

Commission's Recommendation on the VSME sends a strong and positive signal to the market

Brussels, 31/07/2025 – SMEunited strongly welcomes the Commission recommendation on the Voluntary Standard for SMES (VSME) on sustainability reporting. It clearly shows to companies, banks and investors that they should not go beyond the datapoints of the VSME, which must become the unique questionnaire on the market.

SMEs are drowning under different requests and questionnaires from different business partners. Most of the time, questions they receive are impossible to answer as SMEs do not have the necessary data. While the Omnibus 1 proposal on sustainability reporting and the 'stop the clock' legislation are on the table, SMEs are still asked to report. The Recommendation on the VSME is a milestone in the simplification exercise and is an important message to the market.

The VSME developed by EFRAG is a compromise between large companies, banks, investors and SMEs. The standard has been drafted to provide users with relevant data, taking into account what is feasible from an SME. Datapoints from the standard are still demanding from SMEs and it will be important to support entrepreneurs in their reporting exercise.

This is why SMEunited also welcomes the work done by EFRAG in the SME Forum and the development of a template. SMEunited suggests this template should be the basis for a unique digital system linked to calculation tools to further simplify reporting for SMEs.

Additionally, the Recommendation addresses Member States to raise awareness, foster the acceptance of the VSME and encourage entities to limit requests to SMEs. SMEunited insists that Member States work with business organisations at national level to reach a large number of SMEs and provide the necessary training.

As EFRAG is working on simplifying the European Sustainability Reporting Standards (ESRS) for companies in scope of the CSRD, SMEunited highlights that the VSME will have to reflect this further simplification of datapoints and the related guidance.

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EDITORS' NOTES: SMEunited is the association of Crafts and SMEs in Europe with 65 member organisations from over 30 European countries. SMEunited represents national cross-sectoral Craft and SME federations and European SME branch organisations. SMEunited is a recognised employers' organisation and European Social Partner. SMEunited was formerly known as UEAPME.
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