

**SDA Bocconi**  
SCHOOL OF MANAGEMENT  
SUSTAINABILITY LAB

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# Fostering Sustainability in Small and Medium-sized Enterprises

Generali SME EnterPRIZE  
White Paper

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# Why foster SMEs' just sustainable transition?

**SMEs are crucial in the EU Sustainable Agenda and Sustainability is a strategic factor for SMEs**

1

## **Involving SMEs is paramount to ensure the success of the European Sustainable transition**

SMEs are a pillar of the European economy and play a central role in community dynamics. They are key players in European and global value chains, which makes them essential in the sustainable transition

**99%**

of businesses in the European Union are SMEs

**2/3**

of all private sector employees work in SMEs

**56%**

of the added value created by EU businesses is due to SMEs

2

## **Sustainability is a strategic factor for SMEs**

For SMEs, being involved in the sustainability agenda is paramount to obtain or maintain access to key resources and opportunities, such as the access to certified supply chains and global markets, funding for the sustainable transition, better financial conditions, competences, talents, and partnerships

3

## **Covid-19 pandemic accelerated sustainability dynamics**

Covid-19 significantly affected European SMEs. Nevertheless, recent surveys confirm that the pandemic is also acting as an accelerator towards sustainability dynamics, driving an higher SMEs' activation on social and environmental issues

## **Objectives of the SME EnterPRIZE White Paper and methodology**

The White Paper is aimed to analyse European SMEs' approach to sustainability, identifying the barriers preventing their activation, while mapping the drivers and tools to foster SMEs' just sustainable transition



Analysis of 3,000+ academic papers narrowed down to 120+ articles published in top academic journals

Analysis of 100+ reports by international institutions, statistics offices, public and private research centres

Activation of a European knowledge network in 8 countries analysing data by national institutions, Universities, business associations, experts, SMEs



Roundtables with EU MPEs for feedback on the White Paper



# What is the strategic approach to sustainability of European SMEs?

## European SMEs' approach to sustainability is still informal and not structured, with margins for growth...

13% of EU27 SMEs indicate that they have already adopted a **sustainability strategy**



21% seem to be in the **process of implementing one**, although they haven't yet done so



40% report they may potentially adopt a sustainability strategy in the future



18% declare that they have not considered implementing one and will not do so in the future



8% "don't know" or "not applicable"



## ... in fact, European SMEs do more than they are aware of doing and/or are capable of communicating

1

### Employee welfare, including occupational health and safety and well-being

Initiatives are reported by 66% of SMEs in Italy, 65% in Germany, 76% in Austria, 66% in Spain, 68% in Hungary. French, Czech, and Swiss SMEs significantly engage employees on welfare initiatives too

2

### Environmental protection

Initiatives are reported by 67% of SMEs in Italy, 69% in Spain and 66% in Switzerland. 90% of the initiatives reported in Germany by SMEs are related to energy efficiency, whereas French SMEs are mainly focused on environmental design

3

### Community engagement

European SMEs confirm being active in supporting social, educational, cultural, as well as charitable and religious-related initiatives in their local communities (e.g. 84% of German SMEs focus their social engagement on supporting social, charitable or church institutions within their community)

# A joint effort to foster European SMEs' just sustainable transition



Economic instruments
Non-economic instruments

# Lessons learned and future developments

## Sustainability drivers

**Education, capacity building and transfer of competences**



## Lessons learned and future developments

**Public, Public-Private and Private** initiatives (e.g. Enterprise Europe Network Sustainability Advisors, digital innovation hubs, government-backed plans to accelerate the ecological transition, multistakeholder knowledge-sharing platforms) to strengthen the transfer of competences, including in the field of innovation, technology and digitalization, to fill SMEs' knowledge gap

**Sustainable finance**



**Public, Public-Private and Private** initiatives (e.g. public green guarantee schemes, ESG-linked loans and green/social financial instruments, ESG-linked financial initiatives, fintech applications) to provide SMEs with dedicated tools to leverage the unprecedented opportunities provided by sustainable finance

**ESG policy framework**



**Public** development/finalisation of a comprehensive policy framework (e.g. EU ESG Taxonomy) with standardized and tailored technical criteria and KPIs proportionate to SMEs capabilities and resources to secure the activation of Small and Medium sized enterprises

**Demand-side instruments**



**Public and Private initiatives** (e.g. central purchasing bodies, municipalities, and other major public procurers leveraging public sustainable procurement; large companies further including ESG criteria in private procurement) to provide additional business opportunities to sustainable SMEs

**Disclosure on materiality & assessment**



**Public, Public-Private and Private initiatives** (e.g. the foreseen separate and proportionate reporting framework for SMEs envisaged by the recent Corporate Sustainability Reporting Directive (CSRD) proposal; WEF stakeholder capitalism metrics) to enhance SMEs assessment and disclosure on material issues