



VSME MARKET ACCEPTANCE

PROGRESS REPORT

Disclaimer

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This report presents an overview of the market's acceptance of the VSME following the adoption of the [European Commission's Recommendation](#). It summarises information gathered from the respondents that answered to the [Market Acceptance Progress Survey](#) conducted by EFRAG. The findings highlight the current level of awareness and adoption of the VSME Standard, along with the key challenges and opportunities that could encourage wider use of the VSME.

VSME has been developed by EFRAG and recommended for use by the European Commission for companies with fewer than 250 employees.

About EFRAG

EFRAG's mission is to serve the European public interest in both financial and sustainability reporting by developing and promoting European views in the field of corporate reporting. EFRAG builds on and contributes to the progress in corporate reporting. In its sustainability reporting activities, EFRAG provides technical advice to the European Commission in the form of draft European Sustainability Reporting Standards (ESRS) elaborated under a robust due process and supports the effective implementation of ESRS. EFRAG seeks input from all stakeholders and obtains evidence about specific European circumstances throughout the standard setting process. Its legitimacy is built on excellence, transparency, governance, due process, public accountability and thought leadership. This enables EFRAG to speak convincingly, clearly, and consistently, and be recognised as the European voice in corporate reporting and a contributor to global progress in corporate reporting.



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Executive Summary

1. The report on VSME Market Acceptance provides a snapshot of the level of acceptance and awareness of the VSME at this moment in time. An overall conclusion can be made that both the awareness and the acceptance of the VSME have been increasing since its publication in December 2024 while further efforts in that respect are warranted. EFRAG acknowledges that it may still be early to fully assess its uptake, particularly in light of the ongoing political negotiations on the Omnibus proposal¹. For this reason, this survey serves as an initial step to measure the current VSME market acceptance for companies below 250 employees and establishes a baseline for tracking how the acceptance may progress in the future.
2. One limitation in analysing the responses is that the survey was launched in October 2025 when EFRAG's work on the VSME supporting guides was still ongoing. In addition, the EFRAG [VSME Digital template](#) updates as well as the [mapping of digital tools](#) had just been published on the EFRAG website.
3. Based on the 282 responses received, the overall awareness of the VSME is positive, supported by Annex I and Annex II translations which were deemed useful for understanding the VSME and fostering awareness across the EU. In addition, many respondents have been following EFRAG's drafting process since November 2022.
4. Regarding application and use, most preparers, users and other stakeholders have fully or partially applied information from the VSME. Some of the remaining respondents plan to apply or use it within the next 12 months. Preparers are using both the Basic and Comprehensive Modules, spending between one and three weeks on report preparation. On the users' side, most are already using the VSME as a guiding framework to collect information.
5. Awareness and use have not significantly increased since the EC Recommendation, largely due to regulatory uncertainty linked to the Omnibus proposal. In fact, even if this survey refers to the use of VSME by undertaking with less than 250 employees, interest was also shown by other stakeholder categories excluded from the CSRD scope according to Omnibus. It is expected that this interest will increase following the political agreement of the European co-legislators on the CSRD amendments of 8/9 December, which includes the mandate to the Commission for adopting a delegated act based on the VSME.
6. In terms of use of the VSME framework to gather information from SMEs' business counterparts, the majority of users reported that they have already started using the VSME as a guiding framework.
7. Some respondents also noted that users tend to require additional information not covered in VSME, particularly from banks and large undertakings. The most recurring requests are due diligence assessment and information on supply chain, Scope 3, product carbon footprint, business conduct (training on anti-corruption) and information necessary for alignment with EU Taxonomy.

¹ The Omnibus proposal envisages the adoption as Delegated Act of a voluntary standard for companies other than SMEs that will be excluded by the revised scope of the CSRD, based on VSME.

8. The main challenges in applying the VSME include lack of training and awareness, limited availability of tools, unclear methodologies for quantifying disclosures and collecting data, difficulty of integrating VSME information into their internal processes, absence of a centralised digital repository and challenge of aligning banks and risk-related requirements with VSME disclosures. The Commission and Member States are invited to take those observations as a signal to what extent and in which areas further and/ or continued activities may effectively address the challenges.
9. The main perceived benefits are improved access to finance, satisfaction of large undertakings' needs, better resource utilisation, cost optimisation, and internal and external strategic advantages.
10. Regarding EFRAG's supporting materials, awareness of the [VSME Digital Template](#) and the [GHG Calculator list on EFRAG website](#) (based on the [mapping of digital tools of September 2025](#)) is relatively low at the moment. In particular, some respondents mentioned that they currently use the VSME Digital Template, while the majority of respondents declared that they use different templates instead. This could be explained by the fact the survey was launched in proximity to the publication and subsequent updates of this material. Nevertheless, educational material in the form of interactive webinars and step-by-step tutorials are slightly better known.
11. Respondents expressed a need for more step-by-step materials with examples to help SMEs interpret reporting expectations, including best practices. In particular, respondents expressed a need for additional case studies on specific disclosures (B3, B5, B7, C3, C4, B6), for sector-specific guidance and additional guidance on specific disclosures (B3, C3, C2, B5, C4, B7), which were identified as the most complex and most frequently asked by business counterparts. To note that EFRAG recently published the [Supporting Guides on C2, C3 and C7](#), hence the expectation is that they will help supporting the implementation of those disclosures that emerged as particularly challenging.
12. Concerning the disclosure B3, the [list of GHG calculators published on EFRAG website](#) as result of the [mapping of digital tools](#), should help making the calculation less challenging. The same applies for B5 and B6, for which it is expected that in the next iteration of the EFRAG mapping of digital tools, the geolocation tools, for biodiversity sensitive areas and areas of high-water stress will emerge.
13. Finally, suggestions to boost VSME market acceptance include increasing awareness through examples of published VSME reports, sector-specific guidance, training sessions and best-practice cases; aligning users' requirements and other frameworks with the VSME; offering free and accessible tools; and introducing a certification mechanism.
14. In light of these needs, the EFRAG Secretariat will carefully consider the development of additional guidance (including sectors) and practical case studies to support the effective application and use of the VSME. Moreover, the [mapping exercise on digital tools and sustainability reporting initiatives](#) as well as the [VSME Digital Template](#) will be continued next year. Lastly, in 2026, EFRAG will run its second edition of the VSME market acceptance survey to monitor progress. In order to stay updated on EFRAG's developments concerning VSME, please visit [EFRAG's dedicated webpage](#) and the [Knowledge Hub](#).

INTRODUCTION

15. As part of its ongoing efforts to support the implementation of the Voluntary Sustainability Reporting Standard (VSME) and following the adoption of the [European Commission's \(EC\) Recommendation on the VSME](#), from 2 October to 24 November 2025 EFRAG launched a [Market Acceptance Progress Survey](#) to assess the current level of awareness and use of the VSME among different stakeholders such as financial institutions, investors, business partners, SMEs, National Standard Setter and European and National Associations. The survey also aims to measure the main challenges and benefits perceived by stakeholders when applying the VSME, as well as the extent to which the materials developed by EFRAG to support SMEs (the [VSME Digital Template](#), [GHG calculators identified on EFRAG's website](#) after the [publication of the mapping of digital tools](#), interactive webinars, step-by-step tutorials and video explainers) are used to facilitate the adoption of the VSME.
16. Please note that the VSME has been developed by EFRAG and recommended for use by the European Commission for companies with fewer than 250 employees.
17. This initiative forms part of the deliverable of the VSME Ecosystem: 'Survey on VSME acceptance progress', which EFRAG is currently developing to encourage the uptake and consistent application of the VSME across the EU market.
18. Overall, as outlined in the [VSME Basis for Conclusion](#), the VSME, being a voluntary standard, strongly relies on market acceptance, which is the primary rationale for conducting this survey aimed at gathering initial evidence on how it is being perceived and used. The survey was launched after the adoption of the VSME as an EC Recommendation in July 2025, which formally addresses SMEs, Member States and financial institutions. EFRAG acknowledges that it may still be early to fully assess its uptake, particularly in light of the ongoing political negotiations on the Omnibus proposal². For this reason, this survey serves as an initial step to measure the current VSME market acceptance for companies below 250 employees and establishes a baseline for tracking how the acceptance may progress in the future.
19. The objective of this report is to present the findings gathered through the survey process. By mapping the market acceptance progress on the VSME, the report could serve as a foundation for future work, in case EFRAG receives the funding to continue the VSME Ecosystem.

² The Omnibus proposal envisages the adoption as Delegated Act of a voluntary standard for companies other than SMEs that will be excluded by the revised scope of the CSRD, based on VSME.

CHAPTER 1: ANALYSIS OF SURVEY RESPONSES - GENERAL AWARENESS AND ADOPTION OF THE VSME

20. This chapter outlines the main insights from the responses gathered through EFRAG's questionnaire on 'VSME Market Acceptance'. It provides a descriptive overview of the responses, focusing, when relevant, on the categories of the respondents. The analysis serves as a foundation for understanding the current level of awareness and adoption of the VSME among different stakeholders across the EU.

Survey on VSME Market Acceptance

21. An [online survey](#) on the progress of VSME market acceptance was launched on 2 October 2025 and ended on 24 November 2025.
22. This online survey, published on EFRAG's website, consisted of three parts.
 - (a) **Part A – Respondent information:** collects respondent information, including personal details, stakeholder category, country and sector.
 - (b) **Part B – General awareness and adoption:** assesses general awareness, adoption, challenges and benefits from the perspective of all respondent categories related to the VSME and its adoption as an EC Recommendation, as well as training/events planned on the VSME Recommendation and details on the sustainability report format if applied by preparers.
 - (c) **Part C – Practical implementation:** explores practical implementation aspects such as the use of the [VSME Digital Template](#), GHG calculators, most complex and easiest disclosures, disclosures most frequently asked by business counterparts and asked on top of the VSME, and the use of EFRAG's supporting materials and additional support needs.

Analysis of responses

23. A total of 282 respondents completed the survey. Taking into account the stakeholder categories that took part in the survey, the composition of the respondent pool can be broken down as follows:
 - (a) **preparers:** 41% (SMEs 22%: comprising of 16% Micro undertakings, 36% Small undertakings, 48% Medium undertakings; accountants 10%; European or national associations representing preparers 9%);
 - (b) **users:** 20% (large undertakings or corporations 6%; banks or financial institutions 4%; investors or asset managers 3%; public/regional authorities 1%; European or national associations representing users 6%);
 - (c) **others:** 39% (regulators or policymakers 4%; civil society or NGOs 3%; academic or research institutions 4%; consultants 28%).

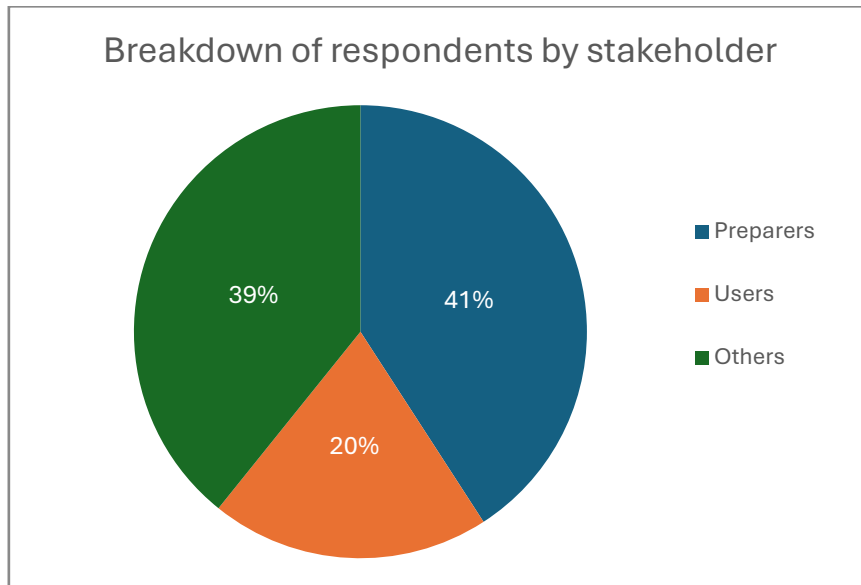


Figure 1: Breakdown of respondents by category

24. Below, more detailed information on each category of respondents:

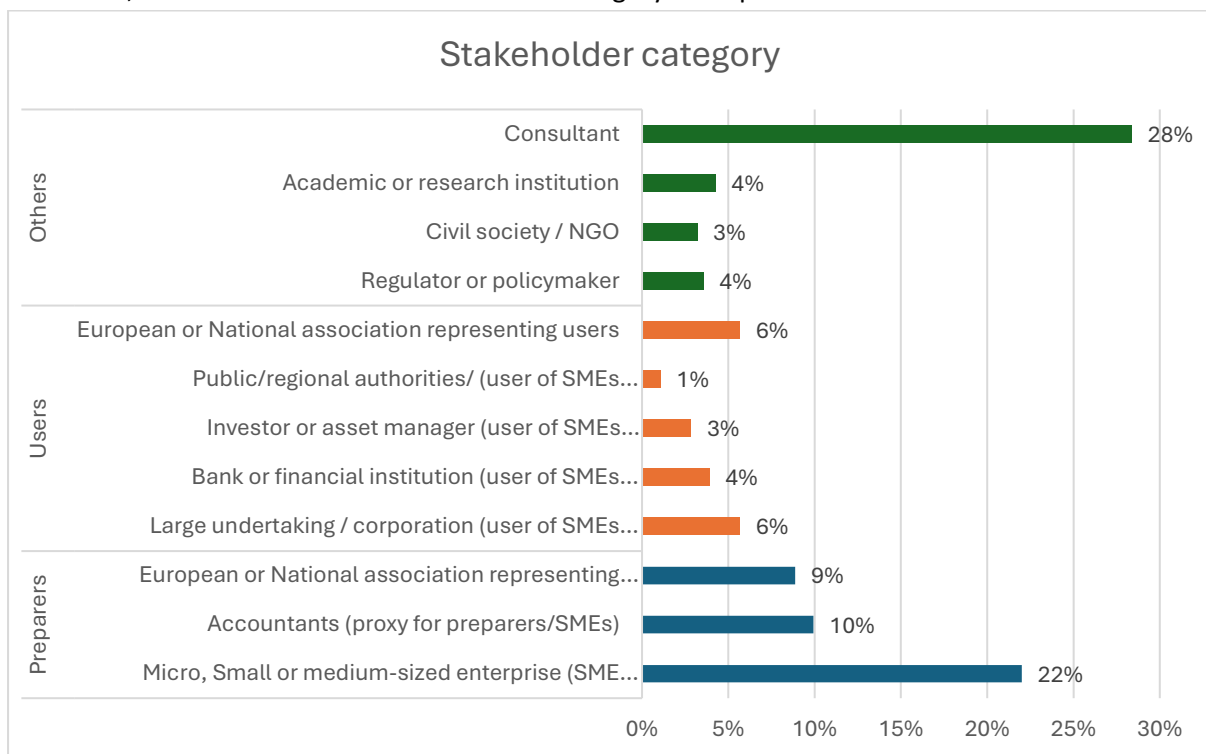


Figure 2: Detailed breakdown of respondents by category

25. To capture the **geographical coverage**, respondents were asked to specify the country where their organisation is based. The analysis revealed that the majority of respondents are based across Europe, in particular in France (12%), Italy (9%), Germany (9%), Norway (6%), the Netherlands (6%), Spain (5%) and Belgium (4%).

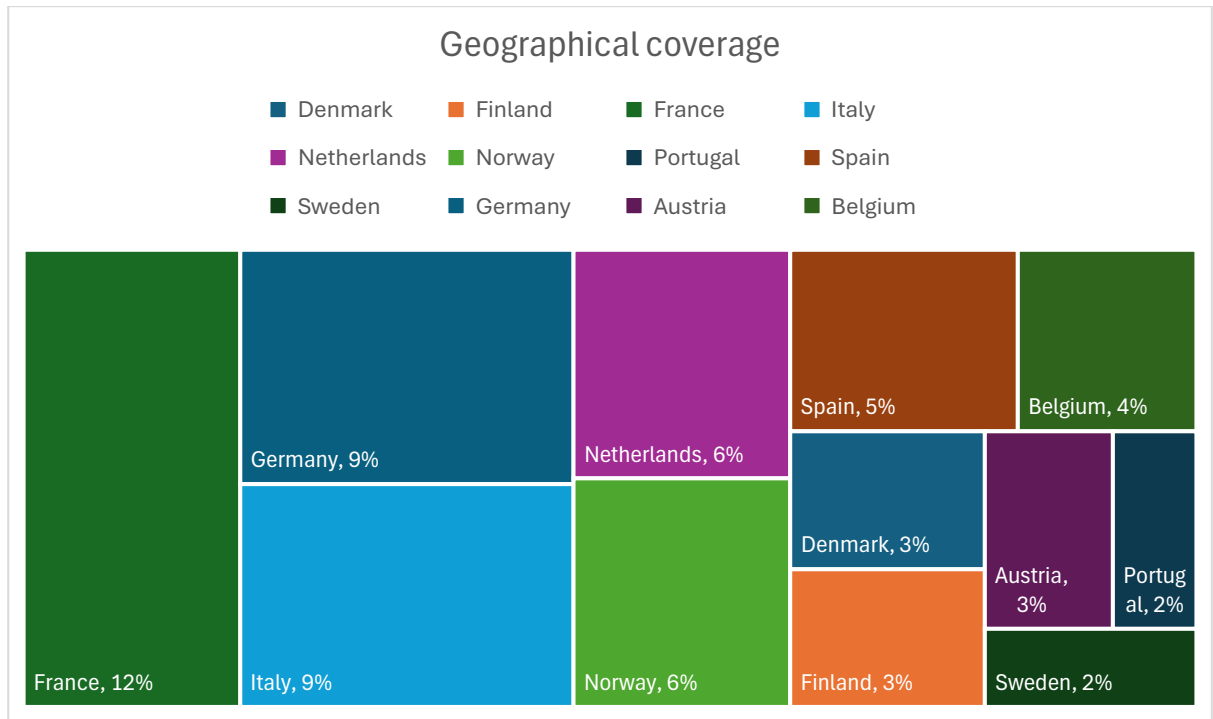


Figure 3: Geographical coverage

26. Among all responses analysed, **sectoral affiliation** was distributed as follows: consulting (20%) was the most common, followed by accounting (11%), business/professional services (9%) and manufacturing (9%). Finance/banking/insurance accounted for 7%, education for 6% and non-profit for 4%. Retail and utilities each represented 3% of the stakeholders. Several additional sectors (e.g. construction, engineering, advertising, etc.) were also mentioned, though they each accounted for 1–2% of respondents. As some participants operate across multiple sectors, the total count of economic sectors affiliation exceeds the number of individual stakeholders.

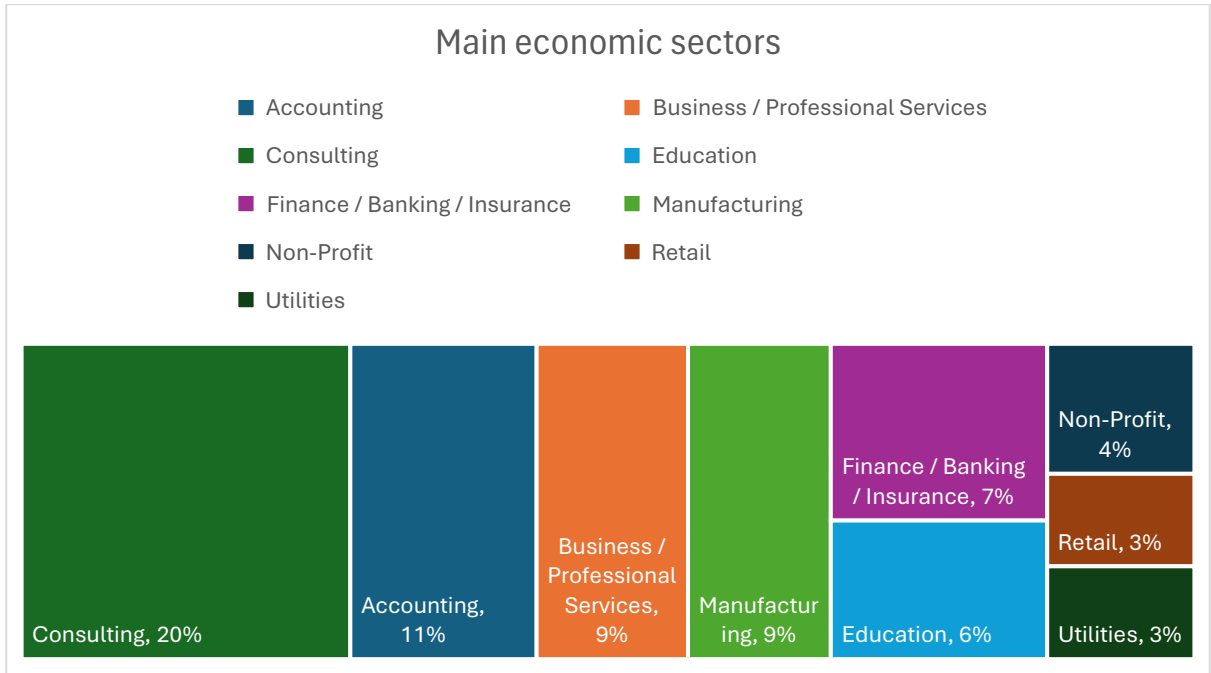


Figure 4: Main economic sectors of the respondents

27. In terms of **awareness of the EC Recommendation on the VSME**, 95% of respondents replied positively.

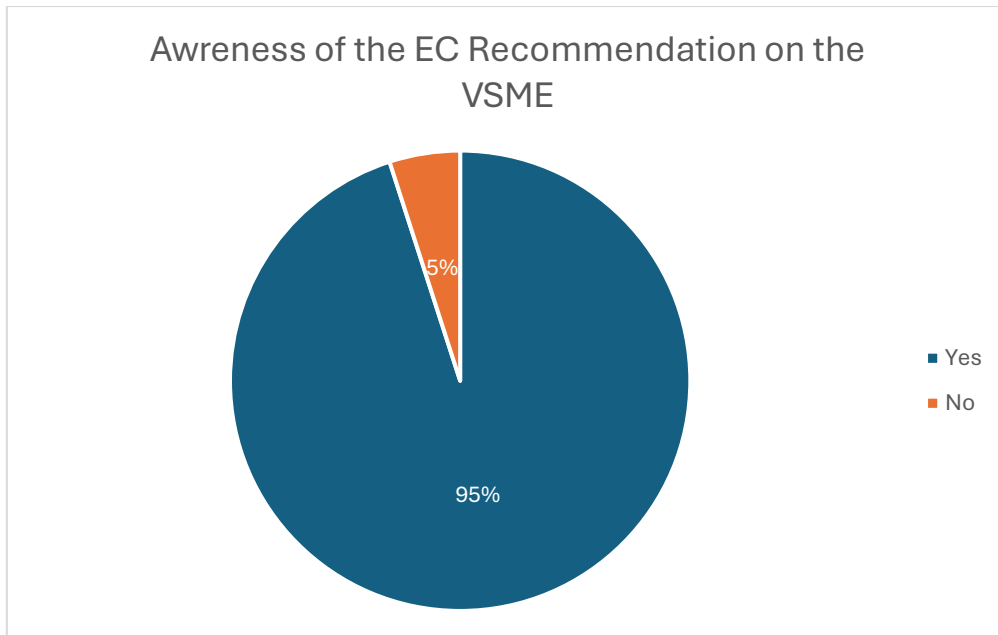


Figure 5: Awareness of the EC Recommendation on the VSME

28. Among respondents aware of the EC Recommendation, 61% have followed EFRAG’s entire drafting process since November 2022, while 36% became familiar with the VSME when EFRAG released its technical advice to the EC on 17 December 2024. The remaining 3% were informed of the VSME only after the Recommendation was issued on 30 July 2025.

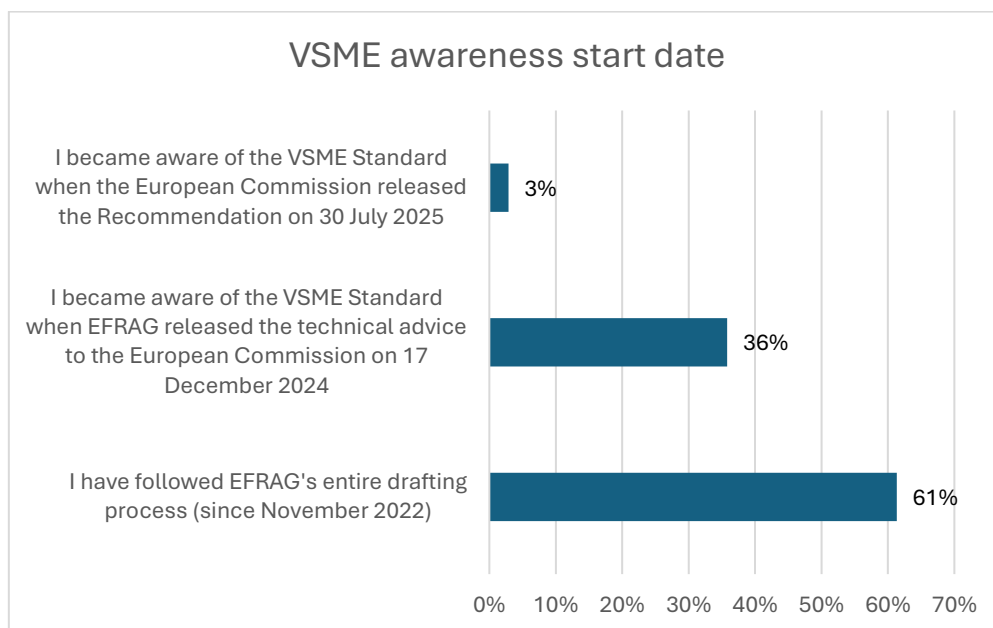


Figure 6: VSME awareness start date

29. Regarding the **translations of the EC Recommendation on the VSME (Annex I) and the accompanying guidance (Annex II)** into EU Member States languages, the majority of respondents (81%) reported that these translations were useful for understanding the Standard and fostering awareness across the EU.
30. Across all respondents' groups, translations were viewed as essential for accessibility, helping SMEs understand the requirements, improving clarity and terminology, reducing interpretation risks, and supporting communication and training in national contexts. Preparers particularly stressed their reliance on native-language versions but noted that, even when translated, the text remains difficult to understand and overly bureaucratic. At the same time, respondents indicated that they often reverted to the English version, citing reasons such as its clearer vocabulary, its status as the authoritative reference version, the late availability of translations, or the fact that English is their organisation's working language. Respondents also reported using both versions in parallel to verify wording and ensure consistency. In addition, while translations facilitate the dissemination of the VSME to SMEs and other stakeholders, respondents highlighted the need to translate additional support materials (e.g. supporting guides, training materials, glossaries for technical terms), as they are still facing challenges with its implementation.

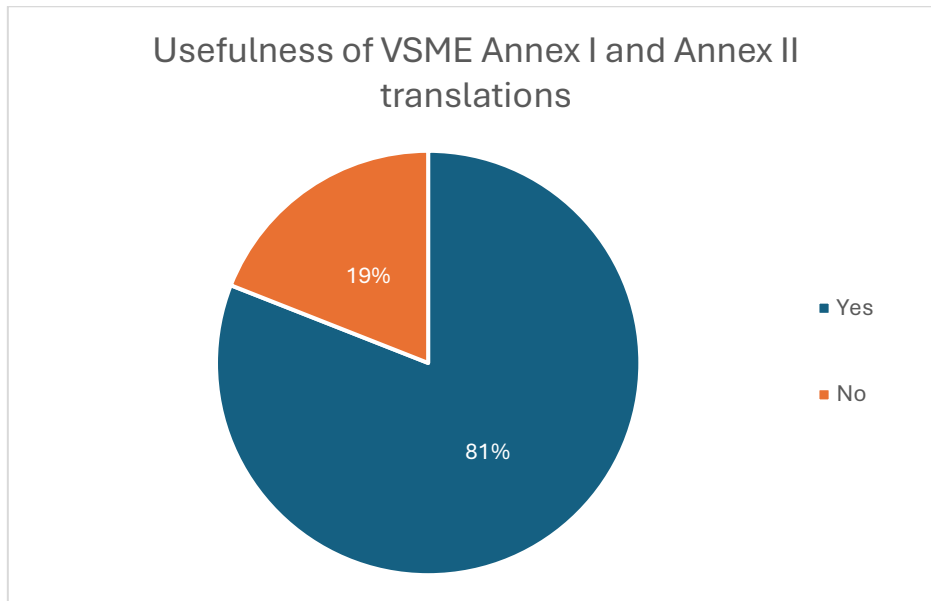


Figure 7: Usefulness of VSME Annex I and Annex II translations

31. The extent to which stakeholders have applied or used the information provided by the VSME varies across the three respondent categories (preparers, users, others). Among preparers, the majority has applied the VSME: 43% have fully applied its information and 23% have partially done so. An additional 16% plans to apply it within the next 12 months. Preparers who are not applying the VSME (18%) emphasised that it is still very new and demanding, with many noting insufficient time, knowledge, or financial support to justify the effort. Several also highlighted that their sector or type of organisation does not require sustainability reporting, and that adoption will depend on whether business counterparts, such as banks or clients, recognise and value the VSME.

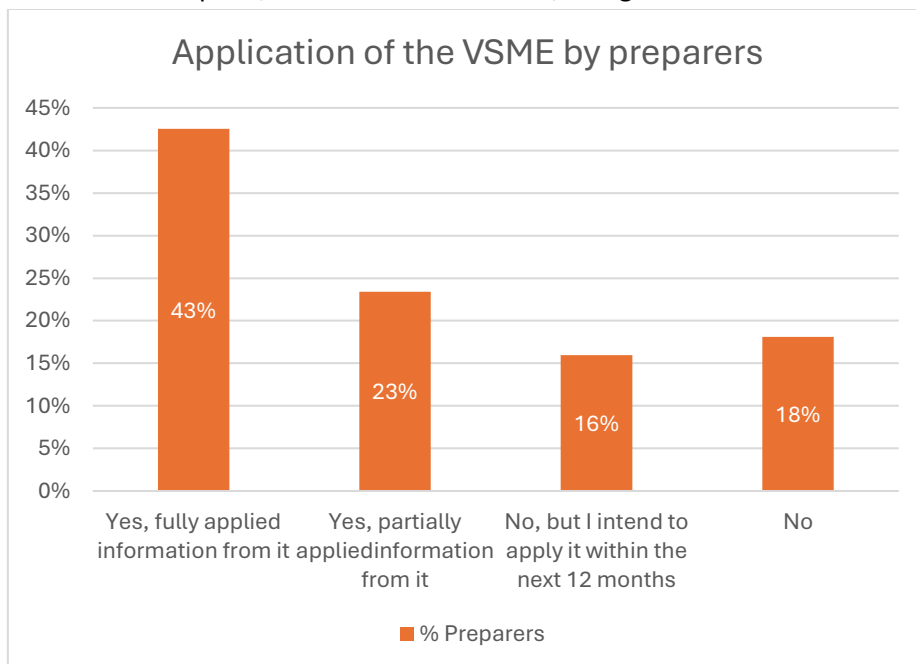


Figure 8: Application of the VSME by preparers

32. Among users, the level of usage of the information was more mixed: 16% have fully used the information, 36% have partially used it, and 34% have not yet used it but intend to. The 14% of users who are not using the VSME generally see limited need for VSME-based information, as they already collect certain sustainability data through their own systems and prefer proportionate requirements tailored to the company size. Their feedback points to resource constraints among SMEs and difficulties in keeping up with the proliferation of reporting norms.

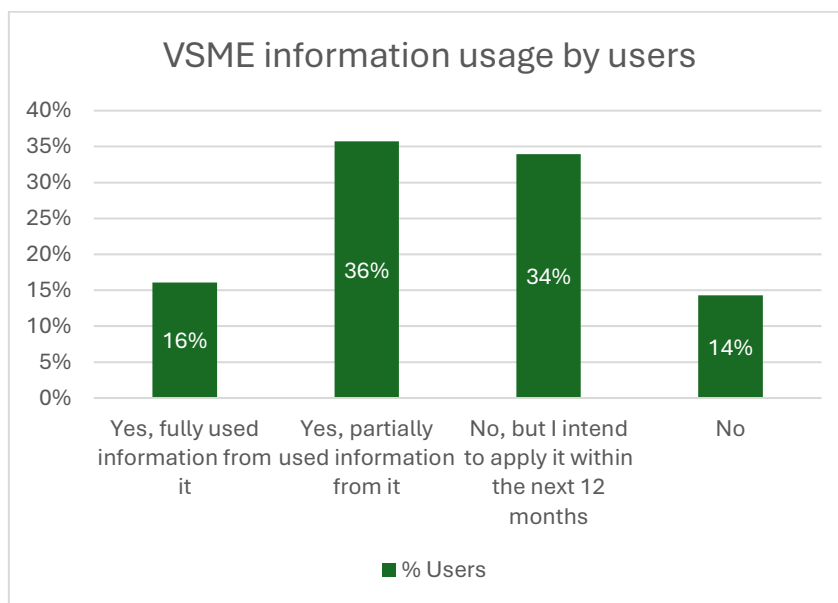


Figure 9: Use of the information from the VSME by users

33. The other stakeholders show a higher uptake, with 40% fully using the information and 34% using it partially. The remaining part are divided between 9% who intend to use in the future and 16% who have not used it. Those in the latter group stress that the VSME is not directly applicable to their own work, though some have integrated it into advisory services. They also underline broader challenges such as administrative burden, regulatory uncertainty and political instability, which further complicate adoption.

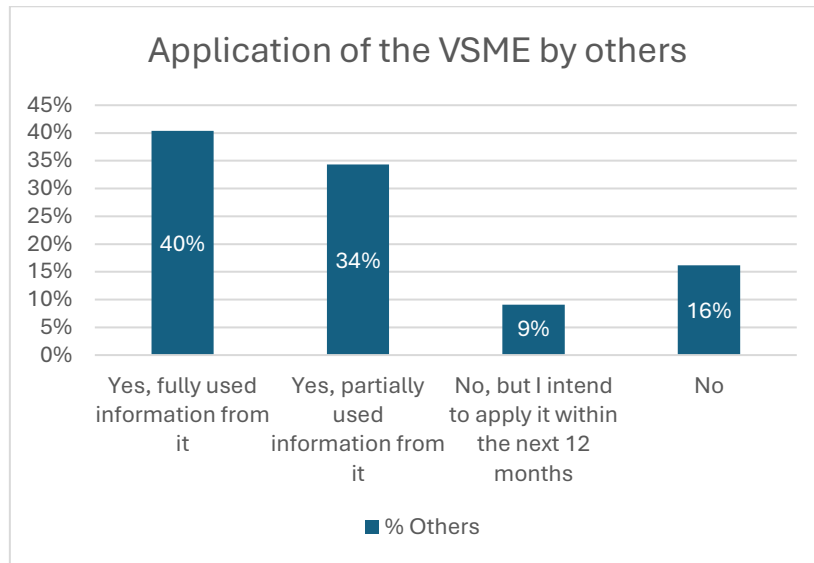


Figure 10: Application/use of the VSME by others

34. Focusing on the preparers, the majority of VSME reports are produced in non-digital formats, with 57% using **PDF or other non-digital formats** and 43% opting for **digital versions**.

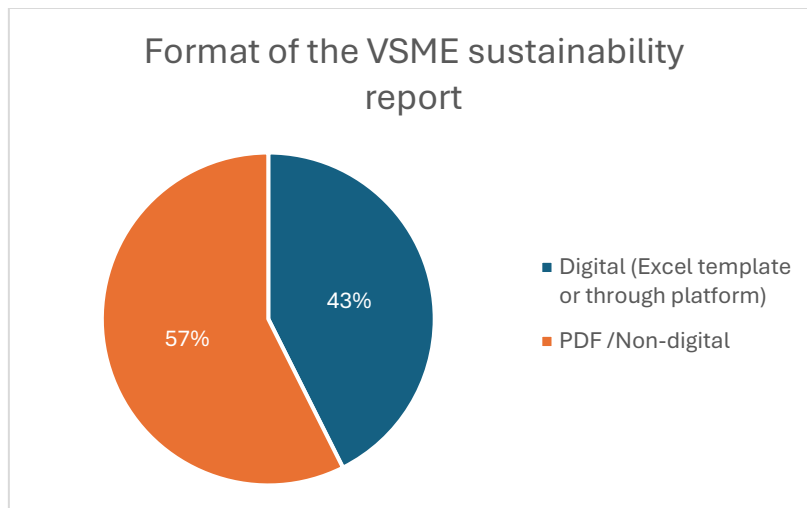


Figure 11: Format of the VSME sustainability report

35. Only a quarter of preparers (26%) have already **published their reports on the companies' website**, while the remaining 74% have not yet done so.

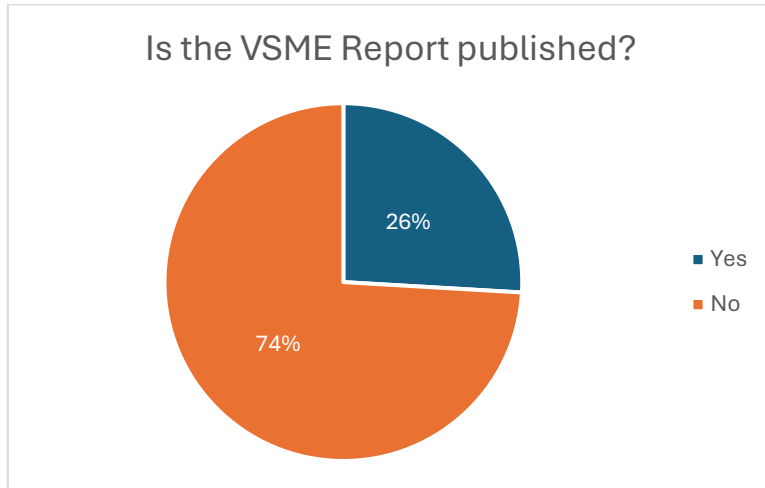


Figure 12: Is the VSME report published?

36. The **time required to prepare the report or gather the data** requested by the VSME varies. For 23% it took less than one week, 49% needed between one and three weeks, and 29% required more than a month.

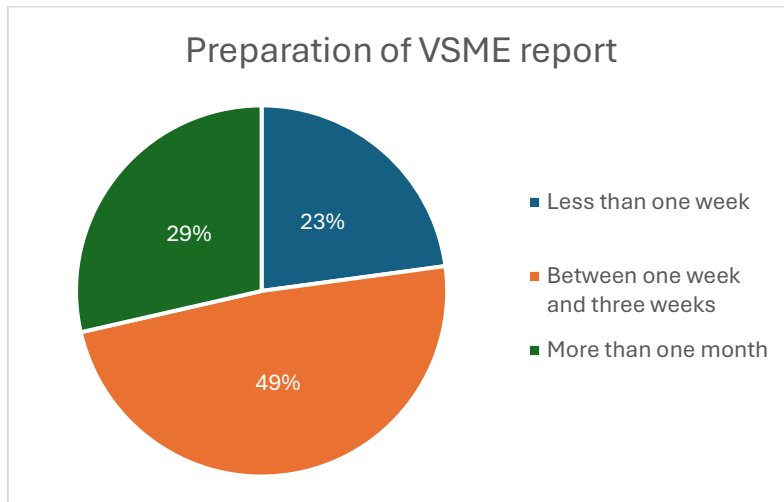


Figure 13: Time needed for the preparation of the VSME report

37. Regarding the **modules applied**, a large majority (67%) selected both the Basic and Comprehensive Modules, 24% relied solely on the Basic Module and 9% combined the Basic Module with only selected disclosures from the Comprehensive Module.

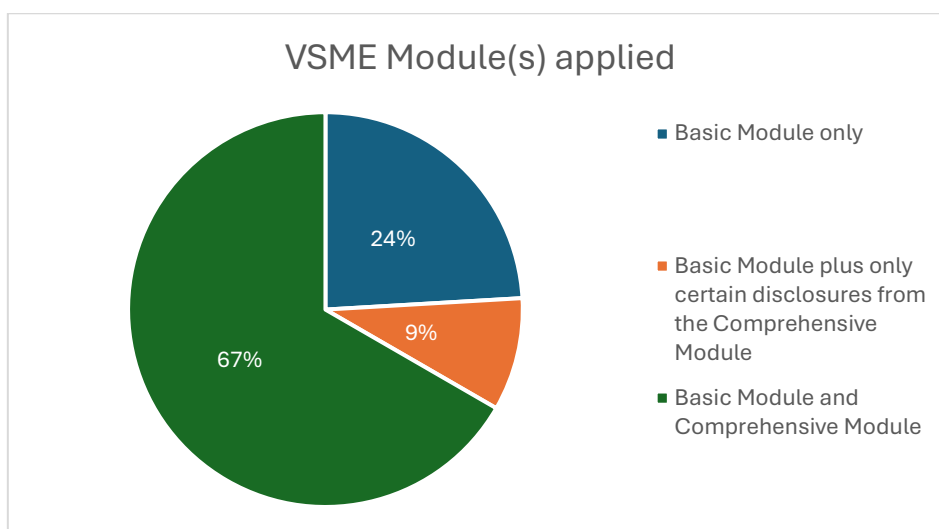


Figure 14: VSME module(s) applied

38. When examining the **main challenges faced by respondents in applying the VSME**, the most frequently cited ones relate to the lack of awareness, lack of training and limited availability of digital tools, although priorities differ by group. Preparers most often selected lack of training (21%) and lack of digital tools (20%), followed by lack of awareness (18%) and complexity of disclosures (16%). Users showed a more dispersed pattern, with other challenges being the most selected (22%), followed by lack of awareness (21%) and resource constraints (17%). The ‘others’ stakeholders highlighted lack of awareness (23%) as their top challenge, succeeded by lack of digital tools (19%) and lack of training (17%).

Among the respondents who selected other challenges, there was a consistent reference to:

- (a) difficulties in data collection;
- (b) uncertainty about regulatory expectations;
- (c) limited market awareness of the VSME; and
- (d) the need for clearer guidance and digital tools.

39. In particular, preparers emphasised the practical challenges of:

- (a) reliable data collection;
- (b) unclear methodologies for quantifying datapoints (notably GHG emissions, energy mix or water consumption);
- (c) uncertainty caused by the coexistence of ESRS and the Omnibus proposal; and
- (d) external demand from users for VSME-based reporting still being low, reducing incentives to invest in systems or training.

40. On the other hand, users generally focused on:

- (a) lack of preparedness among SMEs;
- (b) difficulty of integrating VSME information into their internal processes;
- (c) absence of a centralised digital repository to make the information provided by companies more usable; and
- (d) challenge of aligning banks and risk-related requirements with VSME disclosures.

41. ‘Others’ respondents pointed to:

- (a) limited international recognition of the VSME;
- (b) uncertainty stemming from the regulatory environment,
- (c) the need for clearer datapoint lists;
- (d) stronger interoperability with ESRS; and
- (e) greater incentives or acceptance across the value chain to ensure meaningful adoption.

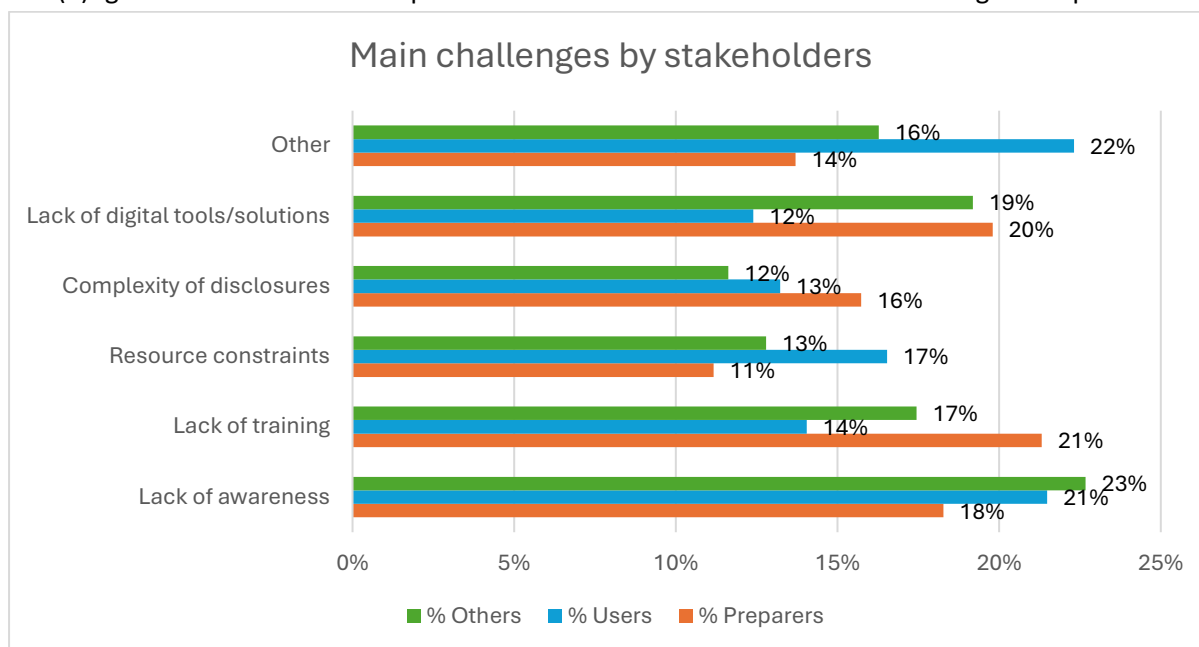


Figure 15: Main challenges in applying the VSME

42. Regarding the **main benefits perceived when applying the VSME**, the most frequently cited benefit across all respondent groups relates to the VSME’s ability to provide information that satisfies the data needs of large undertakings. This option was selected by 41% of preparers, 34% of users and 44% of other stakeholders. The second most common benefit is greater access to finance by satisfying the data needs from banks and investors, especially for preparers (25%) and others (27%), and for a smaller part of users (19%). Improvements in the internal management of sustainability issues were acknowledged by both preparers (18%) and others (17%), while users placed greater emphasis on this benefit (26%). Other benefits were mentioned notably among 21% of users and 17% of preparers, and less frequently among other stakeholders (12%). Among the respondents who selected ‘other’ benefits, the VSME was further described as useful for improving:
- (a) internal structure;
 - (b) comparability; and
 - (c) transparency in sustainability information, especially for organisations at an early stage of reporting.
43. Preparers particularly emphasised benefits such as:
- (a) improved resource use awareness;
 - (b) cost-optimisation opportunities;
 - (c) benchmarking of ESG performance; and

(d) simpler reporting due to the absence of a materiality assessment.

Some also see a strategic benefit in marketing, public tender requirements, or enhanced resilience through climate-risk disclosures.

44. Users’ comments reflect a different perspective and report that, when the VSME is used by SMEs, it provides more standardised and comparable ESG information. Several highlighted the potential for the VSME to:

- (a) streamline ESG questionnaires;
- (b) support access to finance.

45. Finally, the ‘others’ respondents noted benefits related to market alignment and value-chain transparency. Many viewed the VSME as an effective entry point for SMEs beginning sustainability reporting, especially when combined with verification schemes or complementary standards. They also underlined its usefulness for structuring sustainability strategy, preparing for future CSRD-related requirements and enhancing competitiveness in tendering processes.

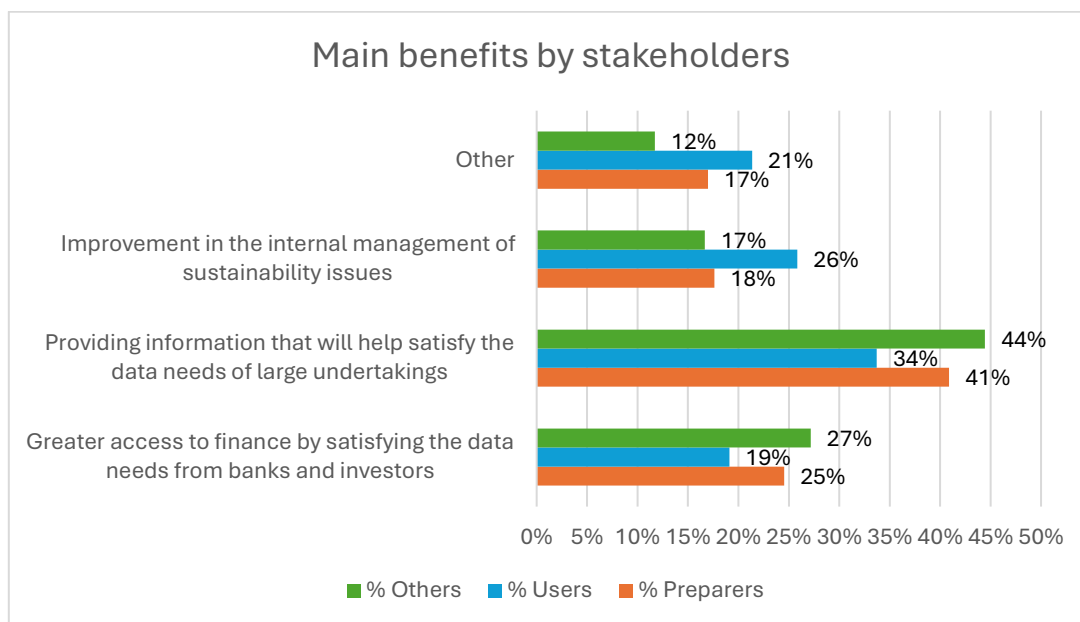


Figure 16: Main benefits in applying the VSME

46. In terms of use of the **VSME framework** to gather information from **SMEs’ business counterparts**, 67% of users reported that they have already started using the VSME as a guiding framework. A further 11% indicated that they plan to integrate the VSME into their information-request process, while the remaining 22% stated that they do not plan to use it.

47. In general, comments from some users who do not plan to adopt the VSME framework highlighted the following reasons: (i) the irrelevance to their counterparties’ profiles, (ii) the existence of alternative methods for collecting sustainability data, (iii) concerns about the proportionality and adequacy of the framework, and (iv) the ongoing investigation of its suitability. One financial institution noted that it already has established systems for gathering specific information, such as emissions data, and therefore does not need to use the VSME framework. Others emphasised that

their counterparties are not operating in Europe and are consequently not focused on European standards. They also explained that they are not direct users of SME data, though some have supported pilot initiatives to test VSME-based platforms, mainly to ensure feasibility for SMEs. More detailed feedback also points to structural limitations of the VSME for mid-cap undertakings, where the simplified disclosures are seen as insufficient, lacking depth, interoperability with ESRS, and assurance mechanisms, thus reducing their usability for investors and financial institutions. Finally, other users are actively discussing or investigating how the VSME could be implemented, but stress that its current scope and design may not fully meet their needs.

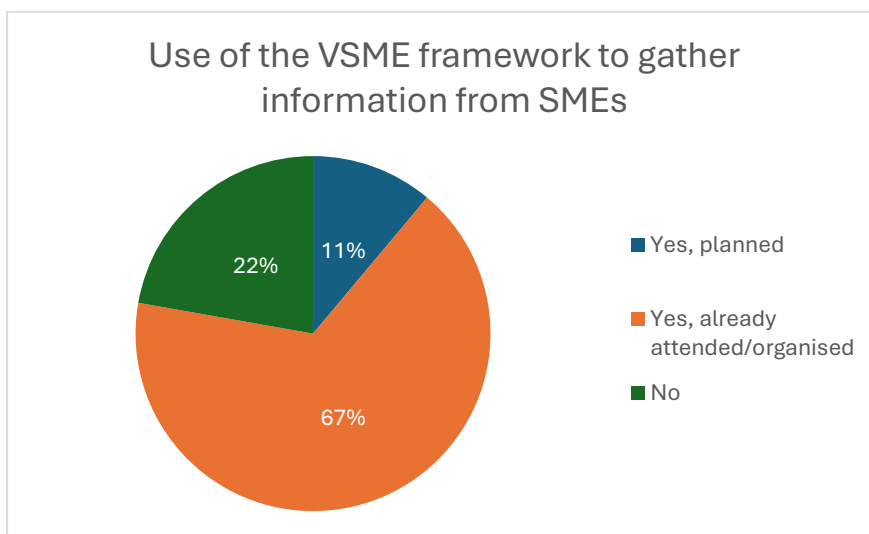


Figure 17: Use of the VSME framework to gather information from SMEs’ business counterparts

48. Since the EC Recommendation on the VSME, 55% of respondents have observed an increase in the **use and awareness of the VSME** among their peers and stakeholders, while the remaining 45% have not noted this level of awareness and usage. Notably, the lowest level of awareness is seen among users (52%), while preparers and the others report a higher level of awareness among their peers, 53% and 61% respectively.
49. Across all stakeholder groups, those who reported increased awareness of the VSME generally attribute this to the combined effect of the EC Recommendation, which has given the framework official legitimacy, and the Omnibus process, which has pushed many companies out of the CSRD scope and prompted them to look at the VSME, despite uncertainty on the final text of the future Delegated Act for the voluntary standard dedicated to them. These developments have stimulated a noticeable rise in webinars, trainings, discussions and sector-level initiatives, making the VSME more present in the sustainability reporting landscape. Consultants, advisors, software providers and industry associations are increasingly integrating the VSME into their tools, courses and communication, while banks, investors and some large undertakings are beginning to reference the VSME in their ESG data requests. This has encouraged SMEs to explore the VSME as a simpler, more understandable framework for voluntary reporting. Some specific groups reported particularly strong engagement: preparers emphasised that peers transitioning away from the CSRD now see the VSME as a realistic option; users highlighted early moves by banks and sector

organisations to harmonise their ESG questionnaires around the VSME; and other stakeholders described a rapid spread of awareness within expert communities, where the VSME is increasingly used in teaching, training, and the development of reporting templates. Despite this momentum, respondents across all groups acknowledged that practical implementation still remains behind, with most companies still exploring the VSME and progressing slowly with its concrete adoption.

50. Concerning respondents who did not observe an increase in awareness, the dominant explanation is the persistence of regulatory uncertainty. Companies are hesitant to invest time or resources in learning or applying the VSME while the future CSRD scope, Omnibus outcomes, and potential adjustments to ESRS and the VSME remain unsettled. This uncertainty has, in many cases, slowed sustainability efforts, with some organisations reverting to a wait-and-see approach after earlier attempts to prepare the CSRD. The voluntary nature of the VSME further limits incentives: without legal obligations or consistent market pressure, many SMEs do not see a compelling reason to adopt a new framework. Moreover, respondents consistently point to weak communication and limited visibility, especially at national and regional levels, noting that SMEs outside sustainability-focused networks have not heard of the VSME or do not understand its purpose. Large undertakings often continue using their own questionnaires or ESRS-based templates, meaning that the value-chain pull necessary for widespread adoption has not yet materialised. Looking at the specific categories’ responses, preparers observe that stakeholders still rarely request VSME-based information. Users note that banks and customers still seldom reference VSME in practice, while ‘others’ respondents highlight structural barriers such as low ESG maturity, lack of institutional promotion and reduced trust due to perceived instability in EU sustainability policy.

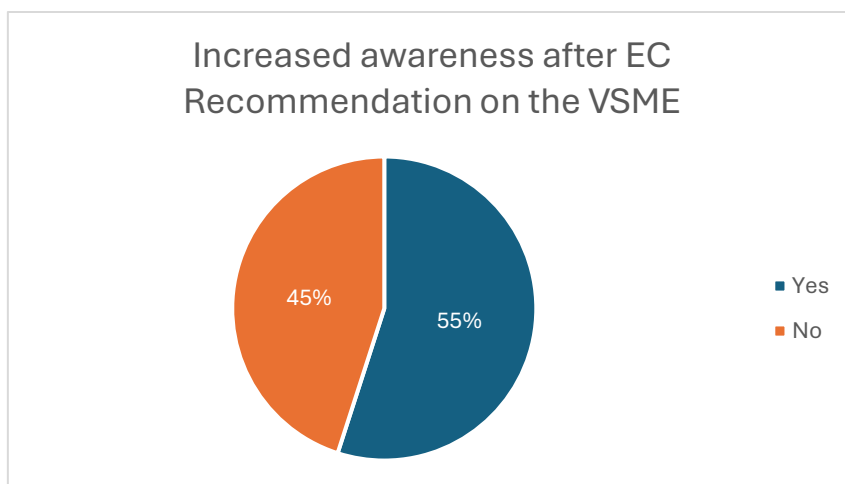


Figure 18: Increased use / awareness of the VSME after EC Recommendation

51. Regarding the preparation of **events and training sessions** on the VSME Recommendation, more than half of respondents (52%) indicated that they have already attended or organised such events. An additional 17% reported that they have events planned and 30% reported neither attending nor planning to attend or organise events.
52. Further explanation from respondents shows that engagement with VSME awareness efforts is already extensive across preparers, users and other stakeholders. Most respondents report having participated in or delivered a wide variety of initiatives, including webinars often organised by

EFRAG, workshops, industry conferences, internal briefings, training programmes / certification courses, and sector-specific meetings, national associations, consultants, or chambers of commerce. These activities range from introductory sessions to more practical courses aimed at guiding participants through the VSME’s structure, methodology, digital platform and reporting steps.

- 53. Across categories, respondents generally found these sessions useful for understanding reporting expectations, clarifying methodology, and helping SMEs navigate the transition from ESRS or begin reporting on sustainability topics. However, some remarked that certain events remained too high-level, repetitive, or affected by uncertainty around regulatory developments. Specifically, preparers tend to value peer-learning formats, practical demonstrations and early testing of the Standard, while users appreciate the support in how to launch an ESG approach for SMEs, discussions of market expectations from banks and clients, and Q&A exchanges that reveal shared challenges. At last, other stakeholders, many of whom are trainers, highlight strong professional interest but noted continued hesitation among smaller SMEs with limited resources, calling for more concrete examples and operational guidance.
- 54. Looking ahead, a substantial number of further initiatives are planned across all groups, such as new webinar cycles, stakeholder workshops, internal training programmes, awareness sessions for clients and members, and sector-specific guidance projects, reflecting a shared expectation that more detailed and practical support will be required as adoption of the VSME expands.

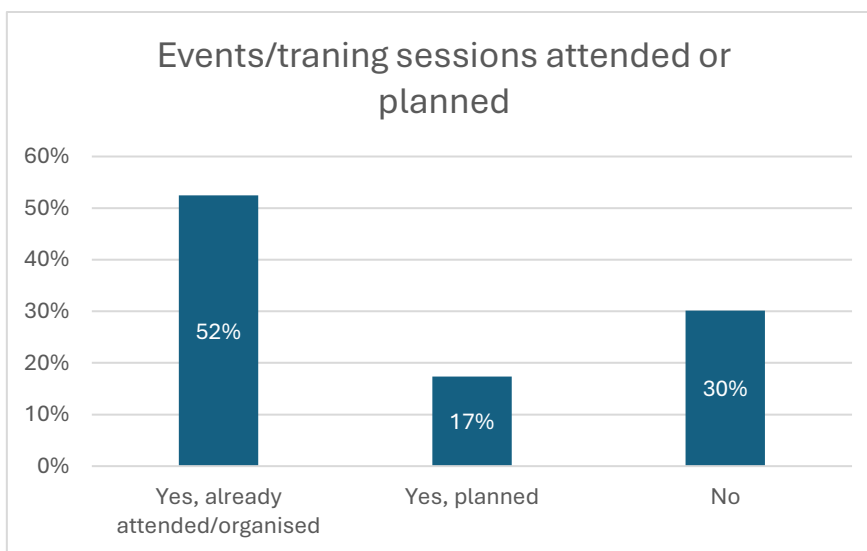


Figure 19: Event / training sessions attended/planned on the VSME Recommendation

CHAPTER 2: PRACTICAL IMPLEMENTATION OF THE VSME

55. This chapter analyses the responses of the VSME Market Acceptance Survey related to the practical implementation of the VSME. It considers the use of supporting material provided by EFRAG (the [VSME Digital template](#), [GHG calculators identified on EFRAG’s website](#) after the [publication of the mapping of Digital tools](#), interactives webinars, step-by-step tutorials and video explainers), as well as the most complex and easiest disclosure to report on, and the disclosures asked on top of the VSME.
56. Please note that the first release of the [VSME Digital Template](#) was published in May 2025, with updates issued in October 2025 following the EC Recommendation as well as on the 27 November 2025 to include additional translations; therefore, the interpretation of the survey answers at this stage may be premature.
57. Regarding the use of the [VSME Digital Template](#), 45% of respondents reported using it, with 24% considering it somewhat useful and 21% very useful. However, the majority of respondents (49%) declared that they use different templates instead. Only a small share (6%), including preparers (15%), users (45%) and others (16%), reported not using any templates for VSME reporting.

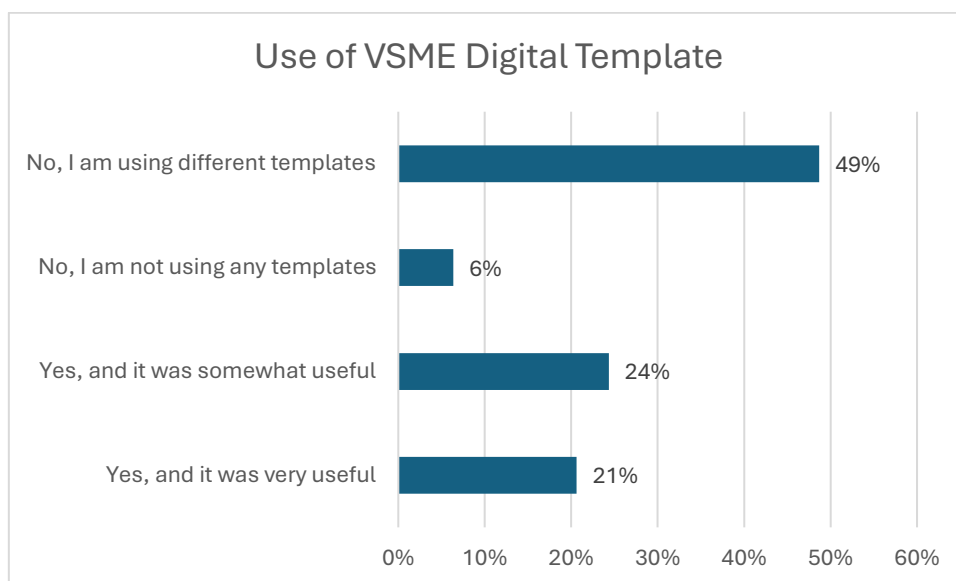


Figure 20: Use of VSME Digital Template

58. Among those respondents (49%) that declared using different templates, some referred to their own templates based on the [VSME Digital Template](#), while others referred to templates provided by consultancy firms as well as national developed templates (such as DNK and NSRS). When asked what could be improved on the VSME Digital Template, preparers mentioned the need to have tools available in local languages as specific terminology differs from local practices, a guidance text on the usage, improved user-friendliness of the tool as it is seen by few as still too complicated (long drop-down menus not relevant for all the sectors), the possibility to report on the

distribution of energy consumption from district heating in addition to electricity, and finally the option to allow companies to enter historical data. From the users’ perspective, suggestions included improving the visual layout, correcting data entry issues and providing more explanatory text. Other respondents recommended making easier to copy for different setups, improving usability and user experience (by correcting errors and simplifying visuals), providing the possibility to personalise the tool with logos and colours, offering more language translations, inserting a reference to GHG calculator and calculator for MWh and emissions, and mentioning specific distance for ‘near biodiversity area’.

- 59. On these points, the EFRAG Secretariat notes that certain issues flagged by respondents have been already addressed in the latest release of the [VSME Digital Template on 27 November 2025](#), which included a [technical FAQ](#), additional translations, as well as fixes of issues identified on GitHub.
- 60. In terms of using the [GHG calculators mentioned on EFRAG’s website](#) following the publication of the [mapping of digital tools in September 2025](#), the majority of respondents (74%) declared that they have not used them. Only a few (20%) reported using the GHG calculators list: among those, 15% found it very useful and 5% encountered issues in using the calculators. Among the few respondents who encountered issues in using the calculators, the following reasons were mentioned: (i) calculators alone do not provide sufficient understanding on how to conduct the calculation most efficiently, which adds to the administrative burden of the company; (ii) emissions factors are not up to date; that a calculator should be available for every country. Finally, a few respondents (6%) did not use the list of GHG calculators as they are using other calculators. Please note that the [mapping of GHG calculators mentioned on EFRAG’s website](#) was only released in late September 2025; therefore, the interpretation of the survey answers at this stage may be premature.

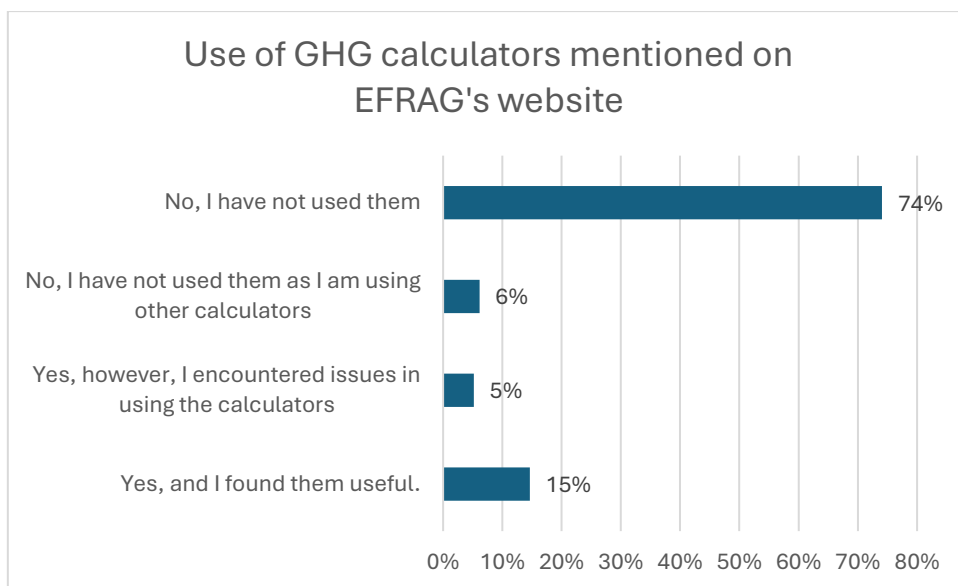


Figure 21: Use of GHG calculators mentioned on EFRAG's website

61. The two tables below summarise, from the preparers’ perspective, the disclosures considered to be the most complex and the easiest, and, from all respondents’ point of view, the disclosures asked significantly by business counterparts, for both the Basic Module and the Comprehensive Module, respectively.

Table 1: Most complex/easiest disclosures and disclosures asked significantly by business counterparts from the Basic Module

Basic Module	Most complex (preparers only)	Comment	Easiest (preparers only)	Comment	Disclosures asked significantly by business counterparts	Comment
B1 - Basis for preparation	2%	(a) Paragraph 24(e)(iv) (turnover in monetary units) (b) Paragraph 25 (sustainability-related certification or label)	12%	(a) Paragraph 24(e) (b) Easy data availability	1.5%	
B2 - Practices, policies and future initiatives for transitioning towards a more sustainable economy	7.5%	(a) Hard to understand what to report and what not to report (b) Difficult to identify all the initiatives that can be included (c) Target setting is complex (d) The table for reporting on practices and initiatives is not suitable for presenting the many measures that can be reported	9%	(a) Requirements are part of the business	7.5%	(a) Requested by partners
B3 – Energy and greenhouse gas emissions	27%	(a) GHG emission calculation is complex (also for financial institutions) (b) Large area to cover and training is needed, could be done with tools (c) Scope 3 calculation is hard	26%	(a) Easy data availability	35%	(a) Required as a basis (b) Energy costs are not available in the other financial publications (c) Information especially on Scope 1 and Scope 2 (d) Large organisations in the downstream value chain (e) Requested from banks, large costumers, large undertakings,

Basic Module	Most complex (preparers only)	Comment	Easiest (preparers only)	Comment	Disclosures asked significantly by business counterparts	Comment
						commercial partners of micro and SMEs, and administrator for call for tenders
B4 – Pollution of air, water and soil	6%	(a) Calculation is complex (b) Pollution elements are not described enough	8.5%		5%	
B5 – Biodiversity	11%	(a) Definition of biodiversity is not clear and quantification is complex (b) Data collection is hard (c) Simplified guidance and sector-specific support would be helpful	7.5%		3%	
B6 – Water	10%	(a) Reliable data collection is hard (b) Calculation is complex	10%	(a) Easy data availability	4.5%	(a) Requested from banks
B7 – Resource use, circular economy and waste management	17%	(a) Reliable data collection is hard (b) Calculation is complex (c) Interpretation issues on which data to include (d) Annual mass flow is difficult to understand	11%	(a) Already demanded by waste organisations	8%	(a) Requested from banks
B8 – Workforce – General characteristics	2%		44%	(a) Already demanded by national laws (b) Easy data availability (c) Paragraph 38(a) (number of employees in headcount or full-time equivalent for type of employment contract)	4.5%	(a) Requested from business counterparts and administrators for call for tenders
B9 – Workforce – Health and safety	2%		39%	(a) Already demanded by national laws	5%	(a) Requested from business counterparts and administrators for call for tenders

Basic Module	Most complex (preparers only)	Comment	Easiest (preparers only)	Comment	Disclosures asked significantly by business counterparts	Comment
B10 – Workforce – Remuneration, collective bargaining and training	7%	(a) Sensitive data issue (b) Calculation is not clear (c) Interpretation issues on which data to consider (d) Data collection is hard	37%	(a) Already demanded by national laws	4.1%	(a) Requested from business counterparts and administrators for call for tenders
B11 – Convictions and fines for corruption and bribery	2%	(a) Sensitive data issue (b) Calculation is not clear (c) Data collection is hard	16%	(a) Easy and accessible information	3%	(a) Requested from banks and business counterparts

Table 2: Most complex/easiest disclosures and disclosures asked significantly by business counterparts from the Comprehensive Module

Comprehensive Module	Most complex (preparers only)	Comment	Easiest (preparers only)	Comment	Disclosures asked significantly by business counterparts	Comment
C1 – Strategy: Business model and sustainability-related initiatives	1%	(a) Long process to set a sustainability strategy	3%		1%	(a) Commonly asked by costumers and investors
C2 – Description of practices, policies and future initiatives for transitioning towards a more sustainable economy	7.5%	(a) Hard to understand what to report and what not to report (b) Difficult to identify all the initiatives that can be included (c) Target setting is complex	5%		9%	(a) Required as a basis (b) Requested by partners and banks
Consideration when reporting on GHG emissions under B3 (Basic Module)	9%	(a) Calculation of Scope 3 is complex (b) Data collection is hard / poor data availability	4%		4%	(a) Key aspect for transportation enterprises
C3 – GHG reduction targets and climate transition	15%	(a) Calculation of GHG reduction targets is complex (also for financial institutions) (b) Data collection is hard (c) Lack of information	4%		11%	(a) Required as a basis (b) Climate strategy and product footprints asked by partners (c) Requested from banks, large costumers, large undertakings,

Comprehensive Module	Most complex (preparers only)	Comment	Easiest (preparers only)	Comment	Disclosures asked significantly by business counterparts	Comment
		<ul style="list-style-type: none"> (d) Long process to set emission targets (e) Often related to value chain (that is not a major topic for VSME) (f) Simplified guidance and sector-specific support would be helpful 				<ul style="list-style-type: none"> commercial partners of micro and SMEs. (d) Large organisations in the downstream value chain
C4 – Climate risks	10%	<ul style="list-style-type: none"> (a) Calculation is complex; methodology needed (b) Climate risk brings uncertainty and definition is not clear (c) Often related to value chain (that is not a major topic for VSME) (d) It would be useful to illustrate expectations and how to meet disclosure requirements (C4 p.57(b) and p.58). 	3%	(a) Easy availability of data	10%	(a) Required as a basis, also from banks
C5– Workforce (General) Additional characteristics	2%		31%	(a) Already demanded by national laws	3%	(a) Requested from administrators for call for tenders
C6 – Additional own workforce information - Human rights policies and processes	2%		34%	(a) Already demanded by national laws	4%	(a) Requested from administrators for call for tenders

Comprehensive Module	Most complex (preparers only)	Comment	Easiest (preparers only)	Comment	Disclosures asked significantly by business counterparts	Comment
C7 – Severe negative human rights incidents	2%	(a) Guidance needed	8%	(a) Already demanded by national laws	6%	(a) Commonly asked especially by costumers and investors (b) Requested from administrators for call for tenders
C8 – Revenues from certain sectors and exclusion from EU reference benchmarks	/		8%	(a) Easy and accessible information	2%	(a) Asked especially from banks
C9 – Gender diversity ratio in governance body	/		11%	(a) Easy and accessible information	1%	(a) Asked especially from banks

62. When asked what **additional disclosures business counterparts require on top of the VSME**, respondents provided different answers. The table highlights the additional disclosures that business counterparts commonly request beyond VSME disclosures. The items highlighted in green indicate the information was requested by all the three categories of preparers, users and others.

Table 3: Recurring disclosures asked on top of the VSME

Preparers	Users	Others
	Sectorial information (i.e. food safety) (1 mention)	Sectorial information (2 mentions)
ESRS requirements (DMA, IROs) (4 mentions)		
Consumer topics: data protection, information on cybersecurity, consumer satisfaction (6 mentions)		
Training on anti-corruption (3 mentions)	Business conduct (anti-corruption, anti-money laundering) (4 mentions)	Disclosures on business conduct (corruption, conflicts of interest, responsible purchases) (1 mention)
SFDR disclosures (no specific) (1 mentions)	SFDR PAI (no specific) (2 mentions)	
Decarbonisation plans (2 mentions)	Net zero commitment (2 mentions)	
Scope 3 (6 mentions)	Breakdown of all 15 Scope 3 categories (3 mentions)	Scope 3 (2 mentions)
Disclosures related to the product: PCF ³ /LCA ⁴ /EPD ⁵ , product carbon footprint and share of recycled material Detailed product-level and delivery-specific information (5 mentions)	Information on products Product carbon footprint (3 mentions)	Carbon footprint Product specific information PCF (3 mentions)
Due Diligence information/ assessment on human rights and supply chains (3 mentions)	Due Diligence assessment for supplier, CDP ⁶ supply chain (8 mentions)	Information on human rights in the value chain and supply chain (5 mentions)
	Number of reports via whistleblowing channels (3 mentions)	
Information necessary for Alignment with EU Taxonomy (1 mentions)	EU Taxonomy eligible and aligned turnover/CapEx/OpEx (4 mentions)	EU Taxonomy (2 mentions)

³ Product Carbon Footprint.

⁴ Life Cycle Assessment.

⁵ Environmental Product Declaration.

⁶ Carbon Disclosure Project.

Information necessary for EcoVadis rating (3 mentions) ⁷	Third-party assurance (1 mentions)	Information necessary for EcoVadis (third-party ratings) (5 mentions)
	SBTi targets (3 mentions)	SBTi (1 mention)
Risk assessments (1 mention)	Percentage of assets located in high climate-risk areas (floods, droughts, wildfires) and estimated cost of potential climate-related damages (3 mentions)	

63. In general, respondents reported that many business counterparts request additional information beyond the VSME. The most frequent extra requests concern:

- (a) Due Diligence assessment and information on supply chain (mentioned by 16 respondents),
- (b) Scope 3 (mentioned by 11 respondents),
- (c) Product carbon footprint (mentioned by 11 respondents),
- (d) Business conduct (training on anti-corruption) (mentioned by 8 respondents),
- (e) Information necessary for alignment with EU Taxonomy (mentioned by 7 respondents).

64. There were also some isolated comments on energy efficiency on buildings, amount of green/social bonds or loans raised, integration of ESG risks into overall enterprise risk management.

65. Regarding the usage of EFRAG’s supporting materials, the majority of respondents (59%) have not yet used the supporting materials to implement the VSME, while the remaining (41%) have already made use of them.

⁷ In EFRAG’s interpretation, this represents a separate questionnaire that cannot be considered for identifying additional datapoints to VSME.

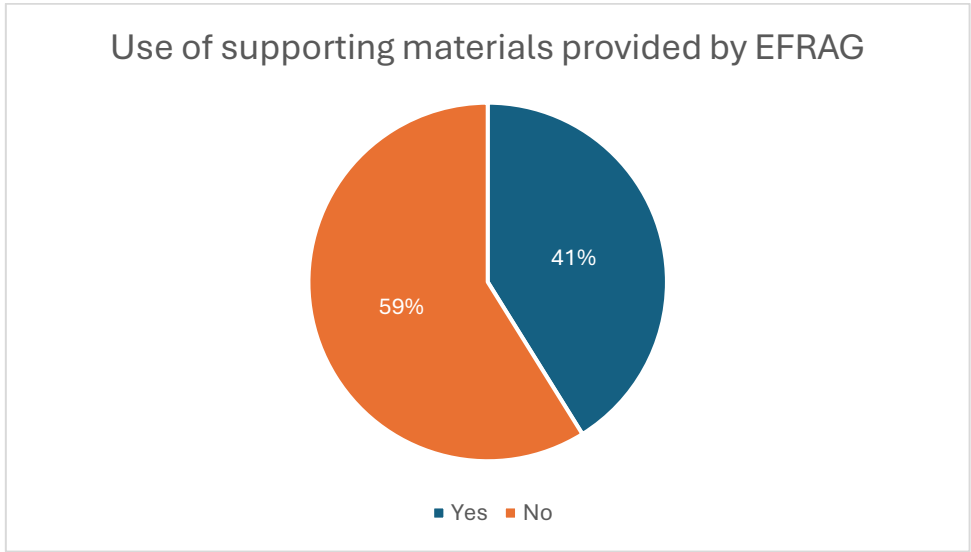


Figure 22: Use of supporting materials provided by EFRAG

66. Among those who used the supporting materials, the majority of respondents pointed out the use of the interactive webinars (48%) and the step-by-step tutorial (43%), while only a few indicated the video explainer (9%).

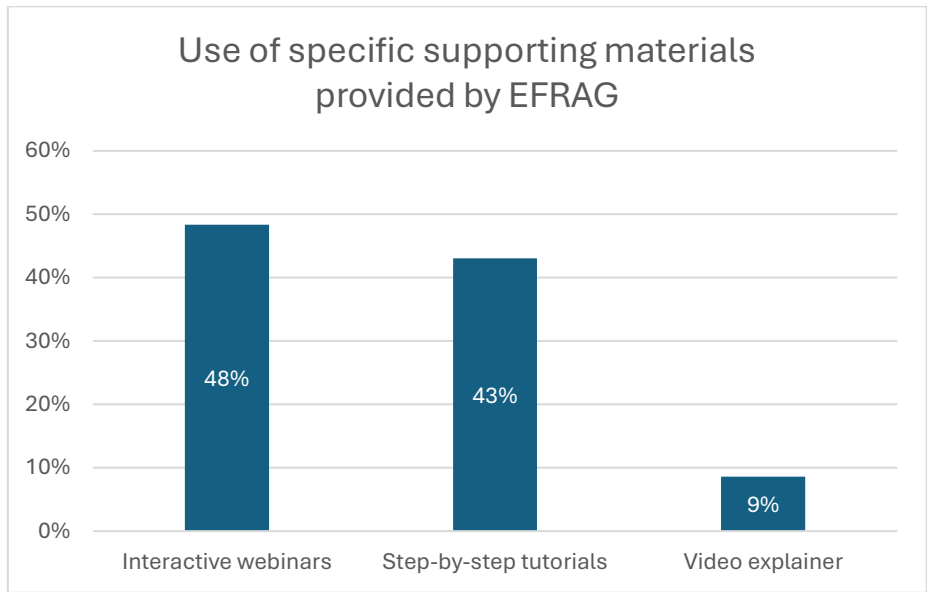


Figure 23: Use of specific supporting materials provided by EFRAG

67. When asked **what type of additional support** would be most helpful, the majority of respondents (50%) suggested case studies or examples, followed by more practical guidance (34%) and training sessions (4%).

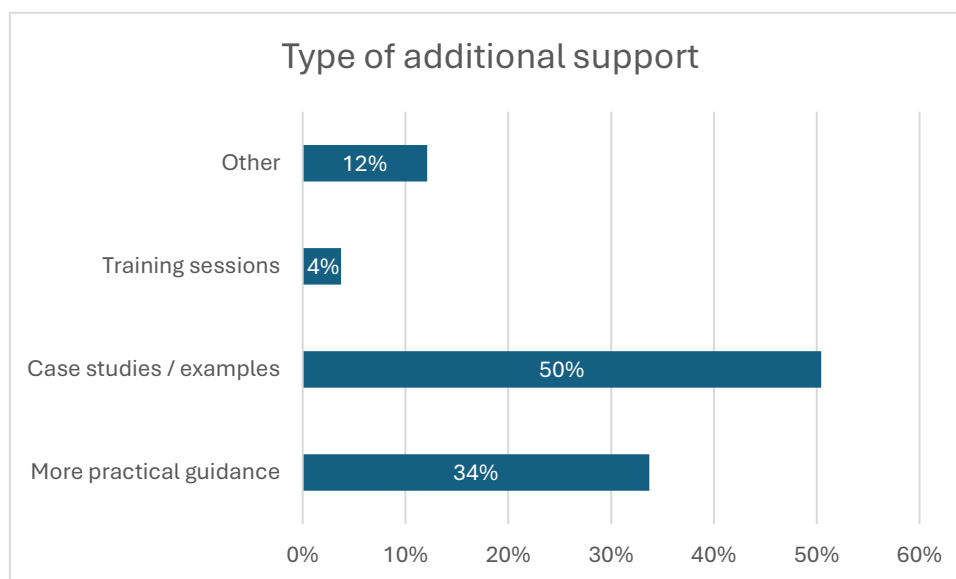


Figure 24: Type of additional support needed

68. In the group of respondents who would need **more practical guidance** as additional support, the most recurrent topics identified are listed below in order of frequency:
- (a) B3 (energy and greenhouse gas emissions);
 - (b) C3 (GHG reduction targets and climate transition, with a specific mention of **Scope 3**);
 - (c) C2 (description of practices, policies and future initiatives for transitioning towards a more sustainable economy);
 - (d) B5 (biodiversity);
 - (e) C4 (climate risks);
 - (f) B7 (circular economy requirements such as material-flow reporting).
69. Please note that the [Supporting Guides for C2, C3 and C7](#) have just being published on 11 December 2025. These guides will address some of the existing requests for guidance and case studies related to these disclosures. In addition, the recent release of the [GHG Calculator mapping on EFRAG's website in late September 2025](#) will help meet the demand for further guidance and examples on B3, acknowledging the low level of public awareness. In the future, EFRAG Secretariat hopes to map also biodiversity and water stress tools that did not emerged in the recent Call for interest of the mapping to satisfy on the demand for additional support on B5 and B6.
70. In addition, a significant need emerged for **sector-specific guidance** and materials, including complete VSME sector-specific sample reports. In particular, users highlighted the need for more pedagogical and step-by-step materials, with examples to help SMEs interpret reporting expectations.
71. For respondents who chose **case studies/examples** as the **most helpful additional support**, the repeated call was, similarly, for concrete, practical, and sector-specific examples that illustrate how the VSME disclosures should be applied in real scenarios.
72. Respondents most frequently asked for examples of complete VSME reports, including best-practice models and detailed illustrations for specific disclosures that are listed below in order of frequency:

- (a) B3 (energy and greenhouse gas emissions);
 - (b) B5 (biodiversity);
 - (c) B7 (circular economy requirements such as material-flow reporting);
 - (d) C3 (GHG reduction targets and climate transition);
 - (e) C4 (climate risks);
 - (f) B6 (water);
 - (g) Consideration when reporting on GHG emissions under B3 (Basic Module).
73. Preparers expressed a strong demand for practical examples of completed VSME reports. In particular, they emphasised the need for examples on gender pay-gap calculations, workforce indicators, Scope 3 category calculations and material-flow reporting.
74. Users particularly highlighted their need for case studies, emphasising the value of practical illustrations showing how SMEs can develop and evolve their narratives on strategy and policy.
75. 12% of respondents indicated that they would need **other types of additional support**, such as a centralised repository of SMEs' reports, alignment with EBA Guidelines on ESG risk management, a verification guidance of calculation methodology for auditors, the addition of the materiality analysis⁸, and the promotion of training sessions and official certification programmes.
76. When asked **what could be done to foster the market acceptance of the VSME**, respondents proposed a wide range of suggestions. All respondents mainly asked:
- (a) to increase awareness on the VSME– through examples of VSME reports, training sessions, best cases and practical examples, guidance, better communication and sensibilisation, proof and better highlighting of benefits, national awareness activities;
 - (b) to recognise the VSME as binding limit for sustainability information for non-reporting companies – making the VSME compulsory at least for medium-sized undertakings; establishing a third level for companies above the 250 FTE and below the future CSRD threshold that covers more of the PAI required by banks;
 - (c) for alignment with banks and financial institution requests – integrating/aligning information requested by banks with the VSME; banks should request VSME reports instead of their own templates;
 - (d) to improve awareness among large undertakings – integrating information requested by large companies; raising awareness among large companies, as they should request the VSME for sustainability reporting for SMEs;
 - (e) for simplified forms and free accessible online tools⁹ – including translations of documents and materials in local languages; simplification of the Standard and its materials; clarification on value chain cap; integration of the VSME into reporting software, tools and systems; comparability between data and undertakings; free tools to support reporting

⁸ Please note that the materiality assessment is not requested by the VSME; therefore, the request may be misaligned with the VSME's expectations.

⁹ Please note that the first release of the VSME Digital Template was published in May 2025, with updates issued in October 2025 following the EC Recommendation and in November 2025 to include additional translations; therefore, the interpretation of the survey answers at this stage may be premature. The same applies to the release of the mapping of GHG calculators mentioned on EFRAG's website, which was only released in late September 2025; therefore, the interpretation of the survey answers at this stage may be premature.

and metrics (e.g. calculation of emissions); simplification of data points requested; establishment of a centralised digital platform;

- (f) for a certification mechanism – official certification process for the VSME report to support credibility (GRI style);
- (g) for incentives – financial/fiscal incentives or others for those who report under the VSME;
- (h) to ensure alignment with other frameworks – ESRS, IROs, SFDR, IFRS/SASB.

77. In particular, users also mentioned:

- (a) to ensure proportionality of the VSME – clarifying the intended scope of the VSME and ensuring that reporting frameworks remain proportionate to company size and market relevance.

78. Several of the suggestions mentioned fall outside EFRAG’s mandate, either because they relate to Level 1 legislation or involve actions that do not fall within EFRAG’s remit. For example, requests for further clarification of the value chain cap, proposals concerning financial incentives, or calls for the establishment of a centralised repository extend beyond EFRAG’s mandate.

Conclusions

79. Overall, the survey indicates that market acceptance of the VSME is developing positively, with a solid level of awareness across preparers, users and other stakeholders. Translations in all EU languages have been deemed as useful for understanding the VSME and fostering awareness across the EU. Many preparers and users have already applied the VSME, using both the Basic and Comprehensive Modules, and employ it as a guiding framework for information collection, although regulatory uncertainty linked to the Omnibus proposal has slowed further uptake.

80. Respondents highlighted several practical challenges, including limited training, unclear methodologies and insufficient tools as well as the absence of a centralised digital repository to make the information provided by companies more usable. On the benefit side, respondents reported improved access to finance, cost optimisation and strategic advantages.

81. Awareness of EFRAG’s supporting materials is growing, but at the moment is still low, probably due to the recent publication of the materials and tools. Respondents expressed a clear need for more step-by-step guidance, sector-specific guidance and case studies on complex disclosures.

82. Moreover, the continued evolution of digital enablers, such as updates of the [VSME Digital Template](#), a more comprehensive list of GHG calculators and identification of other digital tools for water stress, biodiversity and geolocation, emerges to be an essential component to support SMEs in their sustainability reporting journey.

83. On the basis of these results, EFRAG Secretariat will consider to develop further practical guidance on specific disclosures (possibly also sector guidance), initiate a collection of practical examples of completed VSME reports to gather best practices, continue the work on the VSME Digital template as well as on the mapping of digital tools as well as platforms for SME sustainability reporting. Finally, EFRAG Secretariat plans to reassess progress through a second market acceptance survey in 2026.



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