

EC Draft Voluntary Standard vs EFRAG VSME Standard

Scope and basis of comparison

This document compares the European Commission (EC) consultation draft delegated act and Annexes 1 to 2 establishing a sustainability reporting standard for voluntary use by undertakings protected by the value-chain cap, dated 6 May 2026, with the EFRAG Voluntary Sustainability Reporting Standard for non-listed SMEs (VSME) delivered to the European Commission in December 2024. The matrix focuses on important changes and further nuances that affect scope, value-chain-cap application, reporting burden, timing, status of disclosures, datapoints or practical implementation. Less important changes (discretion of the authors), renumbering, layout changes, purely editorial drafting clean-up and unchanged requirements are not listed separately. Paragraph references in the second column are those of the EC 6 May 2026 draft unless explicitly stated otherwise. The EFRAG paragraph references are included where relevant. Because the EC text is still a consultation draft, paragraph numbers and wording may still change before adoption.

Executive summary

- The EC draft is not a complete reinvention of the EFRAG VSME. It retains the two-module architecture and the same broad environmental, social and business conduct logic, but it recasts the standard and making it the specific reference point for the value-chain cap under the Omnibus I framework;
- The most important cross-cutting changes relate to the broadened scope up to undertakings with 1,000 employees, the new disclosure categories ([necessary], [necessary if applicable], [voluntary] and [consideration when reporting sector information]), the separate treatment of undertakings with 10 employees or fewer, and the new Annex II value-chain-cap table;
- The most important content simplifications are in B3 (removal of GHG intensity), B5 (biodiversity quantitative datapoints removed), B6 (water-stress focus shifted), B7 (waste diversion expressed as a proportion), B10 (gender pay gap and training-hours simplification), and C8 (removal of the benchmark-exclusion disclosure);
- The EC draft also separates the legally annexed standard from implementation guidance. Detailed guidance and templates are no longer embedded in the standard text but are signposted to EFRAG's website and Knowledge Hub;
- The overall direction is therefore more legal-operational and value-chain-cap oriented: clearer limits on what can be required from smaller value-chain undertakings, more proportionality for micro-undertakings, and fewer mandatory datapoints in several areas. Constituents could question the low threshold applied of 10 employees to make several requirements voluntary;
- It is expected that the delegated act can be applied from 2027 onwards.

Control Matrix

No.	Standard / paragraph(s)	Important change	EFRAG Dec. 2024 position	EC 6 May 2026 draft change	Assessment of practical significance
1	Objective and scope, paras. 1-2 (EFRAG paras. 1-3)	Scope and function is broadened from non-listed SMEs to undertakings up to 1,000 employees and introducing a specific value-chain cap support.	EFRAG Dec. 2024 was designed for non-listed micro-, small- and medium-sized undertakings. The scope was linked to the Accounting Directive SME categories, including the 250-employee medium-sized undertaking threshold.	The EC draft is intended for undertakings not subject to mandatory sustainability reporting requirements and for undertakings which do not exceed an average number of 1,000 employees. It is framed as the voluntary standard supporting the value-chain cap under the Omnibus I changes.	This broadening of the scope is very important as the standard is no longer only an SME tool in practice; it becomes the reference limit for CSRD-related information requests to value-chain undertakings up to 1,000 employees. This changes its market relevance and the users that will rely on it.
2	Structure, para. 8 and Annex II (EFRAG paras. 5-6 and general if-applicable logic)	New disclosure categories and explicit distinction between undertakings with 10 employees or fewer and those with more than 10 employees.	EFRAG used the Basic and Comprehensive Modules and an if-applicable principle. It did not classify every disclosure in the standard into the four explicit categories now used for the value-chain cap, nor did it provide a value-chain-cap table.	The EC draft labels disclosures as [necessary], [necessary if applicable], [voluntary], or [consideration when reporting sector information]. Some disclosures have a different status depending on whether the undertaking has more than 10 employees. Annex II identifies which disclosures are covered by the value-chain cap for each category of undertaking.	The Standard covers the operational heart of the value-chain cap. It determines what CSRD undertakings may require and request for CSRD reporting purposes and gives micro-undertakings additional protection from trickle-down requests. It also emphasizes that customized information when sector-specific, may be disclosed (as it is deemed useful).
3	Guidance and support, paras. 5, 26 and 45 (EFRAG paras. 23, 46 and 66-244)	The detailed implementation guidance has been removed from the text of the actual standard (making it clearly less in volume) and moved to the EFRAG website Knowledge Hub.	The EFRAG Dec. 2024 included extensive Basic Module and Comprehensive Module guidance within the same document, including templates, calculation guidance, and explanatory material.	The EC draft contains the standard, definitions, and appendices, but the detailed guidance is no longer embedded as part of the annexed standard. The draft instead points undertakings to practical information, templates, and guidance on EFRAG's website and Knowledge Hub.	This reduces the legal/normative weight of the guidance and makes the delegated act shorter. Users, however, will need to distinguish between requirements in the standard and non-binding implementation support, as the latter is very useful and needed to be able to comply in practical terms with the requirements.

No.	Standard / paragraph(s)	Important change	EFRAG Dec. 2024 position	EC 6 May 2026 draft change	Assessment of practical significance
4	B1 and compliance, para. 27(a) and (e) (EFRAG para. 24)	An explicit statement of compliance added; some general information wording is made more flexible.	EFRAG required the undertaking to disclose whether it had selected Option A or Option B. Balance sheet size and turnover were expressed in euro.	The EC draft requires an explicit statement of compliance with the selected option. It also refers to balance sheet size and turnover in monetary units rather than euro and restates that a module shall be complied with in its entirety subject to the if-applicable principle.	It is important for report users and preparers making VSME-compliance claims. The monetary-unit wording is also more usable for non-euro undertakings, including non-EU value-chain actors.
5	Omission of information, paras. 22 and 27(b) (EFRAG paras. 19 and 24(b))	The omission regime is significantly expanded.	EFRAG had a short exemption for classified or sensitive information and required indication of omitted disclosures under B1.	The EC draft permits omission of information that is seriously prejudicial to the commercial position, trade secrets, classified information, and other information protected by Union or national law or needed to safeguard privacy or security. For each datapoint omitted, the undertaking must disclose use of the exemption and reassess it at each reporting date.	This change, which is closer aligned with the revised simplified ESRS, creates a more robust protection mechanism for commercially sensitive and protected data. On the other hand, it requires a clear audit trail and annual reassessment.
6	Timing/location and EMAS, para. 19 (no equivalent in EFRAG main text)	A new possibility to integrate EMAS and the voluntary-standard disclosures in a single report.	EFRAG allowed incorporation by reference and had guidance references to EMAS, but the main requirements did not include the same explicit one-report option for EMAS and the VSME standard.	If an undertaking prepares an Environmental Statement under EMAS, it may present disclosures required by EMAS and the voluntary standard in a single report, presenting common disclosures only once.	Relevant for EMAS-registered undertakings. It avoids duplicated reporting and supports practical integration with existing environmental reporting processes.
7	B3 Energy and GHG emissions, paras. 32-33 (EFRAG paras. 29-31)	Disclosure B3 is made proportionate for <=10 employees. In addition, the GHG intensity requirement has been removed.	EFRAG required total energy consumption, gross Scope 1 and location-based Scope 2 GHG emissions, as well as an GHG intensity ration calculated by dividing gross GHG emissions by turnover.	Energy and Scope 1/Scope 2 GHG emissions are [necessary] for undertakings with more than 10 employees and [voluntary] for undertakings with 10 employees or fewer. In addition, the standalone GHG intensity datapoint has been removed from the Basic Module.	This represents an important reduction in burden, especially for micro-undertakings. The removal of the GHG intensity also reduces automatic ratio reporting, although users can still calculate intensity if emissions and turnover information are available.
8	B5 Biodiversity, para. 35 (EFRAG paras. 33-34)	The biodiversity disclosure simplified	EFRAG required the number and area in hectares of sites owned, leased, or managed in or near a biodiversity-sensitive area. It also allowed voluntary land-use metrics such as total land use, sealed area, and nature-oriented area.	The EC draft requires disclosure, if applicable, of sites or locations in or near a biodiversity-sensitive area and the name of the area. The number/area datapoints and land-use metrics are not retained as standard disclosures.	This represents a further Important. The disclosure becomes more location-identification focused and less quantitative, reducing effort but on the other hand, also reducing comparability and granularity for biodiversity exposure analysis.
9	B6 Water, paras. 36-37 (EFRAG paras. 35-36)	The water-stress disclosure is made more proportionate for companies <=10 employees	EFRAG required total water withdrawal and separate presentation of water withdrawn at sites in areas of high water stress. If significant water-consuming production processes existed, water consumption also had to be disclosed.	Total water withdrawal is [necessary] for undertakings with more than 10 employees and [voluntary] for undertakings with 10 employees or fewer. If significant water-consuming production processes exist, water consumption is disclosed and the undertaking separately presents water consumed at sites located in areas with water stress.	The burden is reduced for micro-undertakings,
10	B7 Resource use, circular economy and waste, paras. 38-39 (EFRAG paras. 37-38)	Waste and circular economy datapoints have been simplified and made proportionate for <=10 employees	EFRAG required disclosure of whether circular economy principles are applied, total annual waste generation broken down by hazardous/non-hazardous waste, total annual waste diverted to recycling or reuse, and material-flow information where relevant.	Circular economy principles, total waste generated and the recycling/reuse information are [necessary] for undertakings with more than 10 employees and [voluntary] for undertakings with 10 employees or fewer. The recycling/reuse datapoint is expressed as a proportion of waste diverted to recycling or reuse rather than total annual waste diverted.	The burden is reduced for micro-undertakings, and the waste-diversion information changes from an absolute quantity to a percentage-style indicator.
11	B8 / C5 workforce turnover, paras. 40 and 58 (EFRAG paras. 39-40 and 59)	The employee turnover ratio is moved from the Basic Module to the Comprehensive Module and the threshold has been changed.	EFRAG included employee turnover in B8 for undertakings with 50 or more employees.	The employee turnover is no longer in the Basic Module. It appears in C5 and is [necessary] for undertakings with more than 10 employees and [voluntary] for undertakings with 10 employees or fewer.	The datapoint is repositioned from basic reporting to comprehensive/value-chain-cap reporting and becomes relevant for a wider group than the previous 50-employee threshold, but only in the Comprehensive Module context.
12	B10 Remuneration, collective bargaining and training, para. 42 (EFRAG para. 42)	The gender pay gap and training-hours disclosures have been simplified	EFRAG required the gender pay gap, with an omission option below 150 employees (100 from 7 June 2031), and required average annual training hours per employee broken down by gender.	The EC draft requires the gender pay gap only if the undertaking is already required by EU law or national regulation to report it. The training metric is average annual training hours per employee, without a gender breakdown.	The gender pay gap datapoint is no longer a general VSME requirement and the training-hours metric is less granular.

No.	Standard / paragraph(s)	Important change	EFRAG Dec. 2024 position	EC 6 May 2026 draft change	Assessment of practical significance
13	C1, C6 and C7, paras. 46 and 61-62 (EFRAG paras. 47 and 61-62)	The Comprehensive Module social and business-model disclosures made more proportionate. Disclosure C7 has been reframed.	EFRAG required C1 business-model information and C6/C7 human-rights questions when the Comprehensive Module was applied. C7 was titled "severe negative human rights incidents".	C1(a)-(c), C6(a)/(c) and C7(a)/(c) are [necessary] for undertakings with more than 10 employees and [voluntary] for undertakings with 10 employees or fewer. C7 is now "Human rights incidents", and value-chain/affected-community/consumer incidents are limited to confirmed incidents identified in the reporting period.	The EC draft creates a lighter comprehensive-reporting profile for micro-undertakings and clarifies the reporting-period boundary for value-chain incident awareness.
14	C2 and Scope 3 considerations, paras. 47 and 49-52 (EFRAG paras. 48 and 50-53)	Value-chain and sector-information wording are tightened.	EFRAG C2 required a brief description of practices, policies or future initiatives already reported under B2. Scope 3 reporting was identified as potentially appropriate depending on activities, but without the same examples of sectors likely to have significant Scope 3 categories.	C2 now requires the undertaking to mention when a practice, policy or future initiative covers suppliers or clients and to briefly describe targets identified under B2. Scope 3 remains in the sector-information category, but the EC draft adds examples of sectors likely to have significant Scope 3 categories: manufacturing, agrifood, real estate construction, and packaging.	This points users and preparers more clearly toward re value-chain-relevant policies/actions and sector-specific Scope 3 information, without converting Scope 3 into a general necessary datapoint.
15	C3 Climate transition, paras. 54-55 and footnote 9 (EFRAG paras. 55-56 and footnote 6)	High-climate-impact sector reference updated.	EFRAG referred to high climate impact sectors listed in NACE Sections A to H and Section L under Regulation (EC) No 1893/2006.	The EC draft refers to NACE Sections A to H and Section M as defined in the NACE Revision 2 framework introduced by Commission Delegated Regulation (EU) 2023/137.	Relevant technical change. Undertakings need to check the applicable NACE classification rather than assuming the EFRAG Dec. 2024 sector reference continues unchanged.
16	C8 Revenues from certain activities, para. 63 (EFRAG paras. 63-64)	Benchmark-exclusion disclosure removed and weapons wording is aligned to Delegated Regulation 2020/1818.	EFRAG C8 covered revenues from certain sectors and included a separate disclosure on whether the undertaking is excluded from EU Paris-aligned reference benchmarks. It referred to controversial weapons by examples.	The EC draft retains revenue disclosures for weapons, tobacco, fossil fuels, and pesticides/agrochemicals, but removes the separate benchmark-exclusion disclosure. The weapons wording is changed to prohibited weapons as defined in Article 12(1), second subparagraph of Commission Delegated Regulation (EU) 2020/1818.	This reflects an important simplification and legal alignment. A datapoint is removed, while the weapons category is anchored more directly in the benchmark regulation wording.
17	Appendix B List of possible sustainability issues (EFRAG Appendix B)	List of possible sustainability issues simplified and restructured	EFRAG Appendix B used a more granular topic / sub-topic / sub-sub-topic structure, including separate Water and Marine Resources, separate Own Workforce and Workers in the Value Chain topics, and extensive sub-sub-topic lists.	The EC draft uses a shorter list. It combines Own Workforce and Workers in the Value Chain into one topic, uses Water rather than Water and Marine Resources, simplifies biodiversity and circular economy wording, and presents a less granular set of social and business conduct issues.	The list remains a reference point, but it is less detailed and should not be read as a one-for-one continuation of the EFRAG Appendix B mapping.

Source basis

- [Sustainability reporting standard for voluntary use](#), Ref. Ares(2026)4624010, 6 May 2026.
- [European Commission, additional explanatory information regarding the value-chain cap](#), 6 May 2026.
- [Commission Recommendation \(EU\) 2025/1710 of 30 July 2025 on a voluntary sustainability reporting standard for small and medium-sized undertakings](#).
- [EFRAG, Voluntary Sustainability Reporting Standard for non-listed SMEs \(VSME\)](#), delivered to the European Commission on 17 December 2024.
- [EFRAG VSME project page and VSME package](#) delivered to the European Commission.