

Klimaattransitieplannen :

*Hoe helpen we kmo ondernemingen
aan de slag ?*

Sme definition

Micro-undertaking, if it does not exceed two of the following thresholds:

- €350,000 in balance sheet total,
- €700,000 in net turnover, and
- 10 employees.

Small undertaking, if it does not exceed two of the following thresholds:

- €4 million in balance sheet total,
- €8 million in net turnover, or
- an average of 50 employees.

Medium undertaking, if it does not exceed two of the following thresholds:

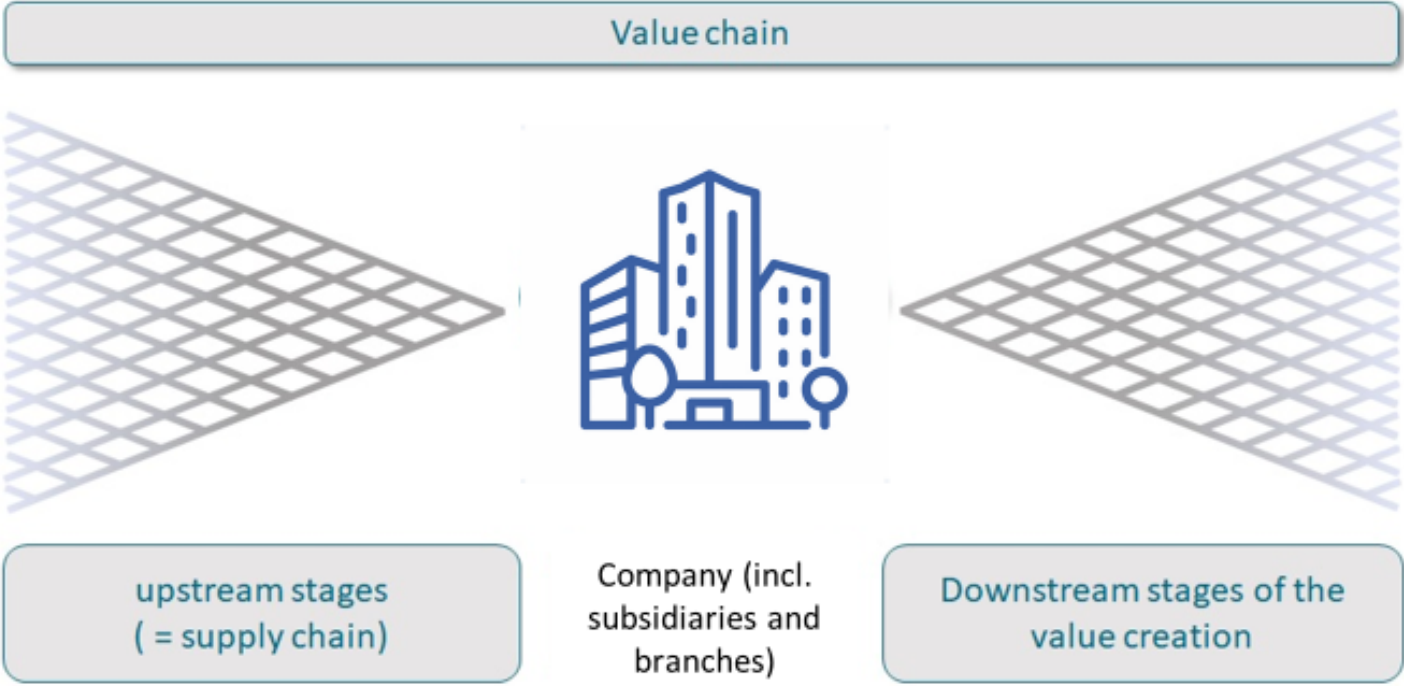
- €20 million in balance sheet total,
- €40 million in net turnover, and
- 250 employees.

Source: VSME ESRS

Outline of today's talk

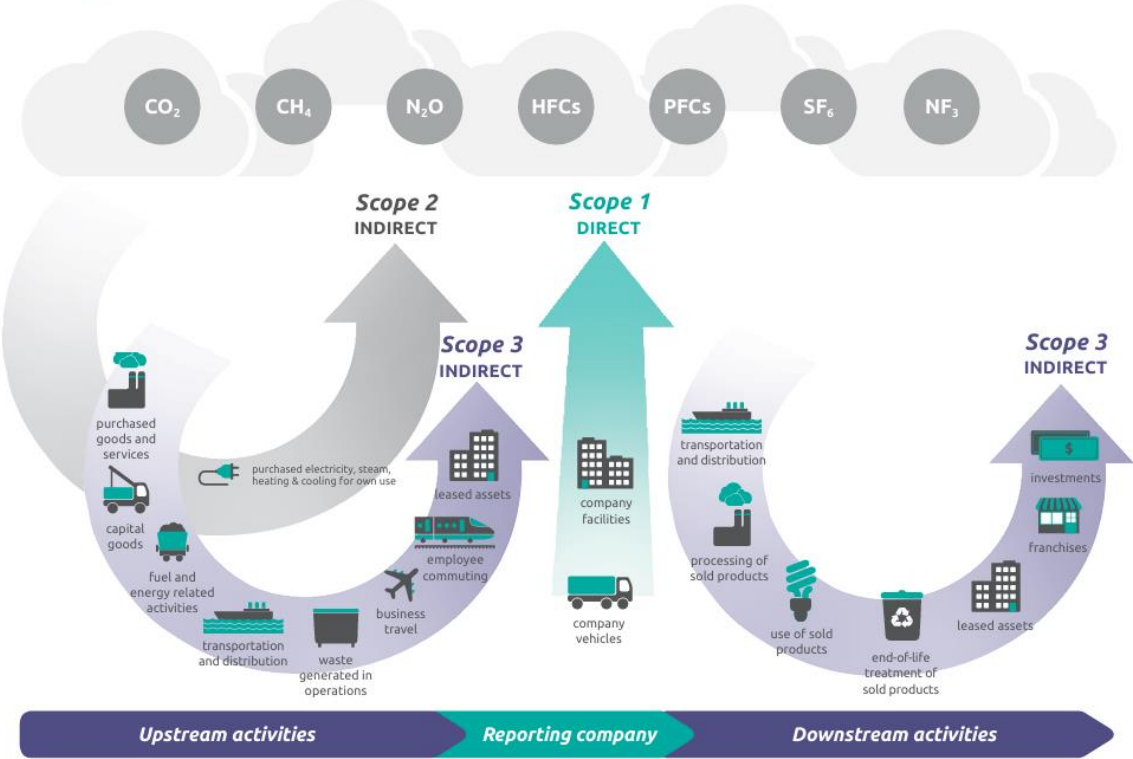
- Consequences for SME's
- The VSME ESRS
- Recommendations on how to support SME's

SME are (always) part of a value chain comprising large companies



A large part of scope 3 emissions of large companies are situated within their value chain comprising SME's

Figure [1] Overview of GHG Protocol scopes and emissions across the value chain



“Data from the Carbon Disclosure Project (CDP) shows that on average 75% of a company’s emissions are in Scope 3.”

Source: Figure 1.1 of Scope 3 Standard.

Example in the Food value chain



They are (all) engaging with their **suppliers** to provide them with **primary data** on their GHG emissions to feed in retailers' scope 3 monitoring.

Two main strategies:

- Focus on 'key' suppliers (based on spend/share of GHG emissions)
- Try to engage with *all* suppliers.

A lot of retailers have SBTi targets, including Scope 3 emission reduction targets.

Pulling the sme's on board is essential

- **99%** of companies in Belgium are sme's.
- They vouch for **66%** of employment
- and **59%** of added value.

SMEs are important links in all value chains. Involving them in the transition is not a luxury but a necessity for a healthy, resilient economy.

Sources:

[Tewerkstelling in kmo's | FOD Economie \(fgov.be\)](#)

[EU 2023 SME COUNTRY FACT SHEET BELGIUM](#)



Climate urgency makes it a material topic to (almost) all

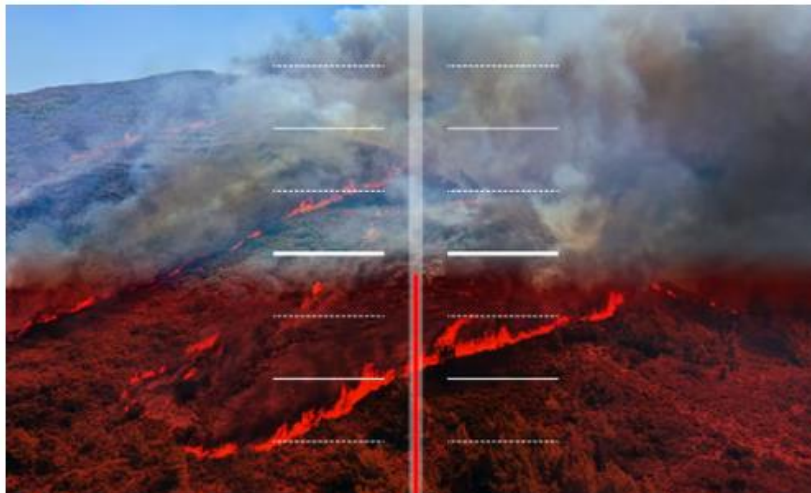


Ukraine Environment Science Global development Football Tech Business Obituaries

World's top climate scientists expect global heating to blast past 1.5C target

Exclusive: Planet is headed for at least 2.5C of heating with disastrous results for humanity, poll of hundreds of scientists finds

● **'Hopeless and broken': why the world's top climate scientists are in despair**



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[Article 8/5/2024](#)

→ "Almost 80% of the respondents, all from the authoritative Intergovernmental Panel on Climate Change (IPCC), foresee **at least 2.5C of global heating**, while **almost half anticipate at least 3C (5.4F)**. Only 6% thought the internationally agreed 1.5C (2.7F) limit would be met."

"[...] the Commission recommends a **90% net greenhouse gas emissions reduction by 2040 compared to 1990 levels**, launching a discussion with all stakeholders; a legislative proposal will be made by the next Commission, after the European elections [...]. This recommendation is in line with the advice of the European Scientific Advisory Board on Climate Change (ESABCC) and the EU's commitments under the Paris Agreement." ([February 2024](#)) [2030 → 2050]

ESRS 2, IRO-2 (57) "If the undertaking concludes that climate change is not material and therefore omits all disclosure requirements in ESRS E1 Climate change, it shall disclose a detailed explanation of the conclusions of its materiality assessment [...]"



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Outline of today's talk

- Consequences for SME's
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VSME ESRS – **Voluntary** reporting standard for sme's

Basic Module

Targeted for micro-undertakings
Minimal requirement for the others
'no regret' KPI's

'PAT' Module

Recommended IF undertaking
have formalised and
implemented policies, actions
and targets.

Business Relations Module

Recommended to address
data requests from lenders,
investors and
corporate clients

**Only report on what's relevant
and what you have.**

Double materiality assessment is mandatory
Same 88 sustainability matters as ESRS

VSME ESRS – Voluntary reporting standard for sme's

Basis module

Basic metrics – Environment

B 3 – Energy and greenhouse gas emissions

B 4 – Pollution of air, water and soil

B 5 – Biodiversity

B 6 – Water

B 7 – Resource use, circular economy and waste management

Basic metrics – Social matters

B 8 – Workforce – General characteristics

B 9 – Workforce – Health and safety

B 10 – Workforce – Remuneration, collective bargaining and training

B 11 – Workers in the value chain, affected communities, consumers and end-user

Basic metrics – Business conduct

B 12 – Convictions and fines for corruption and bribery

Basic module, basic metrics (B 3):

- Energy usage (MWh)
 - Fossil
 - Electricity
 - Renewable
 - Non-renewable
- GHG emissions
 - scope 1 (tCO₂eq) (from owned or controlled sources)
 - the location-based Scope 2 emissions in tCO₂eq (i.e., emissions from the generation of purchased energy)

VSME ESRS – Voluntary reporting standard for sme's

PAT module – Policies, Actions, Targets

Disclosure N 1 – Strategy: business model and sustainability – related initiatives
Disclosure N 2 – Material sustainability matters
Disclosure N 3 – Management of material sustainability matters
Disclosure N 4 – Key stakeholders
Disclosure N 5 – Governance: responsibilities in relation to sustainability matters

PAT module:

- Business model & strategy
- Materiality assessment
- Management of material matters
 - **Actions**
 - Policies
 - Targets

(61.) “Where material, the undertaking shall disclose the actions taken in the reporting period to improve its **energy efficiency** and to reduce its **greenhouse gas emissions** as well as the related possible implications in terms of financial risks and, if applicable, opportunities.”

VSME ESRS – Voluntary reporting standard for sme's

Business Partners Module

Disclosure BP 1 – Revenues from certain sectors

Disclosure BP 2 – Gender diversity ratio in governance body

Disclosure BP 3 – GHG emissions reduction target

Disclosure BP 4 – Transition plan for climate change mitigation

Disclosure BP 5 – Physical risks from climate change

Disclosure BP 6 – Hazardous waste and/or radioactive waste ratio

Disclosure BP 7 – Alignment with internationally recognised instruments

Disclosure BP 8 – Processes to monitor compliance and mechanisms to address violations

Disclosure BP 9 – Violations of OECD Guidelines for Multinational Enterprises or the UN Guiding Principles (including the principles and rights set out in the eight fundamental conventions of the ILO Declaration and the International Bill of Human Rights)

Disclosure BP 10 – Work-life balance

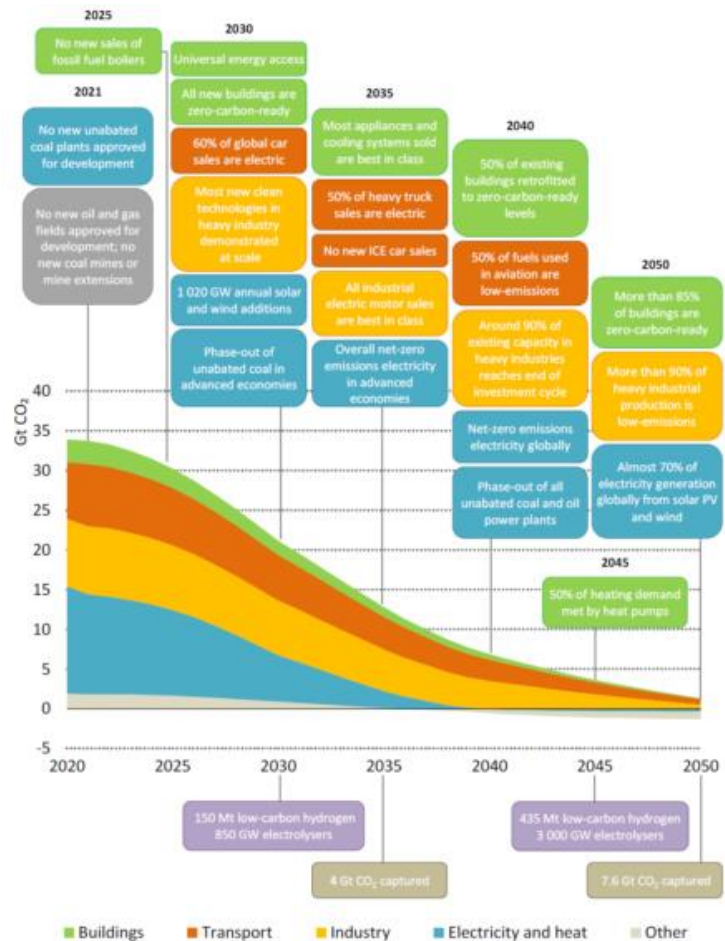
Disclosure BP 11 – Number of apprentices

Business Partners Module:

- **Revenues from certain sectors (BP 1)** (fossil fuel)
- **Reduction targets (BP 3):**
 - scope 1 & 2
 - scope 3
- **Transition plan (BP 4):** “The undertaking shall provide information about its transition plan for climate change mitigation with an explanation of how GHG emission reduction targets are compatible with the limiting of global warming to 1.5°C in line with the Paris Agreement. This disclosure is applicable only if the undertaking has adopted such a transition plan.”
- *Physical risks (BP 5): ~ financial materiality → challenging, but investors are interested : additional training & capacity building needed*



Transition plan for SMEs?



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(guidance) Disclosure BP 4 – Transition plan for climate change mitigation 179. A credible transition plan should

- identify clear **responsibilities and roles** [GOV];
- be integrated in the undertaking's **business strategy and financial planning**;
- include information on decarbonisation **levers and pathways** as well as quantifiable **indicators** that can be **monitored** throughout predefined timeframes;
- allow for regular **reviewing and updating** after stakeholder consultations when appropriate;
- and cover the entirety of its **own operations** and, to the largest possible extent, the **value chain** or else provide an explanation as to any limitation.



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Some observations / recommendations (1/3)



Vlaanderen
is omgeving

Naar een Vlaamse transparante
duurzaamheidsbenchmark

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DEPARTEMENT
OMGEVING



Fevia comeos

Lessons learned uit het lerend
netwerk due diligence

Webinar, 22 februari om 10u

Federaal Instituut voor
Duurzame
Ontwikkeling

KU LEUVEN H.V.A
ONDERZOEKINSTITUUT VOOR
ARBEID EN SAMENLEVING

Sustenuto
Sustainability Coach

Some observations / recommendations (2/3)

Standardization and mainstreaming of definitions, (good) practices, data sharing,... will lower the implementation burden for SMEs

- Support of authorities and of business federations will help accelerate implementation
- In the short term, especially on data quality, format and sharing platforms (SME's need to currently comply with multiple formats coming stemming from multiple clients)

Unburden SME as much as possible

- Develop sectoral double materiality assessments
- Develop and make available freely sustainability impacts & risks information in value chains



Due Diligence Risicomatrix, Voedingsmiddelen, Juni 2023

(IMVO Nederland)

Due Diligence Risicomatrix

Overzicht van de belangrijkste risico's in voedingsmiddelenketens
Juni 2023

Specerijen

Risks	Discrimination & gender	Child labour	Forced labour	Child labour	Forced labour	Labour rights and fair wages		Freedom of association	Environmental issues		Biodiversity & deforestation	Water use and water availability	Soil and water pollution	Governance: corruption	Governance: land tenure
Indexes	Global Gender Gap Index 2022	Child labour per country	Estimated prevalence of modern slavery per country	Sweat and toil	Sweat and toil	Progressivity of labour legislation	Minimum vs living wage 2019*	ITUC Global Rights Index 2022	Country ranking environmental issues	Ecological Threat Score	Global Deforestation Rates by Country	Water stress by country	Pesticides use per cropland area (2020)	Corruption per country	Perceived tenure insecurity per country
Production countries	Country rank 1 (equality) - 146 (inequality)	% child labour	Country rank 167 (best) - 1 (worst)	yes or no for product	yes or no for product	Country rank 1 (best) - 161 (worst)	0-100%	Score 1 = irregular violations - 5= no guarantee of rights	Country rank 1 (best) - 180 (worst)	Score 1 (worst) - 5 (best)	Net change in tree cover -15% (worst) - +15%	0-100%	1-25kg/ha	Country rank 1 (low corruption) - 180 (high corruption)	2% (low) - 48% (high)
Indonesia	92	-	74			105	32	5	164	5	-2,6	40-80	0,03	96	24
India	135	-	53			151	0	5	180	4	1,3	40-80	0,37	85	22
Vietnam	83	7	77			104	44	4	178	5	-3,1	10-20	1,63	87	10
China	102	-	111			111	19	5	160	4	0,96	20-40	2,01	66	11
Turkey	124	4	48	cumin		49		5	172	5	0,65	40-80	2,32	96	31
Egypte	129	-	63			70		5	127	5	2,16	10-20	2,86	117	19
Brazil	94	5	142			84	33	5	81	5	-5,9	<10	5,94	96	23
Madagascar	48	36,7	34	vanilla		137		3	167	5	-5,9	10-20	0,21	147	25
Spain	17		124			33		2	27	3	0,25	40-80	2,6	34	10

Some observations / recommendations (3/3)

Support collective capacity building

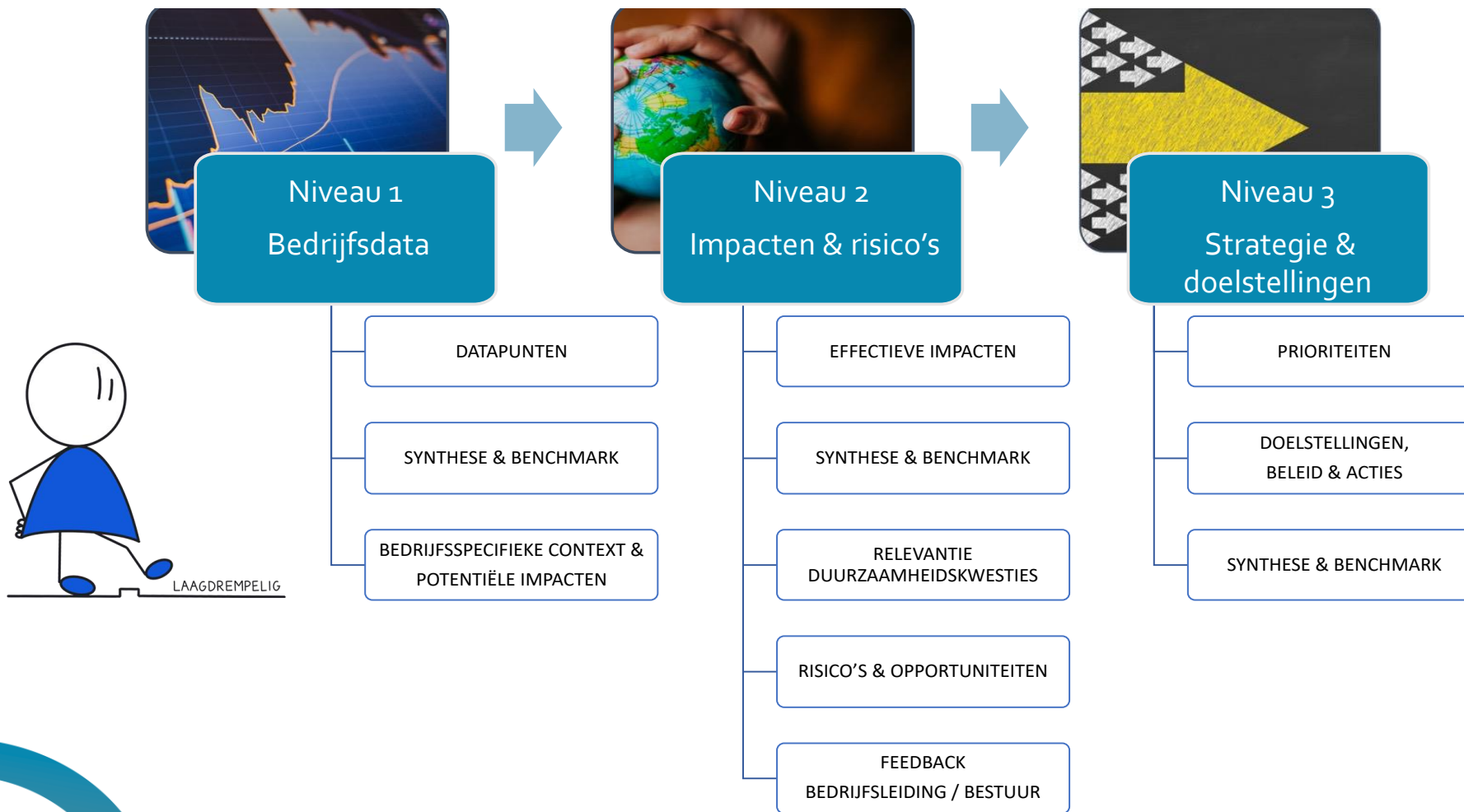
"Slechts drie op de tien kmo's zegt dat deze kennis het voorbije jaar aanwezig was binnen de onderneming. Bij kleine en micro-ondernemingen was deze kennis over duurzaam ondernemen in mindere mate aanwezig dan bij middelgrote ondernemingen." (EWI Barometer)

- Free trainings, tools,.. (to complement commercial solutions)
- Learning networks: Foster collaboration to share knowledge and exchange on best practises

Reflect upon (targeted) support (cf. subsidies)



Ontwerp Vlaamse Duurzaamheidsbenchmark *(online tool)*



Design kenmerken

Laagdrempelig en toegankelijk

Interactief

Proportioneel

Coherent met EU-kaders

Twaalf duurzaamheidsthema's

Groeimodel

**Ingebouwde
materialiteitsanalyse**

Maatwerk

Bedankt

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