



CENTRE FOR
**Sustainable
Finance**
TOITŪ TAHUA

Aotearoa New Zealand & European Union SME sustainability guidance



Prepared for CSF partners drop-in



Starter for Ten – overview

Nick Swallow

Director, KMPG New Zealand

Starter for ten: 10 topics for SMEs to start sustainability reporting

Click the image below to access



Understanding current sustainability frameworks



Surveying SMEs, banks, NZTE, and standard-setters



Revising the short list of metrics with SME and experts



Starter for ten

Planet

- Emissions
- waste

People

- Health, safety and wellbeing
- DEI
- Workforce development and skills for the future
- Local community support

Governance

- Purpose
- Policies
- Supply chain
- Climate risk



Comparison

Starter for Ten vs.
EFRAG VSME Standard
& SEDG

	Starter for Ten (NZ)	Voluntary sustainability reporting standard for non-listed SMEs (EU)	Simplified ESG disclosure guide for SMEs in supply chains (Malaysia)
Target audience	NZ SMEs	EU non-listed SMEs	Malaysian SMEs in supply chains
Structure	10 sustainability topics structured under 3 pillars, with 2 levels of guidance for each topic: Starting out metrics (basic) and next-step metrics/actions (advanced)	20 disclosure topics across 4 pillars, divided into 11 basic modules (essential metrics) and 9 comprehensive modules (advanced, optional metrics)	15 disclosure topics grouped under 3 pillars, each with three tiers of reporting maturity: Basic, intermediate, and advanced
Pillars	<ol style="list-style-type: none"> Planet People Governance 	<ol style="list-style-type: none"> General information Environmental Social Governance 	<ol style="list-style-type: none"> Environmental Social Governance
E pillar topics	<ol style="list-style-type: none"> Emissions Waste 	<p>Basic module:</p> <ol style="list-style-type: none"> Energy and greenhouse gas (GHG) emissions Pollution of air, water and soil Biodiversity Water Resource use, circular economy and waste management <p>Comprehensive module:</p> <ol style="list-style-type: none"> GHG reduction targets and climate transition Climate risks 	<ol style="list-style-type: none"> Emissions Energy Water Waste Materials
S pillar topics	<ol style="list-style-type: none"> Health, safety and well-being Workplace diversity, equity, and inclusion Workforce development and skills for the future Supporting local communities 	<p>Basic module:</p> <ol style="list-style-type: none"> Workforce – general characteristics Workforce – health and safety Workforce – remuneration, collective bargaining and training <p>Comprehensive module:</p> <ol style="list-style-type: none"> Additional (general) workforce characteristics Additional own workforce information - human rights policies and processes Severe negative human rights incidents 	<ul style="list-style-type: none"> Human rights and labour standards Employee management Diversity, equity and inclusion Occupation health and safety Community engagement
G pillar topics	<ol style="list-style-type: none"> Purpose Policies Supply chain Climate risk 	<p>Basic module:</p> <ol style="list-style-type: none"> Convictions and fines for corruption and bribery <p>Comprehensive module:</p> <ol style="list-style-type: none"> Revenues from certain sectors and exclusion from EU reference benchmarks Gender diversity ratio in the governance body 	<ol style="list-style-type: none"> Governance structure Policy commitments Risk management and reporting Anti-corruption Customer privacy
Sector-specific guidance	No	No	Yes, for 5 sectors – Agriculture; Construction and Real Estate; Energy; Manufacturing; Transport and Logistics



NZ and EU sustainability guides – comparison

Renzhu Zhang

Analyst, Centre for Sustainable Finance: Toitū Tahua



Comparison

EU sustainability standards

	Streamlining sustainable finance for SMEs	European sustainability reporting standard (ESRS) for listed SMEs (LSME Standard)	Voluntary sustainability reporting standard for non-listed SMEs (VSME Standard)
Publication date	March 2025	January 2024	December 2024
Developer	European Union (EU) Platform on Sustainable Finance (PSF)	European Financial Reporting Advisory Group (EFRAG)	EFRAG
Status and audience	Non-binding guidance	Mandatory (from 2026, with opt-out to 2028)	Voluntary
Target SMEs	All SMEs	Listed SMEs	Non-listed SMEs
Purpose	Help SMEs access green finance by simplifying (and digitalising) the EU Taxonomy	Ensure CSRD compliance with proportionate, relevant reporting; support access to finance and prevent market discrimination	Provide a simplified framework for voluntary sustainability reporting to standardise ESG data requests and help non-listed SMEs gain better access to finance
Main focus	Usability of the EU Taxonomy	Compliance with the CSRD and ESRS reporting requirements	Voluntary ESG disclosures, aligned with ESRS logic but scaled down
Focus on EU Taxonomy	Direct; aims to simplify Taxonomy application for SMEs	Indirect	Optional
Use cases	Communicating sustainability efforts and accessing green finance	Regulatory compliance, investor transparency	Voluntary ESG reporting and improving market visibility



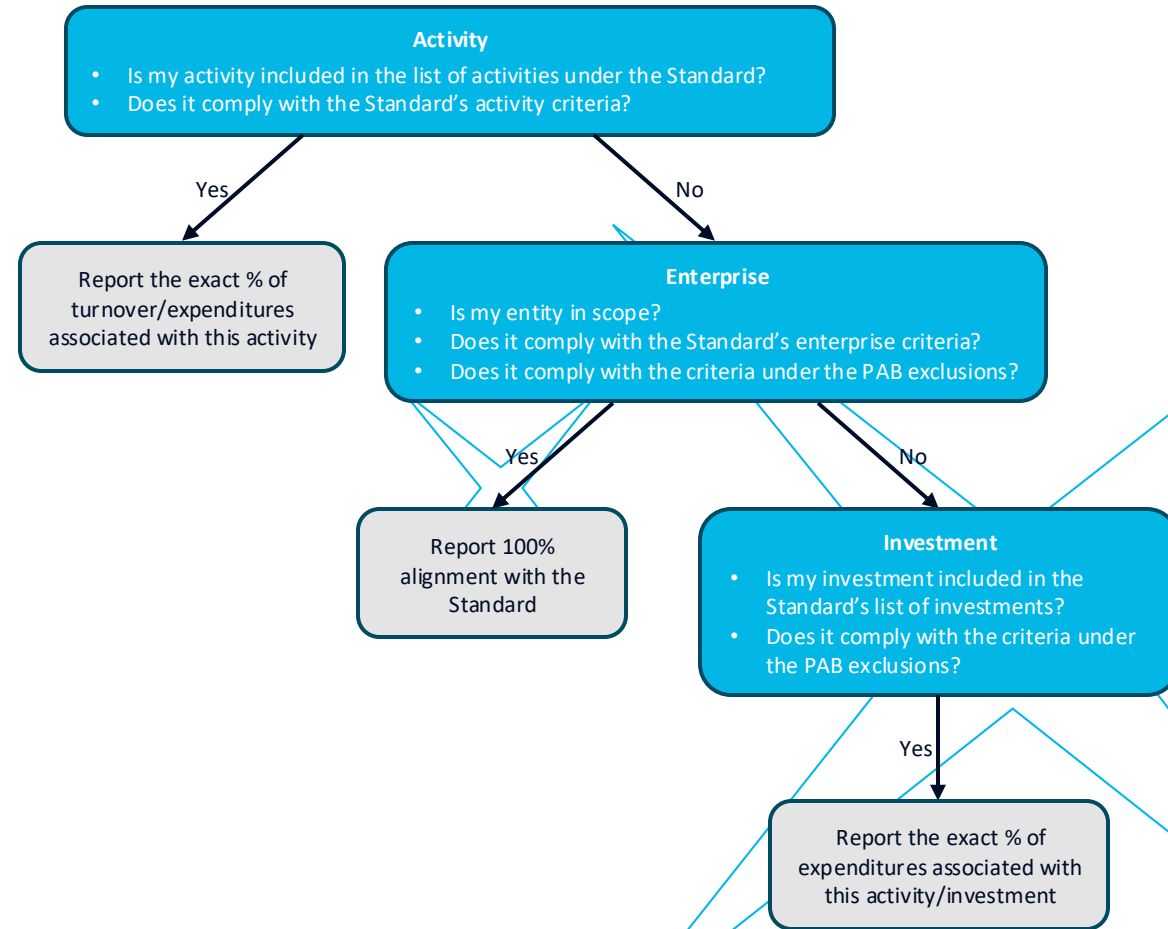
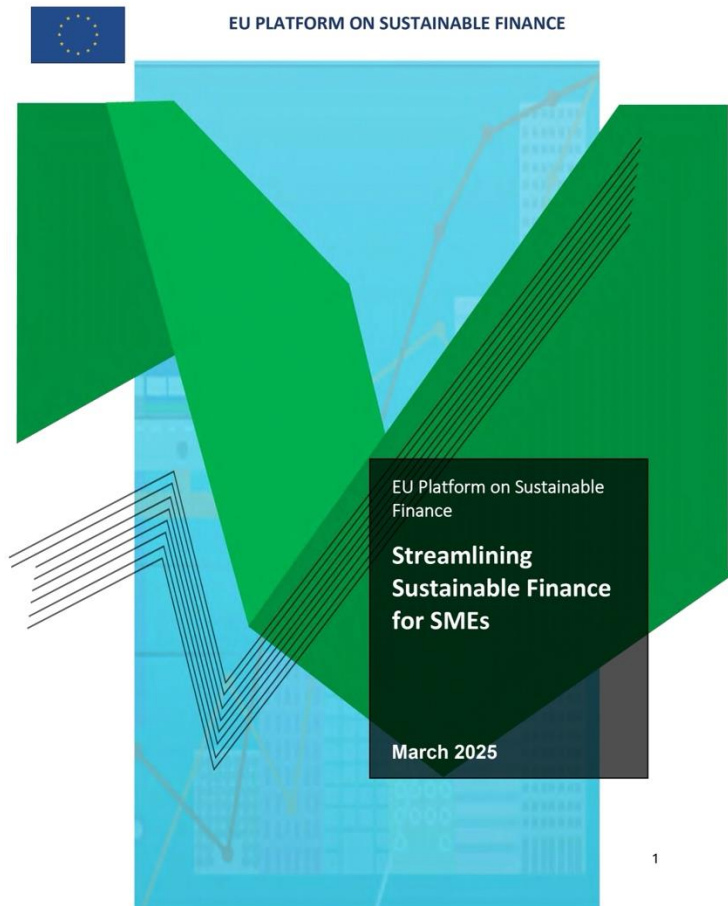
Comparison

PSF Standards vs. Starter for Ten

	Streamlining sustainable finance for SMEs	Starter for ten: 10 topics for SMEs to start sustainability reporting
Publication date	March 2025	October 2024
Developer	EU PSF	Centre for Sustainable Finance: Toitū Tahua (CSF), KPMG New Zealand
Jurisdiction	EU	NZ – <i>balances global alignment with local relevance</i>
Audience	SMEs and their financiers/lenders	SMEs and their financiers/lenders
Voluntary/ mandatory	Voluntary	Voluntary
Touches on	Data, taxonomy, disclosures	Data, disclosures
Starting point	EU Taxonomy	Existing sustainability frameworks and interview insights
Qualification approach	Three-tiered assessment: 1. Activity 2. Enterprise 3. Investment	N/A
Reporting focus	Financial metrics: 1. Standard-aligned turnover 2. Standard-aligned capital expenditures (CapEx) 3. Any relevant operational expenditures (OpEx) – can be included in CapEx or disclosed separately	ESG metrics across ten key topics: 1. Planet: i) Emissions; ii) waste 2. People: iii) Health, safety and wellbeing; iv) workplace diversity, equity and inclusion (DEI); v) workforce development and skills for the future; vi) local community support 3. Governance: vii) Purpose; viii) policies; ix) supply chain; x) climate risk
Inclusion of social & governance factors	Prioritises climate mitigation/adaptation; social factors are secondary No inclusion of indigenous rights or cultural heritage	Explicitly includes social and governance metrics alongside environmental metrics Separate section on the Treaty, with considerations on linking it to multiple topics
Tool development	Proposes an online tool for SMEs to assess eligibility based on activity, enterprise, or investment criteria of the Standard	Does not advocate for a dedicated eligibility checker; points SMEs to existing external tools and resources for measuring relevant sustainability metrics

Streamlining sustainable finance for SMEs

Click the image below to access





Questions?

Thank you.

Get in touch: connect@sustainablefinance.nz

The Centre for Sustainable Finance: Toitū Tahua (CSF) was established in 2021 to advance progress toward the 2030 vision and Roadmap of the Sustainable Finance Forum.

The forum was an initiative of Sir Rob Fenwick's The Aotearoa Circle.

