Promoting ESG Awareness + Risk Literacy in SMEs


# PEARL
# Case Study 1

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# Case Study Identification

**Case Study Title:**

"Where to start?" – The first ESG report in a company from Szczecin

**Partner Institution:** Northern Chamber of Commerce in Szczecin

**Country:** Poland

**Sector /Industry:** Manufacturing (furniture production)

**SME Profile:**

A manufacturing company from Szczecin specializing in the production of wooden furniture for international markets. Exports account for over 60% of its revenue. Its key clients are contractors from Germany and Scandinavian countries. The company has no prior experience in the ESG area or in reporting.

**Company size (micro / small / medium):**

Small (50 employees)

**Ownership structure (family-owned, partnership, etc.):**

Family-owned

**Market scope (local / regional / international):**

National / EU (Germany, Scandinavia)

## 2. Relevant PEARL Curriculum Module(s)

*(**Select one primary module and, if relevant, secondary modules:** Module 1 – Introduction to ESG, Module 2 – ESG Onboarding, Vision and Responsibility, Module 3 – ESG Risk Analysis and Materiality Assessment, Module 4 – ESG Strategy and Implementation, Module 5 – Reporting, Communication and Branding, Module 6 – Sustainable Financing and Funding Options for SMEs)*

**Primary Module:**

*Module 2 – ESG Onboarding, Vision and Responsibility*

**Secondary / Supporting Modules (if any):**

## 3. Learning Purpose of the Case

**What ESG challenge, decision, or dilemma does this case illustrate?**

Lack of knowledge on how to start the ESG reporting process and how to translate the company's existing operational activities into concrete data, metrics, and reporting structures.

**Why is this case relevant for SMEs?**

Many SMEs in Poland are not directly subject to the reporting obligation under the CSRD; however, they are experiencing increasing pressure from clients especially international ones to provide ESG data. These companies often lack the resources and expertise to respond adequately to these requirements.

**Which competence gaps (knowledge, skills, attitudes) does it address?**

**Knowledge:** lack of knowledge about the ESG report structure and requirements (e.g., ESRS, VSME)
**Skills:** lack of skills in identifying, collecting, and analyzing ESG data
**Attitudes:** uncertainty, fear of the complexity of the process, and the belief that ESG is too complicated for a small company

# 4. Case Context and Background

**Provide a concise but concrete description of the SME's situation:**

*(Business model and core activities, ESG maturity level at the start of the case, Regulatory, market, or stakeholder pressure (if any), Key internal constraints (resources, knowledge, resistance, finance)*

*The company is a manufacturing SME based in Szczecin, specializing in the production of wooden furniture for international markets. Exports account for over 60% of its revenue, with key customers located in Germany and Scandinavian countries. At the outset of the case, the company's ESG maturity level is low—it has no prior experience in ESG management or reporting, and its activities in this area are informal and not systematically measured or documented. Although the company is not directly subject to CSRD requirements, it faces increasing pressure from international clients to provide ESG-related data, particularly in supply chain transparency and sustainability performance. Key internal constraints include limited resources, lack of ESG-related knowledge and competencies, and uncertainty about how to approach the reporting process. Additionally, there is a perception within the company that ESG is complex and difficult to implement for a small organization.*

# 5. ESG Challenge / Problem Statement

**Clearly describe the central ESG-related issue, for example:**

*(Lack of ESG awareness or strategy, Need for ESG onboarding and internal alignment, ESG risks in the value chain, Materiality prioritisation challenges, ESG reporting and communication difficulties, Financing ESG investments)*

**Task 1 (Understanding the starting point):**
What ESG-related activities is the company already undertaking, even if they are not formally identified as ESG?

**Task 2 (Step-by-step onboarding):**
Propose five steps the company should take to begin ESG reporting.

**Task 3 (Responsibility & organization):**
What should the organization of the ESG process look like in a small company? Who should be involved?

# 6. Data, Evidence, and Inputs

## (Use realistic but simplified data where needed)

*(ESG-related qualitative information, Basic quantitative indicators (where applicable), Stakeholder inputs or assumptions, Regulatory or market references (e.g. CSRD, VSME, customer demands)*

- Approximately 60% of the company's revenue is generated from exports within the EU.
- Three key international clients require ESG-related data as part of their supplier expectations.
- The company uses FSC-certified wood, indicating an existing commitment to responsible sourcing practices.
- There is currently no monitoring or measurement of $CO_2$ emissions or overall environmental impact.
- The company does not have formal ESG policies, procedures, or documented strategies in place.
- Production waste is partially recycled, although no systematic tracking or reporting is conducted.

These inputs combine qualitative insights (e.g. sourcing practices, lack of policies) with basic quantitative indicators (e.g. export share, number of clients requiring ESG data). They also reflect stakeholder pressure (customer requirements) and emerging regulatory and market expectations (e.g. CSRD, VSME), which are increasingly influencing the company's need to formalize its ESG approach.

# 7. Suggested Tools from the PEARL Toolbox

## Indicate which PEARL tools can be applied in this case and how?

- *ESG Team Setup & Responsibilities (M2)*
- *ESG Communication Guide for SMEs (M5)*
- *Onboarding Tool for Internal Decision-Makers(M2)*

# 8. Suggested Solution

The case: Your clients are starting to ask about ESG, but you don't have a report and don't know where to start.
The good news? You don't have to do everything at once. You can begin step by step, building on what you already have.
First, check what you're already doing. Don't try to invent something from scratch.
Ask yourself: what activities in the company already relate to ESG?
Maybe you: sort waste, ensure employee safety, pay salaries on time, or have some internal policies.
Believe it or not, all of this already counts as ESG. The important thing is to collect and write down what exists.
Next, identify what's missing. Once you know what you have, look for gaps. Do you have data like energy usage? Are your rules or procedures documented? Can you show this to clients? Many small companies face the same situation: they do a lot but don't measure it, or they know it's done well but haven't put it on paper. The key here is to spot the gaps and note what needs improvement.
Then, assign responsibility. In small companies, "everyone is responsible" often means no one is. Choose one person — it could be the owner, a manager, or someone from administration to oversee ESG.
This person will: collect the data, monitor progress, and communicate with clients.
Start collecting simple data. Don't worry about complicated analyses. For now, basic numbers are enough: energy consumption, amount of waste, number of employees, workplace incidents.
Often, this information is already available in invoices, accounting, or from production managers.
Create your first simple report. It doesn't need to be perfect. Even a short report that includes: a few sentences about the company, what you already do for ESG, basic data, and areas you want to improve.
The key is to start now, then refine it over time.
Even if ESG reporting is currently mandatory only for large companies in the EU, smaller companies may still face requests from clients, banks, or partners. By starting small, documenting what you already do, and gradually filling the gaps, you can begin ESG reporting without feeling overwhelmed — and you show your clients that you take sustainability seriously.

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# 9. Expected Learning Outcomes

**After working on this case, which KSAs will learners be able to develop?**

***(Aligned with Related competences (ref.PEARL framework)***

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