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## **Targeted Consultation Key Messages from Forum and Community + Secretariat Response on Supporting Guides on disclosure C2 (Description of practices, policies and future initiatives for transitioning towards a more sustainable economy)**

### **About this report**

1. EFRAG has conducted a targeted consultation to collect feedback from the SME Forum and VSME Community on the draft targeted consultation version of the Supporting Guides to disclosures C2 (Description of practices, policies, future initiatives for transitioning to a sustainable economy).
2. This targeted consultation was composed of 30 questions. A total of 33 out of 47 SME Forum members responded to the Survey. 175 VSME Community members also responded to this survey. This document analyses the responses differentiating between SME Forum and VSME Community members' comments.
3. SME forum feedback is marked in black, while VSME Community feedback is marked in red.
4. This report uses the following terms to describe the extent to which particular feedback was shared by respondents (both when referring to total respondents or a subset of respondents).

All: 100% of respondents
Most: 80% to 99% of respondents
A majority: 50% to 79% of the respondents
Some: 20% to 49% of the respondents
A few: 1% to 19% of respondents
None: 0% of respondents

## Targeted Consultation Key Messages from Forum and Community + Secretariat Response on Supporting Guides on disclosure C2

## Supporting Guide on disclosure C2 – Key messages

Topic		Targeted Consultation Input (Forum + Community)	EFRAG SECRETARIAT RESPONSE
Clarity and conciseness of introductory paragraphs and instructions		<p><b>Most respondents found the introductory paragraphs and instructions clear and concise.</b></p> <p><b>Suggestions/ comments:</b></p> <ol style="list-style-type: none"><li>1. Suggestion to include in paragraph 11 the four sectors of the five case studies, adding features and activities also for the Manufacturing case study and to clarify sector shares displayed in the table at paragraph 11 and clearly explain why the focus has been placed on these sectors. (National association of SMEs, European association, Platform, <b>non-listed SMEs</b>)</li><li>2. Suggestion to reduce, simplify the wording giving more definition, and merge paragraphs 8 to 11 avoiding repetition, i.e. elimination of paragraph 8 (European association of SMEs, National association of SMEs, Observer/Standard Setters, Observer/Institution, National bank representative, National association of SMEs). <b>Suggestion to simplify the format, while shortening the guide (2 accountants/auditors (proxy preparers), 1 non-listed SMEs, association of enterprises of preparers, banks and investment organisation, Consultants).</b></li><li>3. Suggestion to include in paragraph 11 all the sectors of the five case studies. (European bank representative, Observer/Standard Setter, Observer/Institution, <b>Consultants</b>)</li><li>4. Suggestion to convert the first two sheets of the Excel “Overview and instructions” and “Definitions” into a PDF document to make the content more readable. Questioned whether the Excel spreadsheet is the best tool for the purpose of the supporting guide. (Observer/Standard Setters, European association)</li><li>5. Clarify “mixed approach” adding examples (Observer/Standard Setters, European association, European bank representative, <b>Consultants, Academics</b>).</li><li>6. Suggestion to translate in all EU languages and to specify what does ‘initial part’ refers too (National association of SMEs)</li><li>7. Request to clarify the content of paragraph 7 (National bank representative)</li><li>8. Misalignment of the terminology used in the Supporting Guide with the one used in the VSME Standard (Observer/Standard Setter).</li><li>9. Request for more guidance on the target part (Platform)</li><li>10. Suggestion to better align paragraph 15 with paragraph 49 of the VSME Standard (Large undertakings)</li><li>11. Specify that SMEs should take into account their own specificities when looking at the list of examples (European association, <b>Accountants/Auditors</b>).</li><li>12. <b>Define better policies and practices that derive from national or European legal requirements to differentiate between mandatory and voluntary and clarify if they can be mentioned (Consultants, Association of enterprises of preparers).</b></li><li>13. <b>Request to improve some of the filter functions in the example list. Separation of the list of examples for micro-undertakings (accountants/auditors (proxy preparers)).</b></li><li>14. <b>Suggestion to clarify the usage of the Digital template (Academics)</b></li></ol>	<ol style="list-style-type: none"><li>1. The description of the sectors chosen has been revised and clarified. This has been inserted in the new ‘Overview and definitions’ section.</li><li>2. The introductory sections have been significantly simplified by restructuring the sections into 1 section and eliminating repetitions.</li><li>3. Implemented, see point 1 above,</li><li>4. The two initial sections have been merged into one. Regarding the format, the final format will be decided after SRB and SR TEG decisions. The current focus is on the content.</li><li>5. The mixed approach has been clarified after the definitions of practices, policies and future initiatives.</li><li>6. The current draft will not be translated yet. After SRB and SR TEG approval, a decision will be taken on translations. At the current stage, this is too early.</li><li>7. Paragraph 7 clarified.</li><li>8. Terminology has been reviewed.</li><li>9. On targets, a decision has been taken to continue providing an example of them for the Medium undertakings for each case study.</li><li>10. Paragraph 15 does not have an alignment with paragraph 49.</li><li>11. Implemented</li><li>12. Definition of practices and policies has been clarified.</li><li>13. + 14. The filter function will be improved following the approval from SRB and SR TEG. These are technical aspects that will be taken care of after the approval of the content.</li></ol>
Examples of practices, policies, and future Initiatives			
Usefulness on examples of practices, policies and future initiatives of C2	Overarching comments (applicable to all sustainability issues)	<ol style="list-style-type: none"><li>1. Request to clarify the definitions and the difference between practices, policies, future initiatives, actions and targets with some examples (Observer/Standard Setter, Platform, <b>accountants/auditors (proxy preparers), non-listed SMEs, Academics, Consultants</b>). Request to clarify the difference between formal and non-formalised policies and practices. Hence clarify the mixed approach (European association, National bank representative, National bank representative, Large undertakings, National association of large undertakings, Observer/Standard Setters, <b>Accountants/auditors (proxy preparers), non-listed SMEs, Banks and investment organisation, Consultants, Academics</b>).</li><li>2. Suggestion to differentiate between examples of high and low impact practices, policies, and future initiatives focused on internal company impact (e.g. buying insurance) vs. actions aimed at societal or environmental impacts (adoption closed-loop water systems) (European association).</li><li>3. Request to explain all abbreviations when first mentioned (European association).</li><li>4. Additional suggestion to set a minimum threshold of expected minimum positive actions disclosed per topic. This would serve to establish a minimum level of effort expected from the SMEs. For example, just mentioning ‘changing appliances’ is too general as that could imply a dishwasher, whereas, the practices, should have broader scale. Examples could give some context to gauge the users with the expected effort level. Everything requires benchmarking based on the economic activity and size of the SME. (European association). <b>This point was also raised by the VSME Community (Accountant/ auditors – proxy for preparers).</b></li><li>5. <b>Request to include information that goes beyond legal requirements, as the legal requirements in general should be a given. Accountants/Auditors (proxy preparers))</b></li><li>6. <b>These examples were deemed to focus too much on secondary issues but not tackling how operations (the core of the business model) could also be improved. Moreover, the respondent stated that the examples should be classified by capex intensive, opex intensive, culture and training issues, management issues. (Accountant/ Auditor – proxy preparers).</b></li><li>7. Suggestion to adjust drop-down filters to place climate change mitigation and adaptation at the end of the list compared to at the start, to make it more readable. Potentially use abbreviations for climate change (cc). See screenshot below: (Observer/Standard Setter)<div><div><input checked="" type="checkbox"/> (Select All)</div><div><input checked="" type="checkbox"/> Climate change adaptation : stormwater and floods</div><div><input checked="" type="checkbox"/> Climate change adaptation: general actions</div><div><input checked="" type="checkbox"/> Climate change adaptation: Heat stress mitigation</div><div><input checked="" type="checkbox"/> Climate change mitigation: energy efficiency</div><div><input checked="" type="checkbox"/> Climate change mitigation: Low-carbon products or processes</div><div><input checked="" type="checkbox"/> Climate change mitigation: Low-carbon transport</div><div><input checked="" type="checkbox"/> Climate change mitigation: renewable energy</div></div></li><li>8. <b>Suggestion to concentrate to how the operation itself could be improved, because now they are concentrating in secondary issues (Accountants/Auditors (proxy preparers)).</b></li></ol>	<ol style="list-style-type: none"><li>1. The definition between practices, policies, and future initiatives has been clarified further, including the differences between formal and informal.</li><li>2. The differentiation between low and high impact has not been specified for each example. The intention is not to categorise aspects but rather give an idea of a list that may be of use to the SMEs. Additionally, asking to differentiate between core and non-core activities could then lead into a DMA angle.</li><li>3. Abbreviations have been removed.</li><li>4. As per point 2, minimum positive impacts have not been included, as this could possibly also lead to DMA. It is up to the SME to describe the practices, policies, and future initiatives that it has undertaken.</li><li>5. Not included, many of the examples already go beyond legal requirements.</li><li>6. See point 4.</li><li>7. The drop-down filters will be adjusted following SRB and SR TEG’s approval of the content.</li><li>8. The examples listed, provide an array of actions which also cover different topics which are core to many a variety of sectors. There is no – one case fits all.</li><li>9. The VSME is made to be audited/ assured. As such, this request is not possible.</li><li>10. See point 4.</li></ol>

Topic		Targeted Consultation Input (Forum + Community)	EFRAG SECRETARIAT RESPONSE
		<div>9. Request to ensure that the examples are verifiable. Additional focus from the same stakeholder to include clear examples of practices and clear examples of policies. (accountant/ auditor – (proxy preparers)).</div> <div>10. Request to concentrate to how the operation itself could be improved, because now they are concentrating in secondary issues (Accountants/Auditors (proxy preparers)).</div> <div>11. Request to clarify the origin/source of the examples (standardised recommendation, national or EU law) of the policies and their potential impact (Other – Consultants and Consultants).</div> <div>12. Request to provide more sector specific examples (Large companies – users and Other – Consultants and non-listed SMEs (preparers)) and to consider the bureaucratic and financial efforts for SMEs (non-listed SMEs (preparers) and Other – Consultants and Association of enterprises of preparers)</div> <div>13. Request to classify the examples for easier understanding, using for example: capex intensive, opex intensive, culture and training issues, management issues (Accountants/Auditors (proxy preparers)) and to provide more quantitative elements, like KPIs (Academics) and to add a direct mapping to C2 (Academics).</div> <div>14. Suggest offering graduated options (micro-SME "baseline" vs. "advanced") to reduce reporting burden. Including a short worked mixed disclosure showing how to separate labels within one paragraph. (Academics)</div> <div>15. Suggestion to map each example explicitly to the C2 template examples (Consultants)</div> <div>16. Suggest including some indication of the magnitude of impact for each solution (Other - Consultants)</div> <div>17. Suggest considering that there are many requested to include things which are only additional to regulations. And that regulation-based actions should not be included here as they are a given already (Accountants/Auditors (proxy preparers))</div>	<div>11. The intention is not to provide a list of practices that stems from laws, as this would not be possible for the EFRAG Secretariat. The examples provided cover practices and policies which stem both from legal requirements but also from other aspects that go beyond/ are unrelated to laws.</div> <div>12. The sector specific examples are provided solely in the case studies. The list in part 1 is meant to be sector agnostic.</div> <div>13. Examples are meant to be classified in order of complexity, not opex etc.</div> <div>14. The examples are in order of complexity, as such examples towards the end of the lists are most likely not fit for Micro-undertakings</div> <div>15. Comment not clear.</div> <div>16. The magnitude of impact depends on the business model of the specific SME. Depending on the business model, certain examples will bring more or less impact. Therefore this is not something that can be classified a priori.</div> <div>17. The specific intention is to cover both legal and above-legal examples of practices that showcase practices/ policies enacted by the SME.</div>

Supporting Guide on disclosure C2 – List of Examples of practices, policies, and future initiatives

Climate Change:

Overarching comments on Climate Change

Climate Change	<p><b>Most respondents found this content useful</b></p> <p><b>Main Suggestions/ comments:</b></p> <ol style="list-style-type: none"><li>Suggestion to add simpler examples for climate change – some the current ones are too technical and may not apply to SMEs. (National association of SMEs)</li><li>Request to provide additional guidance for SMEs on understanding value chain impacts included under disclosure C2 (Large undertakings).</li><li>Additional suggestion to ensure that the wording allows reporting for past, present and future actions. (Observer/Standard Setter)</li><li>Additional comment requesting to include clear examples of practices and clear examples of policies. (accountant/ auditor – (proxy preparers)).</li><li>Request for additional practices on climate change adaptation given its increasing importance (non-listed SME preparer) and on energy conservation (Accountants/auditors (proxy preparers)).</li><li>Suggestion to classify the examples by capex intensive, opex intensive, culture and training issues, management issues. (Accountant/ Auditor – proxy preparers).</li><li>Comment on the structuring of this content. Without standard reporting of topics per sector makes it difficult for financial institutions to compare and aggregate information. It would be more useful for financial institutions if the template included per sector a list of relevant actions, policies, etc. and that the reporting company either checks off which actions have been or will be achieved. (Banks and investment organisations). Request to have sector-specific examples (users – banks and investment organisations)</li><li>Request to clearly label examples of ‘practices’, ‘policies’, and ‘future initiatives. The argument is that this clear separation would make it easier for SMEs to navigate the Excel. A similar method should be adopted to what is currently used in the Business Conduct policies examples. Perception that the inclusion of formal and informal policies adds further confusion. Targets should be quantitative. (User – Bank and investment organisation)</li><li>Suggestion to add targets elements (Consultants)</li><li>Suggestion to shorten up the guide, and avoid repetition (Academics)</li><li>Suggestion to block the other categories when filtering one category (Consultants)</li><li>Suggestion to emphasise more explicitly the importance of companies conducting prior assessments to determine which practices would generate the most effective outcomes for their particular business model and circumstances (non-EU participants)</li><li>Suggestion to add information on source and the potential of actions (Consultants).</li><li>Suggestion to list the examples in only one column, with its corresponding ESG pillar in one column collected too (Consultants)</li><li>Suggestion to further emphasise “CO2 emissions” within the list of examples (e.g.) Product and Employee transportation. (Academics)</li></ol>	<p><b>Secretariat Response</b></p> <ol style="list-style-type: none"><li>Implemented: a series of examples of examples have been further clarified and additional ones have been provided based on the input received from the respondents.</li><li>Not implemented – the examples do not provide additional guidance. Furthermore, examples for supply chain aspects are linked more to workers in the value chain (social) and business conduct (supplier management).</li><li>Implemented at overarching level.</li><li>Not implemented – the distinction between practices and policies has been purposefully left without categorisation as certain practices may also be considered as unwritten policies depending on the SME’s specificity. The disclosure of the practices and policies within C2 does not have to be categorised but rather presented as in case study of this supporting guide where all of the practices, policies and future initiatives at put down together without categorising them.</li><li>Implemented: additional climate change adaptation practices have been inserted.</li><li>Not implemented: the categorisation by opex has also been requested in other examples. This is not the intended approach for the E,S,G examples.</li><li>Not implemented – given the varied nature of SMEs (in terms of resources, sectors, and size etc.) it is not possible to create set expectations in terms of practices and policies to then structure the reporting of SMEs. This supporting guide is not prescriptive and does not set behaviour. It solely provides a list of examples to clarify the typology and content of possible practices, and policies.</li><li>See point 4.</li><li>Not implemented – the list provides examples of practices and policies. Aspects related to the timeline and targets along with the governance of these actions, is interconnected, but not part of part 1. In the case studies for medium undertakings, the Secretariat does provide some inputs on possible targets related to the overall listed practices and policies.</li><li>Partially implemented: the number of examples has not been cut. However, repetitions, in the overarching part as well as within the examples has been reduced.</li><li>Not implemented. Overarching comments. the digital interactions with the examples will be revised following the finalisation of the content.</li><li>Not implemented. Overarching comment. The list only provides examples of possible practices, policies, and future initiatives, not the methodology to decide these. This is not a management standard.</li><li>Not implemented – the magnitude of impact will vary on between SME (size, resources, sector etc.). The list provides only a series of possible practices, policies, and future initiatives that may be of inspiration/ use to SMEs to understand what existing practices, policies, and future initiatives they may have already put in place and therefore that they may report on.</li><li>Not implemented. Examples are listed by topic.</li><li>Partially implemented – Climate change mitigation examples have been reinforced, however, there for emission specific targets and planning, see the draft supporting guide on C3.</li></ol>
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Comments on specific examples (Climate Change)

Existing Example		Suggestion from respondents on existing examples	EFRAG Secretariat Response	Changes Implemented into version for SRB and SR TEG Comments
a	Replacing conventional lighting with LED systems and installing motion or daylight sensors in appropriate areas <i>(climate change mitigation: energy efficiency)</i>	Note: please refer to the EU Energy label or other reliable standards. (National bank representative)	Implemented	Replacing conventional lighting with LED systems (which are supported by an official energy label or other reliable standard) and installing motion or daylight sensors in appropriate areas <i>(Climate change mitigation: energy efficiency)</i>
b	Replace electronic appliances with more energy-efficient appliances <i>(climate change mitigation: energy efficiency)</i>	Provide tangible examples of energy-efficient appliances (National association of SMEs)  Replace appliances such as printers, HVAC systems, and refrigerators with energy-efficient models certified by	Implemented	Replace electronic appliances with more energy-efficient appliances such as printers, computers, monitors and servers, compressors, pumps, kitchen appliances <i>(Climate change mitigation: energy efficiency)</i>



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Existing Example		Suggestion from respondents on existing examples	EFRAG Secretariat Response	Changes Implemented into version for SRB and SR TEG Comments
		Energy Star or equivalent certification. (User – bank and investment organisation)		
c	Training employees on daily energy-saving habits and use of installed energy-efficient equipment <i>(climate change mitigation: energy efficiency)</i>	Merge all training related initiatives into one as SMEs rarely conduct standalone trainings for each of the issues. – examples c, m, v. For this specific example, include “turning off equipment, adjusting thermostats etc.” (Users – banks and investment organisations)	Not implemented – in order to differentiate between different types of specific trainings per sustainability issue, the structure has been kept unvaried.	NO CHANGE
d	Conducting a certified energy audit and implementing key recommendations <i>(climate change mitigation: energy efficiency)</i>			NO CHANGE
e	Installing smart energy meters, monitoring dashboards, and battery storage to enable efficient energy use <i>(climate change mitigation: energy efficiency)</i>	Deemed too complex (National association of SMEs)	No change – example kept as the Secretariat perceives it as feasible.	NO CHANGE
f	Upgrading building insulation and windows, or applying reflective coatings to improve thermal efficiency <i>(climate change mitigation: energy efficiency)</i>			NO CHANGE
g	Optimizing or retrofitting energy-intensive equipment (e.g., compressors, HVAC, ovens) to reduce peak energy use <i>(climate change mitigation: energy efficiency)</i>	Deemed too complex (National association of SMEs)	No change – example kept as the Secretariat perceives it as feasible.	Optimising or retrofitting energy-intensive equipment (e.g., compressors, HVAC, ovens) to reduce peak energy use (Climate change mitigation: energy efficiency)
h	Installing heat recovery systems to capture and reuse waste heat from production or building processes <i>(climate change mitigation: energy efficiency)</i>			NO CHANGE
i	Installing on-site renewable energy sources such as rooftop solar or participating in local wind energy cooperatives <i>(climate change mitigation: renewable energy)</i>	Replace local wind energy cooperatives with renewable energy cooperatives. It is better for the examples to be more general. (National association of SMEs)	Implemented	Installing on-site renewable energy sources such as rooftop solar or participating in a renewable energy cooperative (Climate change mitigation: renewable energy)
j	Switching to a renewable energy provider or signing a long-term green power purchase agreement (PPA) <i>(climate change mitigation: renewable energy)</i>	Put this further up the list as it’s a non-difficult action to take. (National association of SMEs) <b>Remarkd also by community users.</b>  <b>This point may be counter-intuitive as the VSME requires to disclosed Scope 2 market-based emissions, and location-based ones as optional. (Accountant/ auditor – proxy preparers)</b>	Not implemented. The order has not been changed. On Scope two emissions, the VSME requires to disclose location-based Scope 2 emissions but also allows to disclose market-based emissions. Therefore, the second suggestion is redundant.	NO CHANGE
k	Using heat pumps or connecting to district heating systems to reduce reliance on fossil-fuel heating <i>(climate change mitigation: renewable energy)</i>			NO CHANGE
l	Providing infrastructure or incentives for low-emission commuting (e.g. e-bike storage, public transport passes, remote work options) <i>(climate change mitigation: low-carbon transport)</i>	1. Clarify that this refers only to employees’ daily commutes to work and not other movements. (National association of SMEs)  2. Insignificant for most SMEs (Observer/Standard Setter)  <b>3. This practice tackles scope 3 emissions of the SME. Scope 3 emissions are not requested in the VSME. This may create confusion as to why scope 3 aspects are tackled in C2. (Accountant/ auditor – proxy preparers)</b>  <b>4. e-bike storage can also be non-electric bikes (Non-EU participants)</b>	1. Implemented 2. Not implemented – no other respondent deemed this as not useful. 3. Despite Scope 3 emissions not being requested as a shall or may datapoint within the VSME, the practice is still valuable and in clear control of the specific SME. This therefore remains a useful practice/ policy, despite it not being accounted for in terms of emissions. 4. Not implemented.	l. Providing low-emission infrastructure or incentives for employee's daily commuting (e.g. e-bike storage, public transport passes, remote work options) (Climate change mitigation: Low-carbon transport)
m	Training employees on eco-driving <i>(climate change mitigation: low-carbon transport)</i>	Remove as it’s irrelevant for most sectors apart from transport and storage (which is not in the top 5 SME sectors). (Observer/Standard Setter)  <b>Merge all training related initiatives into one as SMEs rarely conduct standalone trainings for each of the issues. – examples c, m, v . Revise example m to include training delivery drivers on eco-driving habits (e.g. avoiding idling, smooth acceleration etc.) (Users – banks and investment organisations)</b>  <b>Classify this example (m) under “own workforce” (banks and investment organisations)</b>	Implemented: deleted	DELETED
n	Replacing company vehicles and machinery (e.g. forklifts) with electric or low-emission alternatives and providing on-site EV charging <i>(climate change mitigation: low-carbon transport)</i>	1. Current wording suggests that already implemented practices should not be reported on – which is not the case (Observer/Standard Setter)  <b>2. Suggest verifying the real implementation this example (Association of enterprises of preparers)</b>  <b>3. Suggestion to also put within the example, the option of moving towards a smaller vehicle or not using/ having a vehicle. (Accountant/ Auditor – proxy preparer)</b>  <b>4. Suggestion to move this example higher up in the list as this is a common business practice (Association of enterprises)</b>  <b>5. Classify this example (m) under “own workforce” (banks and investment organisations)</b>	1. Not implemented, timing considerations are explained as an overarching instruction. 2. Not implemented: comment unclear 3. Not implemented: this may be something valuable with company vehicles, but not with industrial machinery. Therefore, this example has not been modified to avoid splitting it. 4. The order has not been changed. 5. Not implemented: not related to own workforce.	NO CHANGE

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Existing Example		Suggestion from respondents on existing examples	EFRAG Secretariat Response	Changes Implemented into version for SRB and SR TEG Comments
o	Implementing route optimisation for company fleets and logistics operations to reduce fuel consumption <i>(climate change mitigation: low-carbon transport)</i>		Example supplemented with additional input received from respondents (see additional suggested examples 16 and 17 in the table below).	Implementing route optimisation for company fleets and logistics operations to reduce fuel consumption (e.g. switch from air freight to sea freight, reconsider business travel arrangements) (Climate change mitigation: Low-carbon transport)
p	Redesigning products and packaging to reduce material use and prioritising recycled or low-carbon alternatives <i>(climate change mitigation: low-carbon products or processes)</i>	Classify this example (p) under “circular economy” (banks and investment organisations & consultant)  may be confused or overlapping with examples for circular economy (Consultants)	Implemented: deleted – already covered in circular economy examples.	DELETED
q	Replacing high-GWP refrigerants with low-impact alternatives and installing leak detection systems <i>(climate change mitigation: low-carbon products or processes)</i>	Provide more examples (National association of SMEs)	Implemented	Replacing high-GWP refrigerants with low-impact alternatives and installing electronic refrigerant leak detectors (Climate change mitigation: Low-carbon products or processes)
r	Integrating low-emission materials or processes into production (e.g. water-based coatings, green chemistry, circular inputs) <i>(climate change mitigation: low-carbon products or processes)</i>	1. Avoid the term green energy – risk of greenwashing (SME preparer)  2. Suggestion to split example into two categories: 1) on materials: “use materials that reduce embedded carbon or toxicity, such as water-based coatings, recycled content, or bio-based alternatives” and 2) on methods: "introduce cleaner manufacturing techniques or circular inputs that reduce emissions during processing (e.g., solvent-free synthesis or green chemistry methods)." (user – bank and investment organisations)  3. Provide brief explanations as the example may not be immediately clear. (banks and investment organisations)	1. Not implemented 2. Not implemented deemed as not a useful separation 3. Not implemented – the example is deemed to be clear enough for those business activities to which it applies most to.	NO CHANGE
s	Creating green spaces in urban areas to act as nature-based infrastructure for stormwater and flood prevention <i>(climate change adaptation: stormwater and floods)</i>	<ul style="list-style-type: none"><li>Relevance for SMEs is doubtful. Responsibility for green spaces in urban areas is generally of local authorities. Suggestion to rephrase with "Creating green spaces around production sites to act as nature-based infrastructure for stormwater and flood prevention" (Observer/Institution)</li><li>Partial overlap with example Z (Observer/Institution)</li><li>Delete this example as it appears to be overly specific and relevant only to a limited number of companies. (Observer/Standard Setter)</li></ul>	Implemented: deleted	DELETED
t	Installing flood barriers or mobile gates and sealing basement walls in flood-prone areas <i>(climate change adaptation: stormwater and floods)</i>			NO CHANGE
u	Elevating critical equipment and retrofitting buildings with sump pumps and backflow valves <i>(climate change adaptation: stormwater and floods)</i>			NO CHANGE
v	Training staff on heat stress risks and adaptation measures <i>(climate change adaptation: heat stress mitigation)</i>	Merge all training related initiatives into one as SMEs rarely conduct standalone trainings for each of the issues. – examples c, m, v (Users – banks and investment organisations)  Classify this example (v) under “own workforce” (banks and investment organisations)	Not implemented: in order to mention the specific trainings per sustainability issue, the structure has been kept unvaried.	NO CHANGE
w	Allowing flexible working hours, and monitoring workplace heat conditions <i>(climate change adaptation: heat stress mitigation)</i>	Classify this example (w) under “own workforce” (banks and investment organisations)	Not implemented: in order to mention the specific trainings per sustainability issue, the structure has been kept unvaried.	NO CHANGE
x	Installing shading structures and cool roofs to reduce indoor temperatures <i>(climate change adaptation: heat stress mitigation)</i>			NO CHANGE
y	Improving ventilation and thermal insulation to maintain indoor comfort during heatwaves <i>(climate change adaptation: heat stress mitigation)</i>			NO CHANGE
z	Restoring ecosystems and greening operational sites to buffer climate-related risks <i>(climate change adaptation: general actions)</i>	Partial overlap with example S (Observer/Institution)  Move z to ee to the top to improve logical flow (Observer/Institution)  This example may overlap with biodiversity relations practices/ policies/ future initiatives. (other- consultant)	Moved and integrated “Restoring ecosystems and greening operational sites to buffer climate-related risks (e.g. to act as nature-based infrastructure for stormwater and flood prevention)” (Climate change adaptation: general actions) (moved to ee Observer/Institution)	MOVED and integrated in new example BB  Restoring ecosystems and greening operational sites to buffer climate-related risks (e.g. to act as nature-based infrastructure for stormwater and flood prevention) (Climate change adaptation: general actions)
aa	Purchasing climate risk insurance to protect assets from physical climate impacts <i>(climate change adaptation: general actions)</i>	1. Make this stand out more as it is a very important concept. Introduce also the concept of ‘being adequately insured’ to avoid underinsurance. (National association of SMEs)  2. Example is not relevant as it does not protect assets from physical climate risks. Moreover, some of these risks may become uninsurable in the next decade. This is an example of maladaptation (Accountant/ Auditors – proxy preparers)  3.Move z to ee to the top to improve logical flow (Observer/Institution)	1. Implemented. 2. Not implemented. 3. See row for z	Purchasing climate risk insurance to protect assets from physical climate impacts and therefore ensuring being adequately insured. (climate change adaptation: general actions)
bb	Preparing for wildfires, windstorms, or hurricanes by securing infrastructure and maintaining fire-resistant landscaping	Move z to ee to the top to improve logical flow (Observer/Institution)	Not implemented – no change.	NO CHANGE

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Existing Example		Suggestion from respondents on existing examples	EFRAG Secretariat Response	Changes Implemented into version for SRB and SR TEG Comments
cc	<i>(climate change adaptation: general actions)</i> Sourcing products from suppliers in regions less vulnerable to climate change impacts in order to reduce risk of supply chain disruptions <i>(climate change adaptation: general actions)</i>	Delete example (National association of SMEs) - This stigmatises the supplier based on their place of origin. Moreover, this does not take into account adaptation measures that could reduce the climate related risks and ‘nullify’ the climate risks in more exposed areas. (National association of SMEs)  Move z to ee to the top to improve logical flow (Observer/Institution)	Suggestion taken into account. – The example has been significantly revised and reformulated. The current reformulation avoids the issue mentioned.	Sourcing products from suppliers that are exposed to few climate risks or from those that have taken actions to reduce their exposure to climate related risks - thus increasing overall value chain resiliency and reducing supply chain disruption risks. <i>(Climate change adaptation: general actions)</i>
dd	Diversifying suppliers and logistics channels to reduce vulnerability to climate disruptions <i>(climate change adaptation: general actions)</i>	Move z to ee to the top to improve logical flow (Observer/Institution)	Not implemented – no change.	NO CHANGE
ee	Developing multi-risk emergency response plans and conducting employee training <i>(climate change adaptation: general actions)</i>	Move z to ee to the top to improve logical flow (Observer/Institution)	Not implemented – no change.	NO CHANGE

Additional new examples proposed by targeted consultation respondents (Climate Change)

Sustainability issue	Additional Proposed examples	EFRAG Secretariat Response
Climate Change	<p><b>Energy efficiency:</b></p> <ol style="list-style-type: none"><li>Install energy storage systems (e.g. phase-change materials for demand-side management or load shifting,) to shift energy demand away from peak hours (Climate change mitigation: energy efficiency) (association of large undertakings)</li><li>Enhance employee awareness of the company's GHG emissions in order to ensure internal alignment on the prioritisation of actions to be implemented (Observer/Standard Setter)</li><li>use energy-efficient server solutions or moving to cloud-based services hosted in green data centres (Observer/Standard Setter)</li><li>extend the lifespan of IT devices (Observer/Standard Setter)</li><li>Add an example focused on engaging suppliers on climate action and another on measuring the emissions (European association)</li><li>redesign products to reduce energy use (Association of enterprises of preparers)</li><li>shut down computers instead of standby (Association of enterprises of preparers)</li><li>integration of predictive maintenance to avoid energy waste (Non-listed SMEs (preparers))</li><li>Use smart thermostats and occupancy sensors in offices to reduce heating and cooling use (Non-listed SMEs (preparers))</li><li>Practice: Monitoring energy use and switching to LED lighting. (Accountants/Auditors (proxy preparers) (Association of enterprises of preparers)</li><li>Policy: Commitment to gradually reduce energy consumption and emissions. (Accountants/Auditors (proxy preparers))</li><li>Future initiative: Explore renewable energy options (e.g. solar panels, green electricity contracts) (Accountants/Auditors (proxy preparers) (Association of enterprises of preparers)</li><li>Practice: Replacement of all fluorescent lighting with LED lighting in all buildings by (date) with an expected reduction in electricity consumption of 20%. (Accountants/Auditors (proxy preparers) (Association of enterprises of preparers)</li><li>Upgrading technical installations (Non-EU participants)</li><li>Align examples with energy adoption ISO 50001 (Non-EU participants)</li></ol> <p><b>Low-carbon transport:</b></p> <ol style="list-style-type: none"><li>Encourage adding/sea freight over air freight (Observer/Standard Setter)</li><li>Reduce employee air travel (Observer/Standard Setter)</li><li>Raise awareness among employee about ecofriendly behaviour (Other - Consultants)</li><li>Implement sustainable travel guidelines (Other - Consultants)</li><li>prioritise local sourcing to reduce logistic operation (NGOs)</li></ol> <p><b>Low-carbon products or processes:</b></p> <ol style="list-style-type: none"><li>adopt a responsible procurement policy (ex: incorporate GHG criteria into tenders) (Observer/Standard Setter)</li><li>design products for reparability to reduce lifecycle emissions (Observer/Standard Setter)</li><li>Offering product take-back schemes for reuse, refurbishment, or recycling. (Observer/Standard Setter)</li><li>Adoption of high-durability materials to reduce replacements and embedded carbon over lifecycle (Non-listed SMEs (preparers))</li><li>Product design to improve climate change impacts (Accountants/Auditors (proxy preparers))</li><li>Requesting Lifecycle Analysis data from suppliers for comparison (Banks and investment organisation users)</li><li>Involving employees in initiatives to reduce their carbon footprint (e.g. sustainable transport challenges). (Other - Consultants)</li><li>Adopting regenerative farming practices to promote carbon sequestration. (Climate change mitigation: carbon footprint) (Academics)</li><li>Measuring carbon footprint (Climate change mitigation: carbon sequestration (Academics)</li><li>Educating customers/end-users on low-impact use of products and services, Other - Consultants</li></ol> <p><b>Additional Examples about:</b></p> <ol style="list-style-type: none"><li>Suggestion to add additional examples covering engaging suppliers and measuring emissions (European association)</li><li>Suggestion to add measure for GHG emissions (European association and Observer/Standard Setter)</li><li>Promote commuting initiatives through agreement with public transport (European association for SMEs and National association of large undertakings)</li><li>decarbonization levers (European bank representatives)</li><li>Suggest to identify the main sources of GHG emissions (scope 1, 2, 3) (Observer/Standard Setter)</li><li>Practices that take advantage of extreme climate events, e.g. storage of excess heat, use of wind and waterpower (Non-listed SMEs (preparers))</li><li>Introducing an internal carbon price to guide investment decisions (Accountants/Auditors (proxy preparers))</li></ol>	<ol style="list-style-type: none"><li>integrated in example i.</li><li>implemented in new example cc.</li><li>implemented in new example dd.</li><li>Not implemented – linked to eco-design. An example on this already exists in circular economy. part of Circular economy practices.</li><li>Not implemented – supplier engagement is already covered in business conduct.</li><li>Not implemented – example already existing and covered in Circular Economy</li><li>Not implemented – too specific</li><li>Not implemented – example already existing and covered in Circular Economy</li><li>Already covered by example E</li><li>Already covered in example A and E</li><li>Already partially covered in examples C and D</li><li>Already covered in examples i and j.</li><li>Already covered in example A</li><li>Already covered in example G</li><li>Not implemented – management system standards have not been included in the list of examples of this supporting guide.</li><li>-17. example on freight transport and business travel added as example N.</li><li>-19. Already partially covered by example C</li><li>Already covered within the list of examples (including Affected Communities)</li><li>Implemented within Business Conduct</li><li>22-26 Implemented under Circular economy examples.</li><li>27: Already covered through a variety of examples in climate change (whether through transport, electricity consumption etc.)</li><li>Not implemented. It has been decided to include no examples on carbon sequestration/ avoidance etc.</li><li>Already indirectly covered in Circular economy (life cycle emissions)</li><li>Already covered in Consumers/ End-users</li><li>Already included in business conduct example i.</li><li>Not implemented – the aim of this supporting guide is to provide possible examples of practices, policies and future initiatives.</li><li>Already covered in example L.</li><li>Not implemented – decarbonisation levers are explained and exemplified in the draft supporting guide C3.</li><li>Already covered by the draft supporting guide for C3, and partially by example D.</li><li>Already covered – practices on climate change adaptation are already covered and have been refined based on other comments received.</li><li>Not implemented - considered too ambitious as a general recommendation for SMEs</li><li>Implemented – integrated into example N.</li><li>Not implemented – no targets within the examples.</li><li>Not implemented – heat pumps already covered. No targets within the examples.</li><li>Not implemented – management system standards have not been included in the list of examples of this supporting guide.</li></ol>

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Sustainability issue	Additional Proposed examples	EFRAG Secretariat Response
	<div>38. Prefer online meetings over physical ones to reduce environmental impact. (Accountants/Auditors (proxy preparers))</div> <div>39. Policy: Internal policy statement (aligned with the environmental management system) in which the company commits to reducing operational CO2, emissions by 50% by date (compared to date). (Accountants/Auditors (proxy preparers))</div> <div>40. Future initiative: Investment in heat pump installations to replace gas heating at the main site in 2026, subject to approval of financing in Q3 date. (Accountants/Auditors (proxy preparers))</div> <div>41. Setting an energy management system (e.g ISO 50001) (National bank representative)</div> <div>42. Certification: Green Building Certification or EPC (Large companies - users)</div> <div>43. Suggest to add SBTi initiative and goals (Large companies - users)</div> <div>44. Introduce a green procurement policy prioritising low-carbon suppliers and materials (Banks and investment organisation users)</div> <div>45. Request to make a clear section on CO2 reduction actions (Platform) (Other - Consultants)</div> <div>46. Include examples on energy conservation: include at least one example of increasing air conditioning temperature settings in summer (e.g. 26° C) and decreasing them in winter (e.g. 19° C) to reduce associated energy consumption. (Accountants/ Auditors – proxy preparers)</div> <div>47. More examples for the service sector (Other - Consultants)</div> <div>48. Additional examples on AI and cloud services regarding energy usage (Other - Consultants)</div> <div>49. main actions to implement GHG reduction targets. (Other - Consultants)</div> <div>50. Encouraging suppliers to disclose their carbon footprint and supporting them in setting reduction targets. (Other - Consultants)</div> <div>51. Starting negotiations with suppliers on pollutants-free/ less polluting alternatives from their product range (Other - Consultants)</div> <div>52. Differentiate "low carbon transport" further: Zero or Low carbon vehicles (electric or hydrogen or hybrid) m Zero or Low carbon truck, Zero or low carbon water transport, Train transport (Other - Consultants)</div> <div>53. Differentiate "renewable energy" further: - install solar projects Build Wind projects, Purchase renewable energy (Other - Consultants)</div> <div>54. Formalise 'flight shame' policies, prioritizing less polluting forms of business travel over air flights. (Other - Consultants)</div> <div>55. Offer all employees the option to work fully remotely if they wish. (Other - Consultants)</div> <div>56. Digitalisation of processes to reduce paper, travel, and logistics (academics).</div> <div>57. Remote working policies to cut commuting emissions (academics)</div> <div>58. Offer low-impact menu options (for companies with onsite canteen) (Other – Consultants)</div> <div>59. Calculation of the carbon footprint (Other – Consultants)</div> <div>60. Climate change mitigation: carbon markets and compensation: Engaging in CO2, , high integrity credits compensation to offset unavoidable emissions (NGOs)</div> <div>61. Examples on scope 3 emissions (purchase of low-carbon food, vegetarian/vegan meal). (International organisations, governments, and standard setters)</div> <div>62. Adoption of internal carbon pricing mechanisms to guide investment and procurement. (Non-EU participants)</div> <div>63. Use of simplified climate scenario analysis (e.g., testing operations under 200/tCOeq 2° C heatwave conditions). (Non-EU participants)</div> <div>64. Participation in pooled renewable energy PPAs tailored for SME clusters. (Non-EU participants)</div>	<div>42. Partially covered by example D.</div> <div>43. Not implemented – C3 supporting guides covers GHG reduction targets.</div> <div>44. Already included in business conduct</div> <div>45. Partially implemented: these are already covered in various examples.</div> <div>46. Already included.</div> <div>47. Not implemented - no sector specificities for the examples.</div> <div>48. Example already implemented.</div> <div>49. Not implemented – cover in draft C3 supporting guide.</div> <div>50. Not implemented – C3 supporting guides covers GHG reduction targets.</div> <div>51. Not implemented – covered by business conduct.</div> <div>52. Not implemented – too specific</div> <div>53. Already implemented.</div> <div>54. Already implemented.</div> <div>55. Partially implemented – remote meetings mentioned in example N</div> <div>56. Partially implemented – remote meetings mentioned in example N</div> <div>57. Partially implemented – remote meetings mentioned in example N</div> <div>58. Not implemented – Present in case study 1.</div> <div>59. Not implemented – Scope 3 would remain out of scope from the VSME.</div> <div>60. Not implemented – carbon markets have been excluded from the list of practices and policies.</div> <div>61. Not implemented – Scope 3 not included in the VSME as a shall or may datapoint</div> <div>62. Not included: too complex for SMEs.</div> <div>63. Not included: too complex.</div> <div>64. Already included.</div>



Pollution

Overarching comments on Pollution

<b>Pollution</b>	<p><b>Most respondents found this content useful.</b></p> <p><b>Main Suggestions/ comments:</b></p> <ol style="list-style-type: none"><li>Suggestion to align the title of this sustainability issue (pollution) to the title of B4 – Pollution of air, water, and soil (Large undertakings).</li><li>Mention that examples are vague and technically superficial. They are limited to practices, without concrete measures or objectives. No indication is given of how much pollution is reduced, within what timeframe, or through which policy measure. (Accountants/ Auditors – proxy preparers)</li><li>Suggestion to classify the example categories into sub-categories that include information, training, measures, suppress, prevent, reduce, substitute, manage. (Other-Consultants)</li><li>Additional input from an academic requesting to classify them also by practice, policy, future initiative (on top of prevention, remedy, action etc.) (Academics).</li><li>Suggestion to write the examples in the same way as the case studies (non-EU participants).</li><li>Suggestion to reiterate that these examples are provided in addition to the rules and standards that the activity is expected to comply with in terms of prevention and limitation (Consultants).</li></ol>	<p><b>Secretariat Response</b></p> <ol style="list-style-type: none"><li>Not implemented – the name stems from the list of sustainability issues in the VSME – it cannot be changed.</li><li>Not implemented – this is a list of possible practices/ policies/ future initiatives that do not include targets. C2 does request them if in place, however this is not the purpose of the guide.</li><li>Not implemented – they were classified by sub-sustainability issue rather than type of practice across all topics to align with VSME structure/content.</li><li>Not implemented – the distinction between practices and policies has been purposefully left without categorisation as certain practices may also be considered as unwritten policies depending on the SME’s specificity. The disclosure of the practices and policies within C2 does not have to be categorised but rather presented as in case study of this supporting guide where all of the practices, policies and future initiatives at put down together without categorising them.</li><li>Not implemented – the case studies implement these suggestions.</li><li>Not implemented – the examples include both legal requirements and practice/ policies that go beyond legal requirements.</li></ol>
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Comments on specific examples (Pollution)

	Existing Example	Suggestion from respondents on existing examples	EFRAG Secretariat Response	Changes Implemented into version for SRB and SR TEG Comments
a	Use of chemical-free cleaning methods <i>(polluting materials)</i>	Define ‘chemical-free’ % provide examples (Non-listed SMEs – preparers + Academics)	Implemented – replaced ‘chemical-free’ with ‘non-hazardous’ cleaning methods Integrated suggestions (3,12,13,29) from additional examples below, and additional example (19) from ‘Water and Marine Resources’.	Using non-hazardous cleaning method alternatives (e.g. using steam cleaning (Polluting materials)
b	Integrating soil, air, and/or water risks into environmental risk management <i>(monitoring and managing pollution)</i>	This is niche, some SMEs might not have env risk management programs at all or might not even be aware of such risks (Accountant/ auditors – proxy preparers)	Implemented – example made more open (less-specific)	Considering risks related to pollution (soil, air, and/or water) when managing environmental risk (Monitoring and managing pollution)
c	Adopting system for monitoring and tracking emissions of pollutants <i>(monitoring and managing pollution)</i>	Too complex for SMEs (National association of SMEs)	Implemented – example further clarified with examples.  Integrated with additional examples (28,33) below. Additional example (41) from ‘Water and Marine Resources’ integrated into here.	Regularly tracking emissions of pollutants (e.g. monitoring in real time through IoT sensors; recurring estimations; monitoring of nearby surface water quality to detect early signs of contamination; wastewater quality assessment) (Monitoring and managing pollution)
d	Training staff on identification and safe handling of hazardous materials <i>(polluting materials)</i>	This example should be further up – it’s easier to train than to manage (National association of SMEs).  To be included under “own workforce” (Banks and investment organisations)	Not implemented - in order to differentiate between different types of specific trainings per sustainability issue, the structure has been kept unvaried.  Integrated the additional example (11).	Training staff on identification and safe handling of hazardous materials (e.g. providing clear rules on their handling) (Polluting materials)
e	Implementing secure storage and disposal of for hazardous substances <i>(polluting materials)</i>	Provide examples (Academics)	Implemented: 3 examples added to further clarify the content of the guide.	e. Implementing secure storage and disposal of for hazardous substances (e.g., spill trays, sealed containers, dedicated storage rooms) (Polluting materials)
f	Conducting regular maintenance and leak detection checks <i>(polluting materials)</i>	Suggestion to rephrase to: conducting regular maintenance and leak detection checks for storage tanks, piping, valves, and chemical containers (Banks and investment organisations)	Partially implemented – rephrased differently to avoid limiting the example to specific sectors.  Integrated with example in previous point (n).	f. Regularly checking and conducting maintenance (e.g., on equipment, vehicles) to prevent equipment failure, quickly detect leaks (e.g., on AC units, oil containers), and ensure an efficient use of fuel (e.g., vehicles) (Polluting materials)
g	Implementing emergency response protocols with quick response times <i>(polluting materials)</i>	Should not stand alone. Effective monitoring of pollution is also needed. (European bank representative) Provide specific examples, otherwise it risks no being clear (Academics)	Implemented: Example deleted as examples (d, e, f, i) in already partially addressed these aspects. Additionally, maintained pollution monitoring (point (c)) as a standalone practice.	DELETED
i	Installing spill containment kits, impermeable flooring, and/or barriers to capture runoff/accidental spills <i>(monitoring and managing pollution)</i>		Added additional example (37) from the table below.	Installing self-contained hydraulic units, spill containment kits, impermeable flooring, and/or barriers to prevent/capture runoff/accidental (Monitoring and managing pollution)
j	Using low-volatile Organic Compound/ Aerosol materials (inks, paints, solvents) <i>(air pollution)</i>			NO CHANGE
k	Implementing solvent management plans <i>(air pollution)</i>	Should this be extended to other types of pollution (Academics)	Not implemented - not changed. Mostly aimed at controlling air pollution given that many solvents are made up of VOCs.	NO CHANGE
l	Installing basic air filtration, purification or ventilation systems <i>(air pollution)</i>		Integrated with additional example (15) below.	Installing basic air filtration, purification or ventilation systems (e.g., in the painting area to reduce particulate emissions) (Air pollution)

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m	Installing air quality sensors for indoor air quality monitoring <i>(air pollution)</i>			NO CHANGE
n	Improving machinery & vehicle combustion efficiency <i>(air pollution)</i>	Too complex for SMEs (National association of SMEs).  Suggestion to rephrase to: improving machinery and vehicle combustion efficiency through regular maintenance and upgrades to cleaner-burning equipment. (Banks and investment organisations)  Efficiency is not per se less (air) pollution (non-EU participant)	Implemented– example deleted and merged into example (f) above to make it clearer/understandable.	Merged into F
o	Installing oil-water separators or bioswales <i>(water pollution)</i>			NO CHANGE
p	Treating or reusing wastewater before discharge <i>(water pollution)</i>	Move to the water sustainability issue (Non-EU participant)	Not implemented – example relevant for water pollution. Integrated wording of additional examples (34,36) below.	Planning (either through own efforts or in partnering with local wastewater treatment plants or reusing wastewater before discharge (Water pollution)
q	Neutralising basic or acidic wastewater before discharge <i>(water pollution)</i>			NO CHANGE
r	Using biological and/or chemical treatments to degrade pollutants <i>(water pollution)</i>			NO CHANGE
s	Recovering unused chemicals for reuse in subsequent batches or leasing of chemicals <i>(soil pollution)</i>			NO CHANGE
t	Avoid chemical-heavy processes near water <i>(soil pollution)</i>	1. Suggestion to rephrase in the following way: “Avoiding chemical-heavy processes near water through planning, containment, or process relocation.” (Large undertakings)  2. Classify this example under water pollution (Observer/Standard Setter) + <b>Public Sector User &amp; Other</b>  3. Specify where it could be used specifically (Academics)	1. Implemented 2. Implemented – classified as water pollution. 3. Implemented - the relevance of this practice will depend on the undertaking’s activity/sector.	Avoiding chemical-heavy processes near local water bodies through planning containment or process relocation (Water pollution)
u	Preventing runoff with stormwater measures <i>(soil pollution)</i>	Suggestion to edit as follows: preventing runoff with stormwater measures such as bioswales, permeable surfaces, or retention tanks. (Banks and investment organisations)	Implemented – integrated the suggestion.	Preventing runoff with stormwater measures (e.g. permeable surfaces, retention tanks) (Soil pollution)
v	Soil remediation plans for polluted sites <i>(soil pollution)</i>	Provide examples of remediation plans to make it more concrete: such as minimising the use of plant protection agents ((pesticides, herbicides, fungicides). Also provide positive alternative to pesticides/ herbicides. (Banks and investment organisations)	Partially accepted – added what plan could include but not necessarily examples of measures, as each represents a separate practice.	Soil remediation plans for polluted sites with a collection of strategies for decontaminating such sites (Soil pollution)
w	Minimizing the use of plant protection agents (e.g., pesticides, herbicides, fungicides) <i>(soil pollution)</i>			NO CHANGE

Additional new examples proposed by targeted consultation respondents (Pollution)

Sustainability issue	Additional Proposed examples	EFRA <span>​</span> G Secretariat Response
Pollution	<div>1. “Green procurement policy” for office and cleaning supplies (e.g. eco-labelled products) (association of large undertakings)</div> <div>2. Regular noise measuring campaign or site boundary noise measurements undertaken (Large undertakings)</div> <div>3. Using eco-friendly or biodegradable cleaning products. Non-listed SMEs (preparers))</div> <div>4. Develop a microplastic monitoring and reduction program within company operations and the supply chain, especially for businesses that use or produce plastic or textile materials. (Other - Consultants)</div> <div>5. Provide an example on dealing with WEEE (e-waste) – (Accountants/ Auditors – proxy preparers + consultants)</div> <div>6. Include an example that deals with plastic pollution. Potentially it could be integrated in circular economy examples. (Academics)</div> <div>7. Adoption of principles and activities to minimizing hazardous chemicals in procurement practices (Non-listed SMEs (preparers))</div> <div>8. evaluate substitution of hazardous chemicals with other less dangerous (Non-listed SMEs (preparers))</div> <div>9. Suggest to add an example how using public transportation, workforce can reduce the amount of microplastic which harms air, soil and water and the health of affected communities, bodies of people, fauna and flora (Non-listed SMEs (preparers))</div> <div>10. Practice: Correct disposal of waste and small-scale recycling programs (Association of enterprises of preparers)</div> <div>11. Policy: Clear rules for handling hazardous materials (Association of enterprises of preparers) and (academics)</div> <div>12. Future initiative: Replace cleaning or production chemicals with less harmful alternatives. (Association of enterprises of preparers)</div> <div>13. Practice: Switch to water-based paints for all industrial applications starting January date, with a reduction of at least 40% in VOC emissions. (Accountants/Auditors (proxy preparers))</div> <div>14. Policy: Company-wide "zero hazardous discharge" policy introduced in date, prohibiting the discharge of hazardous substances above legal thresholds, with annual monitoring through external audit. (Accountants/Auditors (proxy preparers))</div> <div>15. Future initiative: Installation of a new air filtration system in the painting area by the end of 2025, to reduce fine particulate emissions to below 5 mg/Nm³.(Accountants/Auditors (proxy preparers))</div> <div>16. Partner with certified waste management or recycling companies for hazardous and non-hazardous waste (Banks and investment organisation users)</div> <div>17. Partnership with local waste recycling organizations (Other - Consultants)</div> <div>18. Suggestion to add examples on plastic pollution, noise pollution, microplastics reduction, management of transport-related emission and technological innovations (Consultants)</div> <div>19. Implementing a regular monitoring system for noise pollution in production facilities. (Other - Consultants)</div> <div>20. Supply chain related pollution risks/controls (Other - Consultants)</div> <div>21. starting communication with suppliers on they GHG reduction targets, initiatives on relevant products (Other - Consultants)</div> <div>22. Use of low-emission transport fleets (electric vehicles or shared logistics) (academics)</div> <div>23. Educating customers/end-users on low-impact use of products and services (Other - Consultants)</div> <div>24. Reduction of light pollution (Other - Consultants)</div> <div>25. Sourcing/ purchase procedure, which adds sustainable practices as an evaluation aspect, while choosing new suppliers. (NGOs)</div> <div>26. Training suppliers/ customers employees on important sustainable practices. (NGOs)</div> <div>27. Expose sustainable policies and practices to promote it among suppliers, partners and clients. (NGOs)</div> <div>28. Deployment of low-cost IoT sensors for real-time emissions monitoring (air and water). (Non-EU participants)</div> <div>29. Green chemistry substitution (e.g., solvent-free processes in cleaning and coatings). (Non-EU participants)</div> <div>30. Regional pollution-prevention partnerships with municipalities and industrial parks.( Non-EU participants)</div> <div>Suggest adding a new label “ecosystems pollution” – Water pollution:</div> <div>31. Installing closed-loop water systems to minimize discharge (Observer/Standard Setter)</div> <div>32. collecting and reusing rainwater for cleaning, cooling, or irrigation instead of mains water (Observer/Standard Setter)</div>	<div>1. Implemented – integrated in example A</div> <div>2. Not implemented – not part of the list of sustainability issues &amp; not widespread enough.</div> <div>3. Implemented - integrated into existing example (A) above.</div> <div>4. Not implemented – too specific</div> <div>5. Implemented – integrated into example C under ‘Circular economy’.</div> <div>6. Already addressed in example A in ‘Circular Economy’.</div> <div>7. Partially implemented – partially integrated into example A.</div> <div>8. Already addressed in example B.</div> <div>9. Not implemented – not connected to an active practice implemented by the SME itself (at the discretion of the workforce).</div> <div>10. Already implemented as part of ‘Circular Economy’.</div> <div>11. Implemented - integrated into example (d) above.</div> <div>12. Implemented - rephased example A above.</div> <div>13. Implemented - integrated into existing example J.</div> <div>14. Not implemented – this example was not implemented in the previous iteration &amp; example on wastewater discharges treatment is already included above in point (p).</div> <div>15. Implemented – integrated into example L.</div> <div>16. Not implemented – unclear what the outcome of the partnership would be &amp; how this would lead to a meaningful impact.</div> <div>17. Not implemented – unclear what the outcome of the partnership would be &amp; how this would lead to a meaningful impact.</div> <div>18. Not implemented – plastic is addressed under ‘Circular Economy’. Noise pollution is not part of the list of sustainability issues &amp; not widespread enough. No specific suggestion on microplastics examples was provided &amp; such practices are more challenging, hence, less widespread.</div> <div>19. Not implemented – not part of the list of sustainability issues &amp; not widespread enough.</div> <div>20. Not implemented – an example on risk is already present above in (b), though not on supply chains. In general, there was a suggestion to maintain the risk example simple.</div> <div>21. Not implement – climate change related issue and business conduct (supplier relations)</div> <div>22. Not implemented – example already included under ‘Climate Change’.</div> <div>23. Implemented – integrated into example F under ‘Circular Economy’.</div> <div>24. Not implemented – not part of the list of sustainability issues &amp; not widespread enough.</div> <div>25. Not implemented – already added one new example on procurement in business conduct.</div> <div>26. Not implemented – too vague and already existing.</div> <div>27. Not implemented – already existing under business conduct.</div> <div>28. Implemented – integrated into example C above.</div> <div>29. Implemented – integrated into example A above.</div> <div>30. Not implemented – too vague.</div> <div>31. Not implemented - example already used in ‘Water’.</div> <div>32. Implemented – integrated into example F under ‘Water and Marine Resources’.</div>

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	<div>33. establishing regular monitoring of nearby surface water quality to detect early signs of contamination (Observer/Standard Setter)</div> <div>34. partnering with local wastewater treatment plants to ensure proper treatment of hazardous discharges (Observer/Standard Setter)</div> <div>35. Cool down hot water before discharge (Platform)</div> <div>36. Measures implemented to treat or reduce pollutants in wastewater discharges (Large undertakings)</div> <div>37. Use of self-contained hydraulic units to eliminate fugitive emissions and prevent fluid leaks, especially in sensitive or remote environments (Non-listed SMEs (preparers))</div> <div>Suggest adding a new label “ecosystems pollution” - Polluting materials:</div> <div>38. Partnering with certified recyclers for recovery of solvents, oils, or metals (Observer/Standard Setter)</div> <div>39. Suggest adding a Waste Electrical and Electronic Equipment example (Accountants/Auditors (proxy preparers))</div> <div>40. Product design to improve pollution impacts (Accountants/Auditors (proxy preparers))</div> <div>41. Elimination of single-use plastics (academia)</div>	<div>33. Implemented – integrated into example C above.</div> <div>34. Implemented – integrated into example P above.</div> <div>35. Not implemented – heat pollution is not part of the list of sustainability issues &amp; not widespread enough.</div> <div>36. Implemented – was already addressed in example P above, so wording was just slightly adjusted.</div> <div>37. implemented –integrated into example (i).</div> <div>38. Implemented – integrated into example (i) under ‘Circular Economy’.</div> <div>39. Already integrated into example (c) under ‘Circular economy’.</div> <div>40. Not implemented – too vague.</div> <div>41. Already addressed in a way in example A in ‘Circular Economy’.</div>
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Water and Marine Resources

Overarching comments on Water and Marine Resources

Water and Marine Resources	<p>Most respondents found this content useful.</p> <p>Main Suggestions/ comments:</p> <ol style="list-style-type: none"><li>Request to provide additional examples for this topic specifically on Marine Resources – see separate examples document (European association, Accountants/Auditors (proxy preparers) and non-listed SMEs (preparers)) and on impact on marine wildlife and biodiversity (European Commission (Observer/Institution) and on Marine resources and Marine pollution (Other - Consultants).</li><li>Request to provide further sector-specific guidance for industrial SMEs under IOGP JIP33, operating in mechanical engineering for offshore, marine, and energy sectors, where water use is indirect but still subject to environmental monitoring and risk mitigation (non-listed SMEs (preparers) and Other - Consultants), for example related to agricultural sector (Common Agricultural Policy) (Association of enterprises of preparers)) or related to industries (Platform)</li><li>Request to clarify the distinction between direct and indirect water-related impacts (non-listed SMEs (preparers)).</li><li>Perception in some cases that “water and marine resources” are not a relevant topic for SMEs (Large companies - users).</li></ol>	<p>Secretariat Response</p> <ol style="list-style-type: none"><li>Partially implemented – Marine Resources examples have not been added in this sustainability issues. Some additional examples have been added in different sustainability issues.</li><li>Not implemented – there are some examples that are already be applicable (e.g. closed-loop systems for water applied in tests or circulated for cooling processes).</li><li>Not implemented – no room to provide these definitions, as this guide only includes examples/cases of practices, policies and future initiatives.</li><li>Comment in line with current examples – no action.</li></ol>
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Targeted Consultation Key Messages from Forum and Community + Secretariat Response on Supporting Guides on disclosure C2

Comments on specific examples (Water and Marine Resources)

	Existing Example	Suggestion from respondents on existing examples	EFRAG Secretariat Response	Changes Implemented into version for SRB and SR TEG Comments
a	Educating staff on responsible water usage practice <i>(Managing and monitoring water resources)</i>	1. Suggestion to make the example more useful (Other – Consultants) and more specific (Other - Consultants)  2. Suggest moving it to the social dimension since there is the word "training" (Academics)	1. Not implemented – clear enough  2. Not implemented – during previous iterations, it was decided to keep the training practices in correspondence of each topic.	Educating staff on responsible water usage practice <i>(Managing and monitoring water resources)</i>
b	Installing water-saving fixtures <i>(Water-use efficiency)</i>			NO CHANGE
c	Monitoring usage with smart meters <i>(water-use efficiency)</i>	Suggest removing "smart meters" (Non-EU participants)	Implemented – replaced with meter reading, which could be more easily understood. Integrated with additional examples (21,23,39).	Regularly monitoring water usage (e.g., through periodic meter readings, real-time water consumption dashboards, estimations, etc.), including to detect leaks(Water-use efficiency)
d	Assessing the water footprint of products) <i>(Managing and monitoring water resources)</i>	Make the example simpler and more understandable (National association of SMEs and Association of enterprises of preparers)  Suggestion to clarify the meaning of “water footprint of products” (non-listed SMEs (preparers))	Implemented – adjusted to increase understandability.	Assessing the amount of water required in the production of all or selected product lines (i.e. water footprint of products) (Managing and monitoring water resources)
e	Redesigning products to reduce water use in the use-phase and/or lower water footprint <i>(water-use efficiency)</i>	i. Suggest reviewing whether there is a possible duplication of letter “f” (European bank representative) ii. Make the example easier (Association of enterprises of preparers) iii. Suggest adding "reduce water use during processing/production of products" (Non-EU participants)	i. Not implemented – example E is not a duplicate of F ii. Implemented – added example in brackets to increase understandability. iii. Implemented – integrated as additional nuance.	Redesigning products to reduce water use in the use-phase or during production of a product (e.g. selecting materials or production methods requiring less water or their production) <i>(Water-use efficiency)</i>
f	Harvesting rainwater for non-drinking purposes <i>(water-use efficiency)</i>	Suggest to review whether there is a possible duplication of letter “e” (European bank representative)  Suggest providing a context, measurable objectives or timeframe (Accountants/Auditors (proxy preparers))	Not implemented – example (e) is on eco-design of products, while example (f) could be a separate practice, not necessarily ‘designed into’ the production of specific products. Rejected – not the purpose of this list of examples, rather of the case studies.  Integrated with additional suggested examples (17,27,29).	Harvesting and filtering rainwater, recycling greywater, and/or reusing process water for non-drinking purposes (e.g., cleaning, cooling, sanitation, irrigating green areas) (Water-use efficiency)
g.	Using greywater recycling systems <i>(water-use efficiency)</i>	Suggest defining "greywater" (Academics)	Implemented – not the purpose of this supporting guide. Moved to example F.	Moved to example F
h	Adopting closed-loop water systems <i>(water-use efficiency)</i>	Suggest defining "closed-loop water system" (Academics)	Not implemented – not the purpose of this supporting guide.	NO CHANGE

Additional new examples proposed by targeted consultation respondents (Water and Marine Resources)

Sustainability issue	Additional Proposed examples	EFRAG Secretariat Response
Water and Marine Resources	<b>Sourcing policies:</b> 1. include small, local fisheries, food producers, restaurants as they have an impact on marine resources (suggestion to ask them to implement policies or plans to reduce negative impacts) (European association) 2. use of plastics recovered from the marine environment or the establishment of measures to prevent plastics from being dumped into the sea (National association of SMEs) 3. Eliminating sourcing of marine products from protected areas and/or sourced with harmful techniques (European Commission - Observer/Institution) 4. Industries: fish farmer or seafood farming whom are using marine resources directly as their production facility (Platform)  <b>Responsible Sourcing of Seafood Policy:</b> The company shall only purchase or sell seafood that originates from responsibly managed fisheries or farms. Initiatives: (all from European association) 5. Source only seafood certified by (Marine Stewardship Council), ASC (Aquaculture Stewardship Council), or equivalent standard 6. Create an internal procurement list based on sustainability guides (e.g., WWF seafood guide) to avoid red-listed or overfished species. 7. Prioritise local and seasonal species to reduce the environmental impact of transportation and support regional marine ecosystems. 8. Selecting suppliers that adhere to sustainable practices ensures that products are sourced responsibly from healthy marine ecosystems. (Academics) <b>Use Selective and Low-Impact Fishing Methods Policy:</b> The company shall use fishing methods that protect marine biodiversity and habitats. Initiatives: (European association) 9. Adopt selective gear such as traps, pots, or hook-and-line to reduce bycatch and protect juvenile fish. 10. Avoid bottom trawling in sensitive habitats like seagrass beds, coral reefs, or marine protected areas. 11. Monitor and report bycatch and collaborate with marine researchers to improve fishing practices.	1. Not implemented – suggestion is unclear. 2. Not implemented – related to ‘Circular Economy’. 3. Not implemented: protected areas (in general) fall under biodiversity. 4. Not implemented – suggestion is unclear. 5. Already implemented under Business Conduct. 6. Not implemented – the aim of this supporting guide is not to provide a template for supplier selection/ procurement policies. 7. Not implemented – too specific. 8. Not implemented. This wider topic falls into supplier relations (Business Conduct) 9. Not implemented – too sector-specific, specific marine industry examples can be considered to be covered under Biodiversity. 10. Not implemented – too sector-specific, specific marine industry examples can be considered to be covered under Biodiversity. 11. Not implemented – too sector-specific, specific marine industry examples can be considered to be covered under Biodiversity. 12. Not implemented – too sector-specific, specific marine industry examples can be considered to be covered under Biodiversity. 13. (a + b) Not implemented – too specific

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<div>12. Respect closed seasons and quotas to ensure the long-term health of marine stocks. <b>Educate Staff and Customers on Sustainable Seafood Policy:</b> 13. a. The company shall ensure employees and customers are informed about sustainable seafood and ocean conservation. Initiatives: (all from European association) b. Provide sustainability training to staff, focusing on marine ecosystems, traceability, and species conservation 14. Include sustainability information on packaging, menus, or websites to help customers make informed choices. 15. Host or participate in campaigns during key dates such as World Oceans Day to promote awareness of marine resource protection <b>Water use and consumption:</b> 16. Targets to reduce water consumption per unit produced (National association of SMEs) 17. Installing rainwater harvesting systems and greywater recycling for non-potable uses (Observer/Standard Setter) and (Other - Consultants) 18. use seawater instead of drinking water for certain purposes (Accountants/Auditors (proxy preparers and Non-EU participants) and European association for SMEs) or reuse of water from one process to another (Non-EU participants) 19. Elimination of chemical coatings on components to prevent water pollution (Non-listed SMEs (preparers)) 20. implementation of closed-loop testing systems to reduce water use. (Non-listed SMEs (preparers)) 21. check leaks from water networks (Non-listed SMEs (preparers)) 22. Product design to improve water impacts (Accountants/Auditors (proxy preparers) 23. Install real-time water consumption dashboards to track and reduce unnecessary usage (Non-listed SMEs (preparers)) 24. Practice: Installing water-saving devices. (Association of enterprises of preparers) 25. Policy: Responsible use of water in operations. (Association of enterprises of preparers) 26. Future initiative: Explore closed-loop water systems or rainwater collection. (Association of enterprises of preparers) 27. Practice: Reuse of process water for sanitation and cleaning since early (date), resulting in a monthly saving of 35,000 liters of water. (Accountants/Auditors (proxy preparers)) 28. Policy: Internal policy requiring that all new sites from (date) onwards must be equipped with rainwater harvesting systems and permeable paving. (Accountants/Auditors (proxy preparers) and (Large companies - users) 29. Future initiative: Implementation of a rainwater filtering system to allow for this water to be re-used in more applications (example: to clean the vehicle fleet), in the first half of (date) (Accountants/Auditors (proxy preparers)) 30. Infiltration of rainwater on site, not via sewage (Non-EU participants and (Non-EU participants) 31. Protection of local water bodies (Other - Consultants) 32. Rehabilitation or improvement of water supply systems and water treatment plants. (Other - Consultants) 33. New or extended energy-efficient water supply systems. (Other - Consultants) 34. New or extended wastewater treatment plants and sewerage networks. (Other - Consultants) 35. Rehabilitation of wastewater treatment plants and sewerage networks. (Other - Consultants) 36. Anaerobic digestion of sewage sludge treatment. (Other - Consultants) 37. Adoption of water recycling/reuse systems in facilities (academics) <b>Managing and monitoring water resources:</b> 38. Conducting regular water risk assessments to identify vulnerabilities to droughts or floods (periodically checking dependence on local water supplies, identifying vulnerabilities in case of floods for example in basements, storage areas, electrical equipment (association of large undertakings) 39. mapping the main points of potential waste (association of large undertakings) 40. Removal of Active Pharmaceutical Ingredient (APIs) from wastewater (Large undertakings) 41. Wastewater quality assessment (Large undertakings) 42. Avoid spilling of waste waters into natural marine habitats (European Commission - Observer/Institution) 43. Source raw materials from suppliers with certified sustainable water practices (Banks and investment organisation users) 44. Sponsoring projects to restore local aquatic ecosystems.( Other - Consultants) 45. Sustainable Water Sourcing (Other - Consultants) 46. Adopt a water risk assessment to identify geographic areas in the value chain where water supply is critical or under high stress, and develop plans to reduce dependency or find sustainable alternative sources. (Other - Consultants) <b>Additional examples:</b> 47. sector specific examples like for industrial automation and energy infrastructure (Non-listed SMEs (preparers)), 48. on the option of stopping an activity or closing a location (Accountants/Auditors (proxy preparers)) 49. Additional examples about marine resource protection (avoiding runoff or waste discharge into water bodies) (Academics) (Other - Consultants) 50. Additional examples about stopping use completely or changing to smaller equipment (Accountants/Auditors (proxy preparers)). 51. Additional measures for protecting local water bodies from pollution (Other - Consultants) 52. Additional measures for ensuring sustainable water sourcing (Other - Consultants) 53. consult with employees and seek their ideas for actions in this area (Academics) 54. additional examples on water discharges into the oceans (Association of enterprises) 55. additional example on “extraction and use of marine resources” (Association of enterprises) 56. suggestion: mitigation hierarchy; avoidance, reduction and minimisation, restoration and rehabilitation can better categorize this section (Academics) 57. Nature-based water treatment systems (constructed wetlands, reed beds). (Non-EU participants) 58. Water stewardship certification (AWS Lite) adapted for SMEs (Non-EU participants). 59. Blockchain/QR traceability for marine resources in food and textile supply chains.( Non-EU participants)</div>	<div>14. Not implemented - already addressed under Consumers and End-users. 15. Not implemented – too sector-specific 16. Not implemented – targets are not included within these lists of examples; they will be different from SME to SME. The case studies for medium SMEs introduce some targets specific to the specific context of the SME. not relevant for the examples, more for the case studies – too industry specific. 17. Implemented – Integrated into the already existing example F 18. Not implemented – Already partially covered by example F 19. Implemented – integrated included in example P in ‘Climate Change’. 20. Not implemented – overall already covered by example G. 21. Implemented – integrated into example C. 22. Not implemented – already part of example E. 23. Implemented – integrated into example C 24. Implemented – suggestion integrated as new example H. 25. Not implemented – a bit broad &amp; already tackled through other existing examples. 26. Not implemented – already part of examples G. 27. Implemented – integrated into example F. 28. Not implemented – already addressed through example F 29. Implemented – already covered by example G, so integrated only ‘filtering’. 30. Not implemented – suggestion is unclear. 31. Not implemented – a bit generic. 32. Not implemented – a bit generic/complex for SME. 33. Not implemented – a bit generic/complex for SME. 34. Not implemented – already covered in a way under ‘Pollution’. 35. Not implemented – suggestion is unclear and more related to ‘Pollution’. 36. Not implemented – suggestion is unclear/ too specific 37. Not implemented – already covered by example F 38. Not implemented – already addressed through example C 39. Implemented – integrated into example C through the addition of ‘leaks’. 40. Not implemented - rather sector-specific and more pertinent to 'Pollution'. 41. Implemented – integrated in example C under 'Pollution'. 42. Not implemented - in a way covered through Pollution examples. 43. Not implemented – already covered under ‘Biodiversity’. 44. Not implemented – a bit generic/complex for SME. 45. Not implemented – a bit generic/complex for SME. 46. Not implemented – though relevant, might be a bit complex to implement at SME-level. 47. Not implemented – sector-specific examples are not the focus of this list. 48. Not implemented – suggestion is unclear. 49. Implemented - added 'local [...] bodies' to existing 'Pollution' example (Q). 50. Not implemented – unclear how suggestion is related to water. 51. Implemented - added 'local [...] bodies' to existing 'Pollution' example (Q). 52. Not implemented – too generic 53. Not implemented – too generic 54. Not implemented – suggestion is unclear. 55. Not implemented – suggestion is unclear. 56. Not implemented – too complex for SMEs 57. Not implemented - suggestion in terms of an SME's active engagement is unclear. 58. Not implemented – Too complex 59. Not implemented – too complex</div>
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Biodiversity

Overarching comments on Biodiversity

Biodiversity	<p><b>Most respondents found this content useful.</b></p> <p><b>Main Suggestions/ comments:</b></p> <ol style="list-style-type: none"><li>Request to provide a definition on biodiversity and impacts (non-listed SMEs (preparers)) and positive alternatives (Banks and investment organisation users) and the scope for each example: own operations, upstream, and/or downstream. (Academics)</li><li>Questioned if biodiversity is a priority for a tertiary business (Consultants).</li><li>Request to consider that SMEs’ impact on environment is extremely regulated in EU, so no further reporting is necessary. (Non-listed SMEs (preparers)) and that the impact of SMEs on non-EU biodiversity is not measurable (non-listed SMEs (preparers)).</li></ol>	<p><b>Secretariat Response:</b></p> <ol style="list-style-type: none"><li>Not implemented - definitions are provided in the glossary and examples of positive alternatives are in the list. VSME B2 paragraph 26 does not require the distinction of actions by scope.</li><li>Not typically, but SMEs mostly operate in manufacturing/secondary (and primary sectors) – reject as suggestion is unclear – no action to be taken.</li><li>Not implemented – practices and policies on aspects that are already covered may well overlap with the content of these examples. The practices that stem from legal obligations may be useful and important in terms of sustainability.</li></ol>
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Comments on specific examples (Biodiversity)

	Existing Example	Suggestion from respondents on existing examples	EFRAG Secretariat Response	Changes Implemented into version for SRB and SR TEG Comments
a	Planting locally adapted and/or native vegetation and pollinator-friendly species <i>(Biodiversity management)</i>	Mentioned similarity with example B (Non-EU participants, Academics)	Suggestion integrated along with integrating it with the additional suggested examples (9,32,41). Moreover, this example has been differentiated from B	Planting locally adapted native vegetation and pollinator-friendly species, and/or installing supports for the creation of different habitats for animals and insects and (Biodiversity management)
b	Planting native species in company-managed green spaces and avoiding use of invasive and non-native species <i>(Biodiversity management)</i>	Mentioned similarity with example A (Non-EU participants, Academics)	Suggestion integrated along with integrating it with the additional suggested examples (10,18,15,20). Moreover, this example has been differentiated from A.	b. Encourage office landlords (e.g. through lease clauses) to adopt greener landscaping practice (e.g. creating no-mow areas, reducing mowing frequency, avoiding invasive and non-native species on company ground) to support enhanced habitats for pollinators. <i>(Biodiversity management)</i>
c	Creating green roofs, walls, or vegetated facades <i>(Biodiversity management)</i>			NO CHANGE
d	Installing bioswales (e.g.) rain gardens, or water retention ponds <i>(Biodiversity management)</i>	1. Suggestion to provide a definition of "bioswales" (National association of SMEs) 2. Suggestion to provide context and timing to "Installing a green roof" (Installing bioswales, rain gardens, or water retention ponds) for examples: 10 m² vs 10.000 m², 50% of all roofs by 2030. (Accountants/Auditors (proxy preparers))	1. Partially implemented – added examples instead of definition, in alignment with the goal of this guide. Definitions are not put into this supporting guide. 2. Not implemented – not the purpose of these examples, but rather of the case studies.	Installing bioswales (e.g. grassed swales), rain gardens, or water retention ponds (Biodiversity management)
e	Using certified materials (e.g. FSC, Rainforest Alliance) <i>(Natural habitat protection)</i>	1. Suggest modifying the sentence in "Using sustainable materials that are certified", since not all certifications cover sustainability or biodiversity issues (Public sector - users)  2. Clarify why it is useful (Academics)  3. It may lead to people thinking all certifications fall under biodiversity management (Consultants)	1. Implemented – Changed certified to sustainably certified and added biodiversity conscious suppliers for clarity.  2. Not implemented – not the aim/ purpose of these examples/this guidance.  3. Not implemented - See response 1 above. This is just one practice example, but many examples can fall under various topics.  4. Additional suggested examples (22,35,12) integrated into this one €	Using sustainably certified materials (e.g. FSC, Rainforest Alliance) and/or establishing relationships with suppliers that have biodiversity conscious practices or that adhere to biodiversity standards (Natural habitat protection)
f	Eliminating raw materials from products that are sourced from key biodiversity areas <i>(Natural habitat protection)</i>	1. Additional examples for "key biodiversity areas" (National association of SMEs)  2. Suggestion to clarify what qualifies an area as a “key biodiversity area” and to explain the process used to determine it (Banks and investment organisation users)	1. Not implemented – this example aims to give an example of practices, policies, not the definition of certain concepts. The aspect of biodiversity areas is provided within the VSME Standard itself.  2. Replaced with Biodiversity Sensitive Areas, which can more easily be retrieved from the VSME Standard.	Eliminating or minimising sourcing of products/ raw materials from biodiversity sensitive areas <i>(Banks and investment organisation users)</i> <i>(Natural habitat protection)</i>
g	Reintroducing greenery on sealed or unused company-owned land (e.g. converting old parking lots into pocket forests or meadows) <i>(Natural habitat protection)</i>	Perceived as not realistic (Academics)	Implemented - reworded to increase understandability and applicability.  Former example K has been integrated into this example (G)  Added further additional examples (21,28) for clarification purposes.	Reintroducing greenery and unsealing of impermeable surfaces unused company-owned land (e.g. converting old parking lots, rooftops, or unused corners into pocket forests or meadows or pollinator gardens, installing porous asphalt, and permeable interlocking concrete pavers (PICP) (Natural habitat protection)
h	Establishing buffer zones near natural or protected areas <i>(Natural habitat protection)</i>	1. Question on alignment pestcontrol measures about buffer zones near natural protected areas (Non-listed SMEs (preparers)) 2. Suggest rephrasing the sentence in “if near protected zones, maintaining natural buffers (e.g. hedgerows, setbacks, vegetated borders)” (Banks and investment organisation users) 3. Mentioned that examples h on “establishing buffer zones near natural or protected areas” is too vague (Consultants)	1. Not implemented – suggestion is unclear. 2. + 3. Implemented –reworded & included proposed examples.	Establishing and/or maintaining buffer zones (e.g. hedgerows, setbacks, vegetated borders) near natural or protected areas (Natural habitat protection)



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i	Minimize outdoor lighting and noise to reduce impact on wildlife <i>(Natural habitat protection)</i>	Consider to be less relevant for SMEs (Academics)	Not removed or changed - important for SMEs to understand the impacts they have on wildlife.	Minimise outdoor lighting and noise to reduce impact on wildlife (Natural habitat protection)
j	Avoiding the use of harmful herbicides or pesticides near natural habitats <i>(Natural habitat protection)</i>	1. Suggestion to add "excessive" in "Avoiding the use of harmful herbicides or pesticides near natural habitats" (Accountants/Auditors (proxy preparers)) 2. Suggest using a word with more impact like "stopping" instead of "avoiding" (Banks and investment organisation users)	1. Not implemented – the idea is to avoid using herbicides/ pesticides, not to limiting them. 2. Implemented – used ‘eliminating’ as a synonym of ‘stopping’ in addition to previous ‘avoiding’ example to show that both are possibilities applicable on a case-by-case basis.  3. Slightly rearranged to avoid overlaps with example (W) under ‘Pollution’ (there the focus is on the use of substances per se, here it’s on how this use impacts ecosystems and biodiversity).	Avoiding or eliminating the use of harmful herbicides or pesticides, specifically near natural habitats (e.g., wetlands, meadows, pollinator habitats) to support the health of ecosystems (Natural habitat protection)
k	Switching from concrete and stone surfaces into permeable landscapes that enhance soils and water management <i>(Soil Protection)</i>	Additional examples for ‘permeable landscapes that enhance soils and water management’ (National association of SMEs)	Comment integrated  Example merged into example G (see above)	MERGED INTO G
l	Preventing erosion using sediment control (e.g. geotextiles) <i>(Soil Protection)</i>			NO CHANGE
m	Adopting soil-friendly and regenerative site management practices (e.g. phytoremediation) <i>(Soil Protection)</i>	Suggest rephrasing the sentence in “using low-impact methods to maintain soil health (e.g., avoid compaction, use natural filters)" to improve the relevance (Banks and investment organisation users)	Partially integrated – added the proposed example (40) – see table below.	m. Adopting soil-friendly and regenerative site management practices to maintain soil health (avoid compactification, use natural filters etc.) (Soil Protection)

Additional new examples proposed by targeted consultation respondents (Biodiversity)

Sustainability issue	Additional Proposed examples	EFRAG Secretariat Response
Biodiversity	<b>Formal partnerships or research projects:</b>  1. to support on-site biodiversity conservation (Large undertakings) (Academics) 2. to advance and monitor animal welfare in operations (Large undertakings) 3. Refrain from sourcing natural resources from unknown sources (Accountants/Auditors (proxy preparers)) 4. maintaining responsible packaging policy in the context of using natural resources (Accountants/Auditors (proxy preparers)) 5. Promote partnerships with local NGOs or protected area managers (Accountants/Auditors (proxy preparers)) (others / consultants) 6. Partnering with local utilities or NGOs to support watershed restoration or water conservation programs (Non-listed SMEs (preparers) and (Other – Consultants) 7. Sponsorship of protection/maintenance of natural biodiversity areas (National bank representative) and 8. Cooperation with local school (academics) <b>biodiversity management:</b>  9. adding beehives, insect hotels, worm hotels, birdhouses etc. (Observer/Standard Setter) bat boxes (Banks and investment organisation users) or nesting areas (Banks and investment organisation users) and (academics) and Non-EU participants 10. Influence office landlords to make greener choices (Platform) 11. Raise employee awareness of biodiversity impacts in their daily work (Accountants/Auditors (proxy preparers)) 12. Policy: Prefer suppliers with biodiversity-conscious practices. (Association of enterprises of preparers) 13. Practice: Planting of native vegetation on all company premises over “volume area” . (Accountants/Auditors (proxy preparers)) 14. Policy: Policy document on "corporate impact on ecosystem services" introduced in date, requiring a prior ecological assessment for all construction projects. (Accountants/Auditors (proxy preparers)) 15. Landscape lawns and meadows (Large companies - users) 16. Nature-based solutions (Large companies - users) 17. biodiversity impact monitoring or integration into land use decisions (Academics) 18. Enable a system of phased mowing to enable to enhance the diversity of plant, animal and insect species (Promoting biodiversity) (Other - Consultants) 19. Integrate into company policies a commitment to support ecological restoration projects (Other - Consultants) <b>Natural habitat protection:</b>  20. "no-mow" or "reduced mowing" zones on the company site to support pollinators and small fauna (association of large undertakings and Observer/Standard Setter) (Other - Consultants) 21. unsealing of surfaces (European bank representatives and Non-listed SMEs (preparers)) 22. integrate biodiversity criteria into procurement policies (ex: by prioritising suppliers with recognised standards or certifications and restricting those unable to demonstrate no significant impact on protected or key biodiversity areas) (Observer/Standard Setter) 23. raw materials originating from ecosystems that have been managed to maintain or enhance conditions for biodiversity (Observer/Standard Setter) 24. use of nitrogen or phosphate fertilizer in farming practices (Accountants/Auditors (proxy preparers)) 25. Design of zero-impact systems for offshore or protected zones (coastal or marine installations), with strict access controls and no release to the environment. (Non-listed SMEs (preparers)) 26. Practice: Limiting land use impacts (e.g. not over-paving or sealing unnecessary areas) (Association of enterprises of preparers) Future initiative: Participate in local reforestation or habitat restoration projects. (Association of enterprises of preparers) Future initiative: The asphalt surface of the parking space will be replaced with permeable paving stones, allowing small vegetation to grow throughout the year (Accountants/Auditors (proxy preparers) Visually inspect green areas for plant health, invasive species, and soil conditions at least once per season (Banks and investment organisation users) Identify whether operations or sourcing are located near protected areas or biodiversity hotspots. (Banks and investment organisation users) 27. Benefits on biodiversity (i.e. increased pollinators, urban coolin, water retention) (Academics) 28. Add examples on “creation of as many as possible different habitats” (Non-EU participants) 29. Use of digital biodiversity mapping and monitoring tools to track impacts (academics) 30. Participation in shared biodiversity offset schemes for SMEs pooling resources (Non-EU participants) <b>Products:</b>  31. Product design to improve biodiversity impacts (Accountants/Auditors (proxy preparers)) <b>Additional examples about:</b>	1. Ok - integrated as new example into point (M), along with other items. 2. Not implemented – example related to Business Conduct. 3. Not implemented – too vague. 4. Not implemented – a bit generic & in a way addressed under ‘Circular Economy’. 5. Implemented - integrated as new example into point (M), along with other items. 6. Implemented - integrated as new example into point (M), along with other items. 7. Not implemented – sponsorships are not included as examples within this supporting guide. 8. Not implemented - integrated as new example into point (M), along with other items. 9. Implemented – integrated into example (A). 10. Implemented – integrated into example (B). 11. Not implemented – too vague 12. Not implemented – integrated into example (E). 13. Not implemented –already addressed in example (B). 14. Not implemented – too vague. 15. Not implemented –already addressed through examples (B and G). 16. Not implemented – already covered in example (G). 17. Not implemented – vague and potentially too complex. 18. Implemented – integrated into example (B). 19. Not implemented – this would be achieved through examples on nature-based solutions, like example (G). 20. Implemented – integrated into example (B). 21. Implemented - integrated into example (K) 22. Implemented – integrated into example (E). 23. Implemented – covered in example (F). 24. Not implemented – sector-specific & rather more fitted for ‘Pollution’. 25. Not implemented – too complex for SMEs. 26. Implemented – already addressed in a way in example (G). 27. Implemented - integrated as new example into point (O), along with other items. 28. Implemented – integrated into example (G). 29. Not implemented – the inspection on its own might not lead to a meaningful result. 30. Not implemented – this suggested example is not connected to a meaningful action (identification is probably not sufficient). 31. Not implemented – not the purpose of this guide. 32. Implemented - integrated into example (A). 33. Not implemented – too complex for SMEs. 34. Implemented - integrated as new example into point (M), along with other items. 35. Partially implied into example (E). 36. Not implemented - suggestion is unclear & discharges are already addressed under Pollution. 37. Not implemented - no meaningful impact by employees. 38. Implemented - integrated as new example into point (M), along with other items. 39. Not implemented – suggestion is unclear. 40. Partially implemented - integrated in example (L)



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	<div>32. for "water discharges into the oceans"</div> <div>33. Raise employee awareness of biodiversity impacts in their daily work (Accountants/Auditors (proxy preparers))</div> <div>34. Promote partnerships with local NGOs or protected area managers (Accountants/Auditors (proxy preparers))</div> <div>35. for "extraction and use of marine resources (Association of enterprises of preparers)</div> <div>36. for “prevent compactification of the soil” (Non-EU participants)</div> <div>37. for give nature room instead of mowing everything and have only grass (Non-EU participants)</div> <div>38. for “partnerships with NGOs and local communities” (Academics)</div> <div>39. heat mitigation strategies (Other - Consultants)</div> <div>40. adding: mitigation hierarchy; avoidance, reduction and minimisation, restoration and rehabilitation can better categorise this section. (academics)</div>	
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Circular Economy:

Overarching comments on Circular Economy and Resource Use

Circular Economy	<div>Most respondents found this content useful.</div> <div>Main Suggestions/ comments:</div> <div>1) Request to align the title ‘Circular Economy and Resource Use’ with the VSME’s list of sustainability issues (Large undertakings) and to provide concrete actions for each subtopic (e.g. "Use recycled input materials in packaging") (Academics). Furthermore, request to provide a definition in different languages for: refurbish, repurpose, remanufacture (Other – Consultants).</div> <div>2) Request to provides examples with how circularity could be implemented on a service – essentially product as a service – business model change) (Other - Consultants)</div> <div>3) Request to group circular economy examples into phases like design, production, distribution, reuse, and recycling (as done for pollution) (Academics).</div> <div>4) Comment on the lack of connection between the impact of circularity and decarbonisation. Suggest aligning this area with decarbonisation objectives using a 9-R strategy (Other - Consultants)</div> <div>5) Request to provide additional examples about circular practices with economic co-benefits for SMEs (Other - Consultants)</div>	<div>Secretariat Response:</div> <div>1. Not implemented. The title of ‘Circular Economy’ is already as it is defined in the table of sustainability issues in the VSME Recommendation. Actions have not been drafted for all topics, to avoid having the lists become too lengthy. Translations will be discussed after the content and format is decided at SRB and SR TEG.</div> <div>2. Implemented – added detail to example (k-iii) in specific comment doc, integrating additional example (46).</div> <div>3. Reject – see comment (3) in Pollution above, examples were classified by sub-topic rather than phases across all topics to align with VSME structure/content.</div> <div>4. Not implemented – this is the object of a separate guidance document. Case studies provide insight into combinations of different environmental practices, though no specific connection is made, as this would complicate the understanding of the examples and would probably not reflect the reality of how such issues are addressed in SMEs.</div> <div>5. Partially implemented – added one example.</div>
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Comments on specific examples (Circular Economy and Resource Use)

	Existing Example	Suggestion from respondents on existing examples	EFRAG Secretariat Response	Changes Implemented into version for SRB and SR TEG Comments
a	Reduce material use at the office (e.g., eliminate single-use paper, cups, bottles) <i>(Waste management)</i>	Suggestion to change the word "office" with "workplace" to indicate that the example is applicable to a broader work environment (Observer/Standard Setter).	Suggestion integrated into the existing example. Additionally, the suggestion to add the reference to – reworded to integrate the suggestion 4 and 42 (see table below) on single use plastics in the workplace.	Reduce material use at workplace (e.g. eliminate the use of single-use paper, cups, plastic bottles) <i>(Waste management)</i>
b	Reduce food waste or compost organic waste on-site <i>(Waste management)</i>			NO CHANGE
c	Set up clear waste separation in office and production, ensuring minimal landfill and maximizing reuse or recycling <i>(Waste management)</i>	Suggest moving the example to water and marine resource (Academics)	Not implemented – this suggestion is off topic. Moreover, additional example suggestions mentioned under ‘Pollution’ (suggested examples 5 and 39) have been added to this specific example.	Set up clear waste separation in office and production (e.g. clearly marked bins for e-waste), ensuring minimal landfill and maximising reuse or recycling <i>(Waste management)</i>
d	Offer clients a take-back system for used products or packaging <i>(Waste management)</i>		Additional integration of this example with the suggested example 35 (see table below).	Offer clients a take-back system (e.g., deposit-refund scheme) for used products or packaging (e.g., returnable packaging) <i>(Waste management)</i>
e	Promote reuse strategies for products or components with clients and suppliers <i>(Circular economy)</i>	Suggest specifying some actions in the examples like returnable packaging, shared containers, refurbishment and resale options (Banks and investment organisation users)	Implemented in example D Integrated here additional example (23) from ‘Pollution’.	Promote reuse or low-impact use strategies for products or components with clients and suppliers (e.g. shared containers) <i>(Circular economy)</i>
f	Refuse unnecessary purchases or materials by tightening procurement specifications <i>(Circular economy)</i>	Suggestion to remove the example as it is considered unrealistic (European association) Suggestion to review the example, since it is too vague and lacking practical relevance (Accountants/Auditors (proxy preparers) and Academics)	Change implemented, example removed. Moreover, an example of green procurement already exists under ‘Pollution’.	DELETED
g	Provide repair services or make products more repairable for customers <i>(Circular economy)</i>		Integrated with additional example (14) from ‘Consumers and End-Users’.	Provide repair services, extended warranties or make products more repairable for customers <i>(Circular economy)</i>
h	Refurbish used products or components for extended life or resale <i>(Circular economy)</i>	Suggest adding time and target (Accountants/Auditors (proxy preparers))	Not implemented – this part of the supporting guide aims to provide a list of practices, policies, and future initiatives, without specifying targets etc.	NO CHANGE
i	Repurpose waste materials or by-products for new uses (e.g., upcycling, cross-industry use) <i>(Circular economy)</i>	Suggestion to create simpler and more understandable example (National association of SMEs)	Suggestion implemented by integrating the additional suggested example 38 and plus by not referring to upcycling, cross industry use.	Repurpose waste materials or by-products for new uses (e.g., upcycling, cross-industry use partnering with certified recyclers to recover solvents, oils, metals etc.) <i>(Circular economy)</i>
j	Remanufacture parts or products using recovered components <i>(Circular economy)</i>			NO CHANGE
k	Rethink business models (e.g. offer leasing or service contracts instead of product sales) <i>(Circular economy)</i>	1. Suggest rephrasing the sentence in "Rethink business models to be more circular " or " Rethink business	1. Implemented by connecting the business model change to circular business models.	Rethink business models for circularity (e.g. Product-as-a-Service instead of selling disposable end products), such as (offering leasing or service contracts instead of product sales)(e.g. providing modular

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		<b>models to reduce resource consumption " since how it is now does not necessarily mean it will become more circular or sustainable (Public sector - users)</b> <b>2. Suggestion to clarify the feasibility for smaller enterprises (Other - Consultants).</b> <b>3. Suggestion to review the example, since it is too vague (Academics)</b>	2. Not implemented – not the aim of this guide, which rather only provides some examples. 3. Implement – reviewing based on additional example (46) below – e.g. furniture/printer sales business (with disposable end products) turned into leasing contract to provide furniture/printers as a service (e.g. modular furniture with maintenance/repair possibility, extending lifecycle; providing subscription-based toner refills) and service add-ons (e.g. workplace style updates from refurbished stock, returned from other customers; reports showing kg of waste avoided).	furniture with maintenance/repair possibility to extend its lifecycle; providing subscription-based toner refills and reports showing kg of waste avoided as a service add-on), allowing recurring/new revenue streams and/or reduced material costs from new production ( <i>Circular economy</i> )
l	Use energy recovery for waste streams where reuse or recycling is no longer feasible ( <i>Circular economy</i> )	1. Suggestion to create simpler and more understandable example (National association of SMEs)  2. Suggestion to clarify the feasibility for smaller enterprises (Other - Consultants)	1. Implemented – simplified by adding a more direct example. 2. Not implemented – not the aim of this guide, which rather only provides some examples.	Sending waste streams that can no longer be reused or recycle to a facility for conversion to energy ( <i>Circular economy</i> )
m	Use packaging that is durable, recyclable, biodegradable, or contains recycled content ( <i>Resource efficiency</i> )		Integrated with additional example (12) from the table below.	Using packaging that is durable, recyclable, biodegradable, or contains recycled content, or participating in pallet pooling systems ( <i>Resource efficiency</i> )
n	Increase the share of recycled or bio-based materials in product manufacturing ( <i>Resource efficiency</i> )			NO CHANGE
o	Track material use and waste in production to identify where reductions or savings are possible ( <i>Resource efficiency</i> )		Integrated with additional example (30) from the table below.	Track material use and waste in production (e.g., through Life Cycle Assessment) (Banks and investment organisation users) to identify where reductions or savings are possible ( <i>Resource efficiency</i> )
p	Systematically reuse production scrap or secondary materials internally ( <i>Resource efficiency</i> )			NO CHANGE
q	Redesign products or processes to reduce production scrap or material input ( <i>Resource efficiency</i> )		Integrated with additional example (2) from the table below.	Redesign products or processes to reduce production scrap or material input or life cycle impacts, or for easy product dismantling (Eco-design) (Resource efficiency)
r	Train employees on waste separation, circular practices, and material efficiency ( <i>Overarching actions</i> )			NO CHANGE
s	Train purchasing and design teams to integrate circular principles into their decisions ( <i>Overarching actions</i> )			NO CHANGE
t	Collaborate with suppliers to improve the circularity of purchased materials and components ( <i>Overarching actions</i> )			NO CHANGE
u	Invest in digital systems (e.g. product passports, material tracking, or databases) to support reuse, repair, and recycling ( <i>Overarching actions</i> )		Integrated examples (12,15) from ‘Consumers and End-users’.	Invest in digital systems (e.g., product passports, material tracking tracing of product origin through QR code system, or databases) to support reuse, repair, and recycling

Additional new examples proposed by targeted consultation respondents (Circular Economy and Resource Use)

Sustainability issue	Additional Proposed examples	EFRAG Secretariat Response
Circular Economy	<b>Eco-design examples:</b>  1. Integrate eco-design into the design process of the goods and services offered by the company in order to reduce their impact (National association of SMEs and <b>Accountants/Auditors (proxy preparers)</b> ) 2. <b>Design of products for easy product dismantling (Association of enterprises of preparers) and modularity and upgradability (Banks and investment organisation users)</b> 3. <b>Use of additive manufacturing (3D printing) to reduce raw material usage and component weight (Non-listed SMEs (preparers))</b> 4. <b>Avoid plastics at all costs or go plastic-free within an established time frame. (Non-listed SMEs (preparers))</b> 5. <b>Introductions of new products related to the circular economy (Association of enterprises of preparers)</b> 6. <b>Development of substitute products tied to the use of recycled materials (Association of enterprises of preparers)</b> 7. <b>Introduce modular product design to allow part replacement instead of full replacement (Non-listed SMEs (preparers)) with a pilot project (Accountants/Auditors (proxy preparers) and Other - Consultants)</b>  8. <b>Innovation on biodegradable materials beyond packaging (e.g. textiles, single-use items) (Other - Consultants)</b> <b>Reuse and Recycling:</b> 9. A circular economy action plan/regenerative business model for technology and IT products (National bank representativeand Observer/Standard Setter) 10. Set up a deposit system to reuse the products (Observer/Standard Setter) 11. Create a supply chain with other industries to share the usage of some company’ s components (Observer/Standard Setter) 12. <b>pooling system of pallets (reusable packaging) (Association of enterprises of preparers)</b> 13. <b>enabling recyclability and simplified maintenance (Non-listed SMEs (preparers))</b> 14. <b>Invest in dematerialisation in order to reduce paper consumption (Accountants/Auditors (proxy preparers)</b> 15. <b>Practice: Repairing and reusing equipment before replacement (Association of enterprises of preparers).</b> 16. <b>Policy: Prioritize recycled or recyclable materials (Association of enterprises of preparers).</b> 17. <b>Future initiative: Develop a product take-back or recycling scheme (Association of enterprises of preparers) Other - Consultants</b> 18. <b>Practice: Implementation of reusable transport packaging for all deliveries to customers from (date) onwards, reducing cardboard waste by 60%.</b> 19. <b>Policy: Internal policy with KPI (a maximum of 5% residual waste per production unit by the end of 2026, with annual monitoring and publication in the annual report).</b> 20. <b>Future initiative: Development of a modular product design for extended lifespan and easy repair, with a pilot project planned for Q2 2026.</b> 21. <b>Provide repair manuals or spare parts to extend product life (Banks and investment organisation users) and (Other - Consultants)</b> 22. <b>reuse strategies with clients and suppliers (Non-EU participants)</b> 23. <b>Packaging examples (PPWR-Standards, DPP) (Other - Consultants)</b> 24. <b>Adoption of water recycling/reuse systems in facilities (academics)</b> 25. <b>secondary raw material (Other - Consultants)</b>	1. Integrated into example Q. 2. Integrated into example (Q). 3. Implemented under the news example AA. 4. Not implemented – a bit generic & already addressed in a way in example (A). 5. Not implemented – a bit generic & already addressed in a way in several examples above. 6. Not implemented – a bit generic & already addressed in a way in several examples above, for instance (N). 7. Already covered in a way in example (K). 8. Not implemented – the example is too sector specific and varies between each SME’s specific circumstances & sector.  9. Not implemented – sector-specific & example (E) addressed it to an extent. 10. Not implemented – already addressed in example (D) to an extent. 11. Not implemented – already addressed in example (D) to an extent. 12. Integrated into example M 13. Not implemented – suggestion is unclear & recycling examples have already been provided. 14. Not implemented – already addressed through example (A). 15. Not implemented – multiple repair/reuse examples have already been provided. 16. Already addressed through example (N). 17. Already addressed through example (D). 18. Already addressed through example (M) & specific targets are addressed in the case studies file. 19. Not implemented – not the purpose of these examples, specific targets are exemplified in the case studies (part 2). 20. Already addressed through example (k). 21. Partially integrated into the new example F. 22. Not implemented – already covered in multiple examples. 23. Not implemented – already addressed through example (M). 24. Already addressed under ‘Water and Marine Resources’. 25. Not implemented – suggestion is unclear. 26. Not implemented – Procurement and supplier management aspects are considered within the business conduct column. 27. Already addressed through example (M). 28. Already covered in multiple examples. 29. Not implemented – too generic. 30. Integrated into example (N). 31. Not implemented – not the purpose of this guidance.

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	<p><b>Supplier management:</b></p> <p>26. Updating procurement policy with clear expectations to buy smarter and green conscious (Platform)</p> <p>27. packaging optimization (Large companies - users)</p> <p>28. reverse logistics (Large companies - users)</p> <p>29. supplier collaboration initiatives (Large companies - users)</p> <p>30. LCA (Large companies - users and Other - Consultants) to identify hotspots for material and energy reduction (Banks and investment organisation users)</p> <p>31. encouraging factories to align with sectoral design guidelines (it can improve the feasibility of reuse and extend product life cycles) (Non-EU participants)</p> <p>32. Collaboration &amp; ecosystems Partnering with local repair, second-hand marketplaces, or recycling hubs (Other - Consultants)</p> <p>33. Testing digital twins or blockchain for better material traceability (Other - Consultants)</p> <p>34. encouraging factories to align with sectoral design guidelines (Non-EU participants)</p> <p><b>Customer engagement:</b></p> <p>35. Incentivising product returns through deposit-refund systems. (Other - Consultants)</p> <p>36. Educating customers on extending product life (care instructions, repair tutorials). (Other - Consultants) (academics)</p> <p><b>Additional examples:</b></p> <p>37. Additional examples on avoidance of plastic and going plastic-free (non-listed SMEs (preparers))</p> <p>38. Additional examples regarding product or service design Accountants/Auditors (proxy preparers)</p> <p>39. Additional examples on reducing energy consumption of recycling processes and sites (European Commission - Observer/Institution)</p> <p>40. cost savings from material efficiency or revenue from refurbished products (Other - Consultants)</p> <p>41. consult with employees and seek their ideas for actions in this area (Academics)</p> <p>42. eliminating single-use paper cups has a smaller impact than repurposing waste or rethinking business models. (Other - Consultants)</p> <p>43. Reduce/Eliminate corporate merchandising. (Academics)</p> <p>44. cost savings from material efficiency (Other - Consultants)</p> <p>45. resource use efficiency: Enable easy accessible sell of spare parts for your products (Other - Consultants)</p> <p>46. Product-as-a-Service' (PaaS) model or leasing/rental models for its product (Other - Consultants) (academics) (non-EU participants)</p> <p>47. add time frame (Academics)</p> <p>48. add short- and long-term initiatives (Academics)</p> <p>49. Digital product passports to improve material traceability (academics) and (Non-EU participants)</p> <p>50. Educating customers/end-users on low-impact use of products and services,( Other - Consultants)</p> <p>51. circular material flows (Other - Consultants)</p> <p>52. 9 R strategies (Other - Consultants)</p> <p>53. Industrial symbiosis hubs where SME waste streams become resources for peers. (Non-EU participants)</p>	<p>32. Not implemented – unclear what the outcome of the collaboration would be &amp; how this would lead to a meaningful impact.</p> <p>33. Not implemented – too complicated for mainstream SMEs.</p> <p>34. Not implemented – not the purpose of this guidance.</p> <p>35. Integrated into example (D).</p> <p>36. Not implemented – integrated into the new example F.</p> <p>37. Already addressed through example (a).</p> <p>38. Already covered through some other examples.</p> <p>39. Not implemented – sector-specific.</p> <p>40. Not implemented – not the main purpose of this guide.</p> <p>41. Not implemented – not related to a meaningful/direct impact by the SME.</p> <p>42. Not implemented – all those examples area addressed &amp; unclear what the suggestion is.</p> <p>43. Not implemented – not as widespread or impactful.</p> <p>44. Not implemented – not the purpose of this guidance.</p> <p>45. Not implemented – added detail to example (k-iii).</p> <p>47. Not implemented – to time frames are intended within these examples.</p> <p>48. Not implemented – unclear what the suggestion is.</p> <p>49. Not implemented – already addressed through example (U).</p> <p>50. Not implemented – integrated into the new example F.</p> <p>51. Not implemented – unclear suggestion.</p> <p>52. Already covered through existing examples.</p> <p>53. Not implemented – might not be highly applicable by many SMEs/ applicable only to some SMEs.</p>
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Own Workforce

Overarching comments on Own Workforce

Own Workforce	<p><b>Most respondents found this content useful.</b></p> <p><b>Main Suggestions/ comments:</b></p> <ol style="list-style-type: none"><li>Suggest noting that reporting compliance with EU or national regulations is not required (European association, National association of SMEs, <b>Non-listed SMEs (preparers)</b>).</li><li>As many Health &amp; Safety activities are already mandatory in the EU, use alternative phrasing referring to implementation activities (e.g. management systems). (National bank representative)</li><li>Suggest modifying the format by creating only single selection criteria, for example: split the option "diversity, gender equality, non-discrimination" into three options: (i) diversity; (ii) gender equality and (iii) non-discrimination. If needed, multiple criteria could be assigned to one example. (Observer/Standard Setter)</li></ol>	<p><b>Secretariat Response:</b></p> <ol style="list-style-type: none"><li>Addressed in overarching points.</li><li>Addressed in overarching points.</li><li>Addressed in overarching points.</li></ol>
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Comments on specific examples (Own Workforce)

	Existing Example	Suggestion from respondents on existing examples	EFRAG Secretariat Response	Changes Implemented into version for SRB and SR TEG Comments
a	Workplace hazard identification and documentation <i>(Health and safety)</i>			NO CHANGE
b	Input from the employees on the risk assessment <i>(Health and safety)</i>	<p>Suggestion to link this with the Management systems for Occupational Health and Safety (ISO 45001), (National bank representative))</p> <p><b>Suggestion to add “opportunities”, and add the fact of having a whistleblowing system to collect alerts (Non-listed SMEs (preparers)), Suggestion to provide more information to have it make more sense (Accountants/Auditors (proxy preparers))</b></p>	<p>Not implemented – The secretariat decided to avoid mentioning Management Systems within examples related to this supporting guide.</p> <p>Suggestion on ‘opportunities’ not implemented: employees inputs on risk assessments is an opportunity to shape a fairer workplace (contributions on discrimination risk assessment led to better opportunities for everyone). Employee input through the whistleblowing system is part of risk assessment.</p> <p>Example merged into former example H for better streamlining</p>	MERGED WITH FORMER EXAMPLE H
c	Personal Protective Equipment (PPE), e.g., protective gloves, helmets, foot and eye protection, hearing devices, lift belts, respirators, full body suits, etc. <i>(Health and safety)</i>	<p><b>Suggestion to include aspects that should come before PPE: The hierarchy is: 1. Elimination of risk, 2. Substitution, 3. Engineering controls, 4. administrative controls and 5. PPE. (Accountants/Auditors (proxy preparers))</b></p>	<p>Suggestion not implemented as considered too complex. Examples moved to letter D.</p>	MOVED TO D
d	Emergency Preparedness Plans: e.g. evacuation routes, communication protocols, fire drills <i>(Health and safety)</i>			MOVED TO B
e	Health & Safety Training including first aid and emergency responsiveness <i>(Health and safety)</i>			MOVED TO C
f	Designate an employee responsible for occupational health <i>(Health and safety)</i>	<p>Request to skip as it is not the most suitable solution in an average SME. The employer is responsible. (European association)</p>	<p>Suggestion not implemented. EU legislation: it’s compulsory to designate one or more trained staff members to carry out activities related to the prevention of occupational risks. If there is no one in your organisation who can carry out these activities, competent external services or individuals can be designated. can be designated. It depends on EU national legislations (No. of employees thresholds). In Italy for example (Decree 81/2008): Employers can serve as RSPP (Responsabile del Servizio di Prevenzione e Protezione) themselves in micro and small enterprises, but only under certain conditions:</p> <ul style="list-style-type: none"><li>Up to 10 employees: The employer may take on the RSPP role after completing specific training.</li><li>Up to 30 employees in certain low-risk sectors (e.g., agriculture, crafts, commerce): The employer may also act as RSPP with proper training.</li></ul> <p>More than 30 employees: The employer must appoint a qualified internal external RSPP.</p>	NO CHANGE
g	Apply existing collective bargaining agreement on working conditions. <i>(Collective bargaining)</i>	<p>Request to skip: if there is a collective bargaining agreement it has to be applied, there is no option. <b>(European association, National association of SMEs)</b></p>	<p>Reformulated by replacing “Apply” with “Implement and monitor” as those ensure the effective realisation of the agreement. This changes the perspective of the example and solves the issue highlighted by the respondents.</p>	Implement and monitor the existing collective bargaining agreement on working conditions. <i>(Collective bargaining)</i>
h	Regular consultations (e.g., periodic meetings) with workforce representatives to discuss workplace policies, changes, and concerns. <i>(Freedom of association, the existence of works councils and the information, consultation and participation rights of workers and social dialogue)</i>	<p>Workforce representatives are not compulsory in all SMEs, so suggestion to delete "representatives." So it can be with the whole workforce, which is even better. <b>(European association)</b></p>	<p>Examples combine both compliance-driven actions and proactive, beyond-compliance initiatives. The Secretariat added ‘or’, so both interpretations can be considered.</p> <p>Additionally, example B has been merged into this example for better streamlining.</p>	Regular consultations (e.g., periodic meetings) with workforce or representatives to discuss workplace policies, changes, and concerns as well as inputs and risk assessments through)
i	Conduct a remuneration analysis to identify and analyse any possible reason for pay disparities, e.g., unequal access to opportunities for training and promotions, training on unconscious bias in hiring and promotion.			NO CHANGE



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	<i>(Gender equality, adequate wages)</i>			
j	Develop a remuneration structure to establish clear and transparent pay scales and promotion criteria. <i>(Gender equality, adequate wages)</i>	Question as SMEs are not so familiar with salary transparency - how to communicate this? <b>(Non-listed SMEs (preparers))</b>	implemented. Instead, ‘and communicate’ was added to resolve the comment from the respondents. This led to the merging of example (k) with (j).	Develop and communicate a remuneration structure to establish clear and transparent pay scales and promotion criteria. <i>(Gender equality, adequate wages)</i>
k	Communicate the remuneration structure to employee. <i>(Adequate wages)</i>	Suggested that this is too similar to example j and can be deleted (Forum: European association)	(k) and (j) merged	MERGED INTO FORMER EXAMPLE J
l	Set-up gender-neutral checklist in job evaluations (performance reviews, promotion negotiations, etc.). <i>(Diversity, gender equality, Non-discrimination)</i>	Request to highlight better discrimination in recruiting process by reformulating the example as follows "Set-up non-discriminatory gender-neutral checklist in recruiting and job evaluations" (Observer/Institution) <b>Similar comments from (Community user, Banks &amp; Investment orgs)</b>	Suggestion implemented	Set-up non-discriminatory gender-neutral checklist in recruiting and job evaluations (performance reviews, promotion negotiations, etc.). <i>(Diversity, gender equality; Non-discrimination)</i>
m	Provide leadership coaching, mentoring programmes, and educational opportunities to all employees <i>(Training and skills development)</i>	Request to include employee growth and employability matters that ensure the competitiveness of enterprises, considering the relevance of innovation in the fields of sustainability. (National bank representative)  <b>Training and development of staff is also an important metric (Accountants/Auditors (proxy preparers))</b>	Suggestion partially implemented. Added: ‘to foster employee growth’, employability rejected due to interpretational complexity of term.  Suggestion implemented: ‘training and development’ instead of ‘educational’.	Provide leadership coaching, mentoring programmes, and training and development opportunities to foster employee growth. <i>(Training and skills development)</i>
n	Train employees on measures against harassment and discrimination in the workplace, including gender stereotyping, unconscious bias, etc. <i>(Measures against violence and harassment in the workplace, diversity, gender equality)</i>		The additional suggestion for a new example (see the table below, suggestion 48) has been incorporated into this example.	Train employees on measures against harassment and discrimination in the workplace, including gender stereotyping, ethnicity or minority groups, unconscious bias, neurodiversity, vulnerable workers like young workers and pregnant women, etc. <i>(Measures against violence and harassment in the workplace; diversity, gender equality)</i>
o	Provide flexible working hours, remote work options, and family-friendly policies to support employees in balancing work and personal responsibilities. <i>(Work-life balance)</i>			NO CHANGE
p	Encourage both men and women to take advantage of parental leave and caregiving benefits. <i>(Gender equality, adequate wages)</i>	<b>Perceived as very abstract action and suggested that this for example would not be accepted under the Large undertakings assessment (Other - Consultants)</b>	Suggestion partially implemented: the example has been reworked around. Employers must allow leave and not discriminate, but there’s no legal duty to promote uptake, changed “encourage” to “promote” to make the action less abstract.	Promote parental leave and caregiving benefits to both men and women <i>(Gender equality, adequate wages)</i>
q	Implement flexible working hours while setting core hours (e.g., 10 AM to 3 PM), ensuring all employees are available for meetings and collaboration during this period. <i>(Work-life balance)</i>		The additional suggestion for a new example (see the table below, suggestion 33) has been incorporated into this example.	Implement flexible working hours while setting core hours (e.g., 10 AM to 3 PM), ensure all employees are available for meetings and collaboration during this period; extend advance notice of scheduling <i>(Work-life balance)</i>

Additional new examples proposed by targeted consultation respondents (Own Workforce)

Sustainability issue	Additional Proposed examples	EFrag Secretariat Response
Own Workforce	<b>Benefits:</b>  1. Promote shared transportation for employees (European association for SMEs, National association of large undertakings de Economistas) 2. Establishing agreements with public transport for employees to commute to the workplace (European association for SMEs and National association of large undertakings de Economistas) 3. Offering kindergarten in the on-site facilities for employees (European association for SMEs and National association of large undertakings de Economistas) 4. Offering social grants for employees such as scholarships for children, aid for glasses. (European association for SMEs and National association of large undertakings de Economistas) 5. Regular employee health checkup (Large undertakings) 6. <b>Flexible package of benefits - pick and choose within allocated budget per employee (Other - Consultants)</b> 7. <b>Offering wellness benefits (gym memberships, mindfulness sessions, healthy food options) (Other Consultants)</b> <b>Initiatives:</b> 8. Actions to improve workstation ergonomics (Large undertakings) 9. Grievance mechanism on working conditions (Large undertakings, Observer/Standard Setter) like <b>anonymous channels to report concerns. (Other Consultants)</b> 10. <b>Establish a continuous 'reskilling' and 'upskilling' program for all employees, with a particular focus on green and digital skills, to prepare them for future challenges and ensure their long-term employability (Other - Consultants)</b> 11. Encouraging employees to engage in preventive health care (European bank representative and <b>Non-listed SMEs (preparers)) and mental health support programmes for examples access to counselling (Other – Consultants and Other – Consultants) and (Non-EU participants)</b> 12. <b>Staff training and career development (Accountants/Auditors (proxy preparers)) and Providing digital skills training to help employees adapt to new technologies (Other Consultants)</b> 13. <b>Incentive programs to promote ESG-aligned culture and accountability (Non-listed SMEs (preparers))</b> 14. <b>Promote healthy diet and the use of local seasonal food in local canteen (Accountants/Auditors (proxy preparers)</b> 15. Training aiming to enhance /develop employees skills (National bank representative) and <b>(Non-EU participants)</b> 16. <b>Ensure workplace accessibility for handicapped persons and provide solutions for reasonable adaptation (Public sector - users)</b> 17. <b>Provide necessary working tools (Large companies - users)</b> 18. <b>ESG awareness training (Large companies - users)</b> 19. <b>Introducing corporate welfare mechanism on an individual or collective (firm perspective) basis, to incentive productivity (Other - Consultants)</b> 20. <b>Offer nutritious food options (for companies with onsite canteen) (Other - Consultants)</b> 21. <b>Developing inclusive recruitment practices, e.g. anonymised CV screening, outreach to underrepresented groups (Other - Consultants)</b>	 1. Implemented under climate change. 2. Implemented under climate change. 3. Not implemented: perceived too complex/ resource intense for SMEs (not proportionate, not aligned in scale with the other examples) 4. Not implemented: perceived too complex/ resource intense for SMEs (not proportionate, not aligned in scale with the other examples) 5. Not implemented: too complex. 6. Not implemented: too complex and not clear. 7. Implemented: Included but changed wellness to wellbeing. Implemented under the new example Q. 8. Implemented under new example R. 9. Implemented under new example K. ‘provision of anonymous channels to report concerns’ (do not use ‘grievance mechanism’ term) 10. Not implemented: already included in L. 11. Not implemented: too complex. 12. Not implemented: already included in L. 13. Not implemented, too complex for SMEs (training on ESG more feasible) 14. Implemented under the new example Q. 15. Not implemented: already included in L. 16. Implemented under new example R. 17. Not implemented. It’s a given that employees will be given tools to work. 18. Not implemented, too complex for SMEs (training on ESG more feasible) 19. Not implemented: perceived too complex/ resource intense for SMEs (not proportionate, not aligned in scale with the other examples) 20. Already implemented under new example Q. 21. Already implemented under example J. 22. Already implemented, included in L. 23. Not implemented: perceived too complex/ resource intense for SMEs (not proportionate, not aligned in scale with the other examples) 24. Already implemented, included in L. 25. Not implemented: already under former example j

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<div>22. Funding lifelong learning opportunities (e.g., vouchers, partnerships with training institutions). (Other - Consultants) <b>Secure employment:</b> 23. Implement plans for social protection where state provision is lacking (Observer/Standard Setter) 24. Policy for enhancing skills and career prospects for employees (Observer/Standard Setter) 25. Adequate wage policy (Observer/Standard Setter) 26. Welfare programs (stress management, counselling, awareness campaigns ((Other Consultants)) as health insurance, employee assistance programs, wellness Initiatives, profit-sharing and bonuses, retirement plans (Association of enterprises of preparers and Academics) and retirement plans, and programs sustainability linked management buy-out (Association of enterprises of preparers) 27. Implementing structured onboarding and continuous training programs that include ESG awareness (Non-listed SMEs (preparers)) 28. Practice: Providing safe working conditions (Association of enterprises of preparers and Large companies – users) 29. Health &amp; Safety Regular third-party safety audits to identify risks and gaps (Other Consultants) 30. Establishing a near-miss reporting system to learn from incidents before accidents happen (Other Consultants) 31. Ensure workplace accessibility for handicapped persons and provide solutions for reasonable adaptation (Public sector – user – Belgium) <b>Working time</b> 32. Shift work rotation (Observer/Standard Setter) or cross-training to expand skills and resilience in the workforce 33. extend advance notice of scheduling (Observer/Standard Setter) 34. reduction of excessive overtime (Observer/Standard Setter) and Work-Life Balance ((Other - Consultants) 35. Future initiative: Flexible working arrangements to improve work-life balance (Association of enterprises of preparers) (Other - Consultants) 36. Introducing "right to disconnect" policies to protect rest time outside working hours. (Other - Consultants) 37. Supporting gradual return-to-work schemes after parental leave or illness (Other - Consultants) 38. Possibility to work from home (Large companies - users) (Other Consultants)  <b>Collective bargaining:</b> (all Observer/Standard Setter) 39. Non-interference in trade union formation and recruitment (including trade union access to undertakings). 40. Bargaining in good faith 41. adequate time off for workers' representatives to carry out their duties 42. facilities and dismissal protection for workers' representatives 43. measure the rate of workers covered by collective agreements 44. expansion of sustainability issues dealt with in collective bargaining 45. increase in resources for workers' representatives. <b>No discrimination policies:</b> 46. no discrimination of trade union members and workers' representatives (all Observer/Standard Setter) 47. Increasing accessibility measures for persons with disabilities (all Observer/Standard Setter) 48. training and policies on diversity and inclusion like ethnicity or minority groups considerations ((all Observer/Standard Setter) and (Other - Consultants)) and on diversity on gender, age, neurodiversity (Association of enterprises of preparers) and for sensible workers as young workers and pregnant women and safety (Non-listed SMEs (preparers)) ((Other - Consultants)) 49. targeted recruitment of underrepresented groups (all Observer/Standard Setter) 50. measure gender pay-gap (all Observer/Standard Setter) 51. measure remuneration ratio (all Observer/Standard Setter) 52. Policy: Equal treatment and non-discrimination commitment (Association of enterprises of preparers) (Other Consultants) 53. Measures taken to promote female carriers like a Women's network or mentoring program (Other - Consultants) 54. Emphasise fair pay. Emphasise equal rights for women and minorities (Other - Consultants) 55. avoid excessive salaries at top management and disparity with lower tier wages (Non-listed SMEs) 56. Creating employee resource groups (ERGs) or affinity groups to foster inclusion. (Other - Consultants))) 57. Diversity plan (Accountants/Auditors (proxy preparers)) <b>Engagement with workforce:</b> 58. create accessible channels for raising concerns (ex: by establishing a grievance mechanism) (Observer/Standard Setter) 59. ensuring employees are aware of grievance/ whistleblowing channels (Observer/Standard Setter) and 60. Conduct regular anonymous employee satisfaction and engagement surveys (Social dialogue &amp; continuous improvement) ((Banks and investment organisation users) and Other – Consultants) 61. Possibility to work from home (Large companies - users) 62. Engage employees in participatory governance systems so that all feel involved in shared business projects (Other - Consultants) 63. Use of retired employees as support in crisis situations (academics) 64. Publishing a Code of Conduct or Employee Charter co-developed with employees. (Other Consultants) 65. Collect input from workers on opportunities (Non-listed SMEs (preparers)) <b>Measures:</b> 66. Integration of sustainability KPIs into employee training, performance reviews (Non-listed SMEs (preparers)) 67. measures to avoid excessive salaries gap at top management and disparity with lower tier wages (for example the highest salary should not be more than ten times higher than the lowest one (Non-listed SMEs (preparers)) 68. add time frame (Academics) 69. regular check on employees (Academics) 70. Just Transition retraining plans for workers affected by decarbonisation shifts (Non-EU participants) 71. Setting measurable diversity targets (e.g., % of women in management, % of employees with disabilities) (Other - Consultants) 72. examples of how workforce practices contribute to resilience, innovation, and long-term value creation not just compliance. (Non-listed SMEs (preparers))</div>	<div>26. Implemented under the new example Q. 27. Already implemented, included in L. 28. Not implemented. Examples on Health and Safety already exist. 29. Not implemented. Already existing in example A. 30. Not implemented. Already existing in example A. 31. Added in: Assess workplace accessibility and improve reasonable accommodations where needed (Public sector - users) (Non-discrimination) 32. Not implemented, examples on this topic already exist in former Q and M 33. Suggestion implemented in under example P 34. Not implemented: the reduction of excessive overtime is the outcome of an action/initiative 35. Not implemented: already under former example O 36. Added under: Q offer wellbeing benefits (e.g. health insurance, profit-sharing, right-to-disconnect, stress management, counselling, healthy food options, wellness initiatives) 37. Not implemented, too complex for SMEs. 38. Already covered by former example O. 39. Not implemented. 40. Not implemented. Example not clear 41. Integrated into the new example Q. 42. Not implemented. (not proportionate, not aligned in scale with the other example) 43. Not implemented as this is already a datapoint in the VSME. 44. Not implemented. (not proportionate, not aligned in scale with the other example) 45. Not implemented. (not proportionate, not aligned in scale with the other example)  46. Not implemented. This is an outcome of an action/initiative. We have N (training on discrimination) 47. Already implemented in new example TR. 48. Included under example M. 49. Not implemented, demanding for SMEs (not proportionate, not aligned in scale with the other example) 50. Not implemented, this is a datapoint in the VSME. 51. Not implemented, this is a datapoint in the VSME. 52. Not implemented. The rationale is not to create a clear divide between policies and practices. Equal treatment and non-discrimination examples already exist within the own workforce examples. 53. Already included in former example M 54. Included in M 55. Not implemented. This is an outcome of a practice/ initiative 56. Not implemented, too demanding for SMEs 57. Included in J. (gender neutral job evaluation) and M. (training)  58. Added ‘anonymous channels to raise concerns’ in S. 59. Added ‘anonymous channels to raise concerns’ in S. 60. Implemented under the new example S as: Anonymous channels to report concerns and procedures for following these up (Other Consultants) (Measures against violence and harassment in the workplace; Diversity, gender equality; Non-discrimination) 61. Not implemented, aspects on wellbeing are already tackled. 62. Not implemented, too complex for SMEs 63. Not implemented, not possible and out of place. 64. Implemented in workers in the value chain. 65. Already included in former H (consultations with workers representatives) 66. Not implemented, as training is already added throughout all topics 67. Not implemented, too vague and prescriptive. 68. Not implemented. The examples here are without a time target. These can, however, be mentioned within disclosure C2. 69. Implemented in S. 70. Not implemented, too demanding for SMEs (not proportionate, not aligned in scale with the other example). 71. Not implemented. The examples here are without a target. These can, however, be mentioned within disclosure C2. 72. Not implemented, the aim is to provide examples of practices, not to show how they contribute to something.</div>
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Workers in the Value Chain

Overarching comments on Workers in the Value Chain

Workers in the Value Chain	<p>Most respondents found this content useful.</p> <p>Main Suggestions/ comments:</p> <p>1. Suggest making the examples easier (National association of SMEs, National association of SMEs) and clearer adding an entry that defines/clarifies the value chain (Consultants)</p> <p>2. Suggest clarifying that examples should limit to first tier and refrain from asking SMEs to provide any detailed information of them value chain. (Accountants/Auditors (proxy preparers))</p>	<p>Secretariat Response</p> <p>1. Value chain is a defined term, as listed in Appendix A, Annex I. Single examples to be addressed one by one. No action needed.</p> <p>2. Suggestion not implemented: Value chain is among defined terms (Appendix A, Annex I). (definition does not specify tier one). Examples are provided for illustration purposes only and should not be interpreted as prescriptive guidance.</p>
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Comments on specific examples (Workers in the Value Chain)

Comment numbering – original version sent for targeted consultation	Existing Example	Suggestion from respondents on existing examples	EFRAG Secretariat Response	Changes Implemented into version for SRB and SR TEG Comments
a	<p>Develop policies and procedures that demonstrate a commitment to respecting the rights at work, and the responsibility is given to a senior person.</p> <p><i>(Working conditions and Other work-related rights)</i></p>	<p>1. Perceived as very unclear (European association)</p> <p>2. To prevent confusion, we suggest specifying 'value chain' in the phrase, as the current example could be interpreted as applying only to an undertaking's own workforce (Large undertakings)</p> <p>3. Remark that there’s an issue with “rights at work” as it should be about “workers in the suppliers’ operations” (Accountants/Auditors (proxy preparers))</p> <p>4. Considered confusing, since we are talking about workers in the value chain, and the sentence, as written, leads to the interpretation that they are the company's workers (Accountants/Auditors (proxy preparers))</p> <p>5. Request to make the example more specific - pertaining to "policies" - in the sense that the examples are supposed to illustrate exactly this. (National association of SMEs)</p>	<p>1.+2+3+4. Suggestion included in the text of the example: ‘in the value chain’.</p> <p>5. Make it clearer and more specific we could add here in brackets (such as conducting regular audits of suppliers including an evaluation of labour conditions and interviews with workers).</p>	<p>Demonstrate a commitment to respecting the rights at work in the value chain, and the responsibility may be given to a senior person. (e.g. conducting regular audits of suppliers including an evaluation of labour conditions and interviews with workers) <i>(Working conditions and Other work-related rights)</i></p>
b	<p>Prepare a Supplier Code of Conduct (SCoC) specifying alignment with current practices, international instruments and guidelines for the respect of the Rights at Work.</p> <p><i>(Working conditions and Other work-related rights)</i></p>	<p>1.Perceived as too complex (National association of SMEs)</p> <p>2.Suggested rewording: "Prepare a Supplier Code of Conduct (SCoC) aligned with international standards (e.g., ILO, OECD) and the company's own expectations for ethical labour practices." (Large undertakings S.p.A.)</p> <p>3.Concern that international instruments” is not familiar to SMEs (Banks and investment organisation users)</p> <p>4.Suggest moving this example as first example (National association of SMEs)</p>	<p>Partially implemented. No specific additions have been provided for the ILO, OECD etc as these are considered to be too complex, however, the reference to ‘international instruments’ along with a series of general examples should help to clarify this. Example reworked for clarity and reduce complexity.</p>	<p>Definition and implementation of a Supplier Code of Conduct that identifies the minimum standards that suppliers are to meet in terms of, (e.g.) safe working conditions and wages, collective bargaining, prevention of forced or child labour, and/or freedom of association. This could be cross-referenced to a wider Code of Conduct that includes these points and may be described under Business Conduct. <i>(Working conditions and Other work-related rights)</i></p>
c	<p>Establish an approach that focuses efforts on key areas in the supply chain, e.g. coordinating with relevant industry organisations.</p> <p><i>(Working conditions and Other work-related rights)</i></p>	<p>1.Concern that this is too vague and generic. What are the key areas, what is the timing? (Accountants/Auditors (proxy preparers))</p> <p>2.Apparently unclear what SMEs would try to accomplish (Banks and investment organisation users)</p> <p>3.Consider including collaborative actions (e.g. joint training with suppliers or SME consortia for due diligence) to show how smaller firms can share responsibility and reduce costs. (Academics)</p>	<p>Example modified as shown on the right:</p>	<p>Establish an approach including collaborative actions with supply chain partners that focuses efforts on key areas in supply chain working conditions, e.g. the use of mobile platforms to collect anonymous feedback from factory workers on safety, wages, and treatment, the provision of safe transport for seasonal workers, the implementation of shaded rest areas, hydration stations, and adjusted work hours to protect workers from extreme heat. (Working conditions and Other work-related rights)</p>
d	<p>On site visits of suppliers include an evaluation of workforce conditions.</p> <p><i>(Working conditions and Other work-related rights)</i></p>	<p>This action is deemed too complex and unrealistic for most SMEs (National association of SMEs)</p>	<p>Suggestion not implemented. Deemed as feasible for SMEs.</p>	<p>NO CHANGE</p>



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e	Prioritising local suppliers with fair labour practices <i>(Working conditions and Other work-related rights)</i>	Request to remove or reframe as fair labour practices is a requirement, not just a priority (National association of SMEs)	Suggestion implemented, example deleted.	DELETED
f	Set up browser alerts for key terms (e.g., "[Industry] labour violations," "forced labour in [Supplier's Country]") <i>(Working conditions and Other work-related rights)</i>	Considered not realistic or not clear on how or why (National association of SMEs, <b>Accountants/Auditors (proxy preparers), non-listed SMEs (preparers), Other - Consultants</b> )	Suggestion implemented: the example has been further specified.	Implementing digital alerts or setting up browser alerts for key terms (e.g., "[Industry] labour violations," "forced labour in [Supplier's Country]") to begin mapping and collecting risk factors (e.g. geographies, sectors). <i>(Working conditions and Other work-related rights)</i>
g	Check legal compliance of international suppliers in their home countries using public records <i>(Working conditions and Other work-related rights)</i>			NO CHANGE
h	Use existing business meetings (e.g., supplier reviews) to include human rights awareness discussions <i>(Working conditions and Other work-related rights)</i>			NO CHANGE

Additional new examples proposed by targeted consultation respondents (Workers in the Value Chain)

Sustainability issue	Additional Proposed examples	EFRAG Secretariat Response
Workers in the Value Chain	<div>1. Support SMEs in drafting documents (suppliers code of conduct) (Large undertakings)</div> <div>2. Monitoring employment agencies (Observer/Standard Setter)</div> <div>3. Implementation of a supplier engagement program with training on environmental and HSE best practices (<b>Non-listed SMEs (preparers)</b>) and providing training on human rights standards for procurement teams and suppliers (<b>Other Consultants</b>).</div> <div>4. Integration of ESG criteria in supplier audits (<b>Non-listed SMEs (preparers)</b>)</div> <div>5. Identify improvements areas in labour practices (<b>Non-listed SMEs (preparers)</b>)</div> <div>6. Practice: Choosing suppliers that comply with labour standards (<b>Association of enterprises of preparers</b>) and (<b>Other Consultants</b>)</div> <div>7. Policy: Require basic code of conduct from suppliers. (<b>Association of enterprises of preparers</b>) and (<b>Banks and investment organisation users</b>)</div> <div>8. Future initiative: Collaborate with suppliers on training or fair payment practices (<b>Association of enterprises of preparers and Other Consultants</b>) and on health &amp; safety (<b>Other Consultants</b>)</div> <div>9. Equal rights for women and minorities in the supply chain (<b>Other Consultants</b>)</div> <div>10. <b>Include social criteria in supplier selection and evaluation templates</b> (<b>Banks and investment organisation users</b>)</div> <div>11. <b>Cooperation with certification bodies to verify fair trade suppliers.</b> (<b>Other - Consultants</b>)</div> <div>12. <b>active involvement in the company's governance and strategic development through regular meetings or periodic consultations</b> (<b>Other - Consultants</b>)</div> <div>13. <b>Implement a detailed value chain mapping to identify upstream suppliers, especially in high-risk sectors, and require them to adopt labor and human rights standards equivalent to those of the undertaking.</b> (<b>Other - Consultants</b>)</div> <div>14. <b>Add IME examples</b> (Academics)</div> <div>15. <b>Suggestion to add specific indications for fair pricing</b> (banks and investment organisations - user)</div> <div>16. <b>Capacity-building programmes for SME suppliers on ESG compliance.</b> (Academics) and (<b>Non-listed SMEs (preparers)</b>) and (<b>Other Consultants</b>)</div> <div>17. <b>Tools for monitoring living wage across the supply chain</b> (Academics)</div> <div>18. <b>Training for downstream employees</b> (<b>Other - Consultants</b>)</div> <div>19. <b>Train own workforce on industry-specific worker's challenges</b> (<b>Other - Consultants</b>)</div> <div>20. <b>Access to green supply chain finance</b> (discounted rates for sustainable suppliers). (<b>Non-EU participants</b>)</div> <div>21. <b>Adoption of digital traceability tools</b> (blockchain, QR-based provenance). (<b>Non-EU participants</b>)</div> <div>22. <b>Establishment of regional supplier audit and training hubs to share compliance costs</b> (<b>Non-EU participants</b>)</div> <div>23. <b>supplier audits</b> (<b>Non-listed SMEs (preparers)</b>)</div> <div>24. <b>ethical sourcing strategies</b> (<b>Non-listed SMEs (preparers)</b>)</div> <div>25. <b>supplier onboarding: including labour expectations in onboarding packs or contracts</b> (<b>Banks and investment organisation users</b>), and <b>basic labour clauses into supplier agreements.</b> (<b>Banks and investment organisation users</b>)</div> <div>26. <b>Develop a tiered supplier risk assessment system, classifying suppliers by country risk, industry, and past performance.</b> (<b>Other Consultants</b>)</div> <div>27. <b>Transparency &amp; Reporting Publicly share an overview of supplier due diligence processes</b> (e.g., on website or sustainability report). (<b>Other Consultants</b>)</div> <div>28. <b>Ask suppliers to report on their own workforce practices</b> (mini self-assessment questionnaires). (<b>Other Consultants</b>)</div> <div>29. <b>Join or reference industry-wide initiatives</b> (e.g., Sedex, Fair Wear Foundation, Responsible Business Alliance). (<b>Other Consultants</b>)</div> <div>30. <b>Monitoring &amp; Grievance Mechanisms Set up whistleblowing or grievance channels that allow supplier employees to safely report violations. Include independent third-party verification for high-risk suppliers. Conduct spot checks on recruitment practices, especially for migrant workers (linked to forced labour risks).</b> (<b>Other Consultants</b>)</div> <div>31. <b>Positive Incentives Create preferred supplier status or long-term contracts for suppliers with strong labour rights practices.</b> (<b>Other Consultants</b>)</div> <div>32. <b>Introduce social performance criteria in procurement scoring</b> (e.g., 20% weight on labour rights compliance). (<b>Other Consultants</b>)</div> <div>33. <b>Encourage suppliers to adopt living wage commitments, not just legal minimum wages.</b> (<b>Other Consultants</b>) (<b>Other Consultants</b>)</div> <div><b>Child labour label:</b></div> <div>34. Age verification measures (Observer/Standard Setter)</div> <div>35. partnerships with organizations to eliminate child labour (Observer/Standard Setter) <b>through contractual clauses</b> (<b>Other - Consultants</b>)</div> <div>36. Forced labour (Observer/Standard Setter)</div> <div><b>Working conditions and Other work-related rights label:</b> (all Observer/Standard Setter)</div> <div>37. measures ensuring free consent to employment without threat of penalty</div> <div>38. contracts in understandable language</div> <div>39. freedom to terminate employment without penalty</div> <div>40. disciplinary measures should not obligate labour</div> <div>41. free consent to overtime</div> <div>42. freedom of movement (including to exit workplace)</div> <div>43. working with suppliers to improve labour working conditions/capacity-building actions (<b>Other - Consultants</b>)</div> <div>44. regular check on value chain (Academics)</div>	<div>1. Suggestion not implemented it is not in the mandate to develop SCoC templates.</div> <div>2. Suggestion not implemented, deemed complex for SMEs</div> <div>3. Suggestion implemented as an additional example under example i.</div> <div>4. Suggestion not implemented. Already integrated in example D. On-site visits of suppliers include an evaluation of workforce conditions.</div> <div>5. Suggestion not implemented, too vague.</div> <div>6. Suggestion not implemented as it implies due diligence which is not implemented in the VSME Standard.</div> <div>7. Suggestion already implemented in example B</div> <div>8. Suggestion not implemented. Fair payment mechanisms already implemented in example i.</div> <div>9. Suggestion not implemented as it implies due diligence which is not implemented in the VSME Standard.</div> <div>10. Suggestion not implemented as it implies due diligence which is not implemented in the VSME Standard.</div> <div>11. Suggestion not implemented, deemed complex for SMEs</div> <div>12. Suggestion not implemented, deemed complex for SMEs</div> <div>13. Suggestion not implemented, deemed complex for SMEs</div> <div>14. To be ignored – comment not clear</div> <div>15. Suggestion not implemented, deemed complex for SMEs</div> <div>16. Suggestion not implemented, deemed complex for SMEs + vague</div> <div>17. Suggestion not implemented, deemed complex for SMEs</div> <div>18. Suggestion not implemented as trainings implemented in example (i)</div> <div>19. Suggestion not implemented as trainings are already an existing example (workers in the value chain: i, and own workforce: m)</div> <div>20. Suggestion not implemented, deemed complex for SMEs</div> <div>21. Suggestion not implemented, already covered under Consumers and End-users</div> <div>22. Suggestion not implemented, deemed complex for SMEs</div> <div>23. Suggestion not implemented, deemed complex for SMEs</div> <div>24. Suggestion not implemented, too vague</div> <div>25. Suggestion not implemented, deemed complex for SMEs</div> <div>26. Suggestion not implemented, deemed complex for SMEs</div> <div>27. Suggestion not implemented, due diligence is not required in VSME standard</div> <div>28. Suggestion not implemented, example already covered in example d. (on-site visits).</div> <div>29. Suggestion implemented under example e.</div> <div>30. Suggestion not implemented, deemed complex for SMEs</div> <div>31. Suggestion not implemented, too complex for SMEs</div> <div>32. Suggestion not implemented, too complex for SMEs</div> <div>33. Suggestion not implemented, too complex for SMEs</div> <div><b>Child labour label:</b></div> <div>34. Suggestion not implemented, too complex for SMEs</div> <div>35. Suggestion not implemented, example already covered</div> <div>36. Suggestion not implemented, too vague</div> <div><b>Working conditions and Other work-related rights label:</b></div> <div>37. Not implemented: part of the Supplier Code of Conduct – see example B</div> <div>38. Not implemented: part of the Supplier Code of Conduct – see example B</div> <div>39. Not implemented: part of the Supplier Code of Conduct – see example B</div> <div>40. Not implemented: part of the Supplier Code of Conduct – see example B</div> <div>41. Not implemented: part of the Supplier Code of Conduct – see example B</div> <div>42. Not implemented: part of the Supplier Code of Conduct – see example B</div> <div>43. Suggestion not implemented, deemed complex for SMEs</div>



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		44. Suggestion not implemented, example already covered in example d. (on-site visits).
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Affected Communities

Overarching comments on Affected Communities

Affected Communities	<p><b>Most respondents found this content useful.</b></p> <p><b>Main Suggestions/ comments:</b></p> <ol style="list-style-type: none"><li>Proportionality: the question of the practical scope of responsibilities an SME can reasonably expected to assume has been raised. (Observer/Standard Setter)</li><li>Request to make the examples more realistic, relevant and detailed for European SME, considering the limited resources available (National association of SMEs, Accountants/Auditors (proxy preparers) and non-listed SMEs. (preparers))</li><li>Suggest focusing only on local communities in the SMEs’ own location. (Accountants/Auditors (proxy preparers))</li><li>Suggestion to focus on what an SME can do directly, without referring to the intervention of third parties (Banks and investment organisation users)</li></ol>	<p><b>Secretariat Response:</b></p> <ol style="list-style-type: none"><li>This is a comment: no action needed</li><li>Suggestion rejected: examples are realistic and relevant. Providing more detailed examples would inevitably result in sector-specific cases, which falls outside the scope of this guidance.</li><li>Suggestion rejected: affected Communities is a defined term, as listed in Appendix A, Annex I.</li><li>Suggestion rejected: engaging with organizations representing affected communities is standard practice; third-party reports are cited as sources of insight into their interests, concerns, and initiatives.</li></ol>
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Comments on specific examples (Affected Communities)

Comment numbering – original version sent for targeted consultation	Existing Example	Suggestion from respondents on existing examples	EFRAG Secretariat Response	Changes Implemented into version for SRB and SR TEG Comments
a	<p>Develop practices for sourcing raw materials and products to ensure that suppliers do not have a negative impact on local communities (for example, wastewater treatment and other efforts to reduce health risks)</p> <p><i>(Communities’ economic, social and cultural rights, Communities’ civil and political rights and Rights of indigenous people)</i></p>	<p>Perceived as more of a description than a concrete example of what can be implemented, difficult to understand (National association of SMEs)</p> <p>Suggestion replacing the term “develop” as it should also be valid for applied practices (also for other entries, Observer/Standard Setter)</p> <p>Suggestion to be more specific on the how (Non-listed SMEs (preparers))</p> <p>Suggestion to change to "Sourcing more local product to promote the economy in the region” (NGOs)</p>	<p>Modified as shown on the right</p>	<p>Apply or strengthen practices for sourcing raw materials and products to ensure that suppliers do not have a negatively impact on local communities (for example, wastewater treatment and other efforts to reduce health risks) <i>(Communities’ economic, social and cultural rights, Communities’ civil and political rights and Rights of indigenous people)</i></p>
b	<p>Engage with industry organisations, trade associations, or NGOs to better understand the negative/positive impacts in the local communities; in some cases, engagement may take place with third party auditors for specific sectors and geographies</p> <p><i>(Communities’ economic, social and cultural rights, Communities’ civil and political rights and Rights of indigenous people)</i></p>	<p>Question to better adapt to SMEs, particularly: “in some cases, engagement may take place with third party auditors for specific sectors and geographies’ (National association of SMEs)</p>	<p>Comment did not bring new input, no change required.</p>	<p>Engage with industry organisations, trade associations, or NGOs to better understand the negative/positive impacts in the local communities in relation to matters concerning own workforce, workers in the value chain, the community and consumers and establish some actions <i>(Communities’ economic, social and cultural rights, Communities’ civil and political rights and Rights of indigenous people)</i></p>
c	<p>Monitor current practices that may impact human rights, housing, food, water, or sanitation in local communities via research, and, in other cases, it could be via third-party collaborations where sector initiatives are ongoing</p> <p><i>(Communities’ economic, social and cultural rights, Communities’ civil and political rights and Rights of indigenous people)</i></p>	<p>Question to delete as this seems not realistic for average SME, entrepreneurs. (European association)</p> <p>Clarify how it constitutes a strong and convincing illustration of protecting the rights of indigenous peoples (Observer/Standard Setter).</p>	<p>Not implemented: third party collaborations where sector initiatives are ongoing is feasible for SME</p> <p>Implemented: made the example clearer</p>	<p>Monitor current practices that may impact human rights, housing, food, water, or sanitation in local communities via research, and, in other cases, it could be via third-party collaborations where sector initiatives are ongoing, or via NGO mailing lists for regular updates on cases of human rights breaches <i>(Communities’ economic, social and cultural rights, Communities’ civil and political rights and Rights of indigenous people)</i></p>
d	<p>Subscribe to NGO mailing lists for regular updates (e.g., NGO and/or UN Newsletters) on cases of human rights breaches</p> <p><i>(Communities’ economic, social and cultural rights, Communities’ civil and political rights and Rights of indigenous people)</i></p>	<p>Question to delete, considered not adapted to SME reality, and doubt whether many mailing lists useful to SMEs exist (National association of SMEs)</p> <p>Suggestion that this is covered by c. (Observer/Standard Setter)</p>	<p>Implemented: example deleted – already partially covered by C</p>	<p>DELETED</p>
e	<p>Partner with local NGOs that can collect feedback on SME’s behalf on respecting the rights of indigenous’ peoples or, in some cases, via subscription to NGO mailing lists for updates</p> <p><i>Rights of indigenous people</i></p>			<p>NO CHANGE</p>

Additional new examples proposed by targeted consultation respondents (Affected Communities)

Sustainability issue	Additional Proposed examples	EFRAG Secretariat Response
Affected Communities	<p><b>Communities economic, social and cultural right and Communities’ civil and political rights and Rights of indigenous people:</b></p> <ol style="list-style-type: none"><li>engagement with affected communities (Observer/Standard Setter) <b>to promote well-being and local culture (Academia and Academics) and the economy of the region (NGOs)</b></li><li>contributions of the small and medium sized company to the local community (e.g. via sponsoring) (Observer/Standard Setter) <b>for example health, infrastructure (Banks and investment organisation users)</b></li><li>measures to provide and/or enable remedy for human rights impacts (Observer/Standard Setter)</li><li><b>recruitment policies to encourage disadvantages minorities to apply for employment opportunities (Accountants/Auditors (proxy preparers))</b></li></ol>	<ol style="list-style-type: none"><li>Partially implemented: added a new example g.</li><li>Partially implemented: added a new example g.</li><li>Already covered by in own workforce examples</li><li>Partially implemented: added in former example k in workforce</li></ol>

Targeted Consultation Key Messages from Forum and Community + Secretariat Response on Supporting Guides on disclosure C2

<div><div>5. outreach or support/sponsorship for community activities (Accountants/Auditors (proxy preparers)) (Other Consultants)</div><div>6. offering local school children work experience (Accountants/Auditors (proxy preparers)) (Banks and investment organisation users) and (Accountants/Auditors (proxy preparers))</div><div>7. number of local suppliers (value on revenues)</div><div>8. impact of investment dedicated to the development of the local community (Association of enterprises of preparers and Other - Consultants and Academics) and align the company's</div><div>9. activity with positive spillovers for the community (Academics)</div><div>10. Setting up periodic community meetings or open-door days to share company developments and collect feedback on local impact (non-listed SMEs (preparers)</div><div>11. Support of local sports team (Accountants/Auditors (proxy preparers))</div><div>12. participation of village activities (Accountants/Auditors (proxy preparers))</div><div>13. Practice: Hiring locally and engaging in community dialogue (Association of enterprises of preparers)</div><div>14. Policy: Commitment to avoid negative impacts on local communities. (Association of enterprises of preparers)</div><div>15. Future initiative: Support community projects (e.g. education, cultural events). (Association of enterprises of preparers) (Other - Consultants) (Accountants/Auditors (proxy preparers))</div><div>16. volunteering in educational activities (National bank representative)</div><div>17. free services (National bank representative)</div><div>18. responsible practices to include vulnerable stakeholders (National bank representative)</div><div>19. Provide a channel for communities to raise concerns (e.g., anonymous hotline, designated contact) (Banks and investment organisation users) (Other Consultants) so a grievance mechanism to address concerns transparently ((Other - Consultants) (Non-EU participants) (Banks and investment organisation - users) and Publicly disclose how community concerns are identified and addressed, even in simplified formats (Other Consultants)</div><div>20. Conduct community impact assessments (SIAs) before large projects (Banks and investment organisation users) and (Consultants) and a basic human rights impact assessment (HRIA) (Other Consultants)</div><div>21. Cultural heritage: Implement protocols to avoid damaging sacred or culturally significant sites. (Banks and investment organisation users)</div><div>22. To add community consultation practices in industrial projects or responsible logistics in sensitive areas (Non listed SMEs) and (Accountants/Auditors (proxy preparers)). Support for local educational programs focused on sustainability. (Other - Consultants)</div><div>23. Add IME aspects (Academics)</div><div>24. Hiring locals (Other - Consultants)</div><div>25. Corporate volunteering (Other - Consultants)</div><div>26. To add on grievance mechanism on affected communities (Banks and investment organisation - users)</div><div>27. Community-owned renewable energy projects co-financed by SMEs. (Non-EU participants)</div><div>28. Participatory climate adaptation planning (flood barriers, cooling shelters). (Non-EU participants)</div><div>29. Additional examples of extractive industry (Banks and investment organisation)</div><div>30. recruitment policies to encourage disadvantages minorities to apply for employment opportunities (Accountants/Auditors (proxy preparers))</div><div>31. Set up periodic community consultations or dialogue sessions to gather feedback directly from residents, indigenous groups, and local leaders. ((Other Consultants,Banks and investment organisation users)</div><div>32. focusing on water, land, and cultural rights in areas where the SME operates or sources from (Other Consultants)</div><div>33. Collaboration &amp; Shared Responsibility: Join multi-stakeholder initiatives that focus on indigenous rights or land use (e.g., FSC, RSPO, Fairtrade networks, depending on sector).</div><div>34. Cooperate with local universities or research centres to monitor environmental and social impacts. (Other Consultants)</div><div>Area:</div><div>35. Procedures for risk mapping and early consultation in new project areas prioritizing transparency, respect for all communities, and justice (Non-listed SMEs (preparers)) in order to identify areas with higher likelihood of human rights or indigenous rights violations (Other Consultants)</div><div>36. Example on extractive industry (Banks and investment organisation users)</div></div>	<div><div>5. Partially implemented: outreach meaning included in new example B, sponsorship/support: partially implemented: added a new example g.</div><div>6. Included under new example A (see mark-up or clean version)</div><div>7. Not implemented: it's an existing VSME datapoint</div><div>8. Not implemented: too vague and too complex for SMEs</div><div>9. Not implemented: too vague for SMEs</div><div>10. Not implemented: too complex for SMEs</div><div>11. Partially implemented: added a new example g.</div><div>12. Partially implemented: added a new example g.</div><div>13. Not implemented: already covered in own workforce</div><div>14. Not implemented: the suggestion is too vague</div><div>15. Partially implemented: added a new example g.</div><div>16. Partially implemented: added a new example g.</div><div>17. Partially implemented: added a new example g.</div><div>18. Not implemented: already included under new example f.</div><div>19. Not implemented: already present under Consumers and End-users</div><div>20. Not implemented: the request could increase the complexity for SMEs</div><div>21. Not implemented: already included in former example e.</div><div>22. Partially implemented: the first part is already included under former example B and the second one is integrated in new example A</div><div>23. Not implemented: the additional suggestion is unclear</div><div>24. Not implemented: topic related to own workforce</div><div>25. Partially implemented: added a new example g.</div><div>26. Not implemented: the suggestion is too complex for SMEs to implement it</div><div>27. Not implemented: the suggestion is too complex and partially an E topic</div><div>28. Not implemented: already included under climate change examples</div><div>29. Not implemented: the suggestion is a sector specific request</div><div>30. Not implemented: topic related to own workforce</div><div>31. Not implemented: already included under former example C</div><div>32. Not implemented: already touched upon by most examples provided for affected communities</div><div>33. Not implemented: already included under new example G</div><div>34. Not implemented: already included under former example B</div><div>35. Not implemented: the suggestion is too complex for SMEs to implement it</div><div>36. Not implemented: the suggestion is a sector specific request</div></div>
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Consumers and End-users

Overarching comments on Consumers and End-users

Consumers and End-users	<p><b>Most respondents found this content useful.</b></p> <p><b>Main Suggestions/ comments:</b></p> <ol style="list-style-type: none"><li>Suggest checking if the examples with product liability and product specific requirements and checking on possibilities to report anything relevant beyond existing regulation (this should be the priority here). (Accountants/Auditors (proxy preparers))</li><li>Suggest clarifying that product accessibility must be restricted since that an improper access could compromise safety and operational integrity. (Non-listed SMEs (preparers))</li><li>A few comments on categorisation, and the related dropdowns. (Observer/Standard Setter, Other Consultants) and on including grouping preventive actions under clear thematic subheadings in the guidance so SMEs can navigate the list more easily. (Other Consultants)</li><li>Request to clarify what is expected from SMEs regarding the social inclusion of consumers and what is not. (Observer/Standard Setter)</li><li>Observation that most recommendations are established protocols for businesses, without which they risk legal or reputational damage. (Other Consultants)</li></ol>	<p><b>Secretariat Response:</b></p> <ol style="list-style-type: none"><li>Suggestion not implemented: the examples provided are not bound by minimum legal requirements, they also cover aspects that go beyond the minimum legal requirements.</li><li>Suggestion not implemented: other examples on accessibility have been implemented.</li><li>Comment considered as overarching feedback for this supporting guide</li><li>Suggestion not implemented. EFRAG never provide examples of what something is not meant to be, risk to create confusion – the guide does not have an instructive behavioural purpose.</li><li>This is a comment: no action needed</li></ol>
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Comments on specific examples (Consumers and End-users)

Comment numbering – original version sent for targeted consultation	Existing Example	Suggestion from respondents on existing examples	EFRAG Secretariat Response	Changes Implemented into version for SRB and SR TEG Comments
a	Ensuring that consumers and/or end-users receive complete, understandable and accurate information about products or services <i>(Information-related impacts for consumers, personal safety of consumers and social inclusion of consumers)</i>		N/A . However, for examples A and B, EFRAG Secretariat has merged the two together due to similarities existing between the two.	Ensuring that consumers and/or end-users receive complete, understandable and accurate information about products or services, such as product labels, on-product descriptions, separate information brochures, online content etc. <i>(Information-related impacts for consumers, personal safety of consumers and social inclusion of consumers)</i>
b	Review all information through which consumers and/or end-users receive information about a product or services, such as product labels, on-product descriptions, separate information brochures, online content etc. Correct or complement inaccurate or incomplete information and rephrase or change its presentation if it is hard to understand for the average consumer and/or end-user <i>(Information-related impacts for consumers, personal safety of consumers and social inclusion of consumers)</i>		Too similar to example A. – deleted.	DELETED
c	Train relevant staff in providing consumers and/or end-users with complete, understandable and accurate information about products or services <i>(Information-related impacts for consumers, personal safety of consumers and social inclusion of consumers)</i>	Suggestion to include customer management trainings (aggressive customer behaviour) <b>(European association)</b>	This has been integrated under the form of ‘customer handling’	Train relevant staff on customer handling practices to provide and respond to consumer product/ service-related information requests <i>(Information-related impacts for consumers and social inclusion of consumers)</i>
d	Establish channels through which consumers and/or end-users can complain or ask questions and monitor them regularly. Use them for interaction with you consumers and/or end-users <i>(Information-related impacts for consumers, personal safety of consumers and social inclusion of consumers)</i>	Concern that this is not applicable to smaller enterprises (National association of SMEs)	Not implemented: establishing channels for consumers and end-users to submit complaints or inquiries is relatively straightforward. Small SMEs involved in distributing/selling goods are typically invested in customer satisfaction and are likely to already have such mechanisms in place.	NO CHANGE
e	Making sure products or services are safe for consumers and/or end-users and do not harm their health in the longer term <i>(Personal safety of consumers and/or end-users)</i>	Some requests to be more specific on what can specifically be done (e.g. using standardised tests applicable to the sector and country, reduction or elimination of specific chemical inputs into the product or production process or a policy around antibiotic/hormone use) <b>(Accountants/Auditors (proxy preparers))</b>	Implemented: added the suggestion in brackets (e.g. using standardised tests applicable to the sector and country, reduction or elimination of specific chemical inputs into the product or production process)	Making sure products or services are safe for consumers and/or end-users and do not harm their health in the longer term (e.g. using standardised tests applicable to the sector and country, reduction or elimination of specific chemical inputs into the product or production process) <i>(Personal safety of consumers and/or end-users)</i>
f	Making sure products or services are safe for children <i>(Personal safety of consumers and/or end-users)</i>	Making sure products are safe for consumers, or children seem inappropriate, as it is simply illegal to make products that are unsafe. <b>(Accountants/Auditors (proxy preparers))</b>		NO CHANGE
g	Making sure consumers and/or end-users are not discriminated against on the basis of ethnicity, gender, religion etc <i>(Social inclusion of consumers)</i>			NO CHANGE
h	Incorporating products or services are accessible for all <i>(Social inclusion of consumers)</i>	Some requests to be more specific on what can specifically be done and what “accessible for all” means (Observer/Standard Setter, <b>Non-listed SMEs (preparers), Banks and investment organisation users)</b>	Additional detailed implemented: ‘the use of braille labels, large print, or QR codes that link to audio instructions’	Incorporating products or services are accessible for all (the use of braille labels, machine readable text for pictures, large print, or QR codes that link to audio instructions) <i>(Social inclusion of consumers)</i>
i	Assess whether your product or service has the potential to impose barriers to access for or use by disabled persons, elderly people or other groups for whom accessibility can be a problem. If yes, take action to remove those barriers, whether they are physical or of a different nature, e.g. excessively small fonts in written descriptions	Suggestion to divide example into two categories: one that refers to the product/service itself, and the other that refers to communication activities such as inclusive web site, inclusive instructions & catalogues, etc. <b>(Other - Consultants)</b>	Not implemented: no further clustering of examples was intended. This was an isolated comment asking to change this approach. All other respondents did not comment on this.	NO CHANGE



Targeted Consultation Key Messages from Forum and Community + Secretariat Response on Supporting Guides on disclosure C2

	<i>(Social inclusion of consumers)</i>			
j	Train customer-facing staff on assisting customers with accessibility problems <i>(Social inclusion of consumers)</i>			NO CHANGE
k	Make non-discrimination and accessibility awareness training mandatory for all relevant staff, i.e. not just customer-facing staff, but also, for example, product designers <i>(Social inclusion of consumers)</i>	Concern that this is too burdensome for smaller enterprises (National association of SMEs)	Suggestion not implemented: there is a widespread availability of training resources (many free courses) on the topic	NO CHANGE
l	Establish contact point for accessibility-related feedback and a formal tracking system for complaints related to discrimination and inaccessibility <i>(Social inclusion of consumers)</i>	Statement that this is not applicable to smaller enterprises (National association of SMEs)	Suggestion not implemented: establishing a contact point for accessibility-related feedback is simple to implement (nothing more than a dedicated email address). EU legislation is becoming increasingly demanding with the European Accessibility Act (June 2025)	NO CHANGE
m	Collaborate with organisations that represent the interests of disabled, elderly or others for whom accessibility can be a problem to improve the design of products or services <i>(Social inclusion of consumers)</i>			NO CHANGE
n	Ensuring that marketing is not misleading or manipulative and does not target vulnerable groups, such as minors <i>(Responsible marketing)</i>			NO CHANGE

Additional new examples proposed by targeted consultation respondents (Consumers and End-users)

Sustainability issue	Additional Proposed examples	EFRAG Secretariat Response
Consumers and end-users	<div>1. Provide example about protecting the data of consumers and end-users (European association and <b>Non-listed SMEs (preparers) and Association of enterprises of preparers</b>) and also digital responsibility (<b>Academics</b>) <b>and their right (Accountants/Auditors (proxy preparers) aligned with GDPR or equivalent (Other Consultants)</b></div> <div>2. Training sessions for the staff to deal with aggressive consumers (<b>European association</b>)</div> <div>3. <b>Deployment of products with built-in safety features that require trained, authorised personnel only (Non-listed SMEs (preparers))</b></div> <div>4. <b>documentation packages include clear safety and operational restrictions. (Non-listed SMEs (preparers))</b></div> <div>5. <b>Add a "Do No Significant Harm" principle on mental health (Non-listed SMEs (preparers))</b></div> <div>6. <b>Developing a product labelling strategy that clearly communicates sustainability features and end-of-life disposal instructions (Non-listed SMEs (preparers))</b></div> <div>7. <b>Practice: Providing clear and honest product/service information. (Association of enterprises of preparers), so a product/service Lifecycle Responsibility to provide clear information on sustainable use, repair, and end-of-life disposal of products. (Other - Consultants)</b></div> <div>8. <b>Policy: Ensure product safety (Association of enterprises of preparers)</b></div> <div>9. <b>Future initiative: Introduce more sustainable product options (Association of enterprises of preparers).</b></div> <div>10. <b>Information related impacts costumer: Provide clear sustainability and ethical sourcing information on products and services (Banks and investment organisation users) so clear communication (Academics)</b></div> <div>11. <b>Creating a clear system for evaluating products in terms of sustainability (Other - Consultants)</b></div> <div>12. <b>Providing digital tools (e.g., apps or QR codes) that allow consumers to trace product origin and sustainability information. (Other - Consultants)</b></div> <div>13. <b>Offer consumers a 'responsible consumption education' service or practical product guides (e.g., how to extend product lifespan, repair, or recycle them correctly). (Other - Consultants)</b></div> <div>14. <b>Repair services or extended warranties to promote sustainable consumption (Academics)</b></div> <div>15. <b>Transparency via digital labels (QR codes with sustainability info) (Academics) Product/Service Lifecycle Responsibility Provide clear information on sustainable use, repair, and end-of-life disposal of products.</b></div> <div>16. <b>Implementation of information security system to protect consumers information. (Other - Consultants)</b></div> <div>17. <b>Use of gamified take-back systems (reward apps for product return/reuse). (Non-EU participants)</b></div> <div>18. <b>QR-coded product footprint transparency for SMEs to disclose impacts directly. (Non-EU participants)</b></div> <div>19. <b>Eco-label alignment with EU schemes (Ecolabel, Energy Star). (Non-EU participants)</b></div> <div>20. <b>Include energy efficiency or environmental impact labels that help consumers make informed choices. (Other Consultants</b></div> <div>21. <b>digital responsibility, such as managing online consumer data or ethical use of algorithms (Academics)</b></div> <div>22. <b>consult with employees and seek their ideas for actions in this area (Academics)</b></div> <div>23. <b>"The undertaking establishes a customer service channel to collect and address complaints or suggestions within 10 working days" (Other – Consultants)</b></div> <div>24. <b>The undertaking ensures that its advertising and promotional materials are truthful, respectful, and do not mislead consumers regarding product benefits or sustainability claims." (Other – Consultants)</b></div> <div>25. <b>Digital responsibility, such as managing online consumer data or ethical use of algorithms (Academics)</b></div> <div>26. <b>Audits of control procedures to prevent corruption and bribery (Large undertakings)</b></div> <div>27. <b>Ensure to having clear customer contracts including details on delivery and price (Large companies - users)</b></div> <div>28. <b>Data protection and responsible use of technology (Other - Consultants) establishing a cybersecurity policy aligned with GDPR requirements (Other - Consultants)</b></div> <div>29. <b>Adopt internal policies on data privacy and responsible use of AI/digital tools. (Other - Consultants)</b></div> <div>30. <b>Provide employee training on GDPR and cybersecurity awareness (especially important for SMEs handling client data). (Other - Consultants)</b></div>	<div>1. Suggestion implemented under example F Protecting the data of consumers and end-users (European association and Non-listed SMEs (preparers) + Association of enterprises of preparers) (e.g. GDPR and privacy rights, responsible use of AI or algorithms, ...) (Academics + Accountants/Auditors (proxy preparers + Other Consultants)</div> <div>2. Suggestion implemented under example C, through the phrase on ‘customer handling’</div> <div>3. Suggestion not implemented as out of scope (too specific)</div> <div>4. Suggestion implemented within the existing example A.</div> <div>5. Suggestion not implemented: too complex for SMEs</div> <div>6. Suggestion implemented within the existing example A.</div> <div>7. Suggestion not implemented: though more related to circular economy, it is a bit generic and does not specify circular economy practices.</div> <div>8. Suggestion not implemented: already implemented in other examples</div> <div>9. Suggestion not implemented: too vague for SMEs</div> <div>10. Suggestion not implemented. Example B already covered this in the original version for example B.</div> <div>11. Too vague and complex</div> <div>12. Suggestion implemented. Also, reworded example (u) under ‘Circular Economy’ to give prominence to QR code tracing.</div> <div>13. Suggestion implemented under ‘Circular Economy’ – created a new example under ‘Circular Economy’.</div> <div>14. Suggestion implemented –covered by example (g) in ‘Circular Economy’, so just added ‘extended warranties’ there.</div> <div>15. Suggestion implemented – reworded example (u) under ‘Circular Economy’ to give prominence to QR code tracing.</div> <div>16. Suggestion implemented under the new example F from Consumers and End-users.</div> <div>17. Suggestion not implemented: too complex and more related to ‘Circular Economy’, which already includes a generic take-back example.</div> <div>18. Suggestion not implemented: considered too complex for SMEs.</div> <div>19. Not implemented – labelling is more related to VSME B1 paragraph 25 (beyond the scope of this guide).</div> <div>20. Not implemented – Environmental labelling has not been implemented in the E examples</div> <div>21. Suggestion not implemented: considered too complex for SMEs.</div> <div>22. Not implemented: example already provided under Own Workforce examples</div> <div>23. Not implemented: example already implemented.</div> <div>24. Not implemented: considered too vague</div> <div>25. Not implemented: too complex for SMEs</div> <div>26. Not implemented: topic not relevant for Consumers and End-users</div> <div>27. Suggestion not implemented: an example on this already exists.</div> <div>28. Suggestion not implemented: considered too complex for SMEs.</div> <div>29. Suggestion not implemented in Consumers and End-users.</div> <div>30. Suggestion partially implemented within new example F.</div>

Business Conduct

Overarching comments on Business Conduct

Business conduct	<p>Most respondents found this content useful.</p> <p>Main suggestion/ comments:</p> <ol style="list-style-type: none"><li>Request to make the examples more measurable and realistic (Accountants/Auditors (proxy preparers) and non-listed SMEs (preparers)) and using targets and time framed (Accountants/Auditors (proxy preparers), Academics).</li><li>Comment to the fact that the examples are not considered useful (Large companies - users)</li><li>Question on why the title is “Business Conduct” and not “Governance” (Non-listed SMEs (preparers)) and suggest clarifying possible overlapping with “workers in the value chain” (NGOs) and to clarify how to proceed when an element is not applicable / not yet in place (mark N/A and add a time-bound plan) (Academics)</li><li>Suggest encouraging a risk-based approach (focus on high-risk partners/markets first). (Academics)</li><li>Suggest renaming the sub-topic "Management of relationships with suppliers" to "sourcing policy" (non-listed SMEs (preparers))</li><li>Clarifying scope (own operations vs. suppliers/intermediaries) and which risks it addresses (e.g. bribery, conflicts of interest, antitrust, gifts &amp; hospitality, lobbying, whistleblowing) (Academics)</li><li>Suggest providing evidence types expected (training logs, due-diligence checklists, hotline statistics, disciplinary record (Academics)</li></ol>	<p>Secretariat Response</p> <ol style="list-style-type: none"><li>Not implemented: examples are realistic considering the simplicity they are aiming for.</li><li>Most respondents found this content useful; therefore, the comment was not considered</li><li>Not implemented: intentional overlap between workers in the value chain and business conduct.</li><li>Implemented: integrated in example g as “Having a policy in place that prohibits employees from offering, making, seeking or accepting gifts, payments, entertainment, or services from current or potential business partners if reasonably assumed that they will influence business transactions and do not fall within the limits of corporate hospitality. This policy supports the broader aim of identifying and mitigating corruption risks, particularly in high-risk areas such as: (European Commission - Observer/Institution)” - Hiring: favouring relatives or friends over more qualified candidates - Selection of suppliers: receiving bribes from (potential) suppliers in exchange for contracts - Customer contracts: offering gifts or payments to secure deals or unauthorized price reductions for personal gains - Licensing &amp; regulatory compliance: paying bribes to obtain business licenses (example environmental permit) (Corruption and bribery) Note: one of the main differences between corporate hospitality and bribery is that corporate hospitality is proportionate and reasonable, and nothing is expected in return.</li><li>Not implemented: “Management of relationships with suppliers” was considered clear and representative of the topics.</li><li>Not implemented as the request was not clear.</li><li>Not implemented, as the examples provided are enough.</li></ol>
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Comments on specific examples (Business

Conduct)

	Existing Example	Suggestion from respondents on existing examples	EFRAG Secretariat Response	Changes Implemented into version for SRB and SR TEG Comments
a	Clearly stating the undertaking’s mission and values as well as the undertaking’s principles regarding business conduct matters. These can be conveyed implicitly through everyday practices, leadership behaviour, and internal communication. They can also be made explicit, through, for example a Code`, which stipulates the company's expectations regarding behaviour, on topics such as anti-discrimination and harassment, dress code, use of company resources, etc. <i>(Corporate culture)</i>	Suggestion to modify the word “clearly state” with “clarify” in the sentence to ensure consistency with the second sentence (Observer/Standard Setter)  Comment to the fact that the example goes beyond the sustainability concept (Academics)	Implemented: it was rephrased to make it clear to all stakeholders	Ensuring that the undertaking’s mission and values as well as the undertaking’s principles regarding business conduct matters are understood by all relevant stakeholders. These can be conveyed implicitly through everyday practices, leadership behaviour, and internal communication. They can also be made explicit, through for example, a Code of Conduct, which stipulates the company's expectations regarding behaviour, on topics such as anti-discrimination and harassment, dress code, use of company resources, anti-bribery, etc. <i>(Corporate culture)</i>
b	Ensuring leadership upholds the company values in their decision-making, for example by mandatory training on business conduct topics <i>(Corporate culture)</i>		Implemented from Additional proposed examples: comment 6	Ensuring leadership upholds the company values in their decision-making, for example by regular mandatory training on business conduct topics <i>(Corporate culture)</i>
c	Reinforcing culture through activities (e.g., teambuilding events, surveys assessing adherence to ethical procedures and identifying areas for improvement) and communication (e.g. internal presentations, posters, newsletters). <i>(Corporate culture)</i>		Editorial change to be more concrete in the example	Reinforcing culture through activities (e.g. teambuilding events, employee surveys assessing their adherence to ethical procedures and identifying areas for improvement) and communication (e.g. internal presentations, posters, newsletters) <i>(Corporate culture)</i>
d	Providing training for employees, including real-life examples (e.g. "how to recognize and address inappropriate gifts"). <i>(Corporate culture)</i>	<ol style="list-style-type: none"><li>Suggestion to double check whether the gift training belong to corruption and bribery topic and not to corporate culture (d) (Accountants/Auditors (proxy preparers))</li><li>Suggestion to move the example into "workforce" section or subcategorized in "corruption and bribery" (Other - Consultants)</li><li>Suggestion to modify the example because it is considered abstract, furthermore it is suggested to mention "training on business ethics” (Other - Consultants)</li></ol>	<ol style="list-style-type: none"><li>Implemented: it was switched from corporate culture with corruption and bribery</li><li>Implemented: it was moved to corruption and bribery</li><li>Not implemented: the example is considered clear and representative.</li></ol>	Providing training for employees, which can take the form of real-life scenario modules on ethical dilemmas (e.g. "how to recognize and address inappropriate gifts") and can be delivered via e-learning (Banks and investment organisation users) <i>(Corruption and bribery)</i>
e	Establishing internal reporting channels (e.g. direct reporting to a manager or HR or anonymous options, such as a suggestion box, a dedicated email or third-party service). Clearly communicating the reporting process, ensuring employees feel safe and protected from retaliation <i>(Corporate culture)</i>		Implemented from Additional proposed examples: comment 4	Establishing internal reporting channels (e.g. direct reporting to a manager or HR or anonymous options, such as a suggestion box, a dedicated email or third-party service). Clearly communicating the reporting process, ensuring employees feel safe and protected from retaliation, and that appropriate follow-up measures are taken <i>(Corporate culture)</i>

Targeted Consultation Key Messages from Forum and Community + Secretariat Response on Supporting Guides on disclosure C2

f	Depending on the business needs, considering establishing clear policies on anti-corruption, the management of supplier relationships, and political engagement <i>(Corporate culture)</i>	<div><div>i. Suggestion to revise and ensure that the example is adoptable to small SMEs "policies on anti-corruption, the management of supplier relationships, and political engagement" so for small entities (National association of SMEs)</div><div>ii. Suggest merging with "H" (Non-EU participants)</div><div>iii. Suggest modifying "needs" word as it may be misleading (Other – Consultants)</div></div>	<div><div>i. Implemented: it was rephrased with "if relevant</div><div>ii. Not implemented: examples h was merged with example g</div><div>iii. Implemented: the example was rephrased</div></div>	If relevant for operations, considering establishing clear policies on anti-corruption, the management of supplier relationships, and political engagement <i>(Corporate culture)</i>
g	Identifying areas with a risk of corruption, for example: - Hiring: favouring relatives or friends over more qualified candidates  - Selection of suppliers: receiving bribes from (potential) suppliers in exchange for contracts  - Customer contracts: offering gifts or payments to secure deals or unauthorized price reductions for personal gains  - Licensing & regulatory compliance: paying bribes to obtain business licenses (example environmental permit) <i>(Corruption and bribery)</i>	<div><div>i. Suggestion to merge the example with “H” (European Commission - Observer/Institution)</div><div>ii. Suggestion to add sponsorship and donation (National bank representative)</div><div>iii. Suggest splitting the examples in two categories: one refers to product/service itself other to communication activities (inclusive web site, inclusive instructions and catalogues) Other - Consultants</div></div>	<div><div>i. Implemented: example merged h</div><div>ii. Not implemented: sponsorship and donation are not related to business conduct; it is charity and philanthropy. This has also been discussed under Affected Communities and has been decided to not be included.</div><div>iii. Not implemented: the examples are not going to be split as they both relate to areas of expected conduct of employees.</div></div>	Having a policy in place that prohibits employees from offering, making, seeking or accepting gifts, payments, entertainment, or services from current or potential business partners if reasonably assumed that they will influence business transactions and do not fall within the limits of corporate hospitality. This policy supports the broader aim of identifying and mitigating corruption risks, particularly in high-risk areas such as: - Hiring: favouring relatives or friends over more qualified candidates  - Selection of suppliers: receiving bribes from (potential) suppliers in exchange for contracts  - Customer contracts: offering gifts or payments to secure deals or unauthorized price reductions for personal gains  - Licensing & regulatory compliance: paying bribes to obtain business licenses (example environmental permit) <i>(Corruption and bribery)</i>  Note: one of the main differences between corporate hospitality and bribery is that corporate hospitality is proportionate and reasonable, and nothing is expected in return.
h	Policy example: “Employees may not offer, make, seek, or accept gifts, payments, entertainment, or services from current or potential business partners if reasonably assumed that they will influence business transactions and do not fall within the limits of corporate hospitality.” <i>(Corruption and bribery)</i> Note: one of the main differences between corporate hospitality and bribery is that corporate hospitality is proportionate and reasonable, and nothing is expected in return.	<div><div>i. Suggestion to merge the example with “g” (European Commission - Observer/Institution)</div><div>ii. Suggest merging with "F" (Non-EU participants)</div></div>	<div><div>i. Implemented: implemented merged with g</div><div>ii. Not implemented: not related to f</div></div>	MERGED WITH G
i	Setting appropriate actions that leadership/employees must take in situations where they are facing conflicting interests. Some examples of conflicts of interest are: <i>(Conflicts of interest)</i>  - External employment: Participating in a role that closely resembles the job at the current undertaking, which may conflict with the execution of duties at the current undertaking, or working for a current or potential competitor, supplier, or customer of the current undertaking.  - Family members and close personal relationships: Closing contracts with a company that is managed or owned by a family member or partner.  - Investments: Acquiring/owning a stake in a property or business in which the undertaking is interested to buy or invest.  - Board membership: Acting as or accepting a position as an officer, consultant, or director of a company or organization that collaborates with the undertaking (such as a partner, supplier, or customer).	<div><div>i. Ensure to double check and clarify whether "Family members and close personal relationships" example is considered as conflict of interest (European association)</div><div>ii. Suggestion to clarify/add that in some countries working for a competitor is illegal (European association)</div></div>	<div><div>i. Implemented: example was made more specific to show where the conflict can arise (e.g. leading to unfair payments or pricing)</div><div>ii. Not implemented: the guidance is not based on a specific law, and integrate each country regulation would make the guidance too complex</div></div>	Setting appropriate actions that leadership/employees must take in situations where they are facing conflicting interests. Some examples of (potential) conflicts of interest are:  - External employment: Participating in a role that closely resembles the job at the current undertaking, which may conflict with the execution of duties at the current undertaking, or working for a current or potential competitor, supplier, or customer of the current undertaking.  - Family members and close personal relationships: Closing contracts with a company that is managed or owned by a family member or partner. Good practice: If working with a company linked to family or close relations, ensuring the decision is transparent, based on fair market conditions, and documented to avoid unfair advantage  - Investments: Acquiring/owning a stake in a property or business in which the undertaking is interested to buy or invest.  - Board membership: Acting as or accepting a position as an officer, consultant, or director of a company or organization that collaborates with the undertaking (such as a partner, supplier, or customer). <i>(Conflicts of interest)</i>
j	Making explicit what the undertaking expects from its suppliers. For example: "the undertaking expects its suppliers to actively work on reducing packaging waste and CO2 emissions." <i>(Management of relationships with suppliers)</i>			NO CHANGE
k	Having clear payment terms for your suppliers and communicate them accordingly. For example: "In compliance with national law, the undertaking must pay invoices within 30 days, unless agreed otherwise in writing (not to exceed 60 days)." <i>(Management of relationships with suppliers)</i>		Editorial change: highlight the practice rather than the requirement	Having clear payment terms for your suppliers and communicate them accordingly. For example: "In compliance with national law, the undertaking pays invoices within 30 days, unless agreed otherwise in writing (not to exceed 60 days)." <i>(Management of relationships with suppliers)</i>
l	Considering a particular social or environmental dimension when selecting suppliers. This can also include checking whether suppliers have relevant third-party certification or labelling (e.g. Fair Trade, FSC, etc.) <i>(Management of relationships with suppliers)</i>			NO CHANGE
m	Working with suppliers to set shared sustainability targets <i>(Management of relationships with suppliers)</i>			NO CHANGE

Additional new examples proposed by targeted consultation respondents (Business Conduct)

Sustainability issue	Additional Proposed examples	EFRAG Secretariat Response
Business conduct	Corporate culture	Corporate culture 1. Not implemented: already covered in example (a)



Targeted Consultation Key Messages from Forum and Community + Secretariat Response on Supporting Guides on disclosure C2

	<div>1. Formalisation of unwritten rules and policies (Accountants/Auditors (proxy preparers))</div> <div>2. Adoption of a whistleblowing protection protocol (Non-listed SMEs (preparers)) and mechanisms and channels (e.g. anonymous hotlines or web platforms) and Grievance mechanisms for external stakeholders (Other - Consultants)</div> <div>3. whistleblowing procedures accessible in multiple languages (Non-listed SMEs (preparers))</div> <div>4. provide assurances of non-retaliation and follow-up actions. (Other - Consultants)</div> <div>5. Future initiative: Strengthen whistleblowing channels and regular ethics training (Association of enterprises of preparers)</div> <div>6. Regular training on ethical decision-making for managers (Other - Consultants)</div> <div>7. corporate culture: Provide scenario-based e-learning modules on ethical dilemmas (Banks and investment organisation users)</div> <div>8. Regular culture/ethics assessments through audits or surveys. Review actual cases of misconduct to identify patterns and improve policies. (Other - Consultants)</div> <div>9. Establish an Ethics Committee or a Head of Sustainability with the task of overseeing the implementation of business conduct policies, resolving complex ethical dilemmas, and promoting a culture of integrity at all levels of the organization (Other - Consultants)</div> <div>10. Adopt advanced sustainability reporting practices as a tool to champion and disseminate sustainable governance (Other - Consultants)</div> <div>Corruption and bribery</div> <div>11. Definition of bribery and corruption (European association)</div> <div>12. Mandatory ethics and anti-corruption declaration for all international agents and distributors (Non-listed SMEs (preparers))</div> <div>13. Policy: Anti-bribery and ethics code. (Association of enterprises of preparers)</div> <div>14. Be transparent, respond to all forms of violence and corruption (academics)</div> <div>Conflicts of interest</div> <div>15. Objective decision making (Association of enterprises of preparers)</div> <div>16. Adoption of simple digital tools for conflict of interest declarations and approvals. (Academics)</div> <div>Management of relationships with suppliers</div> <div>17. Support in preparing a standard draft for code of conduct for supplier/SMEs (Large undertakings)</div> <div>18. Supplier capacity building (Other - Consultants)</div> <div>19. Inclusion of sustainability and ethical criteria in procurement and supplier selection (Academics)</div> <div>20. annual ESG surveys of suppliers (Other - Consultants)</div> <div>Political influence</div> <div>21. Transparency in lobbying and political engagement, e.g., public disclosures (Other - Consultants)</div> <div>22. Adopt a "no donations to political parties" policy if relevant. (Other - Consultants)</div> <div>23. Responsible lobbying disclosure, aligning memberships with sustainability goals. (Non-EU participants).</div> <div>Out of scope, unclear or contradicting</div> <div>24. Transparency (Association of enterprises of preparers)</div> <div>25. promoting ESG through management remuneration (Association of enterprises of preparers)</div> <div>26. Incorporating ESG performance indicators into annual employee reviews and management KPIs. (Non-listed SMEs (preparers))</div> <div>27. Practice: Transparent accounting and respect for regulations (Association of enterprises of preparers).</div> <div>28. Responsible tax practices Commit to paying taxes where economic activities take place. Disclose tax strategy aligned with transparency principles (important for reputational risk management). (Other - Consultants)</div> <div>29. Data protection and responsible use of technology (Other - Consultants) establishing a cybersecurity policy aligned with GDPR requirements (Other - Consultants)</div> <div>30. Adopt internal policies on data privacy and responsible use of AI/digital tools. (Other - Consultants)</div> <div>31. Provide employee training on GDPR and cybersecurity awareness (especially important for SMEs handling client data). (Other - Consultants)</div> <div>32. benefit company (Other - Consultants)</div> <div>33. The undertaking commits to providing accurate, accessible, and up-to-date information on product origin, composition, and sustainability impacts. (Other – Consultants)</div> <div>34. related to international operations, third-party due diligence, or sector-specific compliance requirements would support companies operating in technical fields or export oriented (Non-listed SMEs (preparers))</div>	<div>2. Implemented: whistleblowing inserted under new example O.</div> <div>3. Implemented: inserted under new example O.</div> <div>4. Not implemented: already existing in example E</div> <div>5. Implemented: inserted under new example O.</div> <div>6. Implemented: already included under example D.</div> <div>7. Implemented: inserted under the existing example D.</div> <div>8. Implemented: inserted under the new example N.</div> <div>9. Not implemented: considered too burdensome for SMEs</div> <div>10. Not implemented: considered too burdensome for SMEs</div> <div>Corruption and bribery</div> <div>11. Not implemented: this is already included in the VSME</div> <div>12. Not implemented: considered too burdensome for SMEs</div> <div>13. Not implemented: already existing under example A.</div> <div>14. Not implemented: already enough examples, and it is considered not relevant.</div> <div>Conflicts of interest</div> <div>15. Not implemented: already covered by existing example i.</div> <div>16. Not implemented: this suggestion would create complexity</div> <div>Management of relationships with suppliers</div> <div>17. Partially implemented. A Specific example of a Code of Conduct encompassing E,S,G themes has been inserted under example i. However, this does not provide a template to structure a supplier code of conduct.</div> <div>18. Not implemented: considered as too complex for SMEs</div> <div>19. Not implemented: already existing under example L and M.</div> <div>20. Not implemented: considered too complex for SMEs</div> <div>Political influence</div> <div>21. Implemented: added as new example P.</div> <div>22. Not implemented: considered as not fitting for the topic of Business Conduct.</div> <div>23. Implemented: added as new example P.</div> <div>Other</div> <div>24. Not implemented: suggestion was not clear</div> <div>25. Not implemented; it is related to GOV</div> <div>26. Not implemented: it is related to GOV</div> <div>27. Not implemented: no requirements are not the minimum or maximum to be reported under C2.</div> <div>28. Not included under ESRS, it will not be included in this supporting guide.</div> <div>29. Not included: these points are not related to business conduct, rather on Consumers and End-Users. However, these fall back into data protection – see the Consumers and End-Users section.</div> <div>30. Not included: these points are not related to business conduct, rather on Consumers and End-Users. However, these fall back into data protection – see the Consumers and End-Users section.</div> <div>31. Not included: these points are not related to business conduct, rather on Consumers and End-Users. However, these fall back into data protection – see the Consumers and End-Users section.</div> <div>32. Not implemented: comment is not clear.</div> <div>33. Not implemented: the suggestion does not refer to business conduct, rather for Consumers and End-users. See the examples in that category.</div> <div>34. Not implemented: it is considered too burdensome for SMEs.</div>
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Supporting Guide on disclosure C2 – Case studies

C2 Case Studies		
Overarching comments (applicable to all case studies)	<div><div><div>1. Suggestion to display the case studies digitally (Observer/Standard Setter) + simplify the Excel Format. (Non-listed SMEs, Association of enterprises of preparers)</div><div>2. Clarify the difference between practices, policies, future initiatives and targets within the examples, also visually (European bank representative, Observer/Standard Setter, (Accountants/auditors (proxy preparers), Banks and investment organisation, Accountants/Auditors (proxy preparers) and Academics).</div><div>3. Remark from the respondent stating that these examples do not contain any information pertinent to targets, or the actions taken to reach the listed objectives (in the case of future initiatives). There should also be timeframes. (Observer/Standard Setter)</div><div>4. Additional suggestion: base the content of the case studies (including which sustainability topics are tackled for each sectorial case study), on the basis of the main sustainability matters identified by Wave 1 reports (business partners of SMEs), to better understand what would be of use for the business partners depending on the sector. Providing sector-specific information that is not material for the business partners is not necessarily useful (Observer/Standard Setter).</div><div>5. Suggestion to add examples for micro undertakings (European association)</div><div>6. Additional suggestion to ensure that SMEs are reporting on aspects that are specifically pertinent to their operations, and not on less useful/ side information (Observer/Standard Setter).</div><div>7. Provide case studies integrated into a VSME report (Observer/Standard Setter)</div><div>8. Include within the case study, an example of who the “highest-decision making body” from disclosure C2 should be represented (Observer/Standard Setter).</div><div>9. Remark that some examples in the case studies for medium SMEs may also apply for the smaller SMEs. (European bank representative, Academics)</div><div>10. Suggestion to harmonise the wording across case studies for repeated practise, policies or future initiatives (Observer/Standard Setter)</div><div>11. Add more sector-specific cases (e.g. for legal and sectoral agreements (indicating the name of the agreements)) (Observer/Standard Setter, Consultants) + additional suggestion requesting to implement two different case studies per sector and company size. (Consultants)</div><div>12. Suggestion to add one fully completed model report (e.g. through a filled out VSME Digital Template (Accountants/Auditors (proxy preparers))).</div><div>13. Suggestion to categorise actions by past, current and future initiatives (Banks and investment organisation users) and add a section in which the company states how the business practices can positively influence one of the CSRD topics (Banks and investment organisation users)</div><div>14. Suggestion to also add milestones (Consultants)</div><div>15. Better clarify the distinction between small and medium company case (Academics) and (Other - Consultants)</div><div>16. Suggestion to add specifications to have less generic and superficial descriptions, i.e. KPIs (Accountants/Auditors (proxy preparers), Academics, Consultants).</div><div>17. Consider the regionality aspects in the case-studies. (Association of enterprises of preparers).</div><div>18. Highlight sector risks and opportunity (Consultants)</div><div>19. Provide additional examples on everyday practices (Large companies)</div><div>20. Suggestion to divide every topic in a separate box (Large companies)</div><div>21. Suggestion to ask for a brief explanation of why the SME has no practices, policies, future initiatives for a specific topic, instead of writing only “not applicable” (Academics)</div><div>22. Suggest adding a section in which the SME states how the business practices can positively influence one of the CSRD topics (Banks and investment organisation users)</div><div>23. Suggestion to add a case study on consulting and service companies (Association of enterprises of preparers).</div><div>24. Suggestion to provide optional templates or tools (i.e. action plans, estimate sheet) (Banks and investment organisation)</div><div>25. Suggestion to illustrate how practices evolve into more formal systems, such as structured supplier ESG monitoring, integration of energy and waste reduction into management reporting, and clearer allocation of responsibilities (Academics).</div><div>26. Specifically on the topic of biodiversity, a respondent requested to draft a specific case study on the biodiversity challenges around an undertaking’s plants (Accountants/Auditors (proxy preparers))).</div></div></div> <div><div><div>1. The digitalisation of this supporting guide will be a matter of discussion following the decisions taken on the content.</div><div>2. The definition between practices, policies, and future initiatives has been clarified further, including the differences between formal and informal.</div><div>3. On targets, a decision has been taken to continue providing an example of them for the Medium undertakings for each case study.</div><div>4. The practices of the case studies have been developed on the basis of the core business activities of each of the sectors.</div><div>5. The case studies may be used by some micro undertakings, however, disclosure C2 focuses specifically on small and medium undertakings.</div><div>6. The magnitude of impact depends on the business model of the specific SME. Depending on the business model, certain examples will bring more or less impact. Therefore this is not something that can be classified a priori.</div><div>7. Case studies integrated in a VSME report are an interesting suggestion, that will be taken into account for future material. The current case studies are a mock of how information for C2 could be described.</div><div>8. The highest decision-making body has not been added to avoid complicating the supporting guide. This is a straightforward topic that all SMEs will be able to disclose on.</div><div>9. No action needed</div><div>10. Wording revised</div><div>11. The sector specific examples are provided solely in the case studies. The list in part 1 is meant to be sector agnostic.</div><div>12. Case studies integrated in a VSME report are an interesting suggestion, that will be taken into account for future material. The current case studies are a mock of how information for C2 could be described.</div><div>13. All actions may be past, current of future, this has been clarified within the instructions.</div><div>14. Not implemented, too complex</div><div>15. The examples are in order of complexity, as such there is no clear differentiation between small and medium undertakings, the specific examples that apply best will depend on the sector and specific circumstances of different undertakings.</div><div>16. Comment too vague.</div><div>17. Not implemented, examples are not meant to be specific by geography.</div><div>18. Not implemented. This is not the purpose of this supporting guide.</div><div>19. Not implemented. Some of the examples are already everyday practices.</div><div>20. This will be considered after the content is approved at SRB and SR TEG.</div><div>21. Not implemented. This is something that for the time being is left as blank.</div><div>22. Not implemented. This would go into the DMA.</div><div>23. Not implemented. The focus of the SME sectors has been detailed at the start of the guide and tackles the main largest sectors in the EU.</div><div>24. Not implemented. Templates and tools go beyond the purpose of this supporting guide. The EFRAG</div></div></div>	

			<p>VSME Excel Digital Template is a VSME related template that EFRAG has released to give more guidance on the structure of the reporting. The content of this supporting guide is made in a way that can be placed within the template.</p> <p>25. Not implemented. Too complex for SMEs.</p> <p>26. Not implemented. Too specific.</p>		
Case study 1 -  Food & beverage: Ready-made meals shop or chain	Small undertakings	<p>Most respondents found this content useful.</p> <p>Recurring Suggestions/ comments by ESG topic:</p>			
		<table><tr><th>E</th><th>S</th><th>G</th></tr><tr><td><div><div>1.</div><div>2026 target for electric delivery is too soon (National association of SMEs)</div></div><div><div>2.</div><div>Proposal of climate friendly meals can refer also to small undertakings (European association)</div></div><div><div>3.</div><div>Should try to upskill staff on some more basic behavioural changes to reduce energy use (European association)</div></div><div><div>4.</div><div>First action of SMEs should be measuring their emissions (European association)</div></div><div><div>5.</div><div>Clarify if renewable electricity is purchased via certified sources (Large undertakings)</div></div><div><div>6.</div><div>Using closed door fridge is too superficial (Accountants/auditors (proxy preparers))</div></div><div><div>7.</div><div>The case study should not suggest a one-sided recommendation for a vegan or vegetarian lifestyle (Association of enterprises of preparers)</div></div><div><div>8.</div><div>Emphasise on the sourcing of food to incorporate considerations of sustainable agriculture and the conservation of natural resources, encompassing (Academics)</div></div><div><div>9.</div><div>To add for Circular economy practices: “donating surplus food to local charities”, “composting or working with food-waste collection services” “registering on apps which allow end of day discount of leftover” (Consultants, Banks and investments organisation)</div></div><div><div>10.</div><div>Rephrase “climate friendly meals” proposed for small undertaking as “the choice of purchasing local products as much as possible” (Consultants)</div></div><div><div>11.</div><div>Add aspects on nutrition and health (Consultants)</div></div><div><div>12.</div><div>Suggestion to revise the E part of the case study in the following way (to include a clear distinction between practices, policies, and future initiatives) (Banks and investments organisation:<div><div>a.</div><div>Policy: We have adopted an Environmental and Climate Policy committing to reducing carbon emissions across all operations and transitioning to low-emission logistics.</div></div><div><div>b.</div><div>Practices: Use of 100% renewable electricity in all owned warehouses and offices; Deployment of EV vans and cargo bikes in urban areas; Electrification of 40% of last-mile delivery fleet; Carbon footprint calculation (Scopes 1 and 2) conducted annually; Energy-efficient lighting and smart thermostats in warehouses; Participation in city-level clean transport initiatives (e.g., Green Delivery Pledge Paris)</div></div></div></div><div><div>13.</div><div>More examples on services and liberal profession (European association) (Accountants/Auditors (proxy preparers))</div></div><div><div>14.</div><div>Suggestion to: use standardised icons to indicate dietary restrictions or preferences (e.g. gluten-free, vegetarian, vegan) can be applicable to small undertakings (European bank representative)</div></div><div><div>15.</div><div>Suggestion to add policies for safe working conditions for the workforce (Consultants)</div></div><div><div>16.</div><div>Suggestion to add a note on payment terms, i.e. “we pay suppliers withing 30 days” (Consultants)</div></div><div><div>17.</div><div>Clarify “Believes that trust and product quality result in a growing and loyal customer base” (Academics)</div></div><div><div>18.</div><div>Rephrase "We offer targeted training programmes to interested workers to improve our digital skills" with “We conduct training programmes twice a year for our employees to improve our overall digital skill" for clarity (Consultants)</div></div><div><div>19.</div><div>Suggestion to revise the S part of the case study in the following way (to include a clear distinction between practices, policies, and future initiatives) (Banks and investments organisation: Workforce:<div><div>a.</div><div>Policy: We are committed to fair, inclusive, and safe working conditions for all employees, guided by our Workforce and Inclusion Policy.</div></div><div><div>b.</div><div>Practice: Ergonomic equipment (adjustable desks, screen stands, back-support chairs) in all workspaces; Equal pay review completed every two years; Training managers on inclusive recruitment and unconscious bias; Mentorship and coaching programs for women and underrepresented groups; Quarterly work-life balance fee sessions; Flexible working hours with core collaboration time (10 AM â€” 3 PM); Health &amp; wellbeing offer: stress management, mental health signposting, right to disconnect.</div></div><div><div>c.</div><div>Targets: Close gender pay gap in middle management by 2028; Achieve 30% female representation in leadership development programs by 2028; Maintain 100% of staff covered by ergonomic workspace assessments annually (Users)</div></div></div></div><div><div>20.</div><div>Clarify the practice: “we constantly look to buy directly from family-owned farmers and producers” to also give space to cooperatives (European bank representative)</div></div><div><div>21.</div><div>To add “highest senior level in the undertaking accountable for implementing the policies” (Platform)</div></div><div><div>22.</div><div>Expand anti-corruption policies with what employees should do if they feel pressured by officials, i.e. “report to manager/owner immediately” (Consultants)</div></div></td><td><p>1. Implemented as (2028)</p><p>2. Not implemented. While correct, one aim of case studies is to show that different ambition levels are acceptable.</p><p>3. Implemented as “Improve staff workplace habits to reduce energy use via targeted trainings”</p><p>4. Not implemented. While correct. VSME reporting in B3 requires this de facto.</p><p>5. Implemented as “Buying renewable electricity backed by green energy certificates”</p><p>6. Not implemented. Relatively simple measure related to energy efficiency.</p><p>7. Not implemented. There is no such recommendation.</p><p>8. Not implemented. It is included in the example on several points.</p><p>9. Not implemented. See comment 2. Rejected. See comment.</p><p>10. – 11. Not implemented. Already included.</p><p>12. Adopted last mile delivery, moved some others to medium. Case studies do not make an explicit recommendation to small enterprises to adopt a policy, see introductory note. 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Deployment of EV vans and cargo bikes in urban areas; Electrification of 40% of last-mile delivery fleet; Carbon footprint calculation (Scopes 1 and 2) conducted annually; Energy-efficient lighting and smart thermostats in warehouses; Participation in city-level clean transport initiatives (e.g., Green Delivery Pledge Paris)</div></div></div></div> <div><div>13.</div><div>More examples on services and liberal profession (European association) (Accountants/Auditors (proxy preparers))</div></div> <div><div>14.</div><div>Suggestion to: use standardised icons to indicate dietary restrictions or preferences (e.g. gluten-free, vegetarian, vegan) can be applicable to small undertakings (European bank representative)</div></div> <div><div>15.</div><div>Suggestion to add policies for safe working conditions for the workforce (Consultants)</div></div> <div><div>16.</div><div>Suggestion to add a note on payment terms, i.e. “we pay suppliers withing 30 days” (Consultants)</div></div> <div><div>17.</div><div>Clarify “Believes that trust and product quality result in a growing and loyal customer base” (Academics)</div></div> <div><div>18.</div><div>Rephrase "We offer targeted training programmes to interested workers to improve our digital skills" with “We conduct training programmes twice a year for our employees to improve our overall digital skill" for clarity (Consultants)</div></div> <div><div>19.</div><div>Suggestion to revise the S part of the case study in the following way (to include a clear distinction between practices, policies, and future initiatives) (Banks and investments organisation: Workforce:<div><div>a.</div><div>Policy: We are committed to fair, inclusive, and safe working conditions for all employees, guided by our Workforce and Inclusion Policy.</div></div><div><div>b.</div><div>Practice: Ergonomic equipment (adjustable desks, screen stands, back-support chairs) in all workspaces; Equal pay review completed every two years; Training managers on inclusive recruitment and unconscious bias; Mentorship and coaching programs for women and underrepresented groups; Quarterly work-life balance fee sessions; Flexible working hours with core collaboration time (10 AM â€” 3 PM); Health &amp; wellbeing offer: stress management, mental health signposting, right to disconnect.</div></div><div><div>c.</div><div>Targets: Close gender pay gap in middle management by 2028; Achieve 30% female representation in leadership development programs by 2028; Maintain 100% of staff covered by ergonomic workspace assessments annually (Users)</div></div></div></div> <div><div>20.</div><div>Clarify the practice: “we constantly look to buy directly from family-owned farmers and producers” to also give space to cooperatives (European bank representative)</div></div> <div><div>21.</div><div>To add “highest senior level in the undertaking accountable for implementing the policies” (Platform)</div></div> <div><div>22.</div><div>Expand anti-corruption policies with what employees should do if they feel pressured by officials, i.e. “report to manager/owner immediately” (Consultants)</div></div>	<p>1. 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		<div><div><div><div><div>c.</div><div>Targets: Achieve 100% carbon-free deliveries in low-emission zones by 203; Reduce Scope 2 emissions by 50% by 2027; Convert 80% of fleet to electric or hybrid by 2028</div></div><div><div>d.</div><div>Policy: Our Environmental Policy also includes commitments on packaging circularity, material efficiency, and waste reduction.</div></div><div><div>e.</div><div>Practices: Use of paper and biodegradable packaging to reduce plastic use; FSC-certified paper sourcing for secondary packaging; Lean packaging practices to reduce excess volume and filler; Waste separation system in all warehouse; Reverse logistics program for damaged packaging and unsold returns; Engagement with suppliers to improve recyclability of inbound materials</div></div><div><div>f.</div><div>Targets: Eliminate plastic packaging by 2026; Achieve 90% warehouse waste diversion from landfill by 2027; Launch packaging reuse pilot in 3 cities by 2025.</div></div></div></div></div> <td></td> <td></td> <td><div>20. Implemented as “We constantly look to buy directly from family-owned farmers and producers, as well as from cooperatives”</div><div>21. Not implemented: the suggestion does not follow the mixed approach that EFRAG wants to portray.</div><div>22. Implemented as “Any visits from inspectors or officials must be logged. We never give gifts or favours to get better treatment. If an employee feels pressured by an official, they should immediately report the situation to the manager or owner”</div></td>			<div>20. Implemented as “We constantly look to buy directly from family-owned farmers and producers, as well as from cooperatives”</div> <div>21. Not implemented: the suggestion does not follow the mixed approach that EFRAG wants to portray.</div> <div>22. Implemented as “Any visits from inspectors or officials must be logged. We never give gifts or favours to get better treatment. If an employee feels pressured by an official, they should immediately report the situation to the manager or owner”</div>						
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Targeted Consultation Key Messages from Forum and Community + Secretariat Response on Supporting Guides on disclosure C2							
			<div>16. Implemented as “We constantly look to buy directly from family-owned farmers and producers, as well as from cooperatives”</div> <div>17. Not implemented. This has not been included in any of the 5 case studies. This datapoint is considered as being rather straight forward, and has not been inserted to over complicate this part of the case study.</div>				
Case Study 2 – Manufacturing: Automotive parts producer	Small undertakings	<div>1. Remove the case study for the automotive example (Association of enterprises of preparers), since it is already regulated by the OEMs (non-listed SMEs (preparers)) and it may be too hard being competitive due to economic and technological barriers (non-listed SMEs (preparers)).</div> <div>2. Key sustainability impacts of the sectors are frequently overlooked in this case study (e.g., oil, paint and solvents waste in garages). Instead, several cases, pseudo-measures are even presented as best practice (e.g. listing ingredients as a measure for the workforce). (Accountants/Auditors (proxy preparers)).</div>	<div>1. Not implemented: decided to keep the case study since it is relevant</div> <div>2. Implemented: partially as most issues were addressed already</div> <div>ESG columns:</div> <div>1. Not implemented. The sectorial nature will be evident to the pertinent readers of this case study. The aim is not to focus necessarily on emissions accounting for this disclosure of the VSME. Emissions aspects are covered by B3 and C3.</div> <div>2. Partially implemented (for electricity consumption: photovoltaic and battery storage), energy audits are suggested in some medium case studies</div> <div>3. Not implemented: no real suggestion is provided</div> <div>4. Not implemented: not easily applicable to small undertaking</div> <div>5. Not implemented: it is just a behavioural description</div> <div>6. Partially implemented: “We provide training for all employees fostering a safe and supportive work environment that prioritises their health and safety and, ultimately, well-being”</div> <div>7. Not implemented: it is considered too complex for current case, might be relevant for 2030 ambition vis-à-vis - EV components</div> <div>8. Not implemented. This has not been included in any of the 5 case studies. This datapoint is considered as being rather straight forward and has not been inserted to over complicate this part of the case study.</div> <div>9. + 10. Implemented: “We implement our sustainability-driven mission and values by providing the used car markets with circular components and communicate our mission and values to our clients via dedicated social media channels”</div> <div>11. Not implemented. This was already only included (purposefully) in the medium case study in the version sent for targeted consultation. This aspect on grievance mechanisms has therefore been kept the same.</div>				
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	Medium undertakings	<div>Recurring Suggestions/ comments:</div> <div>3. Remove the case study for the automotive example (Association of enterprises of preparers), since it is already regulated by the OEMs (non-listed SMEs (preparers)) and it may be too hard being competitive due to economic and technological barriers (non-listed SMEs (preparers)).</div> <table><tr><th>E</th><th>S</th><th>G</th></tr><tr><td><div>1. Reflect the high energy emissions of manufacturers in the example, and to include actions related to energy efficiency and energy monitoring (European association)</div><div>2. Suggestion to provide more detailed pollution comments with (Accountants/Auditors (proxy preparers))</div><div>3. Suggestion to add eco-design of parts and certification (Large companies - users)</div><div>4. Suggest adding a section for biodiversity, and if this section is not relevant for the company suggest to require a materiality explanation (Other - Consultants)</div><div>5. Suggest being more specific in the use of words and clarify them: for example, the use of “good” in “We comply with good environmental risk management practices” (Accountants/Auditors (proxy preparers))</div></td><td><div>6. Suggestion to add “employees” word before “digital skills” in the sentence “offer targeted training programmes to interested workers to improve our digital skills” (Accountants/Auditors (proxy preparers))</div><div>7. Suggest making the examples about workforce more specific, including lighting, airing, rest areas (Banks and investment organisation users)</div><div>8. Suggest including in the case of production process verification that machinery can be managed also by left-handed workers, audio impaired with light support/warning (Banks and investment organisation users)</div><div>9. Suggest adding community engagement to enrich “reputation management” (Other - Consultants)</div><div>10. Suggest to modify “We offer targeted training programmes to interested workers to improve our digital skills” into “We conduct training programmes twice a year for our employees to improve our overall digital skill" (Other - Consultants)</div></td><td><div>11. Suggest clarifying that the mission and the value are related to sustainability in the example of business conduct (Public sector - users)</div></td></tr></table>		E	S	G	<div>1. Reflect the high energy emissions of manufacturers in the example, and to include actions related to energy efficiency and energy monitoring (European association)</div> <div>2. Suggestion to provide more detailed pollution comments with (Accountants/Auditors (proxy preparers))</div> <div>3. Suggestion to add eco-design of parts and certification (Large companies - users)</div> <div>4. 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Implemented: Added to “Description of target related to a policy”: through eco-design and certification</div> <div>4. Not implemented: in the VSME standard no materiality explanation is required</div> <div>5. Implemented</div> <div>6. Implemented: added the word as suggested</div> <div>7. Partially implemented: added this sentence to the existing example: in line with our sector's standard (via indirect reference to standard)</div> <div>8. Not implemented: the example is too specific and not relevant (machinery for left-handed workers)</div> <div>9. Not implemented: the suggestion is too specific as the case study is not intended to be exhaustive</div> <div>10. Not implemented: training programmes run over multiple sessions</div> <div>11. Not implemented. Considered as not specific enough.</div>
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Case study 3 – Agriculture: Milk and dairy producer	Small undertakings	<div>Most respondents found this content useful.</div> <div>Recurring Suggestions/ comments:</div> <div>1. Reconsider the number of employees that have been set for this farming example. In France on average there are 73 cows for 1-2 farmers. This means that there are not enough cows if the case study SME has 12 employees. There should be around 1000 cows to keep proportions correct. (National association of SMEs)</div> <div>2. Consider food processing sector as a better priority than the agricultural sector (European association)</div> <div>3. Suggestion to remove the reference of regenerative farming as there is no clear definition and to add examples on progressive farming (Accountants/Auditors (proxy preparers), Banks and investment organisation).</div> <div>4. Suggestion to mention food certification (Non-listed SMEs).</div> <div>5. Suggestion to expand social aspects (like community relations) (Consultants)</div> <table><tr><th>E</th><th>S</th><th>G</th></tr><tr><td><div>1. Do not include an example where rainwater harvesting or pond water are used as a way to provide drinking water for cattle. Cows are not allowed to drink from ponds or any water source that could be contaminated by other animals or excrement as this would be considered poor practice and should not be promoted as a priority action (National association of SMEs)</div><div>2. With regards to shelter equipment: suggestion to specify that the mentioned shelters do not only provide protection against storms but more broadly against adverse weather conditions such as heatwaves, frost, wind (National association of SMEs)</div><div>3. Climate change adaptation: the main priority would be to ensure forage for the cows irrespective of the risk of adverse climate conditions/ climate variability (National association of SMEs).</div><div>4. Climate change mitigation: The top priority should be to optimise the livestock system, which includes reducing the age at first calving, increasing cow longevity, adapting feed rations, and developing protein self-sufficiency (National association of SMEs)</div><div>5. Clarify how the climate adaptation actions (shelter and storm weather) is connected to animal welfare/business conduct (European association)</div><div>6. The example "Investing in rainwater harvesting and in storage ponds to ensure water availability for our cows" is questionable. This water quality is not suitable for cows to drink (European bank representative)</div><div>7. Suggestion to integrate the statement “We comply with good environmental risk management practices” with some details about the practices that are in place (National bank representative)</div><div>8. Add the reference to the biggest environmental impact from a dairy farm that is nutrient management and pollution. (Accountants/Auditors (proxy preparers))</div><div>9. Small farms would report on things like shade in pastures (Association of enterprises of preparers)</div><div>10. Suggestion to add concepts related to scope 3 emissions (international organisations)</div></td><td><div>11. Workforce: Add control of ammonia emissions to protect human health, animal welfare, and the environment (several technical pathways exist). (National association of SMEs)</div><div>12. Remove this point: It is essential to implement policies and practices covering working hours and regular breaks, decent working conditions, and, in particular, health and safety; it should be considered as a mandatory standard/ minimum legal basis (National association of SMEs)</div><div>13. The first example provided for "Own workforce", "A reliable workforce and the capacity to attract and retain workforce in this sector is key" lacks any real meaning. (Public sector)</div><div>14. 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And “Continually improve our livestock system, including reducing the age at first calving, increasing cow longevity and adapting feed rations”</div> <div>And “By expanding the share of agricultural land with green cover to all erosion-sensitive soils enhancing the natural environment and biodiversity (including insects) of our facilities by adding hedges, ponds and other natural constructions to promote the development of our local ecosystem by 2027”.</div> <div>7. Not implemented is available in case study 2 - medium</div> <div>8. Implemented, pollution not added as covered by Circular Economy (waste management)</div> <div>9. Already is in the case study</div> <div>10. Not implemented as Scope 3 is only a consideration in VSME</div>
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			<div>11. Already in the case study in Circular Economy (waste management) 12. Partially implemented, with a small change to reduce the compliance angle 13. Merged the two existing points from Own Workforce and End-users to increase the understandability of this specific example. 14. Already in the case study.</div>								
Medium undertakings	<div>1. Suggestion to focus on impact reduction at the level of dairy processing facilities (water management, packaging, energy efficiency) (National association of SMEs) 2. Suggestion to replace "our" with "their" to stress that some of the changes are implements by "our farmers" (European association) 3. Suggestion to add examples on progressive farming (Accountants/Auditors (proxy preparers)). 4. Suggestion to mention food certification (non-listed SMEs). 5. Suggestion to remove the reference of regenerative farming as there is no clear definition and to add examples on progressive farming (Accountants/Auditors (proxy preparers), Banks and investment organisation).</div>	<table><tr><th>E</th><th>S</th><th>G</th></tr><tr><td><div>1. The biodiversity proposal on "green cover" does not apply to a cooperative, but rather to the specific farmer facilities. 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			<div>whenever conditions allow, and by reducing reliance on antibiotics"</div> <div>20. Not implemented. This has not been included in any of the 5 case studies. This datapoint is considered as being rather straight forward, and has not been inserted to over complicate this part of the case study.</div>																											
<div>Case study 4 – Construction: Housing construction company</div>	<div>Small undertakings</div>	<div>Most respondents found this content useful</div> <div>Recurring Suggestions/ comments:</div> <div>1. Clarify the case study, it appears to assume that the construction company has no control over material selection and is constructing under contract rather than selecting building material themselves (Accountants/Auditors (proxy preparers).</div> <div>2. Clarify that site managers are responsible for conducting regular risk assessments to identify potential hazards on the construction site and document them by type and by location also in case of more undertakings working together in the same site (e.g. subcontracted companies). (Non-listed SMEs)</div> <table><tr><th>E</th><th>S</th><th>G</th></tr><tr><td>1. To add best practices with regards to waste management (including the 7-waste streams) (National association of SMEs, Platform)</td><td>9. 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Add on pollution something on dust/noise control measures at worksites (Consultants)</td><td>14. to add management of complaints from neighbours in case of noise/other issues (Consultants)</td><td></td></tr><tr><td>7. to add aspects on maintenance practices (Consultants)</td><td>15. to add for community engagement advance notification to neighbours (Consultants)</td><td></td></tr><tr><td>8. suggestion to refer to Scope 3 even if it is not applicable (international organisation)</td><td>16. To add aspect of educating customers about sustainable building (Consultants)</td><td></td></tr></table>	E	S	G	1. To add best practices with regards to waste management (including the 7-waste streams) (National association of SMEs, Platform)	9. Clarify to which policy the action “All suppliers providing on-site activities are required to sign and adhere to our policy. For parties unwilling to sign, additional controls are enacted” refers to (Association of enterprises of users)	17. 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Not implemented: added only to the case study for the medium undertaking.</div> <div>2. Implemented: added “to avoid soil or water pollution incidents and to ensure all materials and waste are stored safely”</div> <div>3. Partially implemented: there is already a sentence for circular economy (waste) and it’s already implemented in medium case Circular economy (waste) were added. The cases are considered proportional.</div> <div>4. Not implemented: because it’s a small entity</div> <div>5. Implemented: see point 2 above</div> <div>6. Implemented: added “to minimise fossil fuel use and reduce worksite noise” in both cases (small and medium)</div> <div>7. Not implemented: the suggestion is too specific as the case study is not intended to be exhaustive</div> <div>8. Not implemented: scope 3 is not required by VSME standard</div> <div>9. eliminated moved to medium case</div> <div>10. eliminated: moved to medium case</div> <div>11. Not implemented: Already covered by the case</div> <div>12. Not implemented: Partially already implemented in business conduct and in the medium case</div> <div>13. Not implemented: Already covered by business conduct in the case study for both small and medium.</div> <div>14. Not implemented: the request is too specific, and partially already covered by the case</div> <div>15. Not implemented: the suggestion is too specific as the case study is not intended to be exhaustive</div> <div>16. Not implemented as it is too complex for SMEs of any size.</div> <div>17. Not implemented, as subcontracting is an S topic. The wording has been revised for clarity as follows: "We do not tolerate that our employees are involved in undeclared or inappropriate works, such as the provision of services to third parties during their work time, as this could expose the company to legal or ethical risks"</div>
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Medium undertakings	Most respondents found this content useful				1. Not implemented: already in the case and further illustrated in the list of practices and one in targets
	Recurring Suggestions/ comments				2. Not implemented: decided not to provide this kind of information that could create misunderstanding
	1. Suggestion to highlight practices on workers in the value chain, affected communities and business conduct (Observer/Institution)				ESG columns:
	2. Suggestion to add a timeline, investments, and supplier controls demonstrate future initiatives in line with the ESRS intent (Consultants)				1. Not implemented: this addition would add two many practices within the same example.
					2. Implemented: added the word “demolition”
					3. Added “to avoid soil or water pollution incidents and to ensure all materials and waste are stored safely”
					4. Not implemented: already in the case.
					5. Not implemented: the suggestion is too vague for this case study.
					6. Not implemented: too vague and Circular economy is already in case
					7. Not implemented: it is more behavioural
				8. Not implemented: the suggestion is too complex for the case study	
				9. Not implemented: the suggestion is too specific as the case study do not intend to be exhaustive	
				10. Not implemented: the suggestion is too complex for the case study	
				11. Implemented: added “and participation in apprentice schemes”	
				12. Already mentioned in the case study	
				13. Not implemented: subcontracting mentioned in business conduct	
				14. Partially accepted: issue of fair payment is included, not reviewing and auditing expectations as sounds too much like due diligence obligations	
				15. Not implemented: high-level aspects are already present in case study (see “all suppliers providing on-site activities” ...)	
				16. Implemented: mentioning ‘engage with neighbours in case of complaints’	
				17. Not implemented: the suggestion is too specific as the case study is not intended to be exhaustive	
				18. Not implemented: the suggestion is too specific as the case study is not intended to be exhaustive	
				19. Implemented: added “Employee Handbook rules to their workers”	
				20. Implemented: added “available in the languages of the workforce on, amongst others, protection gear and working at height rules, handling of machines”	
				21. Not implemented: the suggestion is not clear	
				22. Not implemented as subcontracting is an S topic	
				23. Not implemented: already present in other case studies	
				24. Not implemented: already information about subcontractors policy and initiatives	

Case study 5 – E-commerce / Digital services: Online retailer	Small undertakings	<p>Most respondents found this content useful</p> <p>Main Suggestions/ comments:</p> <p>Suggestion to give an example of a brick and mortar store that also sells online (not exclusively online). (European association)</p> <p>Suggestion to modify the tile “e-commerce / digital services" as it is slightly misleading (Accountants/Auditors (proxy preparers)).</p> <table><tr><th>E</th><th>S</th><th>G</th></tr><tr><td><div>1. Add a policy related to businesses optimising their packaging to help reduce their logistics based emissions, rather than focusing on examples related to increased use of online meetings (European association)</div><div>2. As a suggestion, it could be clarified that it could apply to other sector, e.g. insurance intermediary (European association)</div><div>3. Add examples on oil, tires and hazardous waste, and relevant emission and soil management (Accountants/Auditors (proxy preparers))</div><div>4. Add climate change: eco designed platform based on digital sobriety frameworks to reduce energy conception and GHG emissions (Consultants)</div><div>5. To add replacing conventional lighting with LED systems and installing motion or daylight sensors in appropriate areas (Academics)</div><div>6. To add mention of partnerships with reuse/recycling platforms to reinforce credibility (Consultants)</div><div>7. To add environmental impact (Consultants)</div></td><td><div>8.For aspects related to workers in the value chain, consider adding examples of labour-related challenges:<div><div>Job insecurity and low wages: Employment conditions often include temporary, part-time, or informal contracts, as well as instances of false self-employment, leading to economic instability and lack of social protection. 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Not implemented, as it is considered too complex for a small business</div><div>4. Not implemented, as it is considered too specific and the case study do not intend to be exhaustive</div><div>5. Implemented as “By replacing conventional lighting with LED systems and installing motion or daylight sensors in appropriate areas”</div><div>6. Not implemented, as it is considered too complex for a small business.</div><div>7. Not implemented, as it is not clear what the comment addressed.</div><div>8. Not implemented, as it is considered too complex for a small business and not pertinent to the example.</div><div>9. Not implemented, as it is already present via bullet point no. 2</div><div>10. – 11. Not implemented, as it is not considered pertinent to the example</div><div>12. Not implemented, as it is implied already via case</div><div>13. Not implemented as it was already in environment</div><div>14. 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Medium undertakings	<p>Most respondents found this content useful</p> <p>Recurring Suggestions/ comments:</p> <div>1. Suggestion to specify that this case study can be applied also to other sectors (European association)</div> <div>2. Suggestion to change the case study with an example of brick-and-mortar store that also sells online (European association)</div> <div>3. Suggestion to modify the title "e-commerce / digital services" as it is slightly misleading (Accountants/Auditors (proxy preparers)).</div> <div>4. Suggestion to change to blue colour the “description of target related to a policy” as it is specific only for the medium undertaking (Observer/Standard Setter)</div> <table><tr><th>E</th><th>S</th><th>G</th></tr><tr><td><div>1. Suggestion to add a policy related to businesses optimising their packaging to help reduce their logistics based emissions (European association)</div><div>2. 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		<div>6. To highlight reverse logistics or partnerships with recyclers for returns and unsold items (Consultants)</div> <div>7. To add environmental impact (Consultants)</div>	<div>○ Traffic-related accidents: Delivery personnel are frequently exposed to road safety risks, especially when operating under tight schedules and inadequate rest conditions. (European bank representative)</div>		<div>6. Not implemented, as it is considered too specific for a small business</div> <div>7. Not implemented, as it is not clear what the comment addresses</div> <div>8. Implemented as “collaborate on the use of our mobile platforms to collect anonymous feedback from delivery workers on safety, wages, and treatment” and “Adopt our Guidelines on Safe &amp; Healthy Deliveries to minimise road safety risks, the impacts of demanding physical work and psychosocial conditions like time pressure and continuous monitoring”</div> <div>9. Not implemented as it was already in environment</div> <div>10. Not implemented, as it is already in the case</div> <div>11. Partially implemented, as it is indirectly added via Workers in the value chain entry</div>
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