is by the way too complex.	Not understandable for an average reader.

B 4 - Pollution of air, water and soil (Guidance 110-133)

G110 (Ref 32)	Paragraph 32 establishes that the undertaking shall disclose the pollutants it emits to air, water and soil in its own operations if such information is already required to be reported by law to competent authorities or under an Environmental Management System. This means that the undertaking will first assess whether it already reports such information, either as a legal requirement or voluntarily. If it already reports information on pollutants emissions (or is legally required to do so), the undertaking will then provide further information on such emissions according to the requirements in paragraph 32. However, if the undertaking does not yet report such information (and is not legally required to do so), it is simply required to state this to be the case.	<p>Proposal: However, if the undertaking does not yet report such information (and is not legally required to do so), it is simply required to state this to be the case.</p> <p>Proposal: Guidance provided in 110-133 should be probably drastically shortened and simplified. It is also not acceptable that (again...) reference is made to documents that are not available in all EU languages.</p>	<p>However <u>we cannot accept</u> with what is mentioned in the Guidance under para 110. This last sentence of 110 must be skipped. Argument: reduction of red-tape. This request is NOT mentioned in the Standard and goes further than what is requested. Goes against the "if applicable principle". I have mentioned this in my comments to the TEG but apparently it was not taken up.</p> <p>In general the Guidance provided in 110-133 (more than 5 pages) is far too complex for those that have to report pollution. I have the impression that the information to be reported on following the Guidance is going further than what is mentioned in the Standard under 32.</p> <p>Also here the risk exist that some business partners will state that this datapoint is in the VSME so it is allowed to ask for it (also the SMEs who are not in the scope of para 32). Therefore it must be ensured, when defining the value-chain cap, datapoint 32 cannot be asked from SMEs not in the scope of 32.</p>
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B 5 – Biodiversity (Guidance 134-141)

<div>33 & 34 & G141</div>	<div>33.The undertaking shall disclose the number and area (in hectares) of sites that it owns, has leased, or manages in or near a biodiversity sensitive area.</div> <div>34.undertaking may disclose metrics related to land-use:</div> <div>(a) total use of land (in hectares); ...</div> <div>134. Paragraph 33 stipulates that the undertaking shall disclose the sites it operates in that are located in or near biodiversity-sensitive areas. Biodiversity sensitive areas are defined as such by special nature protection regulation at European or international level. These comprise areas belonging to the Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas ('KBAs') as well as other protected areas designated as requiring special protection by governmental authorities (e.g. forest-protected areas or areas lying within river basin districts).</div> <div>135. To identify protected areas and biodiversity sensitive areas, the undertaking may refer to databases such as the World Database on Protected Areas (WDPA) (a global database to help identify marine and terrestrial protected areas), the World Database on Key Biodiversity Areas, and the IUCN Red List of Threatened Species. The undertaking may also use tools such as the Integrated Biodiversity Assessment Tool (IBAT).</div>	<div>33. Proposal: The undertaking shall disclose the number and area (in hectares <u>or m²</u>) of sites that it owns, has leased, or manages in or near ((partially) overlapping or adjacent to) a biodiversity sensitive area.</div> <div>34. Proposal:</div> <div><div>- undertaking may disclose metrics related to land-use:</div><div>(a) total use of land (in hectares <u>or m²</u>);</div><div>- How to report when an undertaking is located in shared buildings or on a floor (or several floors) in a building needs to be clarified in the Guidance.</div></div> <div>G 141. Proposal: the text inside the table should mention after "Previous year": "if different"</div> <div><div>Documentation Sources:</div><table><tr><td>Data</td><td>Documentation Source</td></tr><tr><td>EMAS</td><td>EU Commission</td></tr><tr><td>Guidance</td><td>Regulation 2018/2026</td></tr></table></div> <div>G 134 & 135. Proposal:</div> <div>there should be <u>one updated source</u> that can be consulted. (Sites in Natura 2000 and KBA do not correspond; Natura2000 is outdated (2022!!; for Denmark 2017; Germany 2019). The future VSME should provide (for example trough a click trough function in the template and digital tool) a direct link to the national/regional biodiversity sensitive areas (eventual to be developed by</div>	Data	Documentation Source	EMAS	EU Commission	Guidance	Regulation 2018/2026	<div>33 & 34. As most sites of SMEs are below 1 hectare, it should also be allowed to report the number of <u>m²</u> (in 33 and in 34) instead of hectares. This change should not be problematic as in the Guidance under 141 the table that shows how information on land-use may be presented mentions "Area (hectares <u>or m²</u>)". The possibility to report in <u>m²</u> should also be added in 34 (a). (I made already in vain written comments on this in the TEG...)</div> <div>"Near" has been defined in Guidance 136 as to be interpreted as "(partially) overlapping or adjacent to". This should be put in the Standard itself in the text of para 33. If it will not be put in the future Standard, this should, as this is important information, be put as first point in the Biodiversity Guidance. In addition these words need to be better defined, as it leaves still room for interpretation, but this is maybe a language issue. If it is not put in the Standard, "near" in the Standard should have a click trough function to the text in 136.</div> <div>34. The metrics related to land-use are in principle easy to provide. It is in addition a "may" requirement.</div> <div>However it is not clear how to report when an undertaking is located in shared buildings or on a floor (or several floors) in a building.</div> <div>G141. As for most SMEs the land-use will not change often (or never) a table without the columns "previous year" and "% change" should be provided. In addition the actual table could give the impression that one has to give these data even if there are no changes, which is not necessary according to the "if applicable" principle.</div> <div>The Documentation sources referring to the EMAS Guidance should be skipped. It does not bring any additional information and gives the impression that it needs to be consulted, quod non.</div> <div>Para 134 and 135 which aim to give <u>Guidance on how to identify sites in or near biodiversity sensitive areas are not sufficient</u> ! The information on what is a biodiversity sensitive area and the</div>
Data	Documentation Source								
EMAS	EU Commission								
Guidance	Regulation 2018/2026								

	<p>136. Near, in the context of B5 – Biodiversity, shall refer to an area that is (partially) overlapping or adjacent to a biodiversity sensitive area.</p> <p>141. The following table shows how information on how land-use may be presented.</p> <p>...</p> <p>Documentation Sources:</p> <table><tr><td><i>Data</i></td><td><i>Documentation Source</i></td></tr><tr><td>EMAS</td><td>EU Commission</td></tr><tr><td>Guidance</td><td>Regulation 2018/2026</td></tr></table>	<i>Data</i>	<i>Documentation Source</i>	EMAS	EU Commission	Guidance	Regulation 2018/2026	<p>the national/local authorities) <u>at PLOT-level</u>. The PLOT level is absolutely necessary to be able to see if ones' site is near or adjacent. The link to the site of 'Key Biodiversity Areas' is only in English which is not acceptable, not legal and in addition not detailed enough to be able to see if an undertaking site is near a sensitive area. In the Unesco link: for example for Belgium, the sites have nothing to do with biodiversity (for example Grand Place Brussels, Beguinages (and other urban Unesco protected areas)). More local specific information should be made available. It should also be clarified if also regional or national protected nature or woods fall under the definition of biodiversity-sensitive areas.</p>	<p>references to public databases, provided in the Guidance para 134 and 135, are absolutely insufficient and too difficult for an average small and medium entrepreneur. The text leads also to the conclusion that there are different and thus diverging sources to define the biodiversity areas. This is not acceptable in a standard.</p>
<i>Data</i>	<i>Documentation Source</i>								
EMAS	EU Commission								
Guidance	Regulation 2018/2026								
<p>G138,</p> <p>G138 & Appendix A</p>	<p>138. A 'sealed area' is to be understood as an area where the original soil has been covered (e.g. roads, buildings, parking lots), making it impermeable and resulting in an impact on the environment.</p> <p>139. Green area or 'nature-oriented area' is an area that primarily preserves or restores nature. Near natural/green areas may be located on the organisation's site and may include roofs, facades, water-drainage systems or other features designed, adapted or managed to promote biodiversity. Near-natural areas may also be located off the organisation's site if they are owned or managed by the organisation and primarily serve to promote biodiversity.</p> <p>Appendix A. Land-use (change) The human use of a specific area for a certain purpose (such as residential; agriculture; recreation; industrial, etc.). Influenced by land</p>	<p>G138. Proposal: It should be made clear that "sealed area" does not include for example a parking permeable with partially open materials. for example, grass boulders, grass concrete tiles, wood chips, shells or gravel but does include for example artificial grass as it is impermeable.</p> <p>G139. Proposal : nature-oriented area'</p> <p>Appendix A: Land-use change refers to a change in the use or management of land by humans, which may lead to a change in land cover.</p>	<p><u>Guidance 138:</u></p> <p>The definition given of what is meant with "nature-oriented area" is not clear at all, not in the Guidance (139) and not in Appendix A, which is not surprising as it comes from the EMAS Regulation. Maybe the "definition" can be skipped in 139 or the Appendix in order to reduce text.</p> <p>Also the reference to the Documentation Sources: EMAS Regulation on the Commission website should be skipped. EMAS cannot be considered as useful guidance for SMEs. It makes no sense to refer to such a complex document here that in addition is only available in English. It brings no added value.</p> <p>In Appendix A 'Defined terms' in the definition of 'Land-use', the sentence "Land-use change refers to a change in the use or management of land by humans, which may lead to a change in land cover" should be skipped as it is not relevant. The word "Land-use change" does indeed not appear in the draft Standard.</p>						

	cover (grass, asphalt, trees, bare ground, water, etc). Land-use change refers to a change in the use or management of land by humans, which may lead to a change in land cover.		
G140	When disclosing according to paragraph 34, the undertaking shall not only consider local impacts but also direct and indirect impacts on biodiversity (e.g. through raw material extraction, procurement, supply chain, production and products, transportation and logistics, and marketing and communications).	140. When disclosing according to paragraph 34, the undertaking shall not only consider local impacts but also direct and indirect impacts on biodiversity (e.g. through raw material extraction, procurement, supply chain, production and products, transportation and logistics, and marketing and communications).	Proposal: Para 140 should be skipped as there is no basis nor justification for in the Standard. In addition para 34 does not request at all to report on impact. It was part of the consultation documents. It is not feasible for SMEs.
G141	The following table shows how information on how land-use may be presented. ... The following table shows how information on how land-use may be presented.	Proposal: the text inside the table should mention after "Previous year": "if different" The Documentation sources referring to the EMAS Guidance should be skipped.	Cf. accordance with our proposal made on para 12. The Documentation sources referring to the EMAS Guidance does not bring any additional information and gives the impression that it needs to be consulted, quod non.

B6 – Water (Guidance 142-158)

35 G142	<p>35. The undertaking shall disclose its total water withdrawal, i.e. the amount of water drawn into the boundaries of the organisation (or facility); in addition, the undertaking shall separately present the amount of water withdrawn at sites located in areas of high water-stress.</p> <p>142. Water withdrawal relates to the amount of water an undertaking draws into its organisational boundaries from any source during the reporting period. In practice, for most undertakings this relates to the amount of water taken from the public water supply</p>	<p>35. Proposal: It should be mentioned that when the undertaking is only using water from a public network and has an utility bill, it is not necessary anymore to read the rest of the Guidance on B6 (with the exception on the Guidance on water-stress areas). In the digital tool this could also be taken into account.</p> <p>35. Proposal: It would be recommendable to formulate in the beginning of the Standard a warning that "Despite efforts to use plain language, some words do not have the same meaning as in the daily use. For a correct</p>	<p>35. For the majority of SMEs B6 will be easy to report on as the data to provide will be the amount of water they have to pay for as mentioned in their utility bills. It is very positive that this is clearly mentioned in the Guidance (142 and 143). To make it even more easier and reduce time for the majority of entrepreneurs, it should be mentioned that when the undertaking is only using water from a public network and has an utility bill, it is not necessary anymore to read the rest of the Guidance on B6 (with the exception on the Guidance on water-stress areas).</p> <p>Although the used terms (water withdrawal and water consumption) are correctly explained in the Guidance and Appendix A, the content of B6 is not very clear as the used terms</p>
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	<p>network as indicated in the utility bills. However, where applicable, water withdrawal also includes amounts of water taken from other sources such as groundwater from own wells, water taken from rivers or lakes or water received by other undertakings. In the specific case of undertakings operating in agriculture, water withdrawal would include rainwater if collected directly and stored by the undertaking.</p>	<p>interpretation of the Standard the Guidance and the Defined Terms should be consulted.”</p> <p>35. Proposal: Consequently “If available” should be added at the end of Para 35.</p>	<p>do not correspond with the daily use and understanding of the words, especially “water consumption”.</p> <p>The text of the Standard (para 35) and the Guidance is not clear about the frequent situation of an undertaking, located in an area of high water stress, that is also obliged to report separately its amount of water when it is taken only from a public water supply network. This water comes often from far away, outside the area of high water stress. The same question remains when the water from a public supply network is withdrawn in an area of high water stress, while the undertaking is not located in such an area. In addition the origin of the water provided by public supply networks do not give any information about the origin.</p>
G148-149	<p>148. An additional possible source that could support the reporting of water withdrawal for undertakings operating in shared offices is the JRC Level(s) indicator 3.1: Use stage water consumption user manual as well as additional related documents and calculation sheets (see PG Section Documents Product Bureau (europa.eu)). Furthermore, the undertaking could consult EMAS Reference Document for the Public Administration sector and EMAS Reference Document for the Construction sector as well as rating systems like the National Australian Built Environment Rating System (NABERS) and certifications like the Building Research Establishment Environmental Assessment Method (BREEM), the Leadership in Energy and Environmental Design (LEED) and the German Sustainable Building Council (DGNB) System for Buildings In Use, which might provide useful indications in their methodologies on how to further refine the calculation for water withdrawal in offices and shared spaces.</p>	<p>148-149. Proposal: there should be no reference to EMAS in the VSME as it is too complicated for SMEs.</p>	<p>148. B6 refers only to water withdrawal at the undertakings’ site. Consequently water usage by a construction undertaking on the construction site itself should not be reported. (Even if the EMAS document for the construction sector would require it!! See the referred documentation: Water withdrawal in SMEs - EMAS “easy” for small and medium enterprises. This document does not give any additional information about the calculation.) As already stressed this example shows that there should be no reference to EMAS in the VSME as it is too complicated for SMEs.</p>

G156-158	<p>156. The undertaking can consult local (e.g. national, regional) water authorities of the place(s) it operates in to inform its assessment of water resources for the specific location(s), including the identification of areas of high-water stress. The undertaking can also consult publicly available and free tools that map out water scarcity globally. One such tool is the WRI's Aqueduct Water Risk Atlas, which provides an interactive map of a water stress indicator (the 'baseline water stress', which measures the ratio of total water demand to available renewable surface and groundwater supplies) at sub-basin level. With the help of this tool, undertakings can consult the water stress baseline set for different river basins globally. Values of the baseline water stress indicator above 40% indicate an area of high-water stress.</p>	<p>G156-158 Proposal: As para 35 also asks to present separately the amount of water withdrawn at sites located in areas of high water-stress, the Guidance on "high water-stress areas" (Guidance for determining whether the undertaking operates in an area of high-water stress 156-158) should come immediately after 142-143, followed by Guidance 155 that present an example on how undertakings may present the data requested in 35.</p> <p>G156. Proposal: Areas of high water-stress" : Most probably what is meant here is that the amount of water pumped by an undertaking from such an 'area of high water-stress' should be mentioned separately as well as the water supplied by the public water supply network. One should provide a detailed map that indicate which ones fall in an area of high water-stress.</p>	<p>"Areas of high water-stress" is European jargon, it will have to be clarified (156) what that means in the local context relevant for the SME entrepreneur.</p>
G157	<p>By way of illustration, the map below shows the main Iberian River basins and their water stress classification according to the WRI Aqueduct.</p>	<p>Proposal. The Guidance and the digital tool should refer to a website where the undertaking can check its water stress situation at <u>PLOT level</u>. Text and the illustration of a map of Spain with water stress regions should be skipped. Reference to WRI should also be skipped in "Documentation Sources"</p>	<p>The Guidance and the digital tool should refer to a website where the undertaking can check its water stress situation at <u>PLOT level</u>. This is not the case with the WRI's Aqueduct Water Risk Atlas. Text and the illustration of a map of Spain with water stress regions should be skipped as it does not add any useful information for non-Spaniards .</p> <p>Reference to WRI should also be skipped in "Documentation Sources". Skipping will reduce length of Guidance.</p>

G158	<p>Other possible tools that undertakings can consult to determine their location in water stressed areas are the static map (and related dataset) provided by the European Environment Agency (EEA) Water Exploitation Index plus (WEI+) for summer and Urban Morphological Zones (UMZ) and the interactive map Water exploitation index plus (WEI+) for river basin districts (1990-2015), both presenting the water stress indicator WEI+ that measures total water consumption as a percentage of the renewable freshwater resources at sub-basin level. WEI+ values equal or greater than 40% generally indicate situations of high-water stress. It is worth underlining that WRI Aqueduct bases its baseline water stress indicator on water demand, while the EEA indicator of water stress WEI+ is based on water consumption.</p>	<p>Proposal. The Water Exploitation Index plus (WEI+) for summer and Urban Morphological Zones (UMZ) has to be skipped.</p> <p>The reference to the “Water exploitation index plus (WEI+) for river basin districts (1990-2015)” has to be skipped.</p>	<p>Proposal. The Water Exploitation Index plus (WEI+) for summer and Urban Morphological Zones (UMZ) which is referred to is not fitted as it needs to be searched and it does not give immediate access to the necessary information (i.c. water stress at PLOT level).</p> <p>The reference to the “Water exploitation index plus (WEI+) for river basin districts (1990-2015)” is completely useless and outdated as it only gives the situation until 2015. Skipping will reduce length of Guidance.</p> <p>The proposed texts to be skipped in B6 will reduce in total the Guidance with one page without any loss of relevant information!</p>
G144-149		<p>Proposal: para 144 - 149 should be skipped. Alternatively, a list of averages has to be provided on the basis of the number of people working in the office.</p> <p>Proposal: estimations and industry standards have to be developed and provided at sector level.</p>	<p>The guidance is too complex and not proportionate. It obliges to calculate the water withdrawal per employee but does not take into account the entrepreneur, consequently his/her water withdrawal is not important So as such the suggested calculation is not correct. We also are of the opinion that there must be somebody who receives the utility bill (e.g. the owner of the building) and that this person will pass-on part of the bill, which can be used to report on. If this is not the case the amount of water withdrawal is probably neglectable. Para 148 refers to nearly ten different ways to report on water withdrawal in shared offices. These will probably lead to different results, which leads to the conclusion that the exact amount is not that important, especially not in micro and small enterprises). The time to read these documentation and doing the calculation is not proportionate to the amount of water withdrawn.</p> <p>It has to be mentioned that the water consumption in the case of undertakings that use their own water sources (water pumped) do often not have meters and thus cannot calculate it. Also here</p>

			estimates should be made available (especially in the agricultural sector).
G152	<p>Water consumption can therefore be calculated as: Water consumption = Water Inputs – Water Outputs or in other words: Water consumption = (Water withdrawal) – Water discharges. For undertakings that solely withdraw water from the public water network and discharge it into the sewer, water consumption will be close to zero and can therefore be omitted from the report. More broadly, the applicability of the disclosure requirement on water consumption relates to information already requested by law, already reported, and/or appropriate for the sector.</p>	Proposal : “More broadly, the applicability of the disclosure requirement on water consumption relates to information already requested by law, already reported, and/or appropriate for the sector.” Is the situation the same in all Member States. If not, this statement can be misleading and should be corrected.	<p>This additional datapoint on water (Guidance 150 -155) applies only to undertakings that have production processes in place which significantly consume water (e.g. thermal energy processes like drying or power production, production of goods, agricultural irrigation, etc.), These undertakings have to disclose their water consumption calculated as the difference between its water withdrawal (water input) and water discharge from its production processes (output). Examples of water discharge (given in 151) : in lakes or rivers, public sewer, or to other companies for cascading water use.</p> <p>Guidance 152 mentions that undertakings that solely withdraw water from the public water network and discharge it into the sewer, water consumption will be close to zero and can therefore be omitted from the report. This will exempt a lot of SMEs to report on this datapoint.</p> <p>We have our doubts on the correctness of what is stated further in 152 that “More broadly, the applicability of the disclosure requirement on water consumption relates to information already requested by law, already reported, and/or appropriate for the sector.” Is the situation the same in all Member States. If not, this statement can be misleading and should be corrected.</p>
G153	A schematic view of the relationship between water withdrawal, water consumption and water discharge can be seen in the image below.	Proposal. The schematic view should be skipped.	The schematic view does not provide any additional information to understand the relationship between water withdrawal, consumption and discharge and should consequently be skipped.

B7 – Resource use, circular economy and waste management (Guidance 159 -174)

G153	A schematic view of the relationship between water withdrawal, water consumption and water discharge can be seen in the image below.	Proposal. The schematic view should be skipped.	The schematic view does not provide any additional information to understand the relationship between water withdrawal, consumption and discharge and should consequently be skipped.
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37 – G167	The undertaking shall disclose whether it applies circular economy principles and, if so, how it applies these principles.	Proposal. The problem persist that enterprises might not always have the data requested.	Guidance 167 provides the respective pictograms to help identifying hazardous properties. The problem persist that enterprises might not always have the data requested. Often construction waste is removed by disposal contractors or the building contractor. Thus, enterprises who just perform one part of the construction do not know the waste amount. As this can probably be solved through a request in the contract between the parties, the Guidance should draw attention to this.
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Basic Module – Social metrics

39-42	Basic Module – Social metrics	Proposal: It should be mentioned and added in the title: “only applicable to undertakings with personnel”. The digital tool should also take this into account meaning that if in the digital tool the information provided in para 24 (e) i. and / or v. has not been filled in and thus if it is an undertaking with no personnel, consequently this part should not appear.	General Remark: B8, 9 and 10 (para 39-42) do not apply to one person undertakings and thus do not need to be filled in by these undertakings.
39	The undertaking shall disclose the number of employees in headcount or full-time equivalent for the following metrics: (a) type of employment contract (temporary or permanent); (b) gender; and (c) country of the employment contract, if the undertaking operates in more than one country.	Proposal: In any case “ <u>If applicable</u> ” has to be added Proposal: to skip the gender disclosure. if kept, we would suggest to add “as communicated by the employee to the employer” Proposal: Need for application of “once only principle” and “click-through” function, making the link to other documents/sites where this information is already publicly available. A suggestion for the future digital template to be developed could be that in the beginning of the report the undertaking should indicate	In any case “ <u>If applicable</u> ” has to be added as also self-employed with no personnel are in the scope of the VSME and also to avoid that they have to declare “0”. There is no problem to provide this information, but it is normally already reported according to other obligations. The gender disclosure seems to us not necessary. Of kept, we would suggest to add “as communicated by the employee to the employer” to avoid discussion on this issue or in any case to add this in the Guidance.

		if it has subsidiaries in other countries. If you click 'yes', automatically questions dealing with this situation (such as 39 should automatically appear. If one does not reply "yes", these questions should not appear.	
G175	175. Full-time equivalent (FTE) is the number of full-time positions in an undertaking. It can be calculated by dividing an employee's scheduled hours (total effective hours worked in a week) by the employer's hours for a full-time workweek (total hours performed by full-time employees). For example, an employee who works 25 hours every week for a company where the full-time week is 40 hours represents a 0,625 FTE (i.e. 25/ 40 hours).	Proposal : (same as in Guidance 71 concerning paragraph 24 (e) v.) "Full-time equivalent (FTE) is the number of full-time positions in an undertaking. It can be calculated by dividing an employee's scheduled <u>weekly</u> hours (total effective hours worked in a week) by the employer's hours for a full-time workweek (total hours <u>to be</u> performed by full-time employees). For example, an employee who works 25 hours every week for an company <u>undertaking</u> where the full-time week is 40 hours represents a 0,625 FTE (i.e. 25/ 40 hours). "	FTE is confusedly drafted
40	If the undertaking employs 50 or more employees , it shall disclose the employee turnover rate for the reporting period.	Proposal: has to be skipped Proposal: In the <u>Guidance</u> : information is missing on how to calculate the average number of employees during the reporting year.	The requested "employee turnover rate over the report period" is not an objective information. In small enterprises, the Employee Turnover Rate figure can, aside from governance reasons, be strongly subjected to personal reasons of employees (changes in private life or preference e.g.). This is out of the entrepreneurs influence and therefore should not be requested. Already some few job changes can decisively downgrade the figure. There is no added value in the answers to para 40 as they are not related to sustainability. An additional argument is that it does not contribute to transparency. Indeed the turnover rate will be a number that does not reveal anything for a normal reader, for example the number 4 as turnover rate can mean 2 workers that died in an undertaking of 50; or 2 that left voluntary; or that moved to another city ; or two that were fired for theft; or 4 that died in an undertaking of 100 or 4 that left voluntary... Is rate 4 good or bad? One cannot give a motivated explanation or evaluation from the requested rate.

B 9 – Workforce – Health and safety (Guidance 184 -191)

41	<p>The undertaking shall disclose the following information regarding its employees:</p> <p>(a) the number and rate of recordable work-related accidents; and</p> <p>(b) the number of fatalities as a result of work-related injuries and work-related ill health.</p>	<p>41.a. Proposal: “If applicable” has to be added as also self-employed with no personnel are in the scope of the VSME. See also our proposal for the digital tool as mentioned under 39.</p> <p>Proposal: this information should be skipped.</p> <p>At the very least, it should be clarified that this refers only to serious workplace accidents</p> <p>41.b. Proposal to delete “and work-related ill health” in 41(b.)</p>	<p>41.a. “If applicable” has to be added as also self-employed with no personnel are in the scope of the VSME. See also our proposal for the digital tool as mentioned under 39.</p> <p>We have strong reservations to include these metrics in the VSME based on the following arguments.</p> <p>This information will vary a lot between sectors and / or activities due to the fundamental difference in accident risks (physical activities - seated activities). This is why this information would only be relevant and objectively comparable <u>within the same sector</u> and should thus not feature in this sector-agnostic reporting standard.</p> <p>Also, no distinction is made between minor and serious workplace accidents. At the very least, it should be clarified that this refers only to serious workplace accidents. A ‘minor accident’ could then be defined as “an accident that resulted in neither loss of wages nor disability (temporary or permanent) for the victim, but only required care that was administered immediately after the accident at the place of performance of the employment contract.”</p> <p>In addition, the concept of an accident at work or work-related ill health is legally defined in each country by the insurance system that compensates claims. Definitions vary widely from one country to another. The more demanding the country in terms of obligations, the more the local insurance system accepts a broad and “generous” definition of accident and illness, the more easily it accepts to recognise declared accidents and illnesses, the more it compensates them, and the “worse” the undertakings’ “results”. In other words, the more favourable the system is to victims, the worse the statistical results of undertakings will be.</p> <p>41 (b). There is the problem that undertakings cannot prompt information on confidential health consequences from work related-ill health, whose interpretation needs medical expertise. Requesting undertakings to disclose the “number of fatalities as a result of work-related ill health” would mean making the</p>
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			undertaking to disclose information out of their expertise. We ask to delete “and work-related ill health” in 41(b.)
G184	Based on the assumption that one full-time worker works 2,000 hours per year, the rate indicates the number of work-related accidents per 100 full-time workers over a yearly time frame. If the undertaking cannot calculate directly the number of hours worked, it may estimate this on the basis of normal or standard hours of work.	<p>Proposal: At least commuting accidents should be excluded as the employer has no impact at all on it and they are not at all linked with the activity of the undertaking.</p> <p>Proposal: If our requests are not taken into account, it will be necessary and essential to foresee in the report template in any case that the disclosure of the required information will be preceded by a formal warning to the reader/user pointing out on those two issues (sector relation and that the definition can vary).</p> <p>Proposal: We also strongly advocate to apply the ‘once only principle’ as in some countries some undertakings have already to report on workplace accidents</p> <p>Proposal: in any case only the number of recordable work-related accidents should be asked and not also the rate.</p>	<p><u>Guidance 184</u> takes the rate per 100 full time workers over a yearly timeframe as reference while they only constitute only less than 2% of all European enterprises. This cannot be a reference in a SME standard.</p> <p>At least commuting accidents should be excluded as the employer has no impact at all on it and they are not at all linked with the activity of the undertaking.</p> <p>‘Commuting accidents’ have nothing to do with sustainable business practices (bicycle accidents that lead to absences certainly occur more than car accidents, but bicycles are more sustainable). As the national legislations vary on this point, for reasons of comparability commuting accidents should not be included, as this is an internal market directive and furnish comparable data.</p> <p>If our requests are not taken into account, it will be necessary and essential to foresee in the report template in any case that the disclosure of the required information will be preceded by a formal warning to the reader/user pointing out on those two issues (sector relation and that the definition can vary). If this warning is not included, the information disclosed may be misleading and unreliable.</p> <p>We also strongly advocate to apply the ‘once only principle’ as in some countries some undertakings have already to report on workplace accidents (E.g. In Belgium through the annual report of the internal service for prevention and protection at work and minor accidents do not have to be reported...)</p> <p>In any case only the number of recordable work-related accidents should be asked and not also the rate.</p> <p>In the example given in the Guidance, 3 accidents give a rate of 7.5. For somebody who does not know the formula, 7.5 seems very high. As mentioned already under 40, one cannot give a motivated explanation or assessment of the requested rate.</p>

			The rate gives no additional information, and those interested in the rate (the users) can calculate it themselves.
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B 10 - Workforce – Remuneration, collective bargaining and training (Guidance 192 - 205)

42.	<p>The undertaking shall disclose:</p> <p>(a) whether the employees receive pay that is equal or above applicable minimum wage for the country it reports in, determined directly by the national minimum wage law or through a collective bargaining agreement;</p> <p>(b) the percentage gap in pay between its female and male employees. The undertaking may omit this disclosure when its headcount is below 150 employees noting that this threshold will be reduced to 100 employees from 7 June 2031;</p> <p>(c) the percentage of employees covered by collective bargaining agreements; and</p> <p>(d) the average number of annual training hours per employee, broken down by gender.</p>	<p>Proposal: “If applicable” has to be added to the title</p> <p>42, b) Proposal in case the undertaking has more than 150 employees, the percentage gap in pay between its female and male employees. The undertaking may omit this disclosure when its headcount is below 150 employees noting that this threshold will be reduced to 100 employees from 7 June 2031;</p> <p>42(d). Proposal: to delete the words: “broken down by gender”.</p>	<p>42. “If applicable” has to be added as also self-employed with no personnel are in the scope of the VSME.</p> <p>We see here the biggest problems for our undertakings, as this creates pressure to overpay compared to the collective bargaining agreement. Of course, since many countries do not apply a collective bargaining agreement, the picture here is distorted.</p> <p>42 (b) as the actual formulation can mislead undertakings below 150 employees, we suggest to formulate it clearer;</p> <p>42(d). Breaking down the average number of annual training hours by gender is not relevant, especially in some sectors where the number of male employees is much higher than the one of women employees, e.g. in construction. Furthermore undertakings usually organise training based on the employees’ tasks.</p>
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B11 – Convictions and fines for corruption and bribery (Guidance 206-209)

<p>43.</p>	<p>43. In case of convictions and fines in the reporting period, the undertaking shall disclose the number of convictions, and the total amount of fines incurred for the violation of anti-corruption and anti-bribery laws.</p> <p>206. Corruption and bribery fall under the business conduct sustainability issue.</p> <p>207. Under paragraph 43, the undertaking shall report on the total number of convictions and the total amount of fines incurred for violating anti-corruption and anti-bribery laws.</p> <p>208. Convictions for the violation of anti-corruption and anti-bribery laws refer to any verdict of a criminal court against an individual or undertaking in respect of a criminal offence related to corruption and bribery, for example where these court decisions are entered in the criminal record of the convicting European Union Member State.</p>	<p>Proposal: Skipp content of 43 and replace it by:</p> <p><u>“B 11 Corruption and bribery.</u></p> <p>43. The undertaking shall disclose if and which policy or code of conduct it has in place on corruption and/or bribery.”</p> <p>206. Proposal: to be skipped.</p> <p>207. Proposal: to be skipped.</p> <p>208. Proposal: to skip “for example”, if datapoint 42 is kept as it is in the Standard. If not kept, 208 and 209 should be skipped in their integrality.</p> <p>209. Proposal: cf. above</p> <p>Appendix A: It has to be noted that “bribery” has not been taken up in Appendix A - Defined terms.</p> <p>We wonder if the definition of “corruption” given in Appendix A covers the different national legal definitions.</p>	<p>43. Data shows that 34 % of SMEs see corruption and bribery as a serious problem. The actual datapoint will only be relevant for an extremely tiny minority of undertakings. Moreover we insist on the respect for the legal principle that <u>if a conviction has to be made public, a court has to order this</u>, and thus it cannot be requested by a voluntary Standard. If it is really important information for the business partner/bank/investor to know, the SME can always be asked to provide this information bilaterally and confidential, but the publication is not necessary.</p> <p>This datapoint starts also from the presumption that the SMEs are the perpetrator, while on the contrary in reality they are most of the time the victim of corruption and bribery. Therefor this datapoint should focus on positive actions by SMEs.</p> <p>But most toolkits to help undertakings are not tailored to SMEs. For an SME, there are no off-the-shelf solutions to express its responsibility towards corruption practices. Any SME approach must reflect the personality of the company manager, the company culture and the specifics of its activity sector. It should also be proportionate to the resources of the SME.</p> <p>We recommend to replace it by the undertaking shall disclose if and which policy or code of conduct it has in place on corruption and/or bribery.</p> <p>Guidance 206 states that “Corruption and bribery fall under the business conduct sustainability issue.” We do not see the added value of this sentence. Consequently it should be skipped.</p> <p><u>Guidance 207:</u> Should be skipped as it is simply repeating the content of para 43 of the Standard and does not bring any additional information or explanation.</p> <p><u>Guidance 208:</u> We do not see the utility of “for example where these court decisions are entered in the criminal record of the</p>
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			<p>convicting European Union Member State.” and especially the words “ for example” in the Guidance 208. Proposal: to skip “for example”, if datapoint 42 is kept as it is in the Standard. If not kept, 208 and 209 should be skipped in their integrality.</p> <p>It has to be noted that “bribery” has not been taken up in Appendix A - Defined terms.</p> <p>We wonder if the definition of “corruption” given in Appendix A covers the different national legal definitions.</p>
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Comprehensive Module

G210	<p>The guidance below is intended as part of an ecosystem that will include also the development of further support guidance by EFRAG, further digital tools and implementation support (educational activities, stakeholders’ engagement and so forth), aiming to facilitate some of the technical elements present in the guidance.</p>	<p>Proposal: the word “ecosystem” should be skipped here and for a better understanding replaced by a plain English word or description as it is nowhere explained</p>	<p>the word “ecosystem” should be skipped here and for a better understanding replaced by a plain English word or description as it is nowhere explained (see also 66).</p>
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Comprehensive Module – General Information

C1 – Strategy: Business Model and Sustainability – Related Initiatives (Guidance 212)

47	<p>The undertaking shall disclose the key elements of its business model and strategy, including:</p> <p>(a) a description of significant groups of products and/or services offered;</p>	<p>47. d. Proposal : Any reference to “strategy” in title of C1 should be skipped as well as point 47 (d) in its entirety.</p>	<p>47. d. There is asked for the “disclosure of 1. the key elements of the undertaking’s strategy and 2. a brief description of those key elements -if any- that relate to or affect sustainability issues”. More Guidance should be given on what could be mentioned under 47 d. if the strategy has key elements that relate to or affect sustainability issues, a brief description of those key elements.</p>
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	<p>(b) a description of significant market(s) the undertaking operates in (such as B2B, wholesale, retail, countries);</p> <p>(c) a description of main business relationships (such as key suppliers, customers distribution channels and consumers); and</p> <p>(d) if the strategy has key elements that relate to or affect sustainability issues, a brief description of those key elements.</p>		<p>This should be part of the implementation support of EFRAG as mentioned and announced in Guidance 210.</p> <p>It is not clear and nowhere explained what “strategy” means, in addition the strategy of an undertaking can be considered as a business secret. We also do not see how the key elements related to or affect sustainability issues could bring additional information or are different from the information requested in C2 “Description of practices, policies and future initiatives for transitioning towards a more sustainable economy”.</p> <p>Any reference to “strategy” in title of C1 should be skipped as well as point 47 (d) in its entirety.</p>
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C2 – Description of practices, policies and future initiatives for transitioning towards a more sustainable economy (Guidance 213)

48	<p>The undertaking shall disclose the key elements of its business model and strategy, including:</p> <p>(a) a description of significant groups of products and/or services offered;</p> <p>(b) a description of significant market(s) the undertaking operates in (such as B2B, wholesale, retail, countries);</p> <p>(c) a description of main business relationships (such as key suppliers, customers distribution channels and consumers); and</p> <p>(d) if the strategy has key elements that relate to or affect sustainability issues, a brief description of those key elements.</p>	<p>47. d. Proposal : Any reference to “strategy” in title of C1 should be skipped as well as point 47 (d) in its entirety.</p>	<p>47. d. There is asked for the “disclosure of 1. the key elements of the undertaking’s strategy and 2. a brief description of those key elements -if any- that relate to or affect sustainability issues”. More Guidance should be given on what could be mentioned under 47 d. if the strategy has key elements that relate to or affect sustainability issues, a brief description of those key elements. This should be part of the implementation support of EFRAG as mentioned and announced in Guidance 210.</p> <p>It is not clear and nowhere explained what “strategy” means, in addition the strategy of an undertaking can be considered as a business secret. We also do not see how the key elements related to or affect sustainability issues could bring additional information or are different from the information requested in C2 “Description of practices, policies and future initiatives for transitioning towards a more sustainable economy”.</p> <p>Any reference to “strategy” in title of C1 should be skipped as well as point 47 (d) in its entirety.</p>
G213	<p>Undertakings may use the following template to report on C2 datapoints.</p> <p>...</p>	<p>Proposal: The word “ecosystems” has to be skipped in the table in 213 under “Biodiversity and Ecosystems”,</p>	<p>The word “ecosystems” has to be skipped in the table in 213 under “Biodiversity and Ecosystems”, as it is a remnant of the January 2024 and later versions, but it does not figure anymore in the text of the Standard. Consequently it should be skipped.</p>

		Proposal: The words “ and Marine Resources ” should be skipped	Also the words “ and Marine Resources ” should be skipped as nowhere in the VSME “Marine Resources” have been mentioned. We do not object against reporting on it but those who can are aware of the issue and can decide to report on it (see datapoint 10).
Appendix A	<p>Employees who are in an employment relationship with the undertaking (‘employees’) and non-employees who are either individual contractors supplying labour to the undertaking (‘self-employed people’) or people provided by undertakings primarily engaged in ‘employment activities’ (NACE Code N78).</p> <ul style="list-style-type: none"> Worker in the value chain <p>An individual performing work in the value chain of the undertaking, regardless of the existence or nature of any contractual relationship with the undertaking. In the ESRS, the scope of workers in the value chain include all workers in the undertaking’s upstream and downstream value chain who are or can be materially impacted by the undertaking. This includes impacts that are connected to the undertaking’s own operations, and value chain, including through its products or services, as well as through its business relationships. This includes all workers who are not in the scope of ‘Own Workforce’ (‘Own Workforce’ includes people who are in an employment relationship with the undertaking (‘employees’) and non-employees who are either individual contractors supplying labour to the undertaking (‘self-employed people’) or people provided by undertakings primarily engaged in employment activities (NACE Code N78).</p>	Appendix A. Own workforce/own workers & Worker in the value chain. Proposal: to skip “non-employees”	<p>The notion “non-employees” does not figure anymore in the text of the Standard as result of the lobby in the TEG and agreed in TEG and Board. However the term is still mentioned in ‘Annex A - Defined terms’ to define “Own workforce/own workers”. It should be skipped there as a consequence of the compromise obtained in the TEG. If it stays there the definition of own workforce/own workers will be too wide and include all self-employed who are working for another company, which is not acceptable.</p> <p>Same remark for definition of “worker in the value chain”.</p>

Comprehensive Module – Environmental Metrics

Consideration when reporting on GHG emissions under B3 (Basic Module)

<p>50-53, G215</p>	<p>50. Depending on the type of activities carried out by the undertaking, disclosing a quantification of its Scope 3 GHG emissions can be appropriate (see paragraph 10 of this Standard) to yield relevant information on the undertaking's value chain impacts on climate change.</p> <p>51. Scope 3 emissions are indirect GHG emissions (other than Scope 2) that derive from an undertaking's value chain. They include the activities that are upstream of the undertaking's operations (e.g. purchased goods and services, purchased capital goods, transportation of purchased goods, etc.) and activities that are downstream of the undertaking's operations (e.g. transport and distribution of the undertaking's products, use of sold products, investments, etc.).</p> <p>52. If the undertaking decides to provide this metric, it should refer to the 15 types of Scope 3 GHG emissions identified by the GHG Protocol Corporate Standard and detailed by the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. When it reports on Scope 3 GHG emissions, the undertaking shall include significant Scope 3 categories (as per the Corporate Value Chain (Scope 3) Accounting and Reporting Standard) based on its own assessment of relevant Scope 3 categories. Undertakings can find further guidance on specific calculation methods for each</p>	<p>50-53. Proposal. <u>should be skipped, as well as any reference to Scope 3 in the VSME. An alternative could be that there will be an interdiction to ask Scope 3 data from SMEs when the value-chain cap will be defined.</u></p> <p>215. Proposal. The CDP is only available in English which is not acceptable</p>	<p>50. This datapoints mentions some considerations on when disclosing Scope 3 GHG emissions can be appropriate. It states that it depends on the type of activities of the undertaking if it is relevant to report on the value chain impacts on climate change. Positive in this statement is that it accepts that it is not necessary for all SMEs and it does not generalise, meaning that even in certain sectors it leaves the evaluation to the entrepreneur or the ones upstream of the SME (large company, bank,...). However, as the VSME will be the cap, Para 10 and 50 will give large enterprises a reason to ask Scope 3 data from their SME-providers. So while it was intended to give a possibility to SMEs it will become an obligation for them. As it is a mainly sectoral issue and as there will be no sectorial standards anymore, this request is not proportionate, especially as Scope 3 is burdensome for SMEs as they have to rely on external datasets. As in the VSME is was accepted as possibility, it also means that the ESRS does not impose it. <u>Consequently 50-53 should be skipped, as well as any reference to Scope 3 in the VSME. An alternative could be that there will be an interdiction to ask Scope 3 data from SMEs when the value-chain cap will be defined.</u></p> <p>Guidance 215 states: "SMEs operating with manufacturing, agrifood, real estate construction and packaging processes are likely to have significant Scope 3 categories (CDP, 2024), which may be considered relevant for reporting in the undertaking's sector. " So it is limiting substantially the list of reporting undertakings. However the CDP is only available in English and the Standard itself only in English, French and Spanish, which is not acceptable.</p> <p>51. Gives a concise general understandable definition of what Scope 3 emissions entail: the indirect GHG emissions from the undertakings up- and downstream value chain.</p> <p>52. Recommends to use the GHG Protocol standard which "supplies the world's most widely used greenhouse gas</p>
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	<p>category in the GHG Protocol's Technical guidance for Calculating Scope 3 Emissions.</p> <p>53. When reporting its Scope 1 and Scope 2 emissions, if the undertaking discloses entity-specific information on its Scope 3 emissions, it shall present it together with the information required under B3 – Energy and greenhouse gas emissions.</p> <p>215. SMEs operating with manufacturing, agrifood, real estate construction and packaging processes are likely to have significant Scope 3 categories (CDP, 2024), which may be considered relevant for reporting in the undertaking's sector.</p>		<p>accounting standards and guidance". Positive is that it refers to one standard to be used but this is a very technical standard, it will request from an average SME owner a lot of preparatory study, efforts and time....</p> <p>We are of the opinion that the VSME should be limited to scope 1 and 2 only. Most SMEs will not be able to get this information downstream/upstream from their partners. Most SME retailers will somehow be in some kind of high climate impact sectors. For example Scope 3 is not possible for a local supermarket or even other shops as they have up to 20.000 products in the store. The text of the Yale university on the GHG Protocol also states that it is difficult to obtain and calculate Scope 3 emissions.</p> <p>Alternative proposal: Interdiction to ask for Scope 3 information and in any case additional simplified high quality guidance to be provided in all EU languages.</p>
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C3 – GHG reduction targets and climate transition

55-56	<p>55. If the undertaking that operates in high climate impact sectors⁶ has adopted a transition plan for climate change mitigation, it may provide information about it, including an explanation of how it is contributing to reduce GHG emissions.</p> <p>⁶ High climate impact sectors are those listed in NACE Sections A to H and Section L as defined in Annex I to Regulation (EC) No 1893/2006.</p> <p>56. In case the undertaking operates in high-climate impact sectors and does not have a transition plan for climate change mitigation in place, it shall indicate whether and, if so, when it will adopt such a transition plan.</p>	<p>55. Proposal: Datapoint 55 refers in a footnote to the Regulation which defines the 'high climate sectors'. These sectors should be mentioned directly in the Guidance (or in the footnote itself) and through a click through function in the electronic tool.</p>	<p>55. If undertakings in high climate impact sectors have adopted a transition plan for climate change mitigation, they may provide information about it, including how it is contributing to reduce GHG emissions. Positive that it is not an obligation to report on the existence.</p> <p>Datapoint 55 refers in a footnote to the Regulation which defines the 'high climate sectors'. So the entrepreneur is obliged 1. to search for this Regulation and 2. to look in it for searching the different sectors. These sectors should be mentioned directly in the Guidance (or in the footnote itself) and through a click through function in the electronic tool. (This are the high climate impact sectors: Agriculture, forestry and fishing; mining and quarrying; manufacturing; electricity, gas, steam and air conditioning; water supply; sewerage, waste management and remediation activities; construction; wholesale and retail trade;</p>
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		56. Proposal: This should be a “may” datapoint instead of a “shall”. As 55 is a “may”,	<p>repair of motor vehicles and motorcycles; transportation and storage; real estate activities).</p> <p>56. This datapoint obliges (shall) undertakings that operate in high-climate impact sectors and which do not have a transition plan to indicate whether and, if so, when it will adopt such a transition plan. This should be a “may” datapoint instead of a “shall”. As 55 is a “may”, 56 should also be a “may” datapoint. In addition, as there is no obligation for most SMEs to have a transition plan one cannot oblige in a standard to report on its intentions.</p>
218	<p>Removals and avoided emissions shall not be accounted as reduction of the undertaking’s gross GHG emissions. This is due to the important distinction between accounting practices for gross GHG emissions (inventory accounting) and GHG removals and avoided emissions (project-based or intervention accounting). Gross GHG emissions of the undertaking are designed to track the actual emissions released to the environment, providing a consistent and comparable baseline to set up GHG targets. Avoided emissions and carbon removals, on the other hand, relate to specific project activities of the undertaking, which means that their accounting is done separately from gross GHG emissions.</p> <p>219. To follow this practice, the undertaking needs to distinguish between its gross GHG emissions and other impacts which are not captured in it, such as GHG removals and avoided emissions.</p>	Proposal: the GHG Protocol Land Sector and Removals Guidance 13 as well as the <u>WBCSD guidance are only available in English, which is not acceptable</u>	<p>The definitions of “removals and avoided emissions” are not clear and neither the reasons why they cannot be accounted as reductions. 219 states that more information on the concepts related to carbon removals and avoided emissions can be found in the GHG Protocol Land Sector and Removals Guidance 13 as well as the WBCSD guidance. <u>However these two documents are only available in English, which is not acceptable.</u></p>
227	To identify manufacturing, construction and/or packaging processes, the undertaking may refer to these activities that fall under Section C – Manufacturing, Section F Construction as well as Class N82.92	Proposal: It is not acceptable that one has to look up the Regulation 1893/2006. The list of activities should be made available in the	It is not acceptable that one has to look up the Regulation 1893/2006. The list of activities should be made available in the Guidance itself and in the electronic tool through a click-through function. Manufacturing is according the Regulation a very broad sector and means all kind of production activity. We are wondering

	'Packaging activities' of Annex I to Regulation (EC) No 1893/2006.	Guidance itself and in the electronic tool through a click-through function. Proposal: It would be better to write "Manufacturing, construction and/or packaging processes are defined in Annex..."	why the Guidance states that one " <u>may</u> " refer to the annex of the Regulation to identify manufacturing, construction and/or packaging processes. It would be better to write "Manufacturing, construction and/or packaging processes are defined in Annex..."
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C4 – Climate risks (Guidance 228-230)

57	<p>57. If the undertaking has identified climate-related hazards and climate-related transition events, creating gross climate-related risks for the undertaking, it shall:</p> <p>(a) briefly describe such climate-related hazards and climate-related transition events;</p> <p>(b) disclose how it has assessed the exposure and sensitivity of its assets, activities and value chain to these hazards and transition events;</p> <p>(c) disclose the time horizons of any climate-related hazards and transition events identified; and</p> <p>(d) disclose whether it has undertaken climate change adaptation actions for any climate-related hazards and transition events.</p> <p>228. Climate-related hazards are drivers of climate-related physical risks that arise from</p>	<p>57. Proposal: it should still be clearer explained what is exactly required</p> <p>G.228. Proposal: Reference to Commission delegated regulation 2021/2139 should be skipped. Also reference and last sentence referring to the use of climate scenarios and especially IPCC SSP5-8.5 should be skipped.</p> <p>G229. Proposal: the meaning of "climate related transition events" should be more explained and the Reference to TCFD classification should be skipped as it is a more than 60 page document only in English.</p>	<p>This a bit easier to understand for entrepreneurs, but it should still be clearer explained what is exactly required. It is an "if" datapoint.</p> <p>G228: Reference to Commission delegated regulation 2021/2139 should be skipped as no entrepreneur will consult it. Also reference and last sentence referring to the use of climate scenarios and especially IPCC SSP5-8.5 should be skipped as it is not adapted to the needs of SME entrepreneurs. More relevant information for entrepreneurs should be provided. It is not acceptable that the Guidance, to identify climate-related physical risks, refers simply to the IPCC SSP5-8.5 (even without a weblink!!). According to the IPCC website SSP5–8.5 represents the <u>high end</u> of the range of future pathways (Cambridge Dictionary: "high-end": intended for people who want very good quality products and who do not mind how much they cost...!).</p> <p>G229: Explanation of the meaning of "climate related transition events" in the Guidance is welcomed but should be a little bit more explained in order to make it more concrete for an average entrepreneur. Should be part of the implementation support of EFRAG as mentioned and announced in Guidance 210. Reference to TCFD²⁶ classification should be skipped as it is a</p>
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²⁶ Motivation: As part of the Dialogue's Better Alignment Project, CDP, CDSB, GRI, IIRC and SASB collaborated intensively to assess alignment on the TCFD's disclosure principles, recommended disclosures and illustrative example metrics. It shall be noted that **representative SME organisations have not been involved in these initiatives**. Final Report PROPOSALS FOR A RELEVANT AND DYNAMIC EU SUSTAINABILITY REPORTING STANDARD-SETTING, February 2021. https://www.efrag.org/sites/default/files/2024-07/EFRAG_PTF-NFRS_MAIN_REPORT%5B1%5D.pdf

<p>the effects that climate change has on the undertaking. They can be classified into acute hazards, which arise from particular events (such as droughts, floods, extreme precipitations and wildfires), and chronic hazards (such as changing temperatures, sea level rise and soil erosion), which arise from longer-term changes in the climate (Commission delegated regulation 2021/2139). Physical risks are a function of climate-related hazards, the exposure of the undertaking's assets and activities to these hazards, and how sensitive the undertaking is to these hazards. Examples of climate-related hazards are heat waves, increased frequency of extreme weather events, sea level rise, glacial lake outburst flood and change in precipitation and wind patterns. Climate-related physical risks can be identified and modelled by using climate scenarios that consider high emissions trajectories such as IPCC SSP5-8.5.</p> <p>229. Climate-related transition events may be (according to TCFD classification) policy- and legal-based (e.g. enhanced emission-reporting obligations), technology-based (e.g. costs of transition to lower emissions technology), market-based (e.g. increased cost of raw materials) and reputation-based (e.g. increased stakeholder concern).</p> <p>230. Gross climate-related risks refer to gross physical risks and gross transition risks that may result from exposure of the undertaking's assets and business activities to climate-related hazards.</p>	<p>G230. Proposal: The exact meaning and extend of the word “gross” needs to be specified.</p>	<p>more than 60 page document only in English. No references in the Standard or Guidance should be made to documents that are not available in all EU languages.</p> <p>G230: The exact meaning and extend of the word “gross” needs to be specified. The Guidance gives a definition of “Gross climate-related risks” as “gross physical risks and gross transition risks” which does not help as it is a circular reasoning. The given information is certainly far too limited. Should be part of the implementation support of EFRAG as mentioned and announced in Guidance 210.</p>
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58	The undertaking may disclose the potential adverse effects of climate risks that may affect its financial performance or business operations in the short-, medium- or long-term, indicating whether it assesses the risks to be high, medium, low.	Proposal: is not logic that 58 asks for an assessment of the risk to be high, medium or low.	This is a “may” datapoint when one has reported on 57. However there is an inconsistency as 57 refers to “gross” climate-related risks and 58 only to potential adverse effects. As 57 only deals with “gross” risks, it is not logic that 58 asks for an assessment of the risk to be high, medium or low. Distinction between financial performance or business operations seems quite too detailed for an average SME.
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Comprehensive Module – Social Metrics (Guidance 231-236; 237; 238)

C5 – Additional (general) workforce characteristics

59, G231- 233	<p>59. If the undertaking employs 50 or more employees, it may disclose the female-to-male ratio at management level for the reporting period.</p> <p>231. To determine the gender ratio, divide the number of female employees by the number of male employees at management level. This will yield the proportion of women to men in your company.</p> <p><i>Gender ratio=number of female employees at management level/number of male employees at management level</i></p> <p>232. Management level is considered the level below the board of directors unless the undertaking has a specific definition to use.</p> <p>233. For example, if there are 28 female employees and 84 male employees at management level, the gender ratio would be 1:3, meaning that for every woman at management level, there are three men.</p>	<p>59. Proposal: 59 has to be skipped</p> <p>231. Proposal: 232. To determine the gender ratio, divide the number of female employees by the number of male employees at management level. This will yield the proportion of women to men in your company. is calculated as follows:</p> $\text{Gender ratio} = \frac{\text{number of female employees at management level}}{\text{number of male employees at management level}}$ <p>232. Proposal: 2321. “Management level is considered the level below the board of directors. unless the undertaking has a specific definition to use.”</p> <p>233. Proposal: 233 should be skipped.</p>	<p>This request to disclose the female-to-male ratio at management level should be better skipped as it is not based on any already existing social or sustainability legislation.</p> <p>Guidance 231-233: if 59 is not skipped. The Guidance (231-233) should be changed to make it shorter and just mention the essence.</p> <p>232 should become 231 as first a definition of “management” is needed before one can do the calculation. The sentence “unless the undertaking has a specific definition to use” is not clear.</p> <p>233. This example in 233 should be skipped as it is redundant.</p>
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60	If the undertaking employs 50 or more employees , it may disclose the number of those self-employed without personnel who are working exclusively for the undertaking, and temporary workers provided by undertakings primarily engaged in 'employment activities'.	Proposal: "self-employed without personnel who are working exclusively for the undertaking" must be refined.	Point 60, covers the "temporary workers " (interim labour), which is not a problematic data point, as well as "self-employed without personnel who are working exclusively for the undertaking", which should also not be problematic as it covers in principle bogus-self-employed. In addition it is a "may" disclosure. While the inclusion of temporary workers is not at all problematic, the issue of "self-employed without personnel who are working exclusively for the undertaking" can be probably refined.
G234	Relevant factors for an undertaking to consider in deciding whether or not to disclose the number of self-employed workers and temporary workers under paragraph 60 would be: (1) the ratio of employees to self-employed and temporary workers, especially in case of significant and/or increasing reliance or (2) when the risk of negative social impacts on self-employed or temporary workers is greater compared to the undertaking's own employees.	<p>Proposal: Relevant factors for an undertaking to consider in deciding whether or not to disclose the number of self-employed workers <u>without personnel who are working exclusively for the undertaking</u> and temporary workers under paragraph 60 would be: (1) the ratio of employees to self-employed <u>without personnel who are working exclusively for the undertaking</u> and temporary workers, especially in case of significant and/or increasing reliance or (2) when the risk of negative social impacts on self-employed <u>without personnel who are working exclusively for the undertaking</u> or temporary workers is greater compared to the undertaking's own employees.</p> <p>Proposal: has to be skipped (2) when the risk of negative social impacts on self-employed</p>	<p>The actual text could be misleading as it mentions "self-employed" in general, while it should <u>only</u> refer to "self-employed without personnel who are working exclusively for the undertaking":</p> <p>It is a "may" disclosure. Guidance 234 gives some suggestions when to consider to disclose. However, rightly, no further information is given on what is considered a "good" ratio as it depends on the individual situation of the enterprise/sector. The meaning of the second suggestion on risk of social impacts is also not clear and should be skipped.</p>

		or temporary workers is greater compared to the undertaking's own employees.	
G235	The following table shows how information on self-employed people without personnel that are working exclusively for the undertaking and temporary workers provided by undertakings primarily engaged in employment activities may be presented.	Proposal: To be changed in <u>Undertakings may use the following template to report on datapoint 60.</u>	Reduce the text to the essential and always use the same wording (as in 213).
G236	Undertakings can refer to NACE Code N78 for temporary workers provided by undertakings primarily engaged in 'employment activities'.	Proposal: Content of NACE Code N78 should be mentioned and / or made accessible through a click through function in the digital tool.	Content of NACE Code N78 should be mentioned and / or made accessible through a click through function in the digital tool.

Additional own workforce information – Human rights policies and processes

61	<p>The undertaking shall disclose an answer to the following questions.</p> <p>(a) Does the undertaking have a code of conduct or human rights policy for its own workforce? (YES/NO)</p> <p>(b) If yes, does this cover: i. child labour (YES/ NO);</p> <p>ii. forced labour (YES/ NO);</p> <p>iii. human trafficking (YES/NO);</p> <p>iv. discrimination (YES/NO);</p> <p>v. accident prevention (YES/NO); or</p> <p>vi. other? (YES/NO – if yes, specify).</p> <p>(c) Does the undertaking have a complaints-handling mechanism for its own workforce? (YES/ NO)</p>	Proposal : definition of own workforce cf. appendix A to skip “non-employees”	<p>Dropdown menu is a good simple solution and appreciated.</p> <p>It is a “shall” disclosure. Should not be a problem to respond to as it is asking for the existence or not of a code of conduct or a policy and the existence of a complaints mechanism. A lot of large companies are already asking their SME supplier for such code of conducts.</p> <p>Own workforce is mentioned: also here it is <u>important that the definition is changed in the Annex A - Defined Terms.</u></p>
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C7 – Severe negative human rights incidents

<p>62, G238</p>	<p>62. The undertaking shall disclose an answer to the following questions:</p> <p>(a) Does the undertaking have confirmed incidents in its own workforce related to:</p> <ul style="list-style-type: none"> i. child labour (YES/ NO); ii. forced labour (YES/ NO); iii. human trafficking (YES/ NO); iv. discrimination (YES/ NO); or v. other? (YES/NO – if yes, specify). <p>(b) If yes, the undertaking may describe the actions being taken to address the incidents described above.</p> <p>(c) Is the undertaking aware of any confirmed incidents involving workers in the value chain, affected communities, consumers and end-users? If yes, specify.</p> <p>G238. A “confirmed incident” refers to a legal action or complaint registered with the undertaking or competent authorities through a formal process, or an instance of non-compliance identified by the undertaking through established procedures. Established procedures to identify instances of non-compliance can include management system audits, formal monitoring programs, or grievance mechanisms.</p>	<p>62. Proposal: It needs to be clarified if every incident needs to be reported on or any severe negative HR incident</p> <p>G238. Proposal: the necessary hands-on guidance should be provided in the Guidance accompanying the VSME. The definition of “confirmed incident” lacks clarity, also in relation with “severe negative human rights”.</p>	<p><u>62</u>. Dropdown menu is a good simple solution and appreciated.</p> <p>Asks for the existence of “confirmed incidents” in relation to own workforce as well as the actions taken as a consequence of the incident. Should not be problematic, but also here the scope can be broad if the definition of “own workforce” is not changed!</p> <p>However while the title mentions “severe negative human rights incidents”, para 62 asks more general for “incidents”. It needs to be clarified if every incident needs to be reported on or any severe negative HR incident. (Are there by the way “positive incidents”?) A clear definition needs also to be given of “incident”.</p> <p>Point c) refers to awareness of confirmed incidents “involving affected communities”. The definition of affected communities includes the upstream/downstream value chain.</p> <p>The opinion that the necessary hands-on guidance should be provided in the Guidance accompanying the VSME. References to other support tools have to be avoided. The definition of “confirmed incident” in 238 lacks clarity, also in relation with “severe negative human rights”.</p>
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Comprehensive Module – Governance Metrics (Guidance 239-241 and 242-244)

C8 – Revenues from certain sectors and exclusion from EU reference benchmarks

63	<p>If the undertaking is active in one or more of the following sectors, it shall disclose its related revenues in the sector(s):</p> <p>(a) controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons);</p> <p>(b) the cultivation and production of tobacco;</p> <p>(c) fossil fuel (coal, oil and gas) sector (i.e. the undertaking derives revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and the Council 17), including a disaggregation of revenues derived from coal, oil and gas; or</p> <p>(d) chemicals production if the undertaking is a manufacturer of pesticides and other agrochemical products.</p>	Proposal: clarify “is active”.	There is still lacking a clear definition of what “is active” exactly means. Does this apply to businesses producing these goods or also to those who produce machines for the producers?
64	The undertaking shall disclose whether it is excluded from any EU reference benchmarks that are aligned with the Paris Agreement as described in paragraph 241 of the guidance.	Proposal: it should be clarified that it only applies to undertakings active in the sectors mentioned in para 63.	The actual formulation of para 64 obliges all undertakings to respond to this request, while it should only apply to undertakings active in the sectors mentioned in para 63.

C9 – Gender diversity ratio in the governance body

65, G244	<p>65. If the undertaking has a governance body in place, the undertaking shall disclose the related gender diversity ratio.</p> <p>G244. The governance body of a certain SME is composed of six members, including three women. The gender diversity ratio is one – for every female member there is one male member.</p>	<p>65. proposal: to be skipped.</p> <p>G244. Proposal: If C9 is kept, Guidance 244 should be skipped as it is redundant:</p>	<p>65. Although this request for information is not a difficult one, every additional data request that can be avoided should be avoided. In addition it is not relevant as most SMEs do not have a governance body as only 9 million of the 24 million SMEs are incorporated (Source DG FISMA) Most of the incorporated family-owned companies cannot ensure gender equality in their governance body. (Average family in EU 28 counts 2.3 persons (data 2021)). It is not relevant for the majority of SMEs. Moreover, directive (EU) 2022/2381, on improving the gender balance among directors of listed companies, article 2, clearly states that it only “applies to listed companies” and “This Directive does not apply to micro, small and medium-sized enterprises.” The Directive excludes thus explicitly SMEs from the <u>yearly</u> reporting (article 7). The disclosure request information on which SMEs in general do not have an influence as they are very often family businesses or a partnership so they have no choice on whom will be in the board.</p> <p>It is unacceptable that new obligations are introduced through a standard. There is NO legal binding <u>requirement</u> in <u>the actual European sustainability legislation</u> that is asking for the gender diversity in governance bodies. This has been clearly stated in the TEG meeting of 22/10 and mentioned in the SOD of that date.</p> <p>If C9 is kept, Guidance 244 should be skipped as it is redundant.</p>
Appendix A	<p>Appendix A - Defined terms</p> <p>Corruption : Abuse of entrusted power for private gain, which can be instigated by individuals or organisations. It includes practices such as facilitation payments, fraud, extortion, collusion, and money laundering. It also includes an offer or receipt of any gift, loan, fee, reward, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust</p>	<p>Proposal: Defined terms have to be put in the correct alphabetical order: see the words beginning with C, G and I !!!</p> <p>Proposal: Add definition of bribery</p> <p>Proposal corruption: check if the definition of “corruption” covers the different national legal definitions.</p> <p>Proposal Gross greenhouse gas (GHG) emissions: Gross greenhouse gas (GHG) emissions are total GHG emissions released</p>	<p>General remark: Defined terms have to be put in the correct alphabetical order: see the words beginning with C, G and I !!!</p> <ul style="list-style-type: none"> - Bribery: Proposal: definition should be added - Corruption: The Council wonders if the definition of “corruption” given here covers the different national legal definitions. - The definitions given on Greenhouse Gases (GHG) and Gross greenhouse gas (GHG) emissions are confusing as GHG is mentioned as the acronym for Greenhouse Gases as

<p>in the conduct of the undertaking's business. This can include cash or in-kind benefits, such as free goods, gifts, and holidays, or special personal services provided for the purpose of an improper advantage, or that can result in moral pressure to receive such an advantage.</p> <p>Gross greenhouse gas (GHG) emissions : Gross greenhouse gas (GHG) emissions are total GHG emissions released by the undertaking into the atmosphere, without considering any deductions for carbon removals or other adjustments.</p> <p>Land-use (change) : The human use of a specific area for a certain purpose (such as residential; agriculture; recreation; industrial, etc.). Influenced by land cover (grass, asphalt, trees, bare ground, water, etc). Land-use change refers to a change in the use or management of land by humans, which may lead to a change in land cover.</p> <p>Own workforce/own workers : Employees who are in an employment relationship with the undertaking ('employees') and non-employees who are either individual contractors supplying labour to the undertaking ('self-employed people') or people provided by undertakings primarily engaged in 'employment activities' (NACE Code N78).</p> <p>Worker in the value chain : An individual performing work in the value chain of the undertaking, regardless of the existence or nature of any contractual relationship with the undertaking. In the ESRS, the scope of workers in the value chain include all workers in the undertaking's upstream and downstream value chain who are or can be materially impacted by the</p>	<p>by the undertaking into the atmosphere, without considering any deductions for carbon removals or other adjustments</p> <p>Proposal Land-use: The sentence "Land-use change refers to a change in the use or management of land by humans, which may lead to a change in land cover" should be skipped.</p> <p>Proposal own workforce/own workers: the definition is too wide as it still mentions the non-employees who are either individual contractors supplying labour to the undertaking</p> <p>Proposal Worker in the value chain: Reference to ESRS should be skipped. "Non-employees" should be skipped. If not the reference to non-employees should be skipped and replaced by "self-employed workers without personnel who are working exclusively for the undertaking"</p> <p>Proposal to be added: Registered address : the official address of the undertaking.</p> <p>Proposal Sealed area : has to be skipped "This non-permeability can create environmental impacts."</p> <p>Strategy:</p>	<p>well as for Gross greenhouse gas. Proposal GHG should be skipped. The simple enumeration of the GHG in Annex A is not adapted to the knowledge of an average citizen. While most people have an idea what is producing CO2, this is not the case for the other gases. Proposal Information and examples should be provided what kind of process cause these emissions.</p> <ul style="list-style-type: none"> - Land-use : The sentence "Land-use change refers to a change in the use or management of land by humans, which may lead to a change in land cover" should be skipped as it is not relevant. - Own workforce/own workers: The definition is too wide as it still mentions the non -employees who are either individual contractors supplying labour to the undertaking ("self-employed people"). This is not acceptable, as indeed the "non-employees" have disappeared from the VSME. - Worker in the value chain : Reference to ESRS should be skipped as the VSME is and should be a self-standing standard In addition, due to the text agreed on in TEG and Board, there is no reference anymore to "non-employees" in the VSME. If not skipped the reference to non-employees should be skipped and replaced by self-employed workers without personnel who are working exclusively for the undertaking - To be added (see our comments on 24 (d)) registered address : the official address of the undertaking. - Sealed area: This non-permeability can create environmental impacts" Is here unnecessary information, reduction of text. - Strategy: The term "strategy" should be explained in the Defined terms as there is no Guidance on what it should entail.
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	<p>undertaking. This includes impacts that are connected to the undertaking's own operations, and value chain, including through its products or services, as well as through its business relationships. This includes all workers who are not in the scope of 'Own Workforce' ('Own Workforce' includes people who are in an employment relationship with the undertaking ('employees') and non-employees who are either individual contractors supplying labour to the undertaking ('self-employed people') or people provided by undertakings primarily engaged in employment activities (NACE Code N78).</p> <p>Sealed area : A sealed area means any area where the original soil has been covered (such as roads) making it impermeable. This non-permeability can create environmental impacts.</p>	<p>Proposal to add the term "strategy": strategy should be explained in the Defined terms as there is no Guidance on what it should entail.</p>	
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Appendix B

Appendix B' is still too complex for SMEs to apply. It is a simple list of possible sustainability issues not fit for SME owners, although it is only a suggestion. This Appendix is a long list of words without any further information or explanation about their exact meaning and scope and not apt for use by non-experts.