



Brussels, XXX
[...] (2026) XXX draft

COMMISSION DELEGATED REGULATION (EU) .../...

of XXX

**supplementing Directive 2013/34/EU of the European Parliament and of the Council by
establishing sustainability reporting standards for voluntary use by undertakings
protected by the value chain cap**

(Text with EEA relevance)

This draft has not been adopted or endorsed by the European Commission. Any views expressed are the preliminary views of the Commission services and may not in any circumstances be regarded as stating an official position of the Commission.

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE DELEGATED ACT

Under the Accounting Directive (2013/34/EU)¹ as amended by the Corporate Sustainability Reporting Directive (CSRD - 2022/24642)² and by the Omnibus I Directive (2026/470)³, undertakings which on their balance sheet dates exceed a net turnover of EUR 450 000 000 and an average number of 1000 employees during the financial year are required to report information about their sustainability-related impacts and information necessary to understand how sustainability matters affect the undertaking's development, performance and position. Reporting undertakings must provide such information not only concerning their own operations but also with regards to their value chain.

Article 29ca of the Accounting Directive as amended by the Omnibus I Directive empowers the Commission to adopt sustainability reporting standards for voluntary use for undertakings which do not have more than 1000 employees. These standards must be adopted by means of delegated acts.

The sustainability reporting standard for voluntary use ('voluntary standard') pursues two objectives. First, it aims to facilitate voluntary reporting of sustainability information by providing undertakings not subject to mandatory sustainability reporting requirements with a simple and standardised framework. By doing so, the voluntary standard facilitates such undertakings' access to sustainable financing and helps them to understand and monitor their own sustainability performance, thereby improving their resilience and competitiveness, as well as their reputation among consumers, stakeholders and regulatory authorities, and can ultimately lead to better management practices.

Secondly, the voluntary standard aims to tackle the so-called 'trickle-down effect' of value-chain reporting by limiting the information that may be required for the purposes of sustainability reporting from undertakings in the value chain which do not have more than 1000 employees ('protected undertakings'). Information requests received by value-chain undertakings, including small and medium-sized enterprises, are in fact sometimes disproportionate and submitted by means of differing, uncoordinated and overlapping questionnaires, which implies additional burden.

To achieve the aim of limiting the trickle-down effect, the Omnibus I Directive establishes that the voluntary standard will act as a 'value chain cap'. When seeking to obtain information about their value chain, undertakings subject to the mandatory sustainability reporting

¹ Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19, ELI: <http://data.europa.eu/eli/dir/2013/34/oj>).

² Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting (OJ L 322, 16.12.2022, p. 15, ELI: <http://data.europa.eu/eli/dir/2022/2464/oj>). This Directive strengthened and revised the non-financial disclosure requirements introduced in the Accounting Directive by Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups (Non-Financial Reporting Directive – NFRD).

³ Directive (EU) 2026/470 of the European Parliament and of the Council of 24 February 2026 amending Directives 2006/43/EC, 2013/34/EU, (EU) 2022/2464 and (EU) 2024/1760 as regards certain corporate sustainability reporting requirements and certain corporate sustainability due diligence requirements (Omnibus I Directive) (OJ L, 2026/470, 26.2.2026, ELI: <http://data.europa.eu/eli/dir/2026/470/oj>).

requirements of the Accounting Directive ('reporting undertakings') are prohibited from requiring from protected undertakings information exceeding the information to be disclosed pursuant to the voluntary standard. At the same time, protected undertakings have a statutory right to refuse to provide information exceeding those limits. Moreover, reporting undertakings which choose to request information exceeding those limits are required to ensure that protected undertakings are informed of which extra information is requested and of their statutory right to decline to provide it.

To ensure proportionality, the value chain cap does not prohibit the sharing, on a voluntary basis, of information that is commonly shared among undertakings in a given sector. It does not affect any contractual obligation or obligation stemming from Union or national law, to provide information that does not exceed the information specified in the voluntary standard. Additionally, the value chain cap only applies to the gathering of information for the purpose of reporting sustainability information under the Accounting Directive.

According to Article 29ca of the Accounting Directive, the voluntary standards must meet the following requirements with regards to their content: (i) they must be based on Commission Recommendation (EU) 2025/1710 on a voluntary sustainability reporting standard for small and medium-sized undertakings (VSME Recommendation) in its original version⁴; (ii) they must be proportionate to, and relevant for, the capacities and the characteristics of the undertakings for which they are designed and to the scale and complexity of their activities; (iii) they must specify the structure to be used to present such sustainability information.

In line with those requirements, changes made to the VSME standard to develop the voluntary standard have been kept to a minimum and were primarily made to ensure alignment with the revised set of ESRS.⁵ This approach ensures legal certainty and continuity for undertakings that were already applying the VSME standard under the VSME Recommendation, which served as an intermediary solution to meet market demand pending the adoption of the voluntary standard.

Furthermore, this approach reflects the evolved understanding of the concept of proportionality in sustainability reporting as established under the Omnibus I Directive in light of the latest geopolitical developments and the renewed emphasis on the competitiveness of Union undertakings. Based on this new proportionality equation, the Omnibus I Directive removed certain undertakings from the scope of mandatory sustainability reporting and, in parallel, the Commission is adopting a delegated act to simplify the ESRS and so significantly reduce the reporting requirements on the undertakings that remain in scope.

In the context of this recalibration of reporting obligations, a voluntary standard that remains closely aligned with the VSME, which was originally conceived for SMEs, is considered proportionate for undertakings with up to 1000 employees. Any significant addition to the VSME would increase the reference level for the value chain cap, lowering the protection for undertakings in value chains.

This Delegated Regulation supplements Article 29ca(1) of the Accounting Directive (2013/34/EU) as amended by the Omnibus I Directive ((EU) 2026/470) as regards sustainability reporting standards for voluntary use by undertakings protected by the value chain cap ('Voluntary Standard').

⁴ Commission Recommendation (EU) 2025/1210 of 30 July 2025 on a voluntary sustainability reporting standard for small and medium sized undertakings (OJ L, 2025/1710, 5.8.2025, ELI: <http://data.europa.eu/eli/reco/2025/1710/oj>).

⁵ Commission Delegated Regulation (EU) XX/XXX of XXX amending Delegated Regulation (EU) 2023/2772 as regards the simplification of certain sustainability reporting standards (OJ XX, ELI:XXX).

2. CONSULTATIONS PRIOR TO THE ADOPTION OF THE ACT

The Omnibus I Directive provides that the sustainability reporting standards for voluntary use must be based on Commission Recommendation (EU) 2025/1710 on a voluntary sustainability reporting standard for small and medium-sized undertakings (VSME Recommendation), with which the Commission endorsed the VSME standard developed by EFRAG and submitted to the Commission in December 2024.

EFRAG's VSME standard was developed following a rigorous due process which included a four-month public consultation and field-testing running from January 2024 to May 2024. The consultation enquired about the architecture of the standard, the relevance of the proposed disclosures, the simplifications achieved and the market acceptance, as well as assessing the costs and challenges associated with the disclosures, the understandability and usefulness of the guidance provided and the expected benefits.

During EFRAG's consultation, stakeholders expressed support for the VSME standard as a simplified reporting tool and a valid replacement for the questionnaires used by banks and large undertakings to request information from SMEs in their value chains. The feedback therefore confirmed that the standard achieves its core objective of reducing reporting burdens by replacing fragmented and overlapping information requests with a single, coherent framework that streamlines and standardises data collection.

Following the empowerment for the adoption of sustainability reporting standards for voluntary use under the Omnibus I Directive and as required under the Accounting Directive⁶, the VSME standard was subject to further consultations run by the Commission services. The Accounting Regulatory Committee⁷ and the Member State Expert Group on Sustainable Finance⁸ were jointly consulted on the adaptations necessary for the content of the VSME standard to serve as voluntary standard as required by co-legislators under the Omnibus I Directive.

These consultations confirmed that the VSME standard broadly meets the simplification objectives and proportionality considerations of the Omnibus I Directive and represents a suitable basis for the development of the voluntary standard. A number of concerns were nevertheless expressed regarding the feasibility of the standard for micro-undertakings and whether it would adequately protect such undertakings from disproportionate information demands. In order to account for the outcomes of the consultations, the Commission has modified the VSME standard by:

- Aligning the content with the revised set of ESRS, therefore reducing the number of datapoints compared to the VSME;
- Clarifying certain provisions on the application of the value chain cap and indicating which datapoints are included under the cap;
- Specifying that certain disclosures, in particular more challenging environmental disclosures, are voluntary in the case of undertakings with 10 employees or less that apply the standard. The disclosures concerned are therefore above the value chain cap for such undertakings.

⁶ Article 49(3a) of the Accounting Directive.

⁷ Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (OJ L 243, 11.9.2002, p 1, ELI: <http://data.europa.eu/eli/reg/2002/1606/oj>).

⁸ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13, ELI: <http://data.europa.eu/eli/reg/2020/852/oj>).

The modifications made to the VSME result in the voluntary standard adopted under this Regulation.

The Commission has also assessed the consistency of this Regulation with the climate-neutrality objectives set out in Article 2(1) of the European Climate Law (Regulation (EU) 2021/1119)⁹, and with the objective of ensuring progress on adaptation as referred to in Article 5 of that Regulation.

3. LEGAL ELEMENTS OF THE DELEGATED ACT

This delegated act is based on Article 29ca of Directive 2013/34/EU (Accounting Directive) as amended by Directive (EU) 2026/470 (Omnibus I Directive). It specifies the sustainability reporting standards for undertakings that are outside of the scope of mandatory sustainability reporting in accordance with Articles 19a and 29a of the Accounting Directive and that may use these standards on a voluntary basis. Moreover, it establishes the reference level for the so-called value chain cap pursuant to Articles 19a(3) and 29a(3) of Directive 2013/34/EU.

This delegated act is accompanied by the following Annexes:

- Annex I, which is the voluntary standard and includes:
 - **Basic Module:**
 - General information
 - B1 – Basis for preparation
 - B2 – Practices, policies and future initiatives for transitioning towards a more sustainable economy
 - Basic Module – Environment metrics
 - B3 – Energy and greenhouse gas emissions
 - B4 – Pollution of air, water and soil
 - B5 – Biodiversity
 - B6 – Water
 - B7 – Resource use, circular economy and waste management
 - Basic Module – Social metrics
 - B8 – Workforce – General characteristics
 - B9 – Workforce – Health and safety
 - B10 – Workforce – Remuneration, collective bargaining and training
 - Basic Module – Governance metrics
 - B11 – Convictions and fines for corruption and bribery
 - **Comprehensive Module:**
 - General information
 - C1 – Strategy: Business Model and Sustainability – Related Initiatives

⁹ Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 (OJ L 243, 9.7.2021, p. 1, ELI: <http://data.europa.eu/eli/reg/2021/1119/oj>).

C2 – Description of practices, policies and future initiatives for transitioning towards a more sustainable economy

Comprehensive Module - Environmental Metrics

Consideration when reporting on GHG emissions under B3 (Basic Module)

C3 – GHG reduction targets and climate transition

C4 – Climate risks

Comprehensive Module – Social Metrics

C5 – Additional (general) workforce characteristics

C6 – Additional own workforce information - Human rights policies and processes

C7 – Human rights incidents

Comprehensive Module – Governance Metrics

C8 – Revenues from certain activities

C9 – Gender diversity ratio in the governance body.

- Appendix A: Defined terms.
- Appendix B: List of possible sustainability issues.
- Appendix C: Background information for financial market participants that are users of the information produced using this Standard (reconciliation with other EU regulations).

– Annex II, which presents the list of disclosures covered by the value chain cap.

This delegated act applies from financial year 2027 for the value chain reporting of undertakings that are subject to mandatory sustainability reporting, irrespective of their option to carry out sustainability reporting in accordance with the revised ESRS already for financial year 2026 on a voluntary basis. It also applies from the date of entry into force to undertakings that, on their balance sheet dates, do not exceed an average number of 1000 employees during the preceding financial year and that wish to report on sustainability on a voluntary basis.

COMMISSION DELEGATED REGULATION (EU) .../...

of **XXX**

supplementing Directive 2013/34/EU of the European Parliament and of the Council by establishing sustainability reporting standards for voluntary use by undertakings protected by the value chain cap

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EE¹, and in particular Article 29ca(1), thereof,

Whereas:

- (1) Directive (EU) 2026/470 of the European Parliament and of the Council² amended Directive 2013/34/EU by – *inter alia* – reducing the number of undertakings required to report sustainability information under Articles 19a and 29a of that Directive and simplifying the sustainability reporting requirements.
- (2) To facilitate the voluntary reporting of sustainability information by undertakings that are not subject to mandatory sustainability requirements under Directive 2013/34/EU, Directive (EU) 2026/470 requires the Commission to adopt a sustainability reporting standard for voluntary use. That standard should also act as a ‘value chain cap’, prohibiting entities reporting sustainability information under Articles 19a and 29a of Directive 2013/34/EU to require, from undertakings in their value chain that do not exceed the average number of 1000 employees during the preceding financial year, information exceeding the limits provided by the standard.
- (3) The standard for voluntary use adopted in this Regulation is based on the standard adopted under Commission Recommendation (EU) 2025/1710³ and maintains its modular structure consisting of a basic module and a comprehensive module. In order to ensure the proportionality and usability of the value chain cap, the standard should

¹ Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19, ELI: <http://data.europa.eu/eli/dir/2013/34/oj>).

² Directive (EU) 2026/470 of the European Parliament and of the Council of 24 February 2026 amending Directives 2006/43/EC, 2013/34/EU, (EU) 2022/2464 and (EU) 2024/1760 as regards certain corporate sustainability reporting requirements and certain corporate sustainability due diligence requirements (Omnibus I Directive) (OJ L, 2026/470, 26.2.2026, ELI: <http://data.europa.eu/eli/dir/2026/470/oj>).

³ Commission Recommendation (EU) 2025/1710 of 30 July 2025 on a voluntary sustainability reporting standard for small and medium-sized undertakings (OJ L, 2025/1710, 5.8.2025, ELI: <http://data.europa.eu/eli/reco/2025/1710/oj>).

specify different categories of disclosures: (i) disclosures that are necessary for undertakings applying the standard ('necessary' disclosures); (ii) disclosures only necessary if specific circumstances apply (disclosures marked as 'necessary if applicable'); (iii) voluntary disclosures that the undertaking may report ('voluntary' disclosures); (iv) additional disclosures that it is appropriate to report because those disclosures address sustainability issues that are common in the sector in which the undertaking operates (disclosures marked as 'consideration when reporting sector information'). In order to ensure proportionality for undertakings with 10 employees or less, some disclosures are voluntary for such undertakings while they are marked as 'necessary' or 'necessary if applicable' for other undertakings reporting against the voluntary standard (disclosures marked as 'voluntary for undertakings with 10 employees or less').

- (4) It is necessary to set out how the value chain cap should work considering the modular nature of the voluntary standard and the different categories of disclosures that the standard contains. It is also necessary to ensure an appropriate balance between protecting undertakings in the value chain from excessive information demands and ensuring that the application of the value chain cap does not imply unnecessary additional burden for undertakings subject to the mandatory sustainability reporting requirements. Therefore, only disclosures marked as 'necessary' should be covered by the value chain cap and the other categories of disclosures in the voluntary standard should thus be considered to be above the value chain cap, as outlined in the list of disclosures covered by the value chain cap under this Regulation. It is important that reporting undertakings only request information from undertakings in their value chain insofar as necessary, and that they request less information than specified in the standard for voluntary use if they do not need all the information in that standard. The value chain cap should only apply to information gathering carried out for the purpose of reporting sustainability information under national law transposing Directive 2013/34/EU and should therefore not affect requests for information needed to comply with obligations stemming from other Union or national law, under the conditions set out therein.
- (5) To provide undertakings subject to the mandatory sustainability reporting requirements of Directive 2013/34/EU with appropriate time to prepare for the application of the new requirements, this voluntary sustainability reporting standard should apply with respect to financial years beginning on or after 1 January 2027. To minimise compliance costs, undertakings applying this standard are not obliged to seek assurance for the information that they report.
- (6) To enable undertakings not subject to the mandatory sustainability reporting requirements of Directive 2013/34/EU to benefit from this voluntary sustainability reporting standard as soon as possible, this Regulation should enter into force on the third day following that of its publication in the *Official Journal of the European Union*.
- (7) In accordance with Article 49(3a) of Directive 2013/34/EU, prior to the adoption of this Regulation the Commission consulted experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making⁴,

⁴ Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on Better Law-Making (OJ L 123, 12.5.2016, p. 1, ELI: http://data.europa.eu/eli/agree_interinst/2016/512/oj).

HAS ADOPTED THIS REGULATION:

Article 1

Definitions

For the purposes of this Regulation, the following definition shall apply:

- (1) 'value chain cap' means the upper limit of sustainability information which undertakings subject to Articles 19a and 29a of Directive 2013/34/EU may require from undertakings in their value chain which do not exceed, on their balance sheet date, an average number of 1 000 employees during the preceding financial year.

Article 2

Voluntary reporting

1. Undertakings not subject to mandatory reporting requirements under Articles 19a and 29a of Directive 2013/34/EU may disclose sustainability information on a voluntary basis in accordance with the sustainability reporting standard for voluntary use set out in Annex I ('voluntary standard').
2. Undertakings reporting sustainability information on a voluntary basis in accordance with the voluntary standard may also use the practical guidance provided by EFRAG.

Article 3

Value chain cap

1. The voluntary standard shall establish the value chain cap for undertakings not subject to mandatory reporting requirements under Articles 19a and 29a of Directive 2013/34/EU.
2. The value chain cap shall comprise the disclosures set out in both the basic module and the comprehensive module of the voluntary standard that are marked as 'necessary', as specified in the list of disclosures covered by the value chain cap in Annex II.
3. The value chain cap shall not include:
 - (a) disclosures marked as 'voluntary' or as 'consideration when reporting sector information' in the voluntary standard, which do not form part of the required disclosures of both the basic module and the comprehensive module of the voluntary standard, but which undertakings may disclose in addition to the required disclosures;
 - (b) disclosures marked as 'necessary if applicable' in the voluntary standard, which are only necessary if the circumstances specified in the voluntary standard apply;
 - (c) for undertakings which on their balance sheet date do not exceed an average number of 10 employees during the preceding financial year, disclosures marked as 'voluntary for undertakings with 10 employees or less'.

Article 4

Entry into force and application

This Regulation shall enter into force on the third day following that of its publication in the *Official Journal of the European Union*.

Article 3 shall apply from the financial years beginning on or after 1 January 2027.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Commission
The President
Ursula VON DER LEYEN

DRAFT