



A CFO's guide to VSME Reporting

ESG in minutes not months – with your existing team

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Background on VSME

The VSME standard (Voluntary Sustainability Reporting Standard for non-listed SMEs) is a voluntary sustainability reporting framework specifically designed for micro, small, and medium-sized enterprises that are not listed and do not fall under the scope of CSRD.

The VSME is expected to form the basis for lenders, investors and corporate clients of non-listed SMEs when defining sustainability data requests for SMEs.



Voluntary but increasingly expected by stakeholders



Simplified, with SME resources and capacity in mind



Strategic, offering clarity amidst fragmented ESG demands

VSME sets the baseline expectations for ESG implementation and positions itself as the de facto limit to the current multiple ESG data requests that SMEs are facing

Timeline



Drafting

Nov '22–'23

VSME development initiated



Consultation

Jan–May '24

Public review of the Exposure Draft



Finalization

Oct–Dec '24

VSME submitted to the EU Commission



Adoption

2025 onward

Broad market uptake begins

Difference between CSRD and VSME

	CSRD	VSME
First Announced	21 April 2021	Dec 24 publicized 26 Feb, 2025
Number of companies affected	50,000	25,8 million (SMEs)
Percentage of EU companies	0,2%	99,8%
Estimated Market Size	EUR9,4 trillion (only listed companies in EU)	Lower per company but larger in aggregate
Characteristics	<p>Applies to listed and large non-listed companies</p> <p>Mandatory Standard</p> <p>High reporting burden and audit requirements</p>	<p>Applies to non-listed companies</p> <p>Voluntary Standard</p> <p>Lower reporting burden</p>
<p><i>*VSME is not a simplified version of CSRD/ESRS but rather a standalone reporting standard tailored for companies that voluntarily choose to report sustainability data under this framework.</i></p>		

Benefits of complying with VSME for companies



Structure and clarify their CSR strategy through a clear identification of their sustainability issues



Anticipate regulatory changes that are moving toward the generalization of reporting obligations across all companies



Reduce their costs by reducing their environmental impact (energy management, waste management, etc.)



Meet the expectations of their business partners, particularly large companies, in terms of sustainability



Fully commit to the low-carbon transition and thus contribute to the European climate goals



Improve their brand image and strengthen stakeholder trust



Gain easier access to responsible funding

Type of VSME reporters



Spontaneous VSME Reporters

Who?

SMEs that voluntarily adopt VSME reporting because they see a direct net benefit.

Why?

To gain a competitive edge in green markets, enhance brand reputation, or align with sustainability values.

Industries?

B2C brands targeting eco-conscious consumers, ESG-related service providers, green public procurement, B-Corps.

Cost Perspective?

Costs are seen as an investment with qualitative benefits (brand, customer trust, innovation).

Adoption Driver?

Purely voluntary, driven by strategic ESG positioning.



Preparers on Request

Who?

SMEs that report ESG data due to external requests from banks, investors, or large corporate customers.

Why?

Required for business continuity, securing funding, or maintaining supply chain partnerships.

Industries?

Manufacturing, construction, SMEs integrated into corporate supply chains, or applying for bank loans.

Cost Perspective?

Costs are seen as an investment with qualitative benefits (brand, customer trust, innovation).

Adoption Driver?

Compliance-driven, responding to formal ESG data requests.

Company classification

Micro, Small, and Medium Enterprises (Non-Listed) in the EU	Micro	≤ €450K balance sheet	≤ €900K turnover	≤ 10 employees
	Small	≤ €5M balance sheet	≤ €10M turnover	≤ 50 employees
	Medium	≤ €25M balance sheet	≤ €50M turnover	≤ 250 employees
Micro, Small, and Medium Enterprises (Non-Listed) in the EU	Micro	24.0 million	93.3%	
	Small	1.5 million	5.7%	
	Medium	206,400	0.8%	

VSME Basic and Comprehensive Module Disclosures



Basic Module

A basic module (basic module) that sets the minimum VSME sustainability report requirements. This module includes 11 disclosure requirements structured by type of ESG issue (environmental, social, and governance)

Disclosure Requirements	Mandatory	If Applicable	May Closure	Only if Above Threshold
B1 – Basis for Preparation	✓	✓		
B2 – Practices, policies, and future initiatives for transitioning towards a more sustainable economy		✓		
B3 – Energy and greenhouse gas emissions	✓			
B4 – Pollution of air, water and soil		✓		
B5 – Biodiversity		✓	✓	
B6 – Water	✓	✓		
B7 – Resource use, circular economy and waste management	✓	✓		
B8 – Workforce: General Characteristics	✓		✓	✓
B9 – Workforce: Health and safety	✓			
B10 – Workforce: Remuneration, collective bargaining and training	✓			✓
B11 – Conviction and fines for corruption and bribery		✓		

VSME Basic and Comprehensive Module Disclosures



Comprehensive Module

A comprehensive module (comprehensive module) that sets the additional data that may be required by commercial partners (banks, investors, companies) in addition to the data from the basic module. This module includes 9 disclosure requirements

Disclosure Requirements	Mandatory	If Applicable	May Closure	Only if Above Threshold
C1 – Strategy: Business model and sustainability-related initiatives	✓	✓		
C2 – Practices, policies, and future initiatives for transitioning towards a more sustainable economy		✓		
C3 – GHG reduction targets and climate transition		✓		
C4 – Climate risks		✓	✓	
C5 – Workforce additional general characteristics		✓		
C6 – Human right policies and processes	✓	✓		
C7 – Severe human rights incidents	✓	✓		
C8 – Revenue from certain sectors and exclusion from EU reference frameworks	✓	✓		
C9 – Gender diversity ration in governance body		✓		



What's next?

The EU has made it clear that third-party online platforms will play a key role in facilitating the market uptake of VSME, as they will account for a large share of VSME early users and key stakeholders, and even more so after the review and the simplifications introduced.

Where Fortifai Comes In

Fortifai built a fast, easy-to-use VSME management tool designed specifically for SMEs.

Our platform helps you:



Map ESG data to VSME metrics



Generate reporting-ready outputs



manage simplified workflows and dashboards



Show off your implementation to win business



Let's Talk
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ESG in hours – with your existing team

Contact Fortifai to learn how we can help your business navigate VSME with clarity and confidence!

