



5 Important Facts

About VSME Every SME Should Know

The simplified way to start sustainability reporting for your small or medium-sized business.



1. VSME Is Built Specifically for SMEs

The Voluntary Sustainability Reporting Standard for SMEs (VSME) is an initiative by EFRAG, tailored for small and medium-sized enterprises. It provides an accessible alternative to the Corporate Sustainability Reporting Directive (CSRD), focusing on the sustainability needs of SMEs without overwhelming them.

If you're an SME looking for a practical framework to report environmental and social impact, VSME is your starting point.

2. The VSME Standard Is Backed by the EU

Developed by European Financial Reporting Advisory Group (EFRAG) under the European Commission, VSME aligns with the EU's sustainability vision. As the CSRD expands, VSME positions SMEs to evolve with it.

Being VSME-ready in 2025 or earlier means you're future-proofing your operations — not scrambling at the last minute.

3. VSME Development Journey

Commissioned by the European Commission as part of the SMEs Relief Package (2023).

Drafted and tested between Nov 2022 – Nov 2024 through extensive outreach:



**300+ public
survey responses**



**164 field test
participants**



**11 workshops with
SME and financial
sector stakeholders**

Adjustments were made based on complexity concerns, especially around narrative and materiality aspects





4. VSME Structure: Two Simplified Modules

VSME is structured with two tracks:

Basic Module (Entry Level for All SMEs)

Mandatory if reporting under VSME.

Covers:





-  GHG emissions and energy use.
-  Pollution and biodiversity.
-  Workforce data (e.g., turnover, safety, pay equity).
-  Governance issues like anti-corruption.

No materiality analysis required – replaced with an “if applicable” filter.

Comprehensive Module

Optional; for SMEs responding to more complex stakeholder requests.

Adds:






-  Transition plans, Scope 3 emissions.
-  Human rights governance.
-  Sectoral risk disclosures.
-  Gender diversity and benchmark exclusions

5. VSME was created to save SMEs time

VSME was created by the EU to be a standardized reporting to avoid all the duplicate sustainability requests from Investors, Customers, and your supply chain. This is to save SMEs time and money and avoid the reporting burden.

By proactively completing your VSME report, you're signaling transparency, operational maturity, and a proactive approach to risk management.

Final Thoughts: Why SMEs Should Adopt the VSME

-  Meet data requests with minimal effort
-  Position for larger customer requirements green finance and sustainable supply chains
-  Start an internal sustainability journey
-  Build trust with corporate clients and investors
-  Avoid duplication with a structured, standard approach



Get Started Today — No Complexity Required

SMEs are the backbone of the European economy. With tools like VSME and software like Fortifai, sustainability reporting is no longer out of reach — it's a strategic advantage.

Fortifai enables VSME Management in minutes not months – with your existing team

 info@fortifai.co

 [Book a free demo](#)

 [Join the movement of SMEs using sustainability as a growth driver](#)