

VSME in a Nutshell

What is the VSME Standard?

The Voluntary reporting standard for SMEs (VSME) is a dedicated sustainability reporting framework developed by **EFRAG (European Financial Reporting Advisory Group)**, the same organization responsible for drafting the **European Sustainability Reporting Standards (ESRS)** used for CSRD compliance. It translates complex ESG requirements into a **pragmatic, proportionate, and SME-friendly format**.

The standard consists of two modules:

Basic Module

Purpose: Easy-to-implement structure for beginners or first-time reporters

Content: 11 essential topics covering governance, environment, social responsibility, and initiatives



Comprehensive Module

Purpose: Enhanced sustainability insights for SMEs

Content: 9 additional disclosures including climate targets, risks, sustainability strategy, and social due diligence



Whereas the CSRD requires extensive, detailed sustainability reporting from large enterprises, the VSME Standard offers SMEs a voluntary, lighter, and pragmatic alternative. It provides structured, comparable ESG information without the cost and complexity of CSRD – with 90% fewer data points, no mandatory Double Materiality Analysis, no audit obligation, and a standardized approach that acts as an effective shield against incoming data requests.

Why is VSME a blessing for SMEs?

Small and mid-sized enterprises are facing rapidly growing expectations around transparency and ESG performance. The VSME standard offers exactly what SMEs need to succeed in this environment:

- 01 A structured framework** that works as a protection shield for increasing requests from stakeholders, customers, banks, and internal management, as it defines the maximum scope CSRD-affected companies can pass on to their suppliers. (Trickle-down protection)
- 02 An easy-to-handle way** to formalize the company's sustainability efforts in a way, that reflects the sustainability resources and expertise in smaller and mid-sized companies, enabling better financing conditions, higher tender win rates and less bureaucracy.
- 03 Unified reporting requirements** with reusable data, eliminating the struggle with today's excessive and inconsistent reporting landscape

The VSME directly addresses the core pain points SMEs face today, making sustainability reporting manageable, efficient, and value-adding.

Kick-start your reporting journey and unlock new business opportunities.

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