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Draft delegated regulation of the European Commission of 6 May 2026

# VOLUNTARY SUSTAINABILITY STANDARD 2026: VSME AND VALUE CHAIN CAP

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## Introduction

With Directive (EU) 2026/470 of 26 February 2026, the European legislator has once again intervened in the regulation of corporate sustainability reporting, introducing a process to simplify disclosure requirements and review the scope of sustainability reporting.

As already highlighted in the previous RLVT circular, the reduction in the scope of mandatory reporting does not imply a reduction in the economic significance of ESG information. For many companies, in fact, the availability of reliable environmental, social and governance data continues to be a useful tool in their dealings with banks, investors, customers, business partners and other stakeholders. The previous RLVT circular emphasised, in particular, how ESG disclosure can also be significant in relations with the banking system, with investors and in business valuation processes. In this context, the publication on 6 May 2026 by the European Commission of a draft delegated regulation on voluntary sustainability reporting standards for companies not subject to CSRD obligations is of particular significance. The public consultation on the draft is open until 3 June 2026.

The draft represents a significant step towards establishing the future European voluntary standard. It confirms the central role of the VSME, namely the voluntary standard for SMEs developed by EFRAG in 2024 and subsequently endorsed by the Commission in 2025. **The Commission specifies that the draft voluntary standard is based on the 2024 VSME, which was already endorsed in 2025.** The main change is that the new voluntary standard will not only serve as a guide for companies wishing to embark on an ESG reporting journey, but will also form the basis for the so-called value chain cap.

## From the VSME 2024 to the 2026 draft

The standard's development can be summarised in three stages.

- In December 2024, EFRAG published the Voluntary Sustainability Reporting Standard for non-listed SMEs, intended for unlisted micro, small and medium-sized enterprises. This standard was designed as a voluntary and proportionate tool, aimed at helping smaller companies meet the information requests from banks, investors, corporate clients and other stakeholders in the value chain.
- In 2025, the European Commission adopted a recommendation identifying the VSME as the voluntary benchmark for SME sustainability reporting.
- In 2026, the Commission published a draft delegated regulation based on this recommendation, which aims to transform the VSME into a voluntary European standard applicable to companies not subject to mandatory CSRD reporting, with particular reference

to companies with an average of no more than 1,000 employees.

The Commission notes that the draft introduces targeted adjustments, in particular to reduce administrative burdens, preserve the quality of sustainability disclosures and clarify the functioning of the value chain cap.

## What is the value chain cap?

The concept of the value chain cap is the main new feature of the 2026 draft.

The term 'cap' indicates a maximum limit. **The value chain cap is therefore the maximum limit on the sustainability information that companies subject to the CSRD may request from companies in their value chain that are not subject to CSRD obligations and do not exceed the threshold of 1,000 employees.**

The rationale behind the measure is to prevent the reporting obligations of large companies from being indirectly and disproportionately passed on to smaller companies or those not subject to the CSRD.

In the absence of a limit, in fact, a company not subject to reporting obligations could still find itself receiving extensive and inconsistent ESG questionnaires from customers, parent companies, banks or other entities required to report. The value chain cap aims to limit this effect by setting a maximum scope for the information that can be requested.

It is important to note that the value chain cap defines the maximum limit of ESG information that may be requested from such companies within the value chain, where the request is linked to the CSRD reporting of a reporting entity.

**The Commission clarifies that companies subject to the CSRD may not request from value chain partners with 1,000 employees or fewer any information beyond that provided for by the voluntary standard.**

## The main changes in the draft

The 2026 draft retains the modular structure of the VSME, comprising a Basic Module, containing essential information, and a Comprehensive Module, containing additional information that may be useful in dealings with banks, investors and corporate clients.

Compared to the original version of the VSME developed by EFRAG, the draft does not radically alter the structure of the standard, but introduces some significant simplifications and clarifications.

Area	New features / differences compared to the 2024 VSME
Scope	The reference is no longer limited to unlisted SMEs, but extends to companies not subject to the CSRD that do not exceed the threshold of 1,000 employees.
Classification of disclosures	Information is more clearly distinguished between required information, information applicable only in certain circumstances, voluntary information and sector-specific information.
Micro-enterprises	For companies with 10 employees or fewer, certain environmental and more complex information is treated as voluntary.
Reduction in data points	Some information required under VSME 2024 is removed, simplified or made applicable only under specific conditions.
Scope 3	Scope 3 emissions are treated as sector-specific or voluntary information, not as standard data points.

In summary, the draft makes the VSME more functional within the new European framework: on the one hand as a voluntary standard for companies not subject to the CSRD, and on the other as a benchmark to avoid excessive reporting requirements along the value chain.

## The adoption process

The draft published on 6 May 2026 does not yet constitute the final text of the standard. It is a document open for consultation.

**The public consultation is scheduled to close on 3 June 2026. After that date, the Commission will have to assess the comments received and may proceed with the formal adoption of the delegated regulation.**

Once adopted by the Commission, the text will be forwarded to the European Parliament and the Council, which may exercise the scrutiny powers provided for delegated acts. The scrutiny period is normally two months, with the possibility of an extension for a further two months.

In practical terms, barring extensions, significant amendments to the text or any objections from the European institutions, **the process could reasonably be concluded between late summer and autumn 2026.**

It is therefore advisable to regard the draft as an advanced but not yet definitive reference. The direction of the regulatory framework appears, however, sufficiently clear to allow businesses to begin certain preparatory activities.

## A useful basis for an initial assessment

**For those intending to embark on a voluntary sustainability reporting process, the draft framework already provides a solid working basis.**

Although the text may undergo changes before final adoption, the general approach appears consistent with the VSME already developed by EFRAG and recommended by the Commission. For this reason, the draft can be used to initiate an initial preliminary assessment, aimed at understanding:

- what ESG information is already available within the company;
- what data needs to be collected or structured;
- which business functions are involved in data collection;
- which disclosures are most relevant to the business carried out;
- what information requests may come from customers, banks, investors or the parent company;
- whether or not the company falls within the scope of companies protected by the value chain chapter.

This issue **also concerns companies that have already prepared, or are preparing, a voluntary report for the 2025 financial year in accordance with other standards, such as the GRI Standards.** For these organisations, the publication of the 2026 draft may provide a useful opportunity to begin considering the approach to reporting for the 2026 financial year.

In particular, once the 2025 voluntary sustainability report has been finalised and published, it may be advisable to assess how to proceed with a gradual transition to the new European voluntary standard. This assessment should take into account the size of the company, the information requests received from clients, banks or groups, the maturity of data collection systems, and the communication objectives of the sustainability report.

In both cases, at this stage, the aim is to gauge the company's level of preparedness for the future voluntary standard and to set out the methodological choices for the 2026 reporting in good time. Once the adoption process has been completed and the final text published, the assessment can be updated and finalised, potentially resulting in a structured voluntary reporting framework or a review of the approach already adopted.

## Our thoughts

In our view, the draft published by the Commission confirms a point that has already emerged in recent months: sustainability is evolving from mere regulatory compliance to a market-relevant information system.

The reduction in the scope of CSRD obligations does not, in fact, eliminate the need for ESG information. **Non-mandated companies are likely to continue receiving requests from customers, banks, investors, international groups and business partners. The difference is that, with the new voluntary standard and the value chain cap, such requests should be more standardised, proportionate and consistent with the size of the company.**

This approach is also confirmed by recent market analyses. According to ESG News, based on the ASviS Spring 2026 Report, manufacturing companies with a high ESG profile are growing by over 16% more than those less committed to these issues. The same article also highlights that, between 2017 and 2024, the revenues of High-ESG companies increased by 65%, compared to 55% for Low-ESG companies; employee numbers and intangible investments are also more dynamic in companies with a higher ESG profile.

This evidence reinforces the idea that sustainability is not merely a regulatory issue, but also a factor in competitiveness, growth and strategic positioning. From this perspective, voluntary reporting can serve a practical purpose: organising corporate information, measuring the company's level of maturity and supporting dialogue with banks, investors, customers and business partners. For companies that have not yet embarked on a voluntary reporting process, the 2026 draft therefore represents an important reference point.

The issue is therefore not merely whether reporting is mandatory, but whether the company is able to provide reliable, consistent and usable ESG information when the market demands it.

The Firm remains at your disposal for any further clarification.

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