

VSME ED - EFRAG Field Test

Purpose and content of the field test

EFRAG is consulting on its Exposure Draft for a voluntary sustainability reporting standard for non-listed SMEs (including micro undertakings) (VSME ED). A questionnaire has been prepared to support the collection of public feedback in the consultation and can be found [\[here\]](#).

This field test is conducted in parallel with the public consultation and intends to complement the outcome of the consultation, with additional fact-based evidence. The purpose is to gather facts and evidence on the challenges and benefits of the content of the ED, from stakeholders that will prepare actual disclosures applying VSME ED.

From the preparers' perspective, the participation to the field test may take two forms:

- (a) Actual preparation of (or part of) the disclosures in VSME ED, respond to the Field Test Questionnaire and participation to workshops and/or interviews with EFRAG Secretariat; or
- (b) Preparation (such as assessment of the challenges and benefits deriving from the disclosures in VSME, supported by the Field Test Questionnaire) and participation to workshops and/or interviews with EFRAG Secretariat.

While the second approach is less strenuous, EFRAG encourages preparers to follow the first approach as far as possible as it will provide significantly more useful information.

From the users' perspective, the participation to the field test require preparation and participation to workshops and/or interviews with EFRAG Secretariat.

The Field Test focuses on the following key elements:

- (a) The costs and challenges associated with each of the disclosures;
- (b) The understandability of the guidance provided in the ED and its ability to support the implementation of the disclosure requirements; and
- (c) The expected benefits of the disclosures.



Practical considerations

A preparer may elect to test one or more of the following modules:

- Basic Module
- Narrative-PAT Module
- Business Partners Module.

The application of the *General Principles for the preparation of the sustainability report* is considered as part of each module.

A prerequisite to participation in the field test is the completion of the consultation questionnaire as well as the field test questionnaire. This means that all the questions in the consultation questionnaire related to the selected module(s) need to be answered and may be further discussed in the workshops/interviews.

Mocked- up sections of sustainability statement would be very welcome but are not required (approach a) versus b) on the previous page).

All information provided will be treated confidentially and it may be shared with the consultant assisting with the Cost Benefit Analysis. The results of the Field Test will be published on an anonymised basis.

After analysis of the responses, the results will be discussed at workshops jointly with other preparers and users that participate to the field test discussion to validate the outcomes from the field test, as well as to ensure a full understanding of responses. The workshops are planned for the first half of May 2024. The results from the test will then be presented to the EFRAG SRB and EFRAG SR TEG and considered as part of the consultation material.

EFRAG is looking for participants that allow for a balanced coverage of:

- countries in the European Economic Area, sectors, size;
- preparers with experience in voluntary reporting sustainability matters and/or communicating through sustainability related questionnaires with counterparties information related to sustainability matters;
- from the users' side: Business partners and other counterparties (including lenders, investors) of non-listed SMEs.

For further information, please contact VSME@efrag.org.

Please complete the selected modules for this questionnaire and the corresponding questions in the consultation questionnaire by **21 April 2024**.

Please note that answers will be considered only if you press the Submit button. After completing the questionnaire, you will receive a confirmation email.



Field Test Questionnaire

1) Please indicate whether you want to be contacted for any follow-up questions*:

- Yes, I want to be contacted.
- No, I do not want to be contacted.

2) Please indicate which module(s) you will respond to in this questionnaire*:

- Basic Module (if applied in part, please specify)
- Basic and PAT Module (if applied in part, please specify)
- Basic and Business Partners Module (if applied in part, please specify)
- All three

EFRAG encourages to provide input on all the disclosures in a module once chosen, as this is more useful for the analysis.

3) Please indicate if for the purposes of this field test you prepared the disclosures in the selected module(s)*

- YES – we will provide our feedback based on the preparation of the disclosures in the selected modules (delivery of the actual disclosures/mock-up of it is optional)
- NO – we will not prepare the disclosures in the selected modules, but we will run preparatory analysis and report during the workshop/interview.

* Denotes that the information has to be provided.



Part 1 – Preparation of Basic Module

1) **IF PREPARER:** When considering the disclosures covered by the Basic Module of VSME ED, please indicate which of the following operational challenges would be relevant in your opinion, if applicable (the items are not mutually exclusive so you can select more than one item):

- () Availability of data with appropriate quality
- () Availability of IT or supporting tool
- () Availability of skills and resources
- () Complexity in language
- () Complexity in requirements
- () Others (specify)

Comments – (please also indicate if this is more pertinent to some disclosures or specific metrics and datapoints)

2)

IF PREPARER. With reference to Metric B 3 to B12 of Basic Module, please state per each disclosure the level of difficulty encountered and why.	Low	Medium	High

3) **IF PREPARER: With reference to the Basic Module,** please state the estimated total cost (in euros) to prepare it, with a breakdown as follows:

- a. HR/Personnel costs
- b. Consultancy costs
- c. IT costs (e.g. software, online platforms)
- d. Other (specify)

Please distinguish your estimates between first year of preparation and recurring costs.



4)

IF USER. With reference to Metric B 3 to B12 of Basic Module, please state the level of relevance and related benefit for information need and why	Low	Medium	High

5) **With reference to Metric B 3 to B12 of Basic Module**, estimate the benefits in quantitative and/or qualitative terms that the application of this Module would imply with the following breakdown:

- a. synergies with other questionnaires (simplification and cost savings) (Value/Text)
- b. increased access to finance (Value/Text)
- c. access to more clients and better market positioning/competitiveness (Value/Text)
- d. awareness and monitoring of sustainability issues (Value/Text)
- e. other, please explain your answer. (Value/Text)

Comments – (please also indicate if this is more pertinent to some disclosures or specific metrics and datapoints)



Part 2 – Principles of Materiality applicable in Narrative-PAT and Business Partners (BP) Module

- 1) **IF PREPARER:** These modules require performing a double materiality analysis (i.e. both financial and impact) in order to identify and disclose the list of sustainability matters that are relevant to the undertaking (i.e. those that expose the company to impacts on people/environment and/or to financial risks). In this context, does impact and financial materiality assessment, stakeholders' identification and engagement support the identification of the relevant matters at a reasonable cost/benefit balance? What specific challenges did you encounter? Please explain.



Part 3 – Preparation of Narrative-PAT Module

1) **IF PREPARER:** When considering the disclosures covered by the Narrative-PAT Module of VSME ED, please indicate which of the following operational challenges would be relevant in your opinion, if applicable (the items are not mutually exclusive so you can select more than one item):

- Availability of data with appropriate quality
- Availability of IT or supporting tool
- Availability of skills and resources
- Complexity in language
- Complexity in requirements
- Others (specify)

Comments – (please also indicate if this is more pertinent to some disclosures or specific data points)

2)

IF PREPARER: With reference to disclosures N 1 to N 5 of Narrative-PAT Module, please state per each disclosure the level of difficulty encountered and why.	Low	Medium	High

3) **IF PREPARER:** With reference to the Narrative-PAT Module, please state the estimated total cost (in euros) to prepare it, with a breakdown as follows:

- a. HR/Personnel costs
- b. Consultancy costs
- c. IT costs (e.g. software, online platforms)
- d. Other (specify)

Please distinguish your estimates between first year of preparation and recurring costs.



4)

IF USER: With reference to disclosures N 1 to N 5 of Narrative-PAT Module, please state the level of relevance and related benefit for information need and why.	Low	Medium	High

5) **With reference to disclosures N 1 to N 5 of Narrative-PAT Module**, estimate the benefits in quantitative and/or qualitative terms that the application of this Module would imply with the following breakdown:

- a. synergies with other questionnaires (simplification and cost savings) (Value/Text)
- b. increased access to finance (Value/Text)
- c. access to more clients and better market positioning/competitiveness (Value/Text)
- d. awareness and monitoring of sustainability issues (Value/Text)
- e. other, please explain your answer. (Value/Text)

Comments – (please also indicate if this is more pertinent to some disclosures or specific metrics and datapoints)



Part 4 – Preparation of the Business Partners Module

1) **IF PREPARER:** When considering the disclosures covered by the Business Partners Module of VSME ED, please indicate which of the following operational challenges would be relevant in your opinion, if applicable (the items are not mutually exclusive so you can select more than one item):

- Availability of data with appropriate quality
- Availability of IT or supporting tool
- Availability of skills and resources
- Complexity in language
- Complexity in requirements
- Others (specify)

Comments – (please also indicate if this is more pertinent to some disclosures or specific metrics and datapoints)

2)

IF PREPARER. With reference to disclosures BP 1 to BP 11 of Business Partners Module, please state per each disclosure the level of difficulty encountered and why.	Low	Medium	High

3) **IF PREPARER:** With reference to the Business Partners Module, please state the estimated total cost (in euros) to prepare it, with a breakdown as follows:

- a. HR/Personnel costs
- b. Consultancy costs
- c. IT costs (e.g. software, online platforms)
- d. Other (specify)

Please distinguish your estimates between first year of preparation and recurring costs.



4)

IF USER. With reference to disclosures BP 1 to BP 11 of Business Partners Module, please state the level of relevance and related benefit for information need and why.	Low	Medium	High

5) **With reference to BP 1 to BP 11 of the Business Partners Module**, estimate the benefits in quantitative and/or qualitative terms that the application of this Module would imply with the following breakdown:

- a. synergies with other questionnaires (simplification and cost savings) (Value/Text)
- b. increased access to finance (Value/Text)
- c. access to more clients and better market positioning/competitiveness (Value/Text)
- d. awareness and monitoring of sustainability issues (Value/Text)
- e. other, please explain your answer. (Value/Text)

Comments – (please also indicate if this is more pertinent to some disclosures or specific metrics and datapoints)

Additional input

If you have any additional input you would like to provide (including mock up of disclosures) please upload the relevant files.

[Attach file here]

