green-dash

VSME
Essentials
Kit for SMEs

Simplifying Sustainability Reporting in the Era of CSRD and VSME

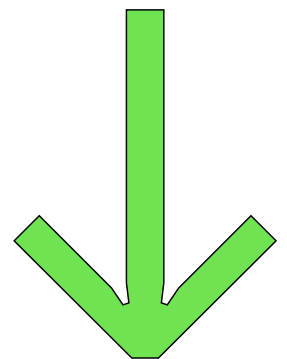# Why Sustainability Reporting Matters for SMEs?

The European Union's **Corporate Sustainability Reporting Directive (CSRD)** is reshaping how companies disclose their environmental, social, and governance (ESG) performance.

Sustainability reporting is no longer just a large-corporation requirement. SMEs are increasingly expected to report in compliance with **VSME standards** (Voluntary Sustainability Reporting Standard for Non-listed Micro, Small and Medium-sized Enterprises).

For SMEs, this is both a **challenge and an opportunity**. On the one hand, the sustainability reporting process is quite complex and long, and on the other hand:

→ Enhances credibility and options with investors, partners, and customers (Non-compliance may limit access to contracts, partnerships, or financing opportunities).

→ Strengthens operational efficiency and risk management.

→ Builds transparency and trust, which is increasingly demanded in EU markets

This document provides SMEs with essential steps to **understand, simplify, and streamline sustainability reporting** in line with VSME/CSRD requirements.

→ Step 01: Understanding CSRD and VSME Requirements

The CSRD expands reporting obligations beyond large corporations to include many SMEs. The VSME standard provides a simplified approach for SMEs to align with CSRD expectations.

Key Points:

→ CSRD mandates ESG disclosure aligned with EU sustainability standards.

→ SMEs supplying larger companies may need to provide VSME-compliant reports to support their partners' compliance.

→ EU Listed-SMEs (can be EU or not EU companies, as long as they are listed in the EU) will be required to make yearly sustainability reports following the VSME by FY2028 (info of 2027)

→ Reporting includes environmental, social, and governance (ESG) metrics, along with qualitative and quantitative performance indicators.

The **VSME standard** provides a simplified approach for SMEs to align with CSRD expectations.

Actionable Tip: Assess your company's position in the supply chain and determine whether CSRD reporting indirectly applies or if you are an EU-listed SME. Even if CSRD does not directly apply to your business today, preparing early with VSME reporting safeguards your role in supply chains.

→ Step 02: Defining Your Reporting Scope

To comply efficiently with VSME/CSRD expectations:

01 Identify business operations and processes that impact simultaneously ESG metrics and your financial performance.

02 Focus on material issues affecting you and your stakeholders.

03 Determine the boundaries of data collection for accuracy and traceability.

Example: Proceed to execute a material analysis. Then track energy use, carbon footprint, employee diversity, supplier sustainability practices, or waste management depending on your business activities.

→ Step 03: Gathering and Managing Data

Collecting sustainability data is often the hardest part for SMEs. Challenges include fragmented data sources, lack of internal expertise, and limited resources.

Best practices:

→ Define SMART KPIs to follow-up and set specific targets for them

→ Assigning responsibilities to team members

→ Leveraging digital tools to automate data capture and reporting

Without a structured approach, reporting quickly becomes time-intensive and prone to errors.

→ Step 04: Simplifying Reporting

VSME and CSRD reporting do not need to be complex. Focus on:

→ Presenting data clearly and consistently

→ Highlighting improvements, targets, and sustainability initiatives

Reporting Requirements

Core Requirements (See Check List in the end for more):

01 **Environmental impact:** GHG emissions, resource usage, waste

02 **Social impact:** labor practices, diversity, community engagement

03 **Governance:** ethics, risk management, transparency

Materiality Assessment:

→ Identify key sustainability impacts relevant to your business

→ Prioritize reporting accordingly

→ Step 05:
Planning for
Continuous
Compliance

Sustainability reporting is ongoing. SMEs can maintain compliance by:

→ Conducting periodic internal data reviews

→ Using reporting insights to improve sustainability performance

SMEs that integrate reporting into everyday operations will save significant time and reduce compliance risks and become more competitive, earning more clients and deals.

What should you do next and where to start?

So the process is:

01 Collect ESG data

02 Identify gaps in current reporting

03 Build your report

04 Review and correct inconsistencies

05 Submit report & set up continuous tracking

For many SMEs, manual data collection and reporting are **unsustainable** in the long run. Platforms like **GreenDash** can simplify VSME/CSRD compliance by:

→ Collecting and consolidating sustainability data automatically (Reduce the burden of gathering data across multiple sources)

→ Detecting gaps in current information reports

→ Generating reports aligned with VSME/CSRD standards

→ Reducing errors and freeing teams to focus on core business priorities

→ Suggesting recommendations to improve sustainability performance

Pro Tip: GreenDash handles steps 1–5, turning complex reporting into a simple workflow.

This is why more SMEs are exploring **specialized platforms** designed to simplify compliance while keeping costs manageable.

Next Steps?

→ **Get your FREE VSME Essentials Kit on the website**
– understand when you will start to report

→ **Book a Free Consultation** – learn how automation can reduce compliance burden.

→ **Access Step-by-Step Guides** – start preparing your first VSME-compliant report today.

Bonus: Quick Action Steps for SMEs

06 Collect ESG data

07 Identify gaps in current reporting

08 Build your report

09 Review and correct inconsistencies

10 Submit report & set up continuous tracking

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thank you!