European Commission Delegated Regulation on the Voluntary Standard (3 July 2026) vs. the EFRAG VSME Standard

Scope and Basis of the Comparison

This document compares Delegated Regulation C(2026) 5011 final, adopted by the European Commission on 3 July 2026, with the EFRAG VSME Standard issued in December 2024. The matrix focuses on key changes and additional nuances that affect the scope, the application of the value-chain cap, the reporting burden, timing, the status of disclosures and data points, and the practical implementation of the standard. Less significant changes, changes in numbering, layout modifications, purely editorial revisions, and requirements that remain unchanged are not addressed separately. Unless expressly stated otherwise, the paragraph references in the second column refer to those of the European Commission Delegated Regulation of 3 July 2026. Where relevant, references to the corresponding EFRAG paragraphs have also been included. However, the Delegated Regulation must still undergo the scrutiny procedure by the European Parliament and the Council and be published in the Official Journal of the European Union before it can enter into force.

Key Points

- The final European Commission Delegated Regulation retains the basic architecture of the EFRAG VSME Standard, consisting of a Basic Module and a Comprehensive Module. The most significant shift lies not in the structure, but in the function of the standard, as it becomes the reference point for the application of the value-chain cap within the Omnibus I framework;
- Compared with the European Commission's consultation draft of 6 May 2026, there are no major substantive changes in direction. The final text primarily refines the legal drafting and wording. The explicit labels “[mandatory]”, “[mandatory if applicable]”, “[voluntary]”, and “[to be considered when reporting sector-specific information]” have been replaced by the concepts of essential data points, data points required only in specific circumstances, voluntary data points, and data points to be considered only when reporting sector-specific information.
- The most relevant cross-cutting changes are the extension of the scope to undertakings with no more than an average of 1,000 employees, the introduction of separate proportionality provisions for undertakings with ten employees or fewer, and the use of Annex II to define the information that falls within the scope of the value-chain cap;
- The main substantive simplifications remain B3 (elimination of the GHG intensity metric), B5 (removal of quantitative biodiversity data points), B6 (proportionality measures for micro-undertakings), B7 (reporting on waste diversion as a proportion), B10 (simplification of the gender pay gap and training-hours disclosures), and C8 (simplification of revenue disclosures relating to certain activities).
- The final text further clarifies the proportionality principle for micro-undertakings in several respects: a number of data points in both the Basic Module and the Comprehensive Module are voluntary for undertakings with ten employees or fewer, while remaining “essential” for other undertakings applying the standard. This does not mean that the Comprehensive Module applies exclusively to undertakings with more than 10 employees. Micro-undertakings may also choose to apply Option B; however, for these micro-undertakings, the relevant data points do not fall within the scope of the value-chain cap.
- The text establishes clearer limits on the information that may be requested from smaller undertakings within the value chain, provides greater proportionality for micro-undertakings, and reduces the number of mandatory data points in certain areas. Stakeholders may, however, question the relatively low threshold of ten employees that is used to make certain requirements voluntary.

Control matrix

No.	Standard / paragraph(s)	Important modification(s)	EFRAG position dec. 2024	Modification in the EC Delegated Regulation (3 July 2026)	Practical evaluation
1	Objective and Scope, par. 1-2 (EFRAG par. 1-3)	The scope and function are expanded from non-listed SMEs to undertakings with up to 1,000 employees, while introducing a specific mechanism to support the application of the value-chain cap.	The EFRAG VSME Standard of December 2024 was designed for non-listed micro, small and medium-sized undertakings. Its scope was linked to the SME categories set out in the Accounting Directive, including the threshold of 250 employees for medium-sized undertakings.	The European Commission Delegated Regulation is intended for undertakings that are not subject to mandatory sustainability reporting requirements and that have an average of no more than 1,000 employees. The Regulation is positioned as the voluntary standard supporting the application of the value-chain cap under the Omnibus I amendments.	This expansion of scope is highly significant, as in practice the standard is no longer merely an SME-focused instrument. It becomes the reference ceiling for CSRD-related information requests addressed to undertakings within the value chain that have up to 1,000 employees. This changes both the market relevance of the standard and the range of users that will rely on it.
2	Structure, par. 8 and Annex II (EFRAG par. 5-6 and the general “if applicable” logic)	New categories of data points are introduced, together with an explicit distinction between undertakings with ten employees or fewer and undertakings with more than ten employees.	EFRAG applied a Basic Module and a Comprehensive Module, combined with an “if applicable” principle. The final European Commission Delegated Regulation goes further by distinguishing between different categories of data points and, through Annex II, specifying which information falls within the scope of the value-chain cap. Voluntary data points and sector-specific information remain outside the scope of	The final text no longer consistently uses the labels introduced in the consultation draft. Instead, paragraph 8 describes different categories of data points: essential data points, data points required only in specified circumstances, voluntary data points, and data points to be considered only when reporting sector-specific information. Annex II provides an overview of the disclosures covered by the value-chain cap for undertakings with ten	Annex II operationalises the value-chain cap by specifying, for each category of undertaking, which disclosures may still be requested. The final wording is somewhat more legalistic and less label-driven than the consultation draft, but the practical logic remains unchanged: micro-undertakings are afforded additional protection against trickle-down information requests. Sector-specific or entity-specific information remains a separate category in this respect. This is useful for enhancing the relevance of the report where

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			the information that may be requested by undertakings that are within the scope of the CSRD.	employees or fewer and for undertakings with more than ten employees.	it clearly reflects the undertaking's activities or sector; however, it is not an essential data point and is not included in Annex II as part of the value-chain cap.
3	Guidance and Support, par. 5, 26 and 45 (EFRAG par. 23, 46 and 66-244)	The detailed implementation guidance has been removed from the text of the standard itself and transferred to the Knowledge Hub on the EFRAG website.	The December 2024 EFRAG version contained extensive guidance for both the Basic Module and the Comprehensive Module within the same document, including templates, calculation guidance, and explanatory material.	The European Commission Delegated Regulation contains the standard, definitions, and annexes; however, the detailed guidance is no longer embedded as part of the standard included in the annexes. The text directs undertakings to practical information, templates, and support resources available through the EFRAG website and Knowledge Hub.	This reduces the legal and normative weight of the implementation guidance and makes the Delegated Regulation more concise. Users should distinguish between the requirements set out in the standard and the non-binding implementation support materials, as the latter remains useful for the practical application of the standard.
4	B1 and Compliance, par. 27(a) and (e) (EFRAG par. 24)	An explicit compliance statement has been added, while certain disclosures relating to general information have been made more flexible.	EFRAG required undertakings to disclose whether they had chosen Option A or Option B. Balance sheet total and revenue were required to be reported in euros.	The European Commission Delegated Regulation requires an explicit statement of compliance with the option selected. It refers to balance sheet total and revenue in monetary units rather than in euros and reiterates that a module must be complied with in its entirety, subject to the application of the "if applicable" principle.	The explicit compliance statement increases the importance of selecting and applying Option A or Option B correctly. In addition, the reference to monetary units makes the standard more suitable for undertakings operating outside the euro area.
5	Omission of Information, par. 22 and 27(b) (EFRAG par. 19 and 24(b))	The regime governing the omission of information has been significantly expanded.	EFRAG provided a brief exemption for classified or sensitive information and required undertakings, under B1, to indicate which disclosures had been omitted.	The European Commission Delegated Regulation permits the omission of information where its disclosure would be seriously prejudicial to the undertaking's commercial position, where it relates to trade secrets, classified information, or other information protected under Union or national law, or where omission is necessary to safeguard privacy or security. For each omitted data point, the undertaking must disclose that it has made use of the exemption and reassess the applicability of that exemption at each reporting date.	This change, which is more closely aligned with the revised simplified ESRS, creates a more robust protection mechanism for commercially sensitive and protected information. On the other hand, this requires clear audit documentation and an annual reassessment.
6	Timing, Location and EMAS, par. 19 (no equivalent in the main text of the EFRAG standard)	A new option is introduced to integrate EMAS disclosures and disclosures under the voluntary standard into a single report.	EFRAG allowed incorporation by reference and included references to EMAS in its guidance; however, the core requirements did not contain the same explicit option of presenting EMAS disclosures and VSME Standard disclosures in a single report.	If an undertaking prepares an Environmental Statement under EMAS, it may present the disclosures required by both EMAS and the voluntary standard in a single report and include shared disclosures only once.	Relevant for EMAS-registered undertakings. This avoids duplicate reporting and supports the practical integration of the voluntary standard with existing environmental reporting processes.
7	B3 Energy and Greenhouse Gas Emissions, par. 32-33 (EFRAG par. 29-31)	Disclosure B3 is made subject to proportionality provisions for undertakings with ten employees or fewer. In addition, the requirement to disclose a GHG intensity metric has been removed.	EFRAG required the disclosure of total energy consumption, gross Scope 1 greenhouse gas emissions, gross location-based Scope 2 greenhouse gas emissions, as well as a GHG intensity ratio calculated by dividing gross GHG emissions by revenue.	Energy consumption and Scope 1 and Scope 2 greenhouse gas emissions are voluntary disclosures for undertakings with ten employees or fewer, but remain essential data points for other undertakings applying the standard. In addition, the separate data point relating to GHG intensity has been removed from the Basic Module.	This represents a significant reduction in the reporting burden, particularly for micro-undertakings. The removal of the GHG intensity metric also reduces the extent of automatic ratio-based reporting, although users may still calculate intensity metrics themselves where both emissions and revenue information are available.
8	B5 Biodiversity, par. 35 (EFRAG par. 33-34)	The biodiversity disclosure is simplified.	EFRAG required undertakings to disclose the number and surface area (in hectares) of sites owned, leased, or managed that are located in or near biodiversity-sensitive areas. In addition, it permitted the voluntary reporting of land-use indicators, such as total land use, sealed surface area, and nature-oriented surface area.	The European Commission Delegated Regulation requires, where applicable, disclosures regarding sites or locations situated in or near a biodiversity-sensitive area, together with the name of the area concerned. The data points relating to the number of sites, surface area in hectares, and separate land-use indicators are no longer retained as standard disclosures.	This constitutes a further significant simplification. The disclosure becomes more focused on identifying the location of relevant sites and less on quantitative metrics, thereby reducing the reporting effort required. However, this also diminishes the level of comparability and granularity available for analyses of biodiversity exposure.
9	B6 Water, par. 36-37 (EFRAG par. 35-36)	The water disclosure is made subject to proportionality provisions for undertakings with ten employees or fewer.	EFRAG required undertakings to disclose total water withdrawal, together with a separate disclosure of water withdrawn at sites located in areas subject to high water stress. Where significant water-consuming	Total water withdrawal is a voluntary data point for undertakings with ten employees or fewer and remains an essential data point for other undertakings. Where significant water-consuming production processes exist, the undertaking shall	The reporting burden is reduced for micro-undertakings. For other undertakings, B6 remains a relevant disclosure, particularly where production processes involve significant water consumption or

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			production processes existed, undertakings were also required to disclose their water consumption.	disclose its water consumption and present separately the water consumed at sites located in areas subject to water stress.	where sites are located in areas subject to water stress.
10	B7 Resource Use, Circular Economy and Waste, par. 38-39 (EFRAG par. 37-38)	Data points relating to waste and the circular economy are simplified and made subject to proportionality provisions for undertakings with ten employees or fewer.	EFRAG required undertakings to disclose the application of circular economy principles, total annual waste generation broken down into hazardous and non-hazardous waste, the total annual amount of waste diverted from disposal through recycling or reuse, and material flow information where relevant.	Disclosures relating to circular economy principles, total waste generation, and information on recycling or preparation for reuse are voluntary for undertakings with ten employees or fewer and remain essential data points for other undertakings. The data point relating to recycling/reuse is expressed as a proportion of waste diverted to recycling or preparation for reuse.	For micro-undertakings, waste and circularity-related data are less likely to become a mandatory component of sustainability reporting. For other undertakings, the focus remains on the volume of waste generated and the proportion of that waste that is diverted to recycling or preparation for reuse.
11	B8 / C5 Employee Turnover, par. 40 and 58 (EFRAG par. 39-40 and 59)	The employee turnover ratio is moved from the Basic Module to the Comprehensive Module, and the threshold is modified.	EFRAG included employee turnover in B8 for undertakings with 50 or more employees.	Employee turnover is no longer included in the Basic Module. It is now included in C5 and is voluntary for undertakings with ten employees or fewer, while remaining an essential data point for other undertakings applying the Comprehensive Module.	The data point is shifted from the Basic Module to the Comprehensive Module and becomes part of the broader value-chain-cap reporting framework. It is therefore relevant to a wider group than under the previous threshold of 50 employees, although only in the context of the Comprehensive Module.
12	B10 Remuneration, Collective Bargaining and Training, par. 42 (EFRAG par. 42)	The disclosures relating to the gender pay gap and training hours are simplified.	EFRAG required disclosure of the gender pay gap, with an option to omit the disclosure for undertakings with fewer than 150 employees (100 from 7 June 2031 onwards), and required disclosure of the average annual training hours per employee, broken down by gender.	The European Commission Delegated Regulation requires disclosure of the gender pay gap only where the undertaking is already subject to such a requirement under EU law or national legislation. The training indicator is expressed as the average annual number of training hours per employee, without a gender breakdown.	The gender pay gap data point is no longer a general VSME requirement, and the performance indicator relating to training hours is less granular. This reduces the reporting burden, but also decreases the availability of gender-specific information on employee training and development.
13	C1, C3, C4, C5, C6 and C7, par. 46, 53, 56 and 58-62 (EFRAG par. 47 and 59-62)	The Comprehensive Module remains available to undertakings with ten employees or fewer, but is made subject to additional proportionality measures for these entities.	EFRAG included extensive disclosures on the business model, climate targets, climate-related risks, employee turnover, and human rights information, without applying the same systematic proportionality treatment for micro-undertakings based on a ten-employee threshold.	The Comprehensive Module is not reserved exclusively for undertakings with more than ten employees. Micro-undertakings may also apply Option B. However, disclosures C1, C3, C4, C5 and certain disclosures within C6 and C7 are voluntary for undertakings with ten employees or fewer. For undertakings with more than ten employees, these data points remain essential in the relevant circumstances. Annex II then makes it clear, for the purposes of the value-chain cap, that no data points from the Comprehensive Module (C disclosures) may be requested from undertakings with ten employees or fewer. For undertakings with more than ten employees, only a limited number of selected data points from the Comprehensive Module fall within the scope of the value-chain cap, namely C1, C5, C6 and C7.	The Comprehensive Module remains accessible to micro-undertakings, but its application does not automatically result in additional information falling within the scope of the value-chain cap for those entities. CSRD undertakings therefore cannot require undertakings with ten employees or fewer to provide any data points from the Comprehensive Module as value-chain information. For undertakings with more than ten employees, the value-chain cap may extend only to those data points from the Comprehensive Module that are specifically included in Annex II. Disclosure requirements C3 (GHG emission reduction targets and transition plans) and C4 (climate-related risks) may continue to be useful for banks and investors; however, as such, they do not fall within the scope of the Annex II value-chain cap.
14	C2 and Scope 3 Considerations, par. 47 and 49-52 (EFRAG par. 48 and 50-53)	The wording relating to value-chain information and sector-specific information has been refined.	EFRAG C2 required a brief description of practices, policies or future initiatives where these had been implemented. The EFRAG version also included Scope 3 information within the Comprehensive Module.	C2 requires the undertaking to indicate where a practice, policy, or future initiative covers suppliers or customers. The final text retains the sector-specific approach for Scope 3 emissions. Depending on the nature of the undertaking's activities, information on Scope 3 greenhouse gas emissions may be appropriate. The Regulation specifically states that significant Scope 3 impacts may exist for manufacturing undertakings, agricultural and food-sector undertakings, real estate development and construction, and packaging-related activities, and that such information may therefore be relevant. It therefore does not become a generally essential data point for all undertakings.	The amendment places greater emphasis on policies relating to the value chain and on Scope 3 risks that are specific to particular sectors, without making Scope 3 a generally applicable essential data point. Sector-specific information remains voluntary and is not covered by Annex II. Undertakings subject to the CSRD therefore cannot require Scope 3 emissions information or other sector-specific performance indicators as data points falling within the scope of the value-chain cap. Where sector-specific information is clearly relevant to providing a faithful and comparable representation, it is nevertheless logical for the undertaking to explicitly assess whether such information should be

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					included. If expected sector-specific information is not provided, a brief explanation of that choice is advisable.
15	C3 Climate Transition, par. 54-55 and footnote 9 (EFRAG par. 55-56 and footnote 6)	Reference to high climate-impact sectors has been updated.	EFRAG referred to high climate-impact sectors identified in NACE Sections A to H and Section L.	The European Commission Delegated Regulation refers to NACE Sections A to H and Section M, as defined in the Annex to Commission Delegated Regulation (EU) 2023/137. The voluntary disclosure of a transition plan remains relevant where an undertaking operates in a high climate-impact sector and has adopted such a plan.	Relevant technical amendment. Undertakings should review the applicable NACE classification when assessing whether the climate transition disclosures under C3 are relevant to their circumstances.
16	C8 Revenue from Certain Activities, par. 63 (EFRAG par. 63-64)	The disclosure concerning the exclusion of benchmarks has been removed, and the wording relating to weapons, fossil fuels, and chemicals has been modified.	EFRAG C8 addressed revenue derived from certain activities and included a separate disclosure concerning exclusion from EU reference benchmarks.	The European Commission Delegated Regulation retains the revenue disclosures relating to prohibited weapons, tobacco, fossil fuels, and chemical production. The wording now refers to the prohibited weapons industry, providing examples such as anti-personnel mines, cluster munitions, chemical weapons, and biological weapons, and refers to chemical production through NACE Division 20.2. The separate EFRAG disclosure concerning exclusion from EU benchmarks has not been retained as a standalone disclosure requirement.	This reflects a significant simplification and greater legal alignment. Some of the benchmark-related and SFDR context remains relevant through the accompanying guidance and Appendix C; however, the core disclosure requirement applicable to the reporting undertaking is more limited.
17	Appendix B List of Possible Sustainability Matters (EFRAG Appendix B)	The list of possible sustainability matters has been simplified and restructured.	EFRAG Appendix B used a more detailed structure based on topic, sub-topic and sub-sub-topic levels and was more closely aligned with the ESRS topical architecture.	The EC Delegated Regulation uses a shorter and more streamlined list. It combines “Own Workforce” and “Workers in the Value Chain” into a single category, simplifies the biodiversity and social topics, and retains Appendix B as a list of possible sustainability matters.	The list remains a useful reference point, but it is less detailed and should not be interpreted as a comprehensive ESRS materiality list. It supports the application of disclosures B2 and C2, as well as any additional sector-specific or entity-specific information.

Sources:

- European Commission, Delegated Regulation C(2026) 5011 final of 3 July 2026, supplementing Directive 2013/34/EU by establishing sustainability reporting standards for voluntary use by undertakings protected by the value-chain cap.
- European Commission, Annexes 1 and 2 to Delegated Regulation C(2026) 5011 final of 3 July 2026.
- European Commission, Commission Staff Working Document SWD(2026) 500 final of 3 July 2026.
- EFRAG, Voluntary Sustainability Reporting Standard for non-listed SMEs (VSME), December 2024.