

SUMMARY OF THE RECOMMENDATIONS TO PROMOTE THE APPLICATION OF THE ESG APPROACH FOR SMALL & MID-CAPS

Improve the accessibility and quality of ESG data at national and European levels

1. Coordinate long-term national investors to **standardise the ESG analysis grids** based on their ESG expertise.
2. Coordinate the National Promotional Banks and Institutions (NPBIs) and the European Investment Bank (EIB) Group at the European level to develop a **minimum European base of standardised ESG indicators** for the public sector.
3. Bring together national public opinion leaders (auditors, national central banks, accounting and financial association, etc.) and European public opinion leaders (EBA, EFRAG, ESMA, Eurostat, European Central Bank, etc.) as part of a **common normative approach for the production of ESG indicators**.
4. **Consider the specific features of SMIDs and SMEs** in view of the forthcoming revision of the Extra Financial Reporting Directive and promote the emergence of **extra-financial reporting of a similar comparability and quality to that of financial reporting**.
5. Promote **the automation of ESG data collection and the provision of data input, display and transmission tools for ESG indicators**.
6. Assess the **advantages and disadvantages of organising the collection and provision of ESG data as part of a public process** to facilitate data entry and data access.

Develop a support system for listed SMEs in implementing their ESG approach

7. Develop **awareness-raising and methodological materials** to facilitate the implementation of ESG approaches by SMIDs.
8. Identify, mobilise and strengthen **structures offering support for SMIDs**.
9. Set up a **transition support fund** to provide financial resources at the various stages of SMIDs' **implementation of an ESG approach**.

Preserve and develop intermediaries able to monitor the extra-financial performance of European SMIDs

10. Ensure the **sustainability and development of agencies specialised in the ESG assessment** of European SMIDs.
11. **Restore research capacities** for SMIDs and **promote the integration of ESG assessment in this research**.

Promote access to financing for Small & Mid-Caps undertaking an ESG approach

12. Create **an index, fund of funds or an ESG market fund** to support the development of Small & Mid-Caps by prioritising a **Best Effort approach** in addition to the Best In Class approach. Encourage a pan-European approach in conjunction with the EIB group (including the EIF) and the European Commission.
13. Promote the creation of a **dedicated ESG European stock market section** to provide benchmarking and visibility for investors.
14. **Promote "impact" financing that combines financing with support** (performance improvement, support services), for instance via tax or regulatory incentives.