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Diese Unterlage wurde von einem Mitarbeiter des DRSC für die FA-Sitzung erstellt.

FA NB – öffentliche SITZUNGSUNTERLAGE

Sitzung:	25. Sitzung FA NB / 13.02.2024 / 10:00-11:30 Uhr
TOP:	02 – ED-VSME
Thema:	Erarbeitung einer Stellungnahme zum ED-VSME
Unterlage:	25_02a_FA-NB_VSME_Präsi (Stand: 6. Februar 2024)

Agenda



- EFRAG-Zeitplan
- EFRAG Field Tests und DRSC-Aktivitäten (siehe separates Handout)
- Änderungen des ED-VSME im Vergleich zum Arbeitsstand vom Nov. 23
- Fragen der EFRAG zum ED-VSME
- Überlegungen zur Stellungnahme des FA NB zum ED-VSME

EFRAG-Entwürfe ED-LSME / ED-VSME

- veröffentlicht am 22. Januar 2024, inklusive:
 - Basis for Conclusions
(z.B. für ED-VSME: BC, Alignment of Definitions with ESRS Set 1, Lists of meetings and outreaches, Comparison of SFDR, Benchmark Regulation and Pillar 3 datapoints in ED-VSME and ESRS Set 1, Annex on Trickle-down and value chain cap, Änderungen des SRB im Vergleich zu SR TEG)
 - Public Consultation Questionnaires und
 - Field Test Questionnaires
- Kommentierungsfrist **bis 21. Mai 2024**

EFRAG-Field Tests

- Bewerbungsfristende 31. Januar 2024
- Rückmeldefrist **bis 21. April 2024 (!)**

EFRAG Field Tests zum ED-VSME



- Befragung der **Ersteller** und **Informationsnutzer** (Kreditgeber, Kunden)
- **Aktivitäten des DRSC** (siehe separates Handout)

Field Test Fragebogen zum ED-VSME



Teil 1 – Bearbeitung des Basis-Moduls durch **Ersteller**

1) Welcher der folgenden Herausforderungen gab es für Sie bei der Bearbeitung des Basis-Moduls? (Mehrfachnennung möglich)

- Datenverfügbarkeit (in ausreichender Datenqualität)
- Verfügbarkeit von IT-Lösungen und/oder Unterstützungstools
- Verfügbarkeit von personellen (fachlich einschlägigen) Kapazitäten
- Anforderungen zu schwierig / sprachlich unverständlich formuliert
- Anforderungen inhaltlich zu schwierig
- Andere Herausforderungen (bitte angeben)

Erläuterung der Antworten: _____

Field Test Fragebogen zum ED-VSME



Teil 1 – Bearbeitung des Basis-Moduls durch **Ersteller**

- 2) Bitte geben Sie den Grad der Schwierigkeit bei der Umsetzung der Metriken B3-B12 an (Schwierigkeiten waren: gering, mittel, hoch).

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

Field Test Fragebogen zum ED-VSME



Teil 1 – Bearbeitung des Basis-Moduls durch **Ersteller**

- 3) Bitte geben Sie die Höhe der Erstellungskosten (bzw. eine Schätzung der Erstellungskosten) für das Basis-Modul an, unterteilt nach:
- a) Personalkosten
 - b) Beratungskosten
 - c) IT-Kosten (z.B. Software, Online-Plattformen etc.)
 - d) Andere Kosten (bitte angeben _____)

Bitte unterscheiden Sie dabei zwischen den Kosten der erstmaligen Erstellung und den erwarteten Kosten für die Folgejahre.

Field Test Fragebogen zum ED-VSME



Teil 1 – Bearbeitung des Basis-Moduls durch **Nutzer** der Nachhaltigkeitsinformationen

- 4) Bitte geben Sie für die Metriken B3-B12 an, wie relevant / nützlich die von den Unternehmen bereitgestellte Nachhaltigkeitsinformation ist (Relevanz / Nutzen: gering, mittel, hoch):

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

Field Test Fragebogen zum ED-VSME



Teil 1 – Bearbeitung des Basis-Moduls durch **Nutzer** der Nachhaltigkeitsinformationen

- 5) Bitte geben Sie eine Schätzung für die (quantitativen und/oder qualitativen) Vorteile und Nutzen (*benefits*) der bereitgestellten Informationen an (Angabe jeweils als quantitativer Wert oder Text):
- a) Synergien mit anderen Fragebögen (Vereinfachungen / Kosteneinsparungen)
 - b) Verbesserte Finanzierungsmöglichkeiten
 - c) Verbessertes Zugang zu Kunden und/oder verbesserter Markt- und Wettbewerbsposition
 - d) Verbessertes Verständnis für und Monitoring der Nachhaltigkeitsthemen
 - e) Andere Vorteile / Nutzen (bitte angeben _____)

Bitte erläutern Sie, ob (und ggf. für welche) diese Einschätzung für einige Metriken mehr zutrifft, als für andere: _____

ED-VSME (Jan 24) im Vergleich zum Arbeitsstand VSME (Nov 23)



Basis for Conclusion mit Vergleich SR TEG und SRB

- ❑ **Zusätzlicher Datenpunkt „B11 – Workers in the value chain, affected communities, consumers and end-users“**
 - Hervorhebung der sozialen Aspekte
 - Angabe, ob Identifikation dieser möglichen Betroffenen und ggf. welcher Prozess (Darstellung der Wesentlichkeitsanalyse)
- ❑ geringfügige inhaltliche Änderungen, Ergänzungen und Klarstellungen (z.B. bzgl. Scope 3 oder „land-use“ anstelle von „land-use-change“)
- ❑ geringfügige Umstrukturierungen

A) Part 1: General Key Questions (critical)

a. Objective, simplifications and modules

Q1) Do you agree with this standard setting objective?

Vorläufige Einschätzung des FA NB:

- agree with VSME as a simple reporting tool that can credibly replace a substantial part of the questionnaires used by business partners (lenders, investors and corporate clients) in requesting ESG data from SMEs and a reporting tool that can support SMEs in monitoring their sustainability performance
- Reservation regarding the feasibility of this objective (e.g. questionnaires from lenders; information need regarding products rather than entities)

A) Part 1: General Key Questions (critical)

a. Objective, simplifications and modules

Q2) Do you agree that the alternatives for reporting under the ED-VSME are appropriate to deal with heterogeneity in scope of undertakings (both number of employees and economic sector)?

Vorläufige Einschätzung des FA NB:

- agree with modular approach (different reporting requirements depending on size of the SME and on the need of users of the information of that SME)
- Question remains regarding: diversified „economic sectors“ (different sectors are addressed in few DR only; general suggestion supporting „entity specific information depending on sector“ does not sufficiently address diversified „economic sectors“)

A) Part 1: General Key Questions (critical)

a. Objective, simplifications and modules

Q3) Do you agree that the Basic Module is proportionate, understandable (in terms of language), and has a reasonably complete set of disclosures to be used as a starting point?

Vorläufige Einschätzung des FA NB:

- agree mostly with simplified language
- Specific evaluation of Basic Module containing “complete set of disclosures as a starting point” depending on feedback from field test activities

A) Part 1: General Key Questions (critical)

a. Objective, simplifications and modules

Q4) Do you agree with the content and approach of the Narrative-Policies, Actions and Targets (PAT) Module?

Vorläufige Einschätzung des FA NB:

- agree with requirement for materiality analysis and list of identified material sustainability matters in order to provide context for sustainability information in accordance with VSME, including information from PAT Module (which are often limited to disclosures “if (PAT are) in place”)

A) Part 1: General Key Questions (critical)

a. Objective, simplifications and modules

Q5) Do you agree with the content and approach to the Business Partners (BP) Module as a replacement and standardization of information requests by business partners, being a proportionate but complete set of ESG disclosures? (Q6: What percentage of ESG information requests are covered?)

Vorläufige Einschätzung des FA NB:

- Success and market acceptance of VSME depends on the usability of the data provided in VSME sustainability reporting; major aspect is the content of the Business Partners Module
- First impression that content might not depict information needs but seem to go beyond market information needs

A) Part 1: General Key Questions (critical)

b. Sector guidance

Q7) Please select your recommended course of action for standard setting and guidance purposes on this matter.

Vorläufige Einschätzung des FA NB:

- (option 3) Undertakings applying ED-VSME should apply on a voluntary basis sector specific guidelines and disclosures designed for non-listed SMEs, to be issued by EFRAG as a non-authoritative annex to future sector-ESRS
- Sector guidance will be needed due to heterogeneity of SMEs

Konsultationsfragen ED-VSME



B) Part 2: Detailed questions on principles and datapoints (additional)

a. Principles for preparation

Q8) Do you agree with the proposed Principles for the preparation?

Vorläufige Einschätzung des FA NB:

Principles for the preparation of the sustainability report (Basic Module, Narrative-PAT Module, Business Partners Module)			
	Agree	Disagree	Comment
<i>a) Complying with this Standard (paragraphs 9 and 10 in VSME ED)</i>			Lack of reference to positive impacts / opportunities
<i>b) Preparation on a consolidated basis (paragraph 12 in VSME ED)</i>	<input checked="" type="checkbox"/>		
<i>c) Timing and location of the Sustainability Report (paragraphs 13, 14 and 15 in VSME ED)</i>			Tbd: Same timing for financial and sustainability report? Reference to (any) „other document“?
<i>d) Classified and sensitive information, and information on intellectual property, know-how or results of innovation (paragraph 16 in VSME ED)</i>	<input checked="" type="checkbox"/>		

B) Part 2: Detailed questions on principles and datapoints (additional)

a. Principles for preparation

Q11) Do you consider the inclusion of a subsidiary exemption to ED-VSME as pertinent and feasible?

Vorläufige Einschätzung des FA NB:

- EFRAG might not be in the position to exempt a company from sustainability reporting (rather market driven)
- Also, exemption not needed as preparation of VSME sustainability report is voluntary for all kinds of reports (consolidated basis or individual basis); a subsidiary exemption does therefore not seem to be an incentive for consolidated sustainability reporting

B) Part 2: Detailed questions on principles and datapoints (additional)

a. Principles for preparation

Q12) Do you agree with the approach to include an additional information dimension by including sector specific disclosures (Tz. 11 “depending on the sector additional information is appropriate in order to disclose issues that are common in the undertaking’s sector”)?

Vorläufige Einschätzung des FA NB:

- Difficult to understand whether this is a disclosure requirement or not (if so, which sectors are addressed?)
- Generally, agree with importance of sector-specific information due to heterogeneity of SMEs

Konsultationsfragen ED-VSME



B) Part 2: Detailed questions on principles and datapoints (additional)

b. Basic Module

Q13) Detailed evaluation of B1-B12

Vorläufige Einschätzung des FA NB:

- Depending on feedback from field tests

VSME ED	IF PREPARER: Feasible / Difficult to prepare /Already disclosed under other reporting schemes or regulations (i.e. EMAS) If answer is Difficult to prepare: Please explain the challenge and what would help you to prepare this disclosure. Optional Comments.	IF USER: This disclosure is essential/Not necessary Optional Comments.	IF OTHER RESPONDENT: Do you have comments on the inclusion and content of this disclosure?
Disclosure B 1 – Basis for Preparation			
Disclosure B 2 – Practices for transitioning towards a more sustainable economy			
B 3 – Energy and greenhouse gas emissions			
B 4 – Pollution of air,			

Konsultationsfragen ED-VSME



B) Part 2: Detailed questions on principles and datapoints (additional)

b. Basic Module

Q14) Are datapoints missing from this module?

Vorläufige Einschätzung des FA NB:

- Depending on feedback from field tests

VSME ED	IF PREPARER: Feasible / Difficult to prepare /Already disclosed under other reporting schemes or regulations (i.e. EMAS) If answer is Difficult to prepare: Please explain the challenge and what would help you to prepare this disclosure. Optional Comments.	IF USER: This disclosure is essential/Not necessary Optional Comments.	IF OTHER RESPONDENT: Do you have comments on the inclusion and content of this disclosure?
Disclosure B 1 – Basis for Preparation			
Disclosure B 2 – Practices for transitioning towards a more sustainable economy			
B 3 – Energy and greenhouse gas emissions			
B 4 – Pollution of air,			

B) Part 2: Detailed questions on principles and datapoints (additional)

b. Basic Module

Q15) B3-B7 require disclosure of environmental performance metrics. Other schemes require similar metrics, such as EMAS. Is there potential for better alignment with those other schemes?

References in B3-B7:

- B3 Energy and greenhouse gas emissions – reference to GHG Protocol Corporate Standard
- B4 Pollution of air, water and soil – reference to Industrial Emissions Directive (IED), European Pollutant Release and Transfer Register (E-PRTR), EMAS
- B5 Biodiversity – Natura 2000 network, UNESCO World Heritage Sites, and Key Biodiversity Areas (KBAs), Appendix D of Annex II of Commission Delegated Regulation (EU) 2021/21398, EMAS (EU Commission Regulation 2018/2026)
- B6 Water – WRI's Aqueduct Water Risk Atlas
- B7 Resource use, circular economy and waste management – Ellen Macarthur Foundation, European Waste Catalogue's social metrics

B) Part 2: Detailed questions on principles and datapoints (additional)

b. Basic Module

Q16) Regarding B9: Is it practice in your country to include incidents that arise during travel and outside of the undertaking's responsibility as work-related fatalities?

Vorläufige Einschätzung des FA NB:

Yes

B) Part 2: Detailed questions on principles and datapoints (additional)

b. Basic Module

Q17) B10 (a) requires undertakings to disclose the relevant ratio of the entry level wage to the minimum wage, when a significant proportion of employees are compensated based on wages subject to minimum wage rules. This datapoint deviates from the disclosure requirement on adequate wages established in ESRS S1-10 – Adequate wages (from paragraphs 67 to 71) as a simplification (i.e., easier to collect). **Do you consider that this requirement will provide relevant and comparable information?**

Hinweis: S1-10 verlangt die Angabe, *“whether or not all employees are paid adequate wage in line with applicable benchmarks”*

Frage an den FA NB: Wie ist hierzu die vorläufige Einschätzung des FA NB?

B) Part 2: Detailed questions on principles and datapoints (additional)

b. Basic Module

Q18) B11 was drafted to cover, in a simplified way, a description of the process to identify material impacts and a description of those for workers in the value chain, affected communities and consumers/end-users. This disclosure is an exception to the general approach in the Basic Module where materiality does not apply. As a compromise, it was included as a voluntary disclosure. **Do you agree with this approach?**

Frage an den FA NB: Wie ist hierzu die vorläufige Einschätzung des FA NB?

B) Part 2: Detailed questions on principles and datapoints (additional)

b. Basic Module

Q19) Do you think that the guidance for the Basic Module (par 87 – 167) is useful for the preparation of the report? Do you think it is sufficient?

Vorläufige Einschätzung des FA NB:

- The guidance is very helpful
- Dynamic references can pose problems
- Additional aspects depending on feedback from field tests

Konsultationsfragen ED-VSME



B) Part 2: Detailed questions on principles and datapoints (additional)

c. Approach to materiality of matters and Principles for preparation (PAT/BP Modules)

Q20) Do you think that the language and approach to the Principles of Materiality to be applied to the Narrative-PAT Module and Business Partner (BP) Module are proportionate for the undertakings in scope?

VSME ED	Agree/ Disagree	Comment
<p><i>Impact materiality (paragraphs 46-50 in VSME ED)</i></p> <p><i>Financial materiality (paragraphs 51-55 in VSME ED)</i></p> <p><i>Stakeholders and their relevance to the materiality analysis process (paragraphs 56 and 57 in VSME ED)</i></p>		<p><u>Vorläufige Einschätzung des FA NB:</u></p> <ul style="list-style-type: none"> <input type="checkbox"/> Wording? <input type="checkbox"/> Value chain vs. Business relationships)? <input type="checkbox"/> positive impacts / opportunities? <input type="checkbox"/> focus on specific stakeholders? <input type="checkbox"/> application tool / guidance on materiality assessment?



DRSC

Vielen Dank!