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VSME Community – Executive and Detailed report Survey on Support Guide C3 (GHG Reduction targets and climate transition) & C7 (Severe negative human rights incidents)

About this report

- 1 EFRAG has conducted an online questionnaire-based survey to gather views from SME Forum stakeholders on elements of a draft support guide on Disclosure C3 (GHG Reduction targets and climate transition) & C7 (Severe negative human rights incidents) to be produced as complementary additional material to the VSME Standard.
- 2 This online questionnaire-based Survey was composed of 16 questions. **A total of 157 out of 521 VSME Community members responded to the Survey.** In this document, the responses have been analysed for each question, and the analysis includes insights at the aggregated level and key insights by VSME Community stakeholder group.
- 3 The key messages that emerged from the survey are analysed by stakeholder category: “preparers” (SMEs and SMEs associations and proxies), “users” (including banks, companies in scope of the CSRD, and associations (regional) of enterprises), and “others” (including academics, NGOs, international organisations, and consultants). **A separate document also analyses the responses to the same survey for the SME Forum.**
- 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

About the VSME Community

- 5 The objective of the VSME Community is to contribute to the development of the VSME by providing advice on the ongoing VSME Ecosystem deliverables currently being developed by EFRAG. Through this, EFRAG aims to contribute towards the uptake of the VSME Standard across the EU.

Executive Summary

The key messages emerged from the online survey are as follows:

Part 1 – C3 (GHG reduction targets and climate transition)

- 6 Most respondents (88%) agreed with the aim of the support guide as an overview on how to report on Disclosure C3 (Q1). A majority of users (76%), and most preparers (84%) and other respondents (92%) agreed.
 - (a) Some preparers and some other respondents commented on the need for **proportionality**, given the constrained resources (data availability included) of SMEs and the limited environmental impact of many SMEs.
 - (b) A few preparer comments requested clarification on identifying **high-impact sectors**, with one respondent recommending a drop-down menu with NACE codes to clearly identify the sectors.
- 7 A linkage between C3 and C2 was considered useful and proportionate (Q7) by most respondents (80%). Specifically, a majority of users (70%) and most preparers (80%) and other respondents (83%) agreed.
 - (a) Some comments from preparer and other respondents centered on a need for **additional practical examples**. With a few requesting examples beyond transport-focused ones (e.g. LED lighting, automation, packaging reduction, energy efficiency measures). Some comments asked for a more exhaustive list, that is categorised by sector and is prioritised (by level of reduction achieved, etc).
 - (b) A few preparers and users commented on the lack of attention to scope 3 emissions.
 - (c) A link between C2 and C3 was also highlighted by some user respondents.

GHG Reduction Targets

- 8 According to a majority of respondents (67%) the steps outlined represent an adequate and proportionate approach to structure GHG reduction targets (**Q4**), specifically a majority of preparers (57%), some users (48%) and some other (49%) respondents. The following remarks were made:
 - (a) A few preparer, a few user and some other respondents highlighted that **Scope 3 is insufficiently addressed**, citing unrealistic targets, the need for simpler guidance, and concerns over the complexity of Step 5.
 - (b) Some preparers and some other respondents commented that **Step 5 is vague** and one respondent from other category that it could be swapped with Step 6 (see detailed report).
 - (c) Some other respondents and one user respondent pointed out that target-setting shouldn't assume linearity.
 - (d) One accountant proxy for preparers commented that the referenced "Carbon Law" is not available for free. Reference the TPT disclosure framework by ITPN instead, as recommended by CDP for IFRS S2.
 - (e) Some preparer respondents emphasized the need for flexibility in the approach regarding the base year, target timeframes (noting that 2030 may be too soon), and

ambition levels (the 42% reduction target feels unrealistic for certain sectors). Meanwhile, a few user respondents recommended adopting short-term rolling targets (e.g., 1–2, 5, and 10 years) alongside a fixed 2030 goal. They also expressed concern that targets extending beyond 10 years may lack credibility for SMEs.

- 9 Regarding the example outlined in **Q5** concerning the application of the **steps for short-term target setting**, a majority of respondents (76%) agree that it is useful and clear, in particular, a majority of Preparer (70%), a majority of User (76%), and a majority of Other (78%) respondents. Those who disagreed commented as follows:
- (a) A few preparer respondents highlighted that SMEs that already started their GHG reduction efforts may find the short-term reduction targets difficult to meet, and one preparer comment suggested to provide SMEs with a free tool to develop their target.
 - (b) Some user respondents suggested that the example should be aligned with the characteristics of the undertaking, such as the size, their sector and available resources and/or sector specific benchmarks.
 - (c) Five consultants stated that Scope 3 emissions should be included as it is the main contributor of GHG emissions.
 - (d) One auditor proxy for preparers said Share of Emissions included in the target and units would be expected in the table as well.
 - (e) An association of preparers reiterated the need for a tool for scope 3 calculations.
- 10 A majority of respondents (68%) agree that the example on **long-term targets setting** is clear and useful (**Q6**), specifically, a majority of Preparers (64%), a majority of Users (57%), and a majority of Others (72%). Those who disagreed commented as follows:
- (a) Some respondents from all categories mentioned that the example is confusing to those unfamiliar with GHG accounting, asking for clearer reasoning, practical, and simplified presentation.
 - (b) A few preparer and a few other respondents found the targets to be too ambitious, particularly for scope 1 emissions, and that **linear reduction targets are unrealistic**. This might discourage SMEs to begin the process.
 - (c) Some user respondents wanted **clearer definitions of short and long-term targets** (2030 and 2050), with one proposing to calculate annual reduction rates and to encourage stronger early cuts to offset delays or fluctuations.
 - (d) A few preparer respondents highlighted that Scope 3 is missing or not addressed adequately.

Climate Transition Plan (Q8, Q9)

- 11 For **Climate Transition Plan**, 70% of the respondents agreed with the examples and approaches provided.
- (a) The question on whether the **example integrating the plan into the undertaking's business strategy and financial planning is sufficiently clear and useful (Q8)**, found a majority of respondents (68%) agreeing on its adequacy. In particular, 70% of

preparers, 62% of users and 67% of other respondents agreed with the example provided. Below are the main additional suggestions provided by respondents.

- (i) Some preparer respondents noted that examples should be clearer and more complete, as the contribution to GHG reduction pathway is unclear and measurements are superficial.
 - (ii) One national public sector respondent recommended including the expected GHG reductions for each action as well as an expected time horizon and financial impact.
 - (iii) An association of preparers mentioned how the example should fulfil the complete disclosure requirements proposed.
 - (iv) A few other respondents suggested providing sector-specific examples.
 - (v) A few preparers suggested providing guidance on calculating the impact.
 - (vi) One association of preparers questioned whether the example will fit the requirement of the voluntary ESEF-Reporting.
 - (vii) A few other respondents suggested the use of tables, graphics and more visual formats.
- (b) A majority of respondents (73%) found the **proposed approach to a simplified pathway clear and useful (Q9)**. In particular, 73% of preparers, 71% of users, and 74% of platforms and observers. Below are the main additional suggestions provided by respondents.
- (i) A few preparers mentioned the need for a clear structure and clearly defined terms (e.g. OpEx, CapEx).
 - (ii) One association of preparers pointed out that the examples are too disconnected and that it will require the aid of external advisors to prepare VSME disclosures. These disconnected examples would not be sufficient for SMEs with limited resources.
 - (iii) A few preparers asked for sectorial examples (e.g. agriculture, light manufacturing, services). A user also suggested the need to provide more specific examples. A few other respondents suggested adding concrete examples (detailed financial projections with expected annual CO₂ savings).
 - (iv) A few other respondents proposed visuals like a table organizing actions by timeframe, with indicators and editable, step-by-step guidance.

Additional Topics

- 12 Most respondents (87%) considered it useful to add FAQs to the support guide (Q10). With support by most preparers (82%), users (86%), and other respondents (90%).
- (a) A few preparer comments said it would be preferable to have all the information in one document (the VSME Standard) and that this would add unneeded complexity.
 - (b) A few preparer and other respondents had suggestions on topics to include in the FAQs (see detailed report for specific suggestions).

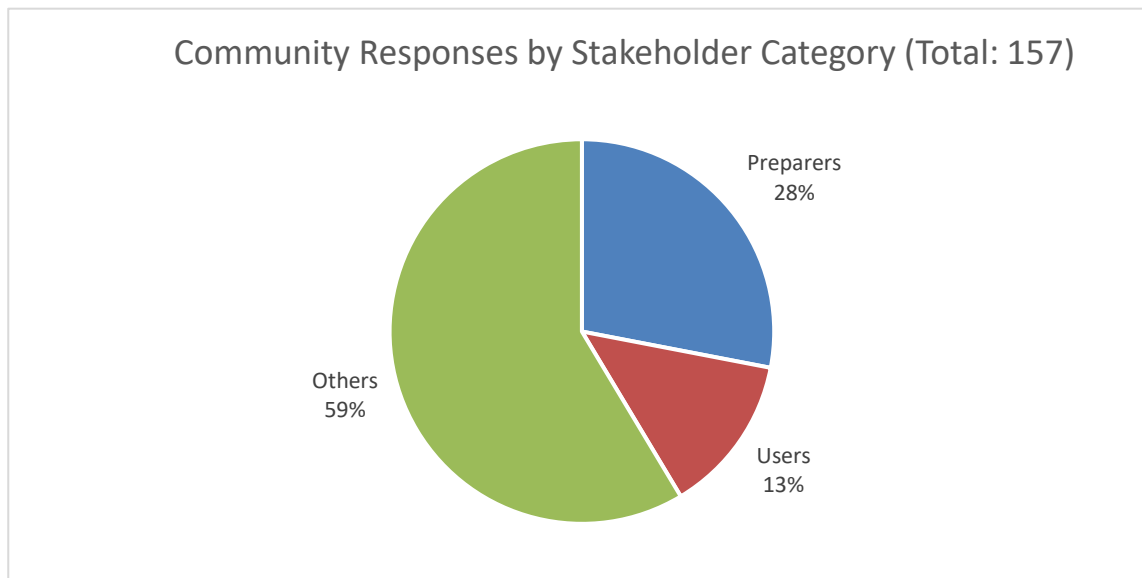
- 13 Support for more guidance on Scope 3 GHG emissions was not as strong as among the Forum respondents, with a majority of respondents (65%) agreeing it should be provided. This included a majority of preparers (68%), users (76%), and other respondents (61%).
- (a) A majority of comments from preparers, users, and others focused on the need for clear and simple guidance to help SMEs negotiate this complex topic.
 - (b) Some preparer respondents asked for step-by-step guidance that goes beyond what is in the current guidance. A few asked for scope 3 calculation methods and examples of calculations.

Part 2 – C7 (Severe negative human rights incidents)

- 14 Regarding the aim and need of Support Guide C7, most respondents (92%) agree. This includes most preparers (93%), users (95%), and other respondents (91%).
- (a) A few from preparers and others comments sought more clarity regarding the following points: title of the support guide (emphasise that it is *only* on paragraph 62(c)), the *purpose* of the data point, a simple & clear definition and consistent use of “confirmed incident” throughout the guidance, clear distinction between awareness / responsibility / response capacity.
 - (b) A few user and other respondent comments said that SMEs may be reluctant to publicly respond to direct questions about the topic.
- 15 A majority of respondents (72%) think the support guides should include educational aspects for SMEs to become familiar in anticipating severe negative violations (Q4). This included a majority of preparers (78%), users (65%), and other respondents (65%).
- (a) Some preparer and user respondents supported the idea, as it is easier to take a preventative approach (including risk identification) than it is to remediate after an issue occurs.
 - (b) Some preparer, user, and other respondents pointed out that tools, examples / case studies, and training links would be useful, since SMEs lack the capacity to proactively address these issues without guidance.
 - (c) A few preparer and other respondents said that sector-specific contents are appropriate and can be done by associations or online tools.
- 16 For the three confirmed incident examples provided (Q2), a majority of respondents (84%) felt the examples were sufficiently comprehensive and clear to enable awareness of a confirmed incident. This included a majority of preparers (79%) and users (71%), as well as most other respondents (90%).
- (a) Some preparer, user, and other respondents asked for examples that would be more relatable to SMEs, including more local examples and a wider range of non-conformities relevant to different sectors.
 - (b) Some user, preparer, and other respondents said the examples should be clearer and more detailed, showing the following: affected stakeholders, rights violated, confirmation methods, context (e.g. region or sector), evidence, company involvement, and response.

Detailed Report

Overview of VSME Community respondents



17 Total VSME Community members 521. Total respondents 157. Response rate: 30%

VSME Community Stakeholder	Response rate
Preparers	27%
Users	30%
Others	32%

Part 1 – C3 (GHG Reduction targets and climate transition)

Survey questions

Question 1

The Support Guide C3 aims to provide an overview on how SMEs can report on their GHG reduction targets (if they have them in place) and, if they operate in high climate impacts sectors, on their transition plans (for SMEs in high climate impact sectors) – see extract for disclosure below.

C3 – GHG reduction targets and climate transition

54. If the undertaking has established GHG emission reduction **targets**, it shall disclose its targets in absolute values for Scope 1 and Scope 2 emissions. In line with paragraphs 50 to 53 above and if it has set Scope 3 reduction targets, the undertaking shall also provide targets for significant Scope 3 emissions. In particular, it shall provide:
- the target year and target year value;
 - the base year and base year value;
 - the units used for **targets**;
 - the share of Scope 1, Scope 2 and, if disclosed, Scope 3 that the target concerns; and
 - a list of main actions it seeks to implement to achieve its **targets**.
55. If the undertaking that operates in high climate impact sectors⁹ has adopted a transition plan for climate change mitigation, it may provide information about it, including an explanation of how it is contributing to reduce GHG emissions.
56. In case the undertaking operates in high-climate impact sectors and does not have a transition plan for climate change mitigation in place, it shall indicate whether and, if so, when it will adopt such a transition plan.

The request for this Support Guide stems from EFRAG’s VSME ED Public Consultation. The aim of this guide is to break down the technical aspects of target-setting and climate transition plans to ensure proportionality for those SMEs that decide to report on Disclosure C3.

Do you agree with the aim of this Support Guide as an overview on how to report on Disclosure C3 of the VSME?

YES/NO. If NO, please explain.

Key insights (aggregate):

- 18 **Most of respondents (88%)** agreed with the aim of the C3 Support Guide. The main comments emerged:
- (a) All categories agreed on the complexity of methodology and data collection for SMEs.
 - (b) Preparers and Others found the effort disproportionate compared to the benefit or impact and emphasized a need for simplification. Need for clearer target definitions and specified units of measurement, avoiding too much technical language. Provide sector specific guidance.

Key insights (by respondent type):

- 19 Most **PREPARER respondents (84%)** agreed with the aim of the C3 Support Guide. Those who disagreed mention the following points:
- (a) A majority of comments point out that methodology for data collection is complex and the data that is needed is often unavailable, especially given the limited resources of SMEs.
 - (b) Some respondents including one association of preparers said that for many SMEs, making such an effort is disproportionate to the benefit they would receive or their environmental impact.
 - (c) A more proportionate and standardised approach with simple and consistent guidance would be more inclusive and effective. A majority of comments mentioned this point.
 - (d) A few respondents had questions about defining "high climate impact sectors" and one suggested using a drop-down menu with NACE codes in an online tool to clarify the specific sectors.
- 20 A majority of **USER respondents (76%)** agreed with the aim of the C3 Support Guide. Those who disagreed mention the following points:
- (a) One respondent stated that the Support Guide will add complexity for SMEs.
 - (b) One respondent suggested that the initiatives to reduce emissions should be classified as a closed end list expanding GHG protocol.
 - (c) One respondent suggested setting targets separately for Scope 1 and Scope 2 emissions to improve clarity, noting that the shift to renewable energy sources may apply differently to each scope.
- 21 Most of **OTHER respondents (92%)** agreed with the aim of the C3 Support Guide. Those who disagreed mention the following points:
- (a) Academics, NGOs, International Organization and Non-EU Participants mentioned:
 - (i) One respondent mentioned that Transition Plans are too complicated for SMEs as they don't plan for more than 1-3 years.
 - (ii) One respondent asked for the targets to be more clearly defined.

- (b) Consultants mentioned:
- (i) A few recommend using the net zero pathways suitable to specific sectors (e.g., CRREM standards for real estate).
 - (ii) A few asked to specify expected units of measurement (e.g., kg CO₂e, %).
 - (iii) Challenging to find a balance between proportionality/simplification and the necessary complexity of the topic – mentioned by a few respondents.

Question 2

Are there any reliable and currently used sources (websites/ tools etc.) that could be further referenced or used by EFRAG in the Support Guide? **YES/NO/ IF YES, please specify and provide link.**

Key insights (aggregate):

22 **Most respondents (50%)** provided additional reliable and currently used sources for EFRAG to incorporate in the Support Guide. The suggested sources are the following:

- (a) Preparers, Users and Others mentioned: <https://sciencebasedtargets.org/>, <https://sciencebasedtargets.org/sme>, <https://ghgprotocol.org/>, <https://ghgprotocol.org/calculation-tools-and-guidance>, <https://www.iso.org/>, <https://www.cdp.net/en>, <https://smeclimatehub.org/>.
- (b) Preparers and Others mentioned: <https://www.miteco.gob.es/es/cambio-climatico/temas/mitigacion-politicas-y-medidas/calculadoras.html>, <https://www.iea.org/>, <https://www.fsb-tcfd.org/>
- (c) Preparers and Others mentioned: <https://www.miteco.gob.es/es/cambio-climatico/temas/mitigacion-politicas-y-medidas/calculadoras.html>, <https://www.iea.org/>, <https://www.fsb-tcfd.org/>.

Key insights (by respondent type):

23 Some **PREPARER respondents (49%)** provided additional reliable and currently used sources for EFRAG to incorporate in the Support Guide. The repeat suggested sources are the following: Science Based Targets initiative (SBTi) (5 comments), GHG Protocol (5 comments), SME Climate Hub (3 comments), CDP (3 comments). Specific suggested sources were as follows:

- (a) Carbon Disclosure Project (CDP) - <https://www.cdp.net/en/sme>
- (b) Climate Action 100+ - <https://www.climateaction100.org/benchmark/>
- (c) CSR Ticino (CO₂ calculator for companies in Ticino) - <https://csr-ticino.ch/calcolatore-emissioni-co2-per-le-aziende-in-ticino/>
- (d) Ecoembes - <https://www.ecoembes.com>
- (e) EU Climate Pact - <https://climate-pact.europa.eu>
- (f) European Environment Agency (EEA) - <https://www.eea.europa.eu/>
- (g) German Sustainability Code (DNK) - <https://www.deutscher-nachhaltigkeitskodex.de/>
- (h) Greenhouse Gas (GHG) Protocol - <https://ghgprotocol.org/corporate-standard>

- (i) Greenhouse Gas (GHG) Protocol (Calculation Tools) - <https://ghgprotocol.org/calculation-tools-and-guidance>
 - (j) International Energy Agency (IEA) - <https://www.iea.org/>
 - (k) International Financial Reporting Standards (IFRS) S2 - <https://www.ifrs.org/issued-standards/ifrs-sustainability-standards/ifrs-s2-climate-related-disclosures/>
 - (l) International Organization for Standardization (ISO) - <https://www.iso.org/standard/66453.html>
 - (m) Irish Government Climate Toolkit - <https://climatetoolkit4business.gov.ie/carbon-calculator/>
 - (n) Open ES - <https://openes.io>
 - (o) Pacto Mundial (Spanish Global Compact Network) - <https://pactomundial.org>
 - (p) Quantis - Scope 3 Evaluator - <https://quantis-suite.com/Scope-3-Evaluator/>
 - (q) Right Based on Science (XDC-Model)
 - (r) Science Based Targets Initiative (SBTi) - <https://sciencebasedtargets.org/>
 - (s) Science Based Targets Initiative (SBTi) SME Hub - <https://sciencebasedtargets.org/sme>
 - (t) SME Climate Hub - <https://smeclimatehub.org/>
 - (u) Spanish Government Carbon Footprint Calculator - <https://www.miteco.gob.es/es/cambio-climatico/temas/mitigacion-politicas-y-medidas/calculadoras.html>
 - (v) Sustainable Crafts (German tool) - <https://nachhaltiges-handwerk.de/> - will go online after the EC has endorsed the VSME Standard
 - (w) Task Force on Climate-related Financial Disclosures (TCFD) - <https://www.fsb-tcfd.org/>
 - (x) The Eco-Lighthouse sustainability tool LUMA - <https://www.miljofyrtern.no/om-luma/>
 - (y) UK Transition Taskforce - <https://transitiontaskforce.net/>
 - (z) UN Climate Change - <https://unfccc.int/>
 - (aa) UN Global Compact - Climate Ambition Accelerator - <https://unglobalcompact.org/take-action/climate-ambition-accelerator>
 - (bb) United Nations Environment Programme Finance Initiative (UNEP FI)
- 24 A majority of **USER respondents (57%)** provided additional reliable and currently used sources for EFRAG to incorporate in the Support Guide. The suggested sources are the following:
- (a) <https://sciencebasedtargets.org/sme>
 - (b) <https://www.cdp.net/en>
 - (c) <https://www.ipcc-nggip.iges.or.jp/EFDB/main.php>

- (d) <https://smeclimatehub.org/>
 - (e) <https://itpn.global/tpt-legacy/>
 - (f) <https://www.iigcc.org/resources>
 - (g) <https://www.investeurope.eu/climate-change-guide/> ,
<https://www.investeurope.eu/invest-europe-esg-reporting-guidelines/esg-reporting-template/>
 - (h) GHG ISO 14064 specific industry standard
<https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>
 - (i) National tools, such as <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting> , <https://ypen.gov.gr/> ,
<https://co2emissiefactoren.nl/> , Indicateur Climat Banque de France
<https://www.banque-france.fr/fr/espace-presse/communiqués-de-presse/la-banque-de-france-mettra-disposition-des-entreprises-son-indicateur-climat> ,
https://www.rvo.nl/sites/default/files/2025-01/ESRS_Navigator_januari_2025.pdf
- 25 Some **OTHER respondents (49%)** provided additional reliable and currently used sources for EFRAG to incorporate in the Support Guide. The suggested sources are the following:
- (a) Academics, NGOs, International Organization and Non-EU Participants mentioned:
 - (i) https://www.voeb.de/fileadmin/Dateien/Fachthemen/Sustainable_Finance/KMU-Leitfaden_zur_Transitionsplanung.pdf
 - (ii) <https://reductionroadmap.dk>
 - (iii) Hungarian ESG calculator: <https://sztfh.hu/tevekenysegek/esg-hatosagi-tevekenyseg/esg-kerdoiv-kitolteset-segito-kalkulator/esg-kalkulator/>
 - (iv) Czech and Slovak sources: <https://impactmetrics.cz/produkty/vypocet-uhlikove-stopy>, <https://www.green0meter.com/cs/>
<https://peterplochan.com/>, <https://explore.besmarthead.com/product-features> <https://klimatapotrebuje.sk/>
 - (v) <https://www.carbontrust.com/our-work-and-impact/guides-reports-and-tools/the-journey-to-net-zero-for-smes>
 - (vi) The journey to Net Zero for SMEs <https://www.carbontrust.com/our-work-and-impact/guides-reports-and-tools/the-journey-to-net-zero-for-smes>
 - (vii) National tools, https://www.miteco.gob.es/es/cambio-climatico/temas/mitigacion-politicas-y-medidas/calculadoras.html#huella-de-carbono-de-una-organizacion_alcance-1_2
 - (viii) A few respondents (18%) proposed the GHG Protocol <https://ghgprotocol.org/calculation-tools-and-guidance>
 - (ix) <https://esg.instrat.pl/>
 - (x) A few respondents (7%) suggested Science Based Targets initiative (SBTi) for SMEs <https://sciencebasedtargets.org/sme>, SME Climate Hub <https://smeclimatehub.org> and ISO Standards (ISO 14001 & ISO 14064) <https://www.iso.org>
 - (xi) Action Toolbox by Business for Social Responsibility (BSR) <https://climateactiontoolbox.org>
 - (xii) CDP SME questionnaire and guidance <https://www.cdp.net/en/smes>

- (xiii) EMAS Registry <https://ec.europa.eu/environment/emas>
- (xiv) CDP (Carbon Disclosure Project) <https://www.cdp.net>

(b) Consultants mentioned:

- (i) Accelerate Climate Transition (ACT) - <https://actinitiative.org/en/>
- (ii) Akaryon - <https://akaryon.com/>
- (iii) Base Empreinte ADEME - <https://base-empreinte.ademe.fr/>
- (iv) Carbon Disclosure Protocol (CDP) - <https://www.cdp.net/en>
- (v) Carbon Trust - <https://www.carbontrust.com/our-work-and-impact/guides-reports-and-tools/sme-carbon-footprint-calculator>
- (vi) CasaClima Agency CO₂ Calculator for SMEs - <https://www.agenziacasaclima.it/it/calcolatore-di-co2-per-le-pmi--9-2829.html>
- (vii) Catalan Office for Climate Change (OCCC) - https://canviclimatic.gencat.cat/ca/actua/calculadora_demissions/
- (viii) Climate Watch Data - <https://climatewatchdata.org/>
- (ix) CO₂ Performance Ladder - <https://www.co2performanceladder.com/certification/>
- (x) CRREM (Carbon Risk Real Estate Monitor) - <https://www.crrem.eu/>
- (xi) Ecomate - <https://ecomate.eu/>
- (xii) European Banking Authority ESG P3 ITS - https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2023_6897
- (xiii) Gencat Calculator - https://canviclimatic.gencat.cat/es/actua/guia_de_calcul_demissions_de_co2/index.html
- (xiv) GHG Protocol - <https://ghgprotocol.org/>
- (xv) GHG Protocol Calculation Tools - <https://ghgprotocol.org/calculation-tools-and-guidance>
- (xvi) GHG Protocol Scope 2 Guidance - <https://ghgprotocol.org/scope-2-guidance>
- (xvii) Green Vision Solutions - <http://www.greenvisionsolutions.de>
- (xviii) IEA - <https://www.iea.org/>
- (xix) IEA Net Zero Roadmap - <https://www.iea.org/reports/net-zero-roadmap-a-global-pathway-to-keep-the-15-0c-goal-in-reach>
- (xx) IPCC - <https://www.ipcc.ch/>
- (xxi) ISO 14064 - <https://www.iso.org/standard/66453.html>
- (xxii) ISO 14067 - <https://www.iso.org/standard/71206.html>
- (xxiii) ISO/DIS 14068 - <https://www.iso.org/obp/ui/#iso:std:iso:14068:dis:ed-1:v1:en>
- (xxiv) Klimakompasset - <https://klimakompasset.dk/klimakompasset/>
- (xxv) MITECO Carbon Calculators - <https://www.miteco.gob.es/es/cambio-climatico/temas/mitigacion-politicas-y-medidas/calculadoras.html>
- (xxvi) MITECO Carbon Footprint Guide - https://www.miteco.gob.es/content/dam/miteco/es/cambio-climatico/temas/mitigacion-politicas-y-medidas/guia_huella_carbono_tcm30-479093.pdf
- (xxvii) PlanA - <https://plana.earth/carbon-scanner-en>

- (xxviii) SASB - <https://sasb.ifrs.org/>
- (xxix) Science Based Targets initiative (SBTi) - <https://sciencebasedtargets.org/>
- (xxx) SME Climate Hub - <https://smeclimatehub.org/>
- (xxxi) SNBC (French National Low-Carbon Strategy) - https://concertation-strategie-energie-climat.gouv.fr/sites/default/files/2024-11/3.%20Guide%20SNBC%20entreprises_0.pdf
- (xxxii) Taskforce on Climate-related Financial Disclosures (TCFD) - <https://www.fsb-tcf.org/>
- (xxxiii) TNFD - <https://tnfd.global/knowledge-bank/nature-in-transition-plans/>
- (xxxiv) Transformative Procurement - <https://www.transformativeprocurement.com/english/spmt>
- (xxxv) UNE-ISO 14064-1:2006 Application Guide - <https://www.ihobe.eus/publicaciones/guia-metodologica-para-aplicacion-norma-une-iso4064-2006-2>

Question 3

Should EFRAG explore other forms of cooperation in this domain? With whom? **YES/NO. If YES, please specify and provide link.**

Key insights (aggregate):

26 **Some respondents (49%)** stated that EFRAG should explore other forms of cooperation. They suggest the following points:

- (a) Mentioned by all categories: <https://ghgprotocol.org/>, <https://sciencebasedtargets.org/>, <https://smeclimatehub.org/>.
- (b) Mentioned by Preparer and Other: <https://www.iso.org/>, <https://www.cdp.net/en>, <https://www.eea.europa.eu/>, <https://climate-pact.europa.eu/>, <https://www.eib.org/>, <https://www.globalreporting.org/>.
- (c) Mentioned by User and Other: National Bodies including ISPRA, ENEA, ADEME, MOPE, ARSO, etc., Academic Institutions e.g., Jožef Stefan Institute, GSOM Politecnico di Milano, FERI, Industry Associations/Chambers of Commerce e.g., SMEUnited, Confindustria, Eurochambres, EU-funded Projects e.g., Clim'Foot, EEN, <https://www.transformativeprocurement.com/english>, <https://www.lifecycleinitiative.org/>.
- (d) Mentioned by Preparer and User: <https://www.carbontrust.com/>, <https://unfccc.int/>.

Key insights (by respondent type):

27 Some **PREPARER respondents (45%)** stated that EFRAG should explore other forms of cooperation. Repeated suggestions include the following: SBTi (4 comments), GHG Protocol (5 comments), SME Climate Hub (3 comments), Nachhaltiges-handwerk.de (2 comments), Pactmundial.ORG/ECOEMBES.COM (2 comments). Specific comments are as follows:

- (a) GHG Protocol (<https://ghgprotocol.org/>)
- (b) Science Based Targets Initiative (SBTi) (<https://sciencebasedtargets.org/>)

- (c) Global Reporting Initiative (GRI)
- (d) International Organization for Standardization (ISO)
- (e) CDP (formerly Carbon Disclosure Project)
- (f) SME Climate Hub (<https://smeclimatehub.org/>)
- (g) Renewable Carbon Initiative (<https://renewable-carbon-initiative.com/>)
- (h) B Lab
- (i) Carbon Trust
- (j) United Nations Framework Convention on Climate Change (UNFCCC)
- (k) European Environment Agency (EEA) (<https://www.eea.europa.eu/>)
- (l) European Innovation Council (EIC) (<https://eic.ec.europa.eu/>)
- (m) EU Climate Pact (<https://climate-pact.europa.eu/>)
- (n) Spanish Register of Carbon Footprints
- (o) European Association of Craft, Small and Medium-sized Enterprises (SMEUnited) (<https://www.smeunited.eu/>)
- (p) European Construction Industry Federation (FIEC) (<https://www.fiec.eu/>)
- (q) FoodDrinkEurope (<https://www.fooddrinkeurope.eu/>)
- (r) European Investment Bank (EIB) (<https://www.eib.org/>)
- (s) European Banking Federation (EBF) (<https://www.ebf.eu/>)
- (t) Potsdam Institute for Climate Impact Research (<https://www.pik-potsdam.de/>)
- (u) SUPSI Sustainability Group (<https://www.supsi.ch/gruppo-sostenibilita-supsi>)
- (v) GSOM Politecnico di Milano (<https://www.gsom.polimi.it>)
- (w) CSR Europe
- (x) Nachhaltiges Handwerk (<https://nachhaltiges-handwerk.de/>)
- (y) Open-es Platform
- (z) Pacto Mundial (<https://pactomundial.org/>)
- (aa) Ecoembes (<https://ecoembes.com/>)
- (bb) Plan A
- (cc) Sweep
- (dd) Watershed
- (ee) SINAI Technologies
- (ff) EU Consumer Footprint Calculator
(<https://eplca.jrc.ec.europa.eu/ConsumerFootprint.html>)
- (gg) Italian PdR 18:2020 (UNI – Technical Specification) & UNI 11919

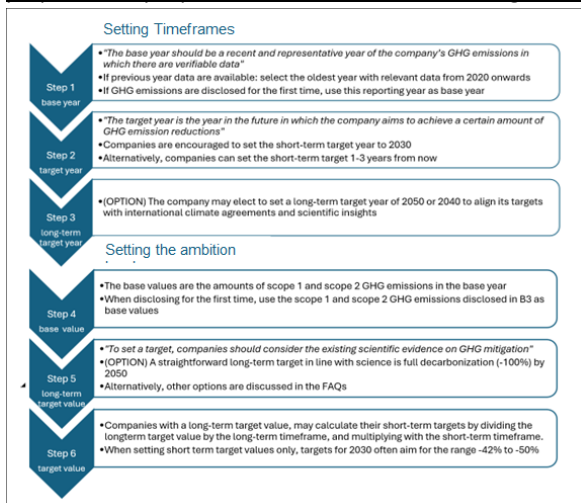
- 28 A majority of **USER respondents (57%)** stated that EFRAG should explore other forms of cooperation. They suggest the following points:
- (a) Some (33%) suggested National bodies and/or initiatives sponsored by the government (such as ISPRA <https://www.isprambiente.gov.it/it/attivita/cambiamenti-climatici> , ENEA <https://www.enea.it/it> , the Social and Economic Council of the Netherlands (SER) <https://co2emissiefactoren.nl/> , ADEME <https://www.ademe.fr/> , UK Department for Energy Security and Net Zero (DESNZ) <https://www.gov.uk/government/collections/energy-and-emissions-projections#updated-energy-and-emissions-projections> ;
 - (b) A few respondents (25%) suggested cooperating with industry associations;
 - (c) A few (17%) with the Science Based Target Initiative (SBTi);
 - (d) One respondent suggested EU funded projects (such as Clim'Foot <https://www.climfoot-project.eu/en/end-users-toolbox> , The Carbon Trust's SME Carbon Calculator <https://gbfcalc.azurewebsites.net/gbf/calc>) and the UN Climate Change 2030 Calculator <https://unfccc.int/news/new-carbon-footprint-calculator-to-support-climate-action>
 - (e) One respondent indicated GIST Impact;
 - (f) One respondent suggested <https://smeclimatehub.org/> , <https://unglobalcompact.org/> , <https://www.bcorporation.net/en-us/>
- 29 Some **OTHER respondents (49%)** provided additional reliable and currently used sources for EFRAG to incorporate in the Support Guide. The suggested sources are the following:
- (a) Academics, NGOs, International Organization and Non-EU Participants mentioned:
 - (i) A few respondents (11%) suggested a series of National Bodies and/or Government-Sponsored Initiatives (Slovenia focused, MOPE <https://www.gov.si/en/state-authorities/ministries/ministry-of-the-environment-climate-and-energy/>, ARSO <https://www.arso.gov.si/>, GURS <https://www.stat.si/>, SPOT <https://spot.gov.si/si/teme/porocilo-o-trajnostnosti/>, SIST <https://www.sist.si/en>, Denmark, <https://reductionroadmap.dk/>, Spain <https://www.idae.es/informacion-y-publicaciones/calculadora-de-emisiones-de-gases-de-efecto-invernadero>)
 - (ii) A few respondents (11%) suggested EU- funded Projects (EEN, EIB, SBTi, SME Climate Hub <https://smeclimatehub.org/>) A few respondents (11%) suggested EU- funded Projects (EEN, EIB, SBTi, SME Climate Hub <https://smeclimatehub.org/>)
 - (iii) A few respondents (7%) mentioned Industry Associations/Chambers of Commerce (Eurochambres, German Chamber of Commerce and Industry and GZS, Slovenian Chamber of Commerce and Industry)
 - (iv) One respondent mentioned Academic Institutions and Research Bodies (Jožef Stefan Institute (IJS), <https://ceu.ijs.si/en/>, FERi – Faculty of Electrical Engineering, Computer Science (Slovenia), <https://feri.um.si/en/>)
 - (v) A few respondents (7%) mentioned Audit, Standard & Professional Bodies (IFAC, <https://www.ifac.org/> and SIR, <https://www.si-revizija.si/>)

(b) Consultants mentioned:

- (i) Ademe (French agency for ecological transition)
- (ii) CEPYME (Confederación Española de la Pequeña y Mediana Empresa)
- (iii) Confindustria - <https://www.confindustria.it/en/confindustria-eu>
- (iv) CDP - <https://ghgprotocol.org/connect>
- (v) EEA (European Environment Agency)
- (vi) Ecoinvent (emissions factors database)
- (vii) Ember Energy - <https://ember-energy.org/>
- (viii) ESAP (European Single Access Point) developers
- (ix) GHG Protocol - <https://ghgprotocol.org/connect>
- (x) Green Vision Solutions - <http://www.greenvisionsolutions.de>
- (xi) GRI (Global Reporting Initiative)
- (xii) ISO - <https://www.iso.org/home.html>
- (xiii) Lifecycle Initiative - <https://www.lifecycleinitiative.org/>
- (xiv) SASB (Sustainability Accounting Standards Board)
- (xv) SBTi - <https://sciencebasedtargets.org/target-services>
- (xvi) Software developers (for digitalization)
- (xvii) TCFD (Task Force on Climate-related Financial Disclosures)
- (xviii) Transformative Procurement
<https://www.transformativeprocurement.com/english>
- (xix) WBCSD (World Business Council for Sustainable Development)

Question 4

The flowchart below depicts how the step-by-step approach of the support guide could be designed with regards to GHG target setting. It includes 6 total steps that cover setting timeframes + ambition levels. In sight of the proportionality aspect and to set a clear methodological base, the step-by-step guide defines the following:



Are the steps an adequate and proportionate approach to structure GHG reduction targets for SMEs? Please put the focus on the content of each step. YES/ NO, please explain. For comments on a specific step please mention it by number.

Key insights (aggregate):

30 A majority of respondents (67%) agreed that the steps outlined provide an adequate and proportionate approach. Those who disagreed commented as follows:

- (a) All respondents mentioned that Scope 3 is under-addressed calling for the inclusion of steps and examples, that the proposed targets are unrealistic, the need for simpler guidance and concerns on the complexity of Steps 4,5,6.
- (b) Preparers and Others commented that Step 5 is vague and that I could be swapped with Step 6.
- (c) Users and Others pointed out that target-setting shouldn't assume linearity.

Key insights (by respondent type):

31 A majority of **PREPARER respondents (57%)** agreed that the steps outlined provide an adequate and proportionate approach. Those who disagreed commented as follows:

- (a) One auditor as proxy for preparers commented that the referenced "Carbon Law" is not available for free. Reference the TPT disclosure framework by ITPN instead, as recommended by CDP for IFRS S2.
- (b) In the flowchart:
 - (i) Step 4: include scope 3 (a few respondents, including an auditor as proxy for preparers)
 - (ii) Step 5 is confusing and needs more information (a few respondents)
- (c) Some respondents commented that it is too complicated and lacks links to options and references. It should function as a stand-alone document that does not require the SME to conduct additional research to find the information being referenced.
- (d) Some respondents state that the SBTi targets themselves are too ambitious and that alignment with them should be reconsidered.
- (e) One representative association for preparers commented that the effort required by SMEs to report is not proportionate to their climate negligible impacts.
- (f) Some respondents comment that flexibility is needed in the approach, particularly for: base year, target timeframes (2030 is too soon), ambition levels (42% reduction by 2030 is unrealistic in some sectors).
- (g) Scope 3 needs to be addressed more thoroughly (5 comments)
- (h) One respondent said that SMEs need help implementing actions to achieve targets more than help setting targets.

32 Some **USER respondents (48%)** agreed that the steps outlined provide an adequate and proportionate approach. Those who disagreed commented as follows:

- (a) Some respondents noted that the methodology is too complex for SMEs, who often lack in-house expertise, and that external pressures, like customer demands or industry standards, are needed to drive action.
- (b) A few respondents including a national public sector respondent suggested using rolling short-term targets (1–2 years, 5 years, 5+ years) alongside a fixed 2030 target for consistency, and emphasized including Scope 3 emissions in the baseline for reduction targets.

- (c) A few respondents said that for SMEs, they preferred five and ten year timeframes for overall targets, as anything beyond ten years lacks credibility, with 2030's classification depending on the base year.
 - (d) One respondent noted that the steps may not be linear due to the interdependence of targets and timeframes, and that setting realistic goals is challenging due to infrastructure limitations; they suggested including visual examples and clearer guidance for SMEs on data retrieval and target setting.
 - (e) One respondent suggested Step 1 should urge companies to follow the GHG Accounting Protocol for selecting a base year, including setting boundaries and considering emissions coverage and structural changes. It was also recommended to revise Step 4 to ensure companies disclose any unaccounted Scope 1 and 2 emissions for transparency and accuracy.
 - (f) Regarding Scope 3 emissions one respondent encouraged high-emission sectors like construction to report them, citing SBTi, GHG Protocol, and CDP for guidance. Another respondent suggested to add Scope 3 in the examples.
- 33 Some **OTHER respondents (49%)** agreed that the steps outlined provide an adequate and proportionate approach. Those who disagreed commented as follows:
- (a) Academics, NGOs, International Organization and Non-EU Participants mentioned:
 - (i) One respondent mentioned that SMEs can't plan for 2030.
 - (ii) One respondent pointed out that Step 6 is too complicated and questioned the benefits of converting long term value to short term one, as it is never a linear correlation.
 - (iii) One respondent proposed swapping Step 5 and Step 6, e.g. in step 5 companies should set a short-term target value, while in Step 6, companies can set a long-term value if they want. It was added that the target range of -42% to -50% for 2030 seems a bit too ambitious for some SMEs, especially given the current US tariff and trade war.
 - (b) Consultants mentioned:
 - (i) Some respondents said sector-specific guidance is needed.
 - (ii) Some said Step 5 is too vague: include specific details and links to referenced information.
 - (iii) A few comments suggested to include scope 3 emissions.
 - (iv) A few said linear reduction targets are problematic for growing companies.

Question 5

Do you think this example is sufficiently clear and useful? If NO, please specify why.

Key insights (aggregate):

- 34 **A majority of respondents (76%)** agreed that the example is clear and useful. Those who disagreed commented as follows:
- (a) All categories mentioned that Scope 3 Emissions, as well as sector-specific emissions, are missing.

- (b) Preparers and Others advocated for a guidance which also provides dummy tools, simplified guides, or step-by-step calculators.
- (c) Users and Other called out for sector-specific guidance and explanation of key terms.

Key insights (by respondent type):

35 A majority of PREPARER respondents (70%) agreed that the example is clear and useful. Those who disagreed commented as follows:

- (a) A few respondents commented on the need for sector-specific guidance.
- (b) One auditor as proxy for preparers said Share of Emissions included in the target and units would be expected in the table as well.
- (c) One association of preparers noted that Scope 3 is not included.
- (d) The same respondent said that SMEs need an easy-to-use and free tool for developing their targets.
- (e) A few commented that SMEs that have already started their GHG reduction efforts but have not yet started reporting may find the short-term reduction targets difficult to meet.

36 A majority of USER respondents (76%) agreed that the example is clear and useful. Those who disagreed commented as follows:

- (a) Some respondents stated that the example should be aligned with capabilities (size, industry and available resources)/sector-specific benchmarks.
- (b) One suggested to replace "Total GHG reduction target [...]" with "The reduction target of emissions generated by direct activities and related energy use [...]" or "Total Scope 1&2 GHG reduction target [...]".
- (c) One respondent stated that the Dutch infrastructure is not yet fit for transition and likely won't be until at least 2035, and recommended providing more practical guidance on transition policies, clearly linking actions to expected outcomes, allowing VSMEs to set longer-term targets where relevant, and including brief definitions of key terms like "Scope 2" to support less familiar users.
- (d) One national public sector respondent suggested adding a concrete example of a company from a Scope 3-intensive sector, including the relevant emission categories, to support understanding.

37 A majority of OTHER respondents (78%) agreed that the example is clear and useful. Those who disagreed commented as follows:

- (a) Academics, NGOs, International Organization and Non-EU Participants:
 - (i) One respondent pointed out that Scope 3 is missing in the example.
 - (ii) One respondent noted that SMEs have no specialists in-house to understand GHG inventory accounting. A dummy approach or guides with links to help understand what to do and what technical solutions are available to reduce Scope 2.

- (iii) One respondent suggested adding a brief description of Scope 1 and Scope 2 emissions to enhance understanding, along with potential scenario for Scope 3 emissions monitoring.
- (b) Consultants mentioned the following points:
- (i) Some respondents said scope 3 should be included as it is the main contributor of GHG emissions, even for companies that are not in high climate impact sectors.
 - (ii) Although the example is clear, SMEs need additional guidance on how to calculate expected reductions from specific measures. (Suggested by a few respondents.)
 - (iii) Suggestion from a few respondents: create separate guidance for different emissions scopes.

Question 6

Do you agree that this example is sufficiently clear and useful? If NO, please specify why.

Key insights (aggregate):

- 38 **A majority of respondents (68%)** agreed that the example is clear and useful. Those who disagreed commented as follows:
- (a) All categories mentioned that the example is confusing to those unfamiliar with GHG accounting, asking for clearer reasoning and simplified presentation.
 - (b) Preparers and Others highlighted that Scope 3 is missing or not addressed adequately and that linear reduction targets are unrealistic.
 - (c) Users and Others proposed providing alternative scenarios and clarifying units and formula language.

Key insights (by respondent type):

- 39 **A majority of PREPARER respondents (64%)** agreed that the example is clear and useful. Those who disagreed commented as follows:
- (a) A few respondents questioned whether linear targets make sense, since reductions will be the result of concrete actions at a given point in time. This is particularly the case for smaller SMEs.
 - (b) One association of preparers said the reasoning should be better explained as it is complicated for people unfamiliar with GHG emission reduction activities. (Confindustria Bergamo)
 - (c) A few comments mentioned that Scope 3 is missing from the example.
 - (d) One association of preparers raised a concern that the approach does not comply with the 1.5°C requirement.
 - (e) A few respondents found the targets to be too ambitious, particularly for scope 1 emissions. This might discourage SMEs to begin the process.
 - (f) One respondent suggested using actual years (e.g. 2026 instead of 202X or 20X6), as well as considering spelling out tCO₂eq (tons of CO₂ equivalent) at least in the first instance.

- 40 **A majority of USER respondents (57%)** agreed that the example is clear and useful. Those who disagreed commented as follows:
- (a) Some respondents (33%) recommended to make it more practical. One suggested including the acquisition or sale of assets, or the rollout of new products and services; another one to remove the formula and percentage, and to request numbers/data, and clear actions; another that setting a percentage of absolute decrease is sufficient until 2030.
 - (b) Some respondents (22%) recommended clarifying the definitions of short- and long-term timeframes (short-term target refers to 2030 - a 4-year horizon from 2026- and a long-term target refers to 2050). One of them also proposed using these timeframes to calculate a minimum annual reduction rate—e.g., 17% per year to reach net-zero by 2050—and suggested including a note encouraging stronger reductions in the short term to avoid falling behind due to potential delays or fluctuations.
 - (c) One respondent recommended using the same example as for the short-term target to improve understanding.
 - (d) One respondent suggested providing another scenario as an alternative, emphasizing the need for a faster approach in the short term and the feasibility of taking larger steps in the early years, rather than waiting until later periods.
 - (e) One national public sector respondent emphasized guiding companies to set targets using the Sectoral Decarbonization Approach (SDA), as it aligns goals with sector-specific realities and existing standards.
- 41 **A majority of OTHER respondents (72%)** agreed that the example is clear and useful. Those who disagreed commented as follows:
- (a) Academics, NGOs, International Organization and Non-EU Participants mentioned:
 - (i) One respondent pointed out that Scope 3 was not tackled.
 - (ii) A few respondents questioned how realistic it is to use a long-term target of 0 emissions in Scope 1 and 2, potentially discouraging SMEs. It was suggested to provide more realistic targets.
 - (iii) One respondent raised concerns regarding the linear reduction, as it may oversimplify complex situations where reductions depend on dynamic factors like raw material prices or market conditions. The suggestion is to allow flexibility for non-linear reduction pathways to accommodate industry-specific challenges.
 - (b) Consultants mentioned:
 - (i) The formula was considered confusing by a few respondents, some of whom had the following comments: specify what "target value" refers to (% or absolute), what does "long time frame" represent (e.g., years).

Question 7

Do you find this linkage between C3 and C2 a useful and proportionate way of ensuring that the setting GHG reduction target actions remains manageable for SMEs while still being useful for users? If NO, please specify why.

Key insights (aggregate):

- 42 **A majority of respondents (80%)** agreed that the linkage serves the purpose indicated in the question. Those who disagreed commented as follows:
- (a) All categories mentioned the need to provide more diverse and concrete action examples.
 - (b) Preparers and Users point out that Scope 3 remains a major omission in examples and request guidance on how to link actions to Scope 3.
 - (c) Preparers and Others emphasized the need for sector-specific examples.

Key insights (by respondent type):

- 43 **Most PREPARER respondents (80%)** agreed that the linkage serves the purpose indicated in the question. Those who disagreed commented as follows:
- (a) Add the following elements to the example:
 - (i) Scope 3 (2 comments)
 - (ii) highest senior level (1 comment)
 - (iii) information on financial impact and if an SME has the financial capacity for the actions planned (3 comments)
 - (iv) timing for the planned implementation (2 comments)
 - (b) Some respondents said examples are needed beyond just transport-focused ones. Could add: LED lighting, automation, PV modules, reduction of packaging, or energy efficiency measures.
- 44 **A majority of USER respondents (67%)** agreed that the linkage serves the purpose indicated in the question. Those who disagreed commented as follows:
- (a) Some of respondents (43%) suggested to add clarification regarding:
 - (i) C2 Current Practice: Upgrading machinery to energy-efficient models; C2 Future Initiative: Switching to 100% renewable electricity by 2026 C3 Target: Reduce Scope 1 & 2 emissions by 30% by 2030.
 - (b) One respondent recommended providing an exhaustive bullet-point list of solutions classified as preferred vs. non-preferred, rather than only a few examples—for instance, preferring direct procurement of renewable electricity over the purchase of certificates;
 - (c) One respondent recommended linking the C3 and C2 statements to ensure consistency between GHG reduction targets and actions, and suggested adding an example of actions related to Scope 3 emissions to support paragraph 54.
- 45 **A majority of OTHER respondents (83%)** agreed that the linkage serves the purpose indicated in the question. Those who disagreed commented as follows:
- (a) Academics, NGOs, International Organization and Non-EU Participants mentioned:
 - (i) One respondent pointed out that actions are very sector specific making sector-specific examples helpful.
 - (b) Consultant respondents mentioned:

- (i) Some said there is a need for practical examples with quantified impacts (include numerical estimates of potential savings).
- (ii) A few comments ask for a comprehensive list of actions an SME to implement (differentiated by sector).
- (iii) A few said there is a tension between business growth vs reduction targets. Discuss perhaps using intensity-based targets.

Question 8

Do you consider the example provided on integrating the plan into the undertaking's business strategy and financial planning sufficiently clear and useful? If NO, please specify why.

Key insights (aggregate):

- 46 **A majority of respondents (68%)** agreed that the linkage serves the purpose indicated in the question. Those who disagreed commented as follows:
- (a) All categories noted that the examples lack clarity or real-world applicability, therefore the need to make them more detailed and complete. Guidance for calculating GHG reduction and financial impact is also requested.
 - (b) Users and Others mentioned the need for clarity on the financial impact (positive/negative, and funding status).
 - (c) Preparers and Others called out for visuals and templates.

Key insights (by respondent type):

- 47 A majority of **PREPARER respondents (70%)** consider the example sufficiently clear and useful. Those who disagreed commented as follows:
- (a) Some respondents said the examples could be more clear and complete: the contribution to the GHG reduction pathway is not clear, measurements are very superficial.
 - (b) The example should fulfil the complete disclosure requirements proposed in the paragraph. (by a representative association for preparers)
 - (c) Some commented that more guidance is needed on calculating impact.
 - (d) A few respondents said that this did not sound like a real-life relatable situation for SMEs.
- 48 A majority of **USER respondents (62%)** consider the example sufficiently clear and useful. Those who disagreed commented as follows:
- (a) One national public sector respondent suggested adding the expected GHG emission reduction—at least an estimate—to the proposed example. They also recommended including the time horizon for the action and its financial impact, as well as the funding status (e.g., already committed, projected, or estimated) to align with the timelines in points 5 and 6.
 - (b) One respondent suggested providing a simpler illustration for smaller businesses—such as examples related to investments in more efficient equipment or vehicles;

- (c) One respondent suggested clarifying whether the financial impact is positive or negative—for example, by indicating if lower energy costs are expected and included in the explanation;
 - (d) One respondent noted that the '% per efficiency gain' mentioned under point 2 may need further clarification.
- 49 A majority of **OTHER respondents (67%)** consider the example sufficiently clear and useful. Those who disagreed commented as follows:
- (a) Academics, NGOs, International Organization and Non-EU Participants mentioned:
 - (i) One respondent specified that SMEs do not conduct any scientific investment planning, requiring help to plan these investments.
 - (ii) A few respondents suggested providing concrete examples.
 - (iii) One respondent asked examples showing how a specific action (like investing in energy-efficient equipment) impacts CapEx, OpEx, or even revenue projections.
 - (iv) One respondent requested examples on how to integrate the climate transition plan into a company's business strategy and financial planning and how it impacts them. Moreover, a simple tool, like a matrix or a template to evaluate the financial and strategic implications of these actions.
 - (v) One respondent noted the need to spell out the meaning of OpEx and CapEx at least in the first instance, as well as indicating size of the business to get a sense of the relative size of the monetary amounts.
 - (b) Consultant respondents mentioned:
 - (i) Some comments asked for simple, sector-specific examples are needed for different sized SMEs.
 - (ii) Use tables, graphics and more visual formats rather than text-heavy descriptions – suggested by some respondents.
 - (iii) Some respondents voiced concerns about the challenges of implementation and said that practical guidance on this point is lacking (calculating financial impacts, addressing energy price volatility, etc).
 - (iv) A few comments asked for an example of a **complete** transition plan.

Question 9

Do you consider that this approach to a simplified pathway is sufficiently clear and useful? If NO, please specify why.

Key insights (aggregate):

- 50 **A majority of respondents (73%)** consider the approach sufficiently clear and useful. Those who disagreed commented as follows:
- (a) All categories acknowledged the need for concrete, sector-specific examples.
 - (b) Users and Others recommended the use of visuals and timelines to clarify implementation.

Key insights (by respondent type):

- 51 A majority of **PREPARER respondents (73%)** consider the approach sufficiently clear and useful. Those who disagreed commented as follows:

- (a) A few respondents commented on the need for a clear structure and clearly defined terms (e.g., OpEx vs CapEx).
 - (b) Given their limited resources, these disconnected examples would not be sufficient for to enable an SME to prepare their VSME disclosure. They would require the assistance of an external advisor. (comment from an association of preparers)
 - (c) A few respondents asked for additional examples for different sectors (e.g., agriculture, light manufacturing, services).
- 52 A majority of **USER respondents (71%)** consider the approach sufficiently clear and useful. Those who disagreed commented as follows:
- (a) One European representative of users found the references to levers slightly confusing, as the examples mostly reflect progress indicators rather than actions. They recommended including specific examples (such as 'upgrading to LED lighting' or 'installing smart meters').
 - (b) One respondent suggested dividing indicators and actions into near-term, longer-term, and long-term categories to provide SMEs with a clear roadmap.
 - (c) One national public sector respondent suggested that companies should disclose the progress status of financing for each decarbonization action to enhance clarity and assess the tangible nature of the action plan.
 - (d) The same respondent suggested including examples and targets for scope 3.
- 53 A majority of **OTHER respondents (74%)** consider the approach sufficiently clear and useful. Those who disagreed commented as follows:
- (a) Academics, NGOs, International Organization and Non-EU Participants mentioned:
 - (i) A few respondents suggested including concrete examples.
 - (ii) One respondent asked for examples with more detailed financial projections and specify the expected Co2 savings per year.
 - (iii) One respondent for more visuals such as a table showing how to organise actions across the short, medium, and long term, with associated quantifiable indicators and defined timeframes. This would be editable or a step-by-step example that companies can easily replicate within their own operational context.
 - (iv) One respondent argued that there is no visual timeline or sequencing, as the text lists actions but doesn't show if they happen "by 2030" or "post 2030". A timeline or flow would make the pathway easier to follow and replicate. Moreover, there is limited monitoring guidance, e.g. no mention on how often to measure or what tools to use.
 - (v) One respondent pointed out that explanations for "decarbonisation levers" and "pathways" remain too abstract.
 - (b) Consultant respondents mentioned:
 - (i) Some asked for a table or visual format.
 - (ii) A few suggested providing technical guidelines and tools to help SMEs that lack the technical capacity to calculate GHG reductions.

Question 10

Do you consider it useful to add these questions to the Support Guide? If NO, please specify why.

Key insights (aggregate):

- 54 **Most respondents (80%)** consider useful to add these questions to the Support Guide. Those who disagreed commented as follows:
- (a) Respondents across all categories raised concerns about potential complexity and the clarity of language, even though overall support for the addition was high.
 - (b) Among preparers, a few noted that content should remain consolidated within the VSME Standard and that FAQs should be concise, avoid repetition, and include guidance on reducing Scope 1 and 2 emissions. Additional suggestions included adding a note on guarantees of origin, clarifying the term "enabled emissions," and providing advice on engaging value chain partners.
 - (c) Other respondents, particularly from academia and NGOs, recommended clarifying methodological aspects such as whether calculations are market or location based. Consultants added that certain topics require more comprehensive explanation than an FAQ can provide.

Key insights (by respondent type):

- 55 **Most PREPARER respondents (82%)** consider useful to add these questions to the Support Guide. Those who disagreed commented as follows:
- (a) A few commented that it would be better to have everything in one document (the VSME Standard).
 - (b) Suggestions (one respondent each):
 - (i) The FAQ should be short, structured, and meaningful. (by a representative association for preparers)
 - (ii) Add a note on guarantees of origin (by an auditor as proxy for preparers)
 - (iii) One respondent suggests avoiding technical terminology like 'product or portfolio footprint'.
- 56 **Most USER respondents (86%)** consider useful to add these questions to the Support Guide. Those who disagreed commented as follows:
- (a) A majority of them stated that it would add too much complexity.
- 57 **Most OTHER respondents (90%)** consider the approach sufficiently clear and useful. Those who disagreed commented as follows:
- (a) Academics, NGOs, International Organization and Non-EU Participants mentioned:
 - (i) One respondent pointed out that bullet point 2 is not clear enough.
 - (ii) One respondent recommends specifying if it is a market or location-based calculation.
 - (b) Consultant responses included:

- (i) One respondent said that more comprehensive explanations are needed, and that a simple response in an FAQ would not suffice.

Question 11

Do you think that the Support Guide should offer more guidance on Scope 3 GHG emissions, either for calculation or target setting? If YES, please specify why.

Key insights (aggregate):

- 58 **A majority of respondents (65%)** think that the Support Guide should offer more guidance on Scope 3 emissions. Those who agreed commented as follows:
- (a) Respondents across all categories emphasized the importance of Scope 3 guidance, noting it represents the largest portion of an SME’s carbon footprint but is difficult to calculate, especially for smaller enterprises.
 - (b) Preparers and users suggested including examples to enhance clarity and consistency. In particular, users proposed including clear definitions, calculation methods (e.g., GHG Protocol), data collection strategies, and reduction examples like sustainable procurement and supplier engagement.
 - (c) Other respondents recommended providing complete Scope 3 calculations for SMEs by sector and size, along with references to open-source databases. Consultants recommended a simplified, standardized approach, with sector-specific guidance and a toolkit like a decision tree for GHG accounting.

Key insights (by respondent type):

- 59 A majority of **PREPARER respondents (68%)** think that the Support Guide should offer more guidance on Scope 3 emissions. Those who agreed commented as follows:
- (a) Some respondents say Scope 3 is a challenge for any enterprise, particularly SMEs. Despite this, they represent the largest portion of the SME's carbon footprint.
 - (b) Some respondents say SMEs require comprehensive step-by-step guidance that goes beyond what is in the current guide.
 - (c) A few respondents comment that to calculate scope 3, many SMEs will need (costly) external support.
 - (d) A few respondents say good examples for scope 3 calculations can lead to increased clarity on the topic for SMEs and a more harmonised approach to the topic.
 - (e) Suggestions:
 - (i) A table with GHG emissions by category in the GHG protocol. (2 comments)
 - (ii) Simplified, sector relevant instructions (5 comments)
 - (f) One accountant proxy for preparers said that scope 3 is unlikely to be used by SMEs and including guidance for it will only add to the length and difficulty of the document. (ACCA Association of Chartered Certified Accountants)
- 60 A majority of **USER respondents (76%)** think that the Support Guide should offer more guidance on Scope 3 emissions. Those who agreed commented as follows:
- (a) Most of respondents emphasized the importance of including Scope 3 emissions. It was also recommended to include a clear definition of Scope 3 and its categories,

methods for calculation (e.g., using the GHG Protocol), strategies for data collection from suppliers, advice on target setting aligned with science-based frameworks, and examples of reduction strategies like sustainable procurement and supplier engagement;

- 61 A majority of **OTHER respondents (61%)** consider the approach sufficiently clear and useful. Those who disagreed commented as follows:
- (a) Academics, NGOs, International Organization and Non-EU Participants mentioned:
 - (i) A few respondents (11%) pointed out that SMEs need more help to calculate Scope 3, e.g. complete calculations for a dummy SME per sector and size which can be adjusted, including references to open source databases that could be used for the calculation of Scope 3 emissions.
 - (ii) One respondent recommended providing more guidance for target setting, indicating sections 8/9 as an example.
 - (iii) One respondent proposed explaining what are the 15 categories.
 - (b) Consultants mentioned:
 - (i) A majority of respondents cited a need for a simplified calculation method: calculating scope 3 emissions is extremely complex and resource-intensive. SMEs need a simplified & standardised approach with detailed guidance.
 - (ii) Some said sector-specific guidance is needed.
 - (iii) Some said guidance on scope 3 is important as it represents the largest portion of an SMEs carbon footprint.
 - (iv) A few recommended the development a simplified scope 3 toolkit: decision tree, guidance on GHG accounting approach, etc.

Part 2 – C7 (Severe negative human rights incidents)

Question 1

Do you agree with the aim and need of this support guide which seeks to provide hands-on guidance for SMEs disclosing if they are aware of any confirmed severe human rights incidents in their value chain, with a particular focus on paragraph 62(c)? If NO, please specify why.

Key insights (aggregate):

- 62 **Most respondents (92%)** agree with the aim and need of this support guide. The one who disagreed commented as follows:
- (a) All categories agreed on the guide's relevance and emphasized the need for clear guidance on the purpose of data points to inform disclosure. There were also concerns about maintaining proportionality to avoid overburdening SMEs
 - (b) Preparers and users suggested that point (c) should apply only to SMEs in scope of the Whistleblower Directive. Both groups recommended simplifying the definition of "confirmed incidents" and clarifying distinctions between awareness, responsibility, and response capacity.
 - (c) Preparers emphasized the need for more detailed explanations to help SMEs apply the guide effectively.
 - (d) Other respondents pointed out that direct questions could discourage disclosure due to reputational risks. One suggestion was that C4 might be a better focus than C3,

and the guide should be clearer to avoid confusion between paragraphs 62(c) and 62(a). Consultants recommended including critical risks along with confirmed incidents and noted that EU-based SMEs must already comply with such regulations.

Key insights (by respondent type):

- 63 Most **PREPARER respondents (93%)** agree with the aim and need of this support guide. The two who disagreed commented as follows (one comment for each of the points below):
- (a) Provide guidance on the **purpose** of this data point to help inform their disclosure – from a representative association for preparers.
 - (b) Point (c) should only be applicable to SMEs that are in scope of the Whistleblower Directive – from a representative association for preparers.
 - (c) Provide a simplified definition of "confirmed incidents"
 - (d) Maintain proportionality - concern this overburdens SMEs.
 - (e) Clarify distinction between awareness, responsibility, and response capacity.
- 64 Most **USER respondents (95%)** agree with the aim and need of this support guide. The one who disagreed commented as follows:
- (a) One respondent noted that SMEs may be reluctant to disclose certain matters, as directors are likely to take action once issues are identified, but public disclosure of these actions is less likely.
- 65 Most **OTHER respondents (91%)** agree with the aim and need of this support guide. The one who disagreed commented as follows:
- (a) Academics, NGOs, International Organization and Non-EU Participants mentioned:
 - (i) One respondent pointed out that direct questions will lead to lack of disclosure as it is hurtful to their image.
 - (ii) One respondent argued that C4 might have been a more appropriate area to focus on than guidance for C7, which is more straightforward.
 - (iii) One respondent commented that the Guide should be more clearly defined, as it only brings attention to paragraph 62(c). This focus should be clearly stated to avoid confusion with 62 (a). The current wording may lead to the misinterpretation of the scope of the Support Guide.
 - (b) Consultants mentioned:
 - (i) One suggestion was to include critical risks as well as confirmed incidents.
 - (ii) One respondent felt that it is not necessary, since EU-based SMEs must already comply with such regulations and those that do not would not be bothered to report it.

Question 2

Are these examples sufficiently comprehensive and clear to enable the awareness of the confirmed incident, including the affected stakeholders and the specific human rights violated? If NO, please specify why.

Key insights (aggregate):

- 66 **Most respondents (84%) believe** that the examples are sufficiently clear. Those who disagreed commented as follows:

- (a) Preparers and users requested more cause-effect clarity, with details on how incidents impact companies and clearer definitions of "confirmed incidents." Some suggested splitting complaints and actions, illustrating case presentations, and specifying violated human rights.
- (b) Preparers raised concerns about the relevance of international examples to SMEs.
- (c) Users requested more structured examples, identifying stakeholders, violations, confirmation channels, and response details. Some also suggested adding workforce-related examples and aligning with the Operational Risk framework.
- (d) Other respondents suggested expanding examples to cover more non-conformities and linking rights or standards to international frameworks. Consultants recommended more comprehensive violation lists, noting confusion due to only one example being a "confirmed" incident.

Key insights (by respondent type):

67 A majority of **PREPARER respondents (79%)** believe that the examples are sufficiently clear. Those who disagreed commented as follows:

- (a) One association of preparers suggested it include more of the cause-effect relationship of the narrative data-point, for insight into how the incident impacts the company itself.
- (b) One respondent questioned whether the "Affected Communities" example reflects a "confirmed incident".
- (c) An accountant proxy for preparers said an additional example of "zero-hour contracts" or abuse of subcontract labour/false self-employment would be useful.
- (d) Suggestions: split complaint and actions taken into separate sections, illustrate how to present cases in sustainability reports, systematically include mention of the specific human rights being violated. (1 comment for each point)
- (e) A few respondents raised the following concern: international examples may not be relatable to most SMEs

68 A majority of **USER respondents (71%)** believe that the examples are sufficiently clear. Those who disagreed commented as follows:

- (a) A majority of respondents (50%) highlighted the need for incident-related examples to be more structured and comprehensive, clearly identifying affected stakeholders and human rights violations, the tools or channels through which incidents are confirmed, contextual details such as region or sector, and including evidence, company linkage, and response taken, with some also suggesting the inclusion of examples related to the company's own workforce;
- (b) One respondent suggested that SMEs may perceive a disconnect between confirmed incidents and the examples provided for affected communities;
- (c) One respondent emphasized the importance of aligning the reference principles with the Operational Risk framework;

- (d) One respondent noted that topics such as fertilizers and broader legislative requirements may not be relevant for inclusion, as they may be already comprehensively regulated under existing national frameworks (such as in Netherlands);
- 69 Most **OTHER respondents (90%)** believe that the examples bring enough awareness to the dealt topics. The one who disagreed commented as follows:
- (a) Academics, NGOs, International Organization and Non-EU Participants mentioned:
- (i) A few respondents (7%) noted that the examples could be further expanded to cover a wider range of possible non-conformities that SMEs may encounter, including other types of incidents relevant to different sectors.
 - (ii) One respondent suggested including specific rights or standards violated (freedom of association, child labour, privacy, or access to clean water) linked to international frameworks like UN Guiding Principles or ILO Conventions.
- (b) Consultants mentioned (one comment for each point):
- (i) A more comprehensive list of possible violations is needed.
 - (ii) One respondent pointed out that only the first example contains a "confirmed" incident, while the other two are *alleged* and *under investigation*. This causes some confusion.
 - (iii) Without an audit process, there is a chance that SMEs in violation may be reluctant to report.

Question 3

Are there any reliable and currently used source (websites/ tools etc.) that could be further referenced or used by EFRAG in the Support Guide? IF YES, please specify and provide link

Key insights (aggregate):

- 70 **A few respondents (29%)** provided additional reliable and currently used sources for EFRAG to incorporate in the Support Guide.

Key insights (by respondent type):

- 71 Some **PREPARER respondents (39%)** provided additional reliable and currently used sources for EFRAG to incorporate in the Support Guide. The suggested sources are the following:
- (a) UN Office of the High Commissioner for Human Rights (OHCHR): <https://www.ohchr.org>
 - (b) UN Guiding Principles Reporting Framework: <https://www.ungpreporting.org>
 - (c) International Labour Organization (ILO): [https://www.ilo.org/global/lang--en/index.htm](https://www.ilo.org/global/lang-en/index.htm)
 - (d) OECD Due Diligence Guidance for Responsible Business Conduct: <https://www.oecd.org/investment/due-diligence-guidance-for-responsible-business-conduct.htm>
 - (e) Global Reporting Initiative (GRI): <https://www.globalreporting.org>

- (f) SA8000 Standard and SAI Social Fingerprint: <https://sa-intl.org>
 - (g) SME Compass (German Federal Government): <https://www.sme-compass.org>
 - (h) Helpdesk on Business & Human Rights (Germany): <https://wirtschaftsentwicklung.de/en/helpdesk-on-business-human-rights>
 - (i) Cybersecurity for SMEs by ENISA: <https://www.enisa.europa.eu/publications/enisa-report-cybersecurity-for-smes>
 - (j) Data protection guide for small business: https://www.edpb.europa.eu/sme-data-protection-guide/home_en
 - (k) Human Rights Due Diligence Handbook for SMEs: https://www.undp.org/sites/g/files/zskgke326/files/2024-05/HRDD%20for%20SMEs_Book_EN%20version.pdf
 - (l) CSR Risk Check Tool: <https://www.mvorisicochecker.nl/en> and <https://www.csr-risk-check.org>
 - (m) Due Diligence Risk Matrix: <https://www.imvoconvenanten.nl/-/media/imvo/files/metaal/due-diligence-risk-matrix.pdf>
 - (n) UNICEF Children's Rights and Business Atlas: https://www.unicef.ch/sites/default/files/2023-11/childrens_rights_and_business_atlas_data_Juni2023.pdf
 - (o) KnowTheChain Benchmark & Sector Reports: <https://knowthechain.org>
 - (p) OECD Watch Case Database: <https://www.oecdwatch.org/complaint-database/>
 - (q) Shift Project: <https://shiftproject.org>
 - (r) Business & Human Rights Resource Centre: <https://www.business-humanrights.org>
 - (s) Corporate Human Rights Benchmark: <https://www.worldbenchmarkingalliance.org/human-rights/> and <https://www.corporatebenchmark.org>
 - (t) Fair Labor Association: <https://www.fairlabor.org>
 - (u) Ethical Trading Initiative: <https://www.ethicaltrade.org>
 - (v) Fair Wear Foundation: <https://www.fairwear.org>
- 72 **Some USER respondents (45%)** provided additional reliable and currently used sources for EFRAG to incorporate in the Support Guide. The suggested sources are the following:
- (a) Some respondents suggested “UN Guiding Principles on Business and Human Rights”;
 - (b) Some of them suggested OHCHR's Work with Local Governments: Cities, local and regional governments and human rights;
 - (c) One respondent suggested “My business and human rights – A guide to human rights for small and medium-sized enterprises” financed by the EC and based on United Nations Guiding Principles on Business and Human Rights;

- (d) One “SMEs and the Responsibility to Respect Human Rights” (summary note from a workshop with SMEs and IOE;
 - (e) One “BSR Blog – Five Ways Companies Can Help Smallholders and SMEs Prepare for Upcoming Regulations”;
 - (f) One “Basel Risk Operational Framework”;
 - (g) One “Social Justice Non-Profit Organizations”;
 - (h) One “MVO risico checker” <https://www.mvorisicochecker.nl/>;
 - (i) One <https://www.business-humanrights.org/en/from-us/knowthechain/>;
 - (j) One the “UN Global Compact's SME Compass and Business & Human Rights Navigator”;
 - (k) One the “GANHRI Monitoring Framework”, provided by the Global Alliance of National Human Rights Institutions;
 - (l) One “CSR Risk Check Tool”;
 - (m) One suggested “Sedex membership” and similar initiatives;
 - (n) One “Verisk Maplecroft” or “EiQ”;
 - (o) One “ILO”;
 - (p) One “SMETA”;
 - (q) One the tool <https://www.duediligencetoolbox.be/en> ;
- 73 **Some OTHER respondents (21%)** provided additional reliable and currently used sources for EFRAG to incorporate in the Support Guide. The suggested sources are the following:
- (a) Academics, NGOs, International Organization and Non-EU Participants mentioned:
 - (i) <https://smeclimatehub.org/>
 - (ii) <https://www.nogreenwashing.cz/>
 - (iii) <https://greentalk.sk/blog/greenwashing-ukazky-prax/>
 - (iv) “IFAC Small Business Sustainability Checklist” https://www.ifac.org/knowledge-gateway/small-and-medium-sized-practices-smpps/publications/small-business-sustainability-checklist?check_logged_in=1
 - (v) https://www.wbcsd.org/wp-content/uploads/2023/11/WBCSD_CEO_Guide_to_Human-Rights_SPA.pdf
 - (vi) “SME Compass (GIZ/BMZ)” <https://sme-compass.com>
 - (vii) “Guiding Principles Reporting Framework” <https://www.ungpreporting.org>
 - (viii) OECD Due Diligence Guidance for Responsible Business Conduct <https://mneguidelines.oecd.org/due-diligence-guidance-for-responsible-business-conduct.htm>
 - (ix) “BSR Human Rights Working Group Tools” <https://www.bsr.org>
 - (x) “Business & Human Rights Resource Centre” <https://www.business-humanrights.org>
 - (b) Consultants mentioned:

- (i) Amnesty International - <https://www.amnesty.org/>
- (ii) Business & Human Rights Resource Centre - <https://www.business-humanrights.org/>
- (iii) Ethical Trading Initiative (ETI) - <https://www.ethicaltrade.org/>
- (iv) EU Fundamental Rights Information System - <https://fra.europa.eu/en/databases/efris/>
- (v) Fair Labor Association - <https://www.fairlabor.org/>
- (vi) Global Reporting Initiative (GRI) - <https://www.globalreporting.org/>
- (vii) Helpdesk Wirtschaft und Menschenrechte - <https://wirtschaft-entwicklung.de/wirtschaft-menschenrechte>
- (viii) OECD Due Diligence Guidance for Responsible Business Conduct - <https://mneguidelines.oecd.org/OECD-Due-Diligence-Guidance-for-Responsible-Business-Conduct.pdf>
- (ix) OECD Guidelines for Multinational Enterprises - <https://mneguidelines.oecd.org/mneguidelines/>
- (x) UN Global Compact - <https://unglobalcompact.org/>
- (xi) UN Guiding Principles on Business and Human Rights - https://www.ohchr.org/sites/default/files/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf
- (xii) UNDP Human Rights Due Diligence for SMEs Handbook - https://www.undp.org/sites/g/files/zskgke326/files/2024-05/HRDD%20for%20SMEs_Book_EN%20version.pdf
- (xiii) UNEP FI Sector-Impact Map - <https://www.unepfi.org/impact/impact-analysis-tools/>
- (xiv) Universal Declaration of Human Rights - <https://www.un.org/en/about-us/universal-declaration-of-human-rights>

Question 4

(OPTIONAL) Do you think that support guides should also include educational aspects (e.g. SME Compass), for SMEs to become familiar in anticipating severe negative violation in relation to workers, affected communities and consumers/end-users? IF YES, please explain

Key insights (aggregate):

- 74 **Most respondents (69%)** believe that the support guides should also include educational aspects.
- (a) Preparers and Others promote a preventive approach.
 - (b) Preparers, Users and Others suggested a step-by-step guidance, practical tools, sector-specific educational content, and case studies. Others also suggested developing a dedicated resource hub.
 - (c) Users propose including elements like the SME Compass to transform the Support Guide into a capacity building resource.
 - (d) Users advocate for more educational materials on child labour.
 - (e) Others suggest providing guidance on CoC development and sector-specific mapping.

Key insights (by respondent type):

- 75 A majority of **PREPARER respondents (78%)** found that the support guides should include educational aspects. The following remarks were made:
- (a) There was strong agreement among respondents that educational aspects are useful to SMEs.
 - (b) Some (12) respondents mention that there is a knowledge gap on human rights issues among SMEs, creating a strong need for education on the topic.
 - (c) Important to take a preventative approach to the topic (including risk identification), since it is easier than reporting and remediation after an incident. (8 comments)
 - (d) Some suggested step-by-step guidance and practical tools will help SMEs. (9 comments)
 - (e) Sector-specific educational content is appropriate and can be done by associations or online tools. (5 comments)
 - (f) A few respondents recommend case studies of both prevention as well as lessons learned from past incidents.
 - (g) One suggests developing educational material for disclosures (a) and (b) as well.
- 76 A majority of **USER respondents (65%)** found that the support guides should include educational aspects. The following remarks were made:
- (a) Some respondents recommended integrating educational elements such as the SME Compass into the Support Guide to transform it from a compliance-focused document into a capacity-building resource;
 - (b) One respondent emphasized that it would be beneficial to have educational material on child labour, because while many SMEs are genuinely committed to avoiding association with issues like child labour, they often lack the awareness, tools, or capacity to detect such risk;
 - (c) One suggested to include educational components such as, educational modules, case studies, and practical tools to prevent and mitigate adverse human rights impacts;
 - (d) One highlighted the need for educational materials regarding affected communities;
 - (e) One respondent highlighted the importance of aligning guidance for SMEs with the OECD Guidelines for Multinational Enterprises;
 - (f) One “OECD Due Diligence Guidance for Responsible Business Conduct”;
 - (g) One “UNDP Human Rights Due Diligence Handbook for SMEs”;
- 77 A majority of **OTHER respondents (65%)** found that the support guides should include educational aspects. The following remarks were made:
- (a) Academics, NGOs, International Organization and Non-EU Participants:
 - (i) One respondent points out the usefulness of CoC guidance and to know best practices in global.
 - (ii) One respondent noted the high levels of educational gaps regarding compliance with ESG.

- (iii) A few respondents (7%) agreed on the need to help SMEs move from reactive reporting to proactive risk identification. As SMEs lack internal human rights expertise it useful to provide simplified tools, examples of early warning signs, as well as sector specific case studies, and training links (SME Compass, CSR Europe and UN Global Compact Guide).
- (b) Consultants mentioned:
 - (i) A majority of respondents emphasised that educational resources are necessary for SMEs due to their lack of knowledge and expertise.
 - (ii) Some said education would be particularly helpful with prevention and risk management, and can transform reporting from a burden into a strategic advantage for SMEs.
 - (iii) Some respondent said practical tools & examples have high value.
 - (iv) Suggestions included: create a dedicated resource hub for SMEs to access educational material (3 comments), provide sector-specific risk mapping (2 comments), balance the content to avoid overwhelming SMEs (3 comments).

Question 5

Are there additional elements that should be included in the support guide for C3 or for C7 – 62(c) that you have not yet been addressed in the above questions? IF YES, please explain

Key insights (aggregate):

- 78 **A few respondents (25%)** believe that there are additional elements to include in the support guide. The following remarks were made:
- (a) All categories suggested adding more SME-relevant, sector-specific examples, clearer value chain definitions, due diligence expectations, and tools with step-by-step guidance; and to keep the content proportional to SMEs' limited resources.
 - (b) Preparers and users asked for more technical guidance on climate risk, GHG intensity, governance roles, and tools like calculators and templates for tracking targets.
 - (c) Users recommended integrating GHG and human rights targets into financial planning, referencing legal frameworks like UNGPs and local laws. They also called for training programs, grievance mechanism templates, supplier codes, and digital tools like apps or dashboards to support implementation.
 - (d) Other respondents proposed adding investment and transition planning, financial risk impacts of human rights breaches, flowcharts for decision-making, and clearer distinctions between potential, alleged, and confirmed incidents. Consultants requested scope 3 guidance, sector-specific content, circularity tools, and a database of open-source climate data.

Key insights (by respondent type):

- 79 Some **PREPARER respondents (30%)** found that additional elements could be included. The following remarks were made:

- (a) Value chain scope clarification: definitions of value chain boundaries (direct vs indirect suppliers), expectations for different levels of the value chain engagement, guidance on due diligence depth (2 comments)
 - (b) More practical and SME-relevant examples (Europe-based). (4 comments)
 - (c) Technical implementation guidance: climate risks & methodology, GHG intensity calculation, guidance on governance roles & responsibility. (4 comments)
 - (d) Sector-specific and area-specific examples. (3 comments)
 - (e) Easy-to-use tools and step-by-step examples. (7 comments)
 - (f) Maintain proportionality, and design materials with the understanding that most SMEs are constrained in terms of time and resources. (3 comments)
- 80 Some **USER respondents (40%)** found that additional elements could be included. The following remarks were made:
- (a) One respondent suggested that the guide should provide guidance on tracking and reporting progress toward GHG reduction targets, integrating these targets into financial planning and budgeting, and understanding the financial implications of green investments. The guide should also include references to relevant legal and regulatory frameworks like the UN Guiding Principles on Business and Human Rights (UNGPs), local labour laws, and provide a step-by-step approach for identifying and documenting confirmed severe human rights incidents. Additionally, incorporating interactive tools such as templates and calculators (of CO2 emissions in particular) would help SMEs input their data and receive tailored recommendations for both GHG targets and human rights issues, making the guide more user-friendly.
 - (b) One respondent suggested to include guidance on the contractualization of suppliers, particularly the use of standard clauses for human rights and sustainability.
 - (c) One respondent suggested to include examples of tools aimed at improving human rights within the supply chain, such as a supplier code of conduct.
 - (d) One training and awareness programs, like, how to deal with stakeholder engagement and the concept of double materiality; incident reporting structure and example templates, guidance on remediation actions.
 - (e) One respondent suggested to add detailed examples of effective grievance mechanisms; templates or checklists for human rights risk assessments; and examples of partnerships with NGOs, industry groups, or government bodies to address severe human rights incidents. The respondent also recommended step-by-step guidance on how SMEs should respond to confirmed incidents, including remediation strategies and stakeholder engagement. Furthermore, cross-references to other sustainability standards like ISO 14001 should be provided to streamline reporting efforts. Finally, the inclusion of digital tools, such as an online platform or app with templates, automated calculations, and reporting dashboards, would make compliance easier for SMEs and enhance the clarity, proportionality, and usability of the guides.
- 81 A few **OTHER respondents (19%)** found that additional elements could be included. The following remarks were made:

- (a) Academics, NGOs, International Organization and Non-EU Participants:
 - (i) One respondent suggested including general investment planning and transition plans that are interconnected.
 - (ii) One respondent proposed listing possible consequences of any breach or violation of regulations, rules, policies regarding human rights in EU and non-EU from the perspective of material financial risks (revenue, cost/expenses, cost of capital and license to operate).
 - (iii) One respondent for C3 recommended integrating a decision-making paper flowchart to help SMEs decide whether and how to set targets, and sector specific examples of actions and ambition levels. For C7 – 62 (c), a template or checklist to teach them how to become aware of an incident, what steps need to be taken and how to verify them. A distinction between potential, alleged and confirmed incident could also help prevent misinformation.
 - (iv) One respondent advised including country-specific lists of national sites/platforms/tools where official national data on Emission Factors (EF) and Global Warming Potential (GWP) is freely available for each member state.

- (b) Consultants suggested the following:
 - (i) Include scope 3 emissions guidance and examples, requested by a few respondents.
 - (ii) Provide sector-specific guidance and examples, requested by a few respondents.
 - (iii) Add circularity and material flows as decarbonisation tools, requested by a few respondents.
 - (iv) Create a database of open-source climate data resources, , requested by on respondent.