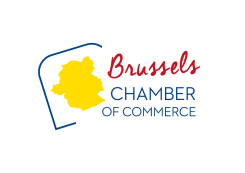
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**SME Panel on Non-Financial Information**

**Background information on the Non-Financial Reporting Directive**

The [Non-Financial Reporting Directive](https://eur-lex.europa.eu/legal-content/FR/TXT/?uri=CELEX%3A32014L0095) requires certain large companies to include a non-financial statement as part of their annual public reporting obligations.

the Non-Financial Reporting Directive identifies four sustainability issues:

* environment,
* social and employee issues,
* human rights, and
* bribery and corruption

With respect to those issues it requires companies to disclose information about their business model, policies (including due diligence processes), outcomes, risks and risk management, and Key Performance Indicators (KPIs) relevant to the business. It does not introduce or require the use of a non-financial reporting standard or framework, nor does it impose detailed disclosure requirements such as lists of indicators per sector.

**Current context**

The non-financial information needs of users, in particular the investment community, are increasing very substantially and very quickly. The demand for better information from investee companies is driven partly by investors needing to better understand financial risks resulting from the sustainability crises we face, and partly by the growth in financial products that actively seek to address environmental and social problems. Also, banks and other financial sector institutions are increasingly obliged by law to report certain information about the impacts of their investments on society and the environment.

The non-financial information currently disclosed by companies does not adequately meet the needs of the intended users. In particular, such information is not sufficiently comparable, reliable, or complete. In addition, companies face uncertainty and complexity when deciding what non-financial information to report, and how and where to report such information.

For these reasons, the European Commission will be preparing a proposal to revise the Non-Financial Reporting Directive. The aim of this questionnaire is to gather the views of SMEs on this issue.

**Who needs to report environmental and social data**

The Non-Financial Reporting Directive currently applies to large Public-Interest Entities (PIEs) with more than 500 employees. In practice this means large companies with securities listed in EU regulated markets, large banks (whether listed or not) and large insurance companies (whether listed or not) – provided that they have more than 500 employees.

The Accounting Directive defines “large” companies as those that exceed at least two of the three following criteria:

(a) balance sheet total: EUR 20 000 000;

(b) net turnover: EUR 40 000 000;

(c) average number of employees during the financial year: 250.

Denmark and Sweden both decided to lower the threshold to 250 employees, in effect capturing all large Public-Interest Entities.

Companies that fall under the scope of the Non-Financial Reporting Directive need to report relevant information related to their supply-chain. Therefore, even though not directly under the scope of the Non-Financial Reporting Directive, some SMEs may need to provide some non-financial information to large companies to which they supply goods or services.

In addition, banks and other financial institutions are increasingly likely to ask their business clients, including SMEs, for certain social and environmental information. From 2021 onwards, investment funds, banks and insurance companies as well as financial advisors will need to report on how private money is invested from the point of view of environmental, social and governance impacts. This may have an effect on the level of investments in companies that do not disclose this information. Consequently, those companies that would want to attract capital may need to consider reporting environmental and social information. On the other hand, new opportunities will arise for companies with sustainable business models that are open about their impact on the environment and society.

**Objective of the questionnaire**

Information gathered from you will help the European Commission to evaluate the impact of the legal requirements imposed on large companies and their supply chain. Your input will help the European Commission to estimate costs for SMEs of replying to requests about social and environmental information coming from larger companies to which they supply goods or services as well as requests coming from financial institutions. The European Commission will use the information gathered when considering possible revisions to social and environmental reporting requirements of the Non-Financial Reporting Directive.

**Questions about the respondent**

**Questions about respondents:**

**Question 1**

Country – headquarters or the main country of operation: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Question 2**

**Please provide information about the average number of employees, net turnover and the balance sheet total of your company.**

**Please choose the range (provided ranges come from the Accounting Directive):**

|  |  |
| --- | --- |
| 1. average number of employees during the financial year    1. up to 10    2. between 11-50    3. between 51-250    4. more than 250 |  |
| 1. net turnover    1. up to 700 000 EUR    2. between 700 001 and 8 000 000 EUR    3. between 8 000 001 and 40 000 000 EUR    4. more than 40 000 000 EUR 2. balance sheet total    1. up to 350 000 EUR    2. between 350 001 and 4 000 000 EUR    3. between 4 000 001 and 20 000 000 EUR    4. more than 20 000 000 EUR |  |

**Question 3**

Is your company listed on the regulated market (e.g. stock exchange)?

1. Yes
2. No

**Question 4** Please chose the area of your business activity:

|  |  |  |
| --- | --- | --- |
|  | NACE codes – Economic Area | X |
| A | Agriculture, Forestry and Fishing |  |
| B | Mining and Quarrying |  |
| C | Manufacturing |  |
| D | Electricity, Gas, Steam and Air Conditioning Supply |  |
| E | Water Supply; Sewerage, Waste Management and Remediation Activities |  |
| F | Construction |  |
| G | Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles |  |
| H | Transportation and Storage |  |
| I | Accommodation and Food Service Activities |  |
| J | Information and Communication |  |
| K | Financial and Insurance Activities |  |
| L | Real Estate Activities |  |
| M | Professional, Scientific and Technical Activities |  |
| N | Administrative and Support Service Activities |  |
| O | Public Administration and Defence; Compulsory Social Security |  |
| P | Education |  |
| Q | Human Health and Social Work Activities |  |
| R | Arts, Entertainment and Recreation |  |
| S | Other Service Activities |  |
| T | Activities of Households as Employers; Undifferentiate Goods and Services Producing Activities of Households for Own Use |  |

**Questions about social and environment information**

**Question 5**

*Please note that this question is about collecting social and environmental information, not about reporting or publishing that information.*

Some companies collect social and environmental information about their operations. They may do this because it is useful for their own management, or because they are obliged to do it by law, or because their customers or business partners want this information.

Does your company collect data about:

* 1. Its energy use Yes No
  2. Its carbon emissions Yes No
  3. Its water use Yes No
  4. Its use of other resources Yes No
  5. The waste it generates Yes No
  6. Pollution it generates Yes No
  7. % women and men in the workforce Yes No
  8. Difference in pay between men and women Yes No
  9. Employee training Yes No
  10. Accidents and/or sick leave Yes No
  11. Other Yes No
  12. If other, please specify**:**

**Question 6**

Some companies share social and environmental information on their websites. This might take the form of text on a web page, or it might be a link from the webpage to a more detailed company report or statement. Which of the following statements best describes what you company does?

1. We do not make any reference to our policies or performance regarding social and environmental issues on our website.
2. We make a general statement about our commitment to social and environmental issues on our website but we do not publish any detailed information.
3. We publish some detailed social and environmental information about our operations (it may be in the form of a report or detailed statement).
4. We do not have a company website.

**Question 7**

Some companies share social and environmental information via social media. How frequently does your company share social and environmental information through social media?

1. Never
2. Sometimes
3. Often

**Question 8**

Does your company regularly supply goods or services directly to a larger company (a company with more than approximately 250 employees)?

1. Yes
2. No

**Question 9**

Has your company ever been asked for social or environmental information:

By a bank when discussing a loan Yes No

By an insurance company Yes No

By any other financial institution when discussing external financing Yes No

By a company to whom you provide services or goods Yes No

By public administration when applying for public funds or guarantees Yes No

By a non-governmental organisation (e.g. an environmental campaign) Yes No

Any other cases?\* Yes No

\* Please specify the other case:

**Question 10**  
If you answered ‘yes’ to at least one of the options in question 9 or if you share social and environmental information about your operations (e.g. on the website), please estimate the total time, *per month*, that your company employees spend in responding to requests. Please include in your calculations time your employees spend collecting social and environmental information and (if applicable) preparing a report or other documents with social and environment information.

Please express your reply in terms of employee-days per month.

Examples:

* One employee dedicates 0.2 working days per month. Answer = 0.2 employee-days per month.
* Two employees each dedicate approximately 0.5 working days per month. Answer = 2 employees x 0.5 days = 1 employee-day per month.
* One employee dedicates 0.25 working days per month, and two employees dedicate 0.1 working days per month. Answer = 1 employee x 0.25 + 2 employees x 0.1 days per month = 0.45 employee-days per month.

Replies – please choose:

1. Less than 0.1 employee-days per month.
2. Between 0.1 and 0.25 employee-days per month.
3. Between 0.26 and 0.5 employee days per month.
4. Between 0.6 and 1 employee days per month.
5. Between 1 and 2 employee days per month.
6. Between 2 and 5 employee days per month.
7. Over 5 employee days per month.

**Question 11**

Does your company ever ask your business partners, especially suppliers, to give you social and environmental information?

1. Yes
2. No
3. Don’t know

**Question 12**

Some people have suggested that a simplified reporting standard could help SMEs to respond to demands for social and environmental information from business partners, banks, or others. The idea would be that the SME could prepare one single set of social and environmental information instead of having to respond to different requests, each one asking for slightly different information.

Which of the following statements best describes what your company would prefer?

1. There is no need for a reporting standard, it would only increase the administrative burden.
2. We would welcome the development of a simplified standard on how to report social and environmental information, which could be used on a voluntary basis.
3. We would welcome the development of a simplified standard on how to report social and environmental information, which would be obligatory for us and similar size companies.

**Question 13**

Please provide any comments related to sharing or reporting social and environmental information about your company:

**Thank you for your participation!**

**Please send the form before 23rd April to:**

**Jean-Philippe Mergen, Director Internationalisation Enterprise Europe Network Brussels– BECI, Chamber of Commerce of Brussels - e-mail:** [**jpm@beci.be**](mailto:jpm@beci.be)

