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An analysis and assessment of sustainability reporting in Spanish SMEs:

Evaluation and proposals for improvement within the framework of the Voluntary Sustainability Reporting Standard for SMEs (VSME)

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AN ANALYSIS AND ASSESSMENT OF SUSTAINABILITY REPORTING IN SPANISH SMES: EVALUATION AND PROPOSALS FOR IMPROVEMENT WITHIN THE FRAMEWORK OF THE VOLUNTARY SUSTAINABILITY REPORTING STANDARDFOR SMES (VSME)

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Summary

This report aims to analyse the level of **readiness** of Spanish SMEs for the voluntary adoption of the European Sustainability Reporting Standard for Non-Listed SMEs (VSME). To this end, an analysis matrix that includes all parameters and datapoints required to prepare the Sustainability Report has been developed, in accordance with both the Basic Module and the Comprehensive Module proposed by this standard, which in itself constitutes a tool for the self-assessment or diagnosis of the initial situation in these undertakings. We obtained a sample of 94 Spanish SMEs that are proactive in sustainability reporting, from different sectors and sizes, and reviewed the contents and form of their disclosures as required by the VSME standard. It should be noted that when analysing alignment with this standard, both the reporting or non-reporting of each metric or datapoint, as well as the details given regarding said metrics or datapoints (partially or fully aligned with the VSME standard) have been identified, all of this also considering the mandatory, optional or conditional nature (if applicable) established in the standard for each datapoint.

The results reveal the degree of alignment of each of the metrics that make up the Basic and Comprehensive Module, as well as the degree of implementation of two supplementary issues, the performance of a double materiality analysis and the assurance of the sustainability reporting disclosed by the SMEs analysed. It has become apparent that the SMEs analysed have reached a remarkable level of maturity in the reporting of their strategic frameworks and governance policies, with a high degree of alignment in qualitative and descriptive aspects. However, this strength contrasts sharply with a structural weakness in the disclosure of quantitative, forward-looking and sensitive performance metrics. In order to provide a more comprehensive perspective on the readiness of SMEs in view of the VSME standard, these results have been discussed in a focus group where sustainability experts provided valuable insights, helping us to understand the trends identified in the analysis of the sample and participating in the drafting of several recommendations that are more in line with the reality of the Spanish business environment and the nature of the VSME standard.

The findings of this report are of relevance to regulatory and accounting bodies. In this regard, the role to be played by the Spanish Accounting and Auditing Institute (ICAC in Spanish) as a driving force for the adoption of the VSME standard is essential, since the promotion of these simplified standards is key to both enabling SMEs to meet the reporting demands of their stakeholders and to make it possible for them to actively participate in the transition towards a sustainable economy.

1 Introduction

This first section examines the role of small and medium-sized enterprises (SMEs) as key players in the transition towards sustainable development, given their relevance in the global economy. Specifically, it reviews the starting point of these companies on the road to sustainability, as well as the most commonly used formats for reporting their environmental, social and governance (ESG) performance. The section concludes with a descriptive overview of the regulatory process of sustainability reporting (also known as ESG reporting)[1] in this type of company, in order to situate the proposed research objectives within the framework of the European Sustainability Reporting Standards (ESRS).

For nearly 30 years, initiatives have been published, both mandatory (***hard law)*** and voluntary but influential (***soft law***), aimed at bringing sustainability reporting in line with financial reporting, termed "sustainability accounting" (EY, 2025). In this process, SMEs have mainly been subject to soft law standards. The most representative example is the ESRS for non-listed SMEs, known as the ***Voluntary Sustainability Reporting Standard for Non-Listed SMEs*** (VSME), drawn up by the ***European Financial Advisory Group*** (EFRAG) (EFRAG, 2024a), a "voluntary" initiative conceived under the philosophy of minimising the regulatory burden faced by SMEs. This standard emerges as a support tool for these companies, allowing them to report sustainability information in a proportionate and efficient way to respond to market demands, without compromising the limitations derived from their size. Thus, it should be understood that the main objective of the VSME standard is to make it easier for SMEs to manage their sustainability issues and to respond to the increasing demands for information from their business partners, such as large companies, banks and investors in this regard, with reporting being the means and not the end in itself.

1.1 The importance of SMEs in the business environment

SMEs, defined as companies with fewer than 250 employees and an annual turnover of less than EUR 50 million (Delegated Directive (EU) 2023/2775), are an essential pillar of the business environment in both Europe and Spain. Their relevance is manifested in multiple dimensions: economic, social, labour and territorial. According to data from the European Commission (2023), SMEs account for 99% of all undertakings in the European Union (EU), generate about 65% of total private sector employment and contribute more than 50% of the gross added value of the European economy. This predominance is also reflected in the case of Spain, where 99.8% of all undertakings are SMEs, of which 94% are micro-enterprises with less than 10 employees, according to the Spanish Ministry of Industry, Trade and Tourism (2024). Additionally, SMEs account for more than 62% of the total employment generated in the Spanish economy, equivalent to more than 11 million jobs, compared to the 37.7% of employment generated by large companies (Spanish Ministry of Industry, Trade and Tourism, 2024), which makes them key drivers of employment and economic development, according to the National Statistics Institute (INE) (INE, 2023). Moreover, their widespread presence throughout

1 According to EFRAG (2022), "sustainability" not only covers environmental, social and governance (ESG) issues, but also integrates the business strategy and model, policies, actions, metrics and targets, due diligence, reporting on the entire value chain (upstream and downstream) and different time horizons, requiring reports on material impacts even if they have no financial effect. Thus, while "ESG" is a useful label, it is narrower than "sustainability" in that it is tailored to the reporting needs of investors as stakeholders. However, for the sake of simplicity and ease of reading, both terms will be used synonymously in this report.

the country helps to establish populations in rural and peripheral areas, favouring social and territorial cohesion and helping to combat depopulation.

In the area of innovation, while large companies are often leaders in research and development (R&D) investment, many SMEs stand out for their agility and flexibility, allowing them to adapt quickly to market changes and develop innovative solutions in emerging sectors such as digital technologies, the green economy or the circular economy. In this sense, the EU promotes programmes such as *Horizon Europe* and COSME[2] to drive innovation, market access and the internationalisation of European SMEs (European Commission, 2024).

The sectoral diversity of SMEs is also an important factor. Their presence in sectors such as commerce, hospitality, construction, professional services and manufacturing guarantees a plural and competitive business ecosystem. This diversity prevents the concentration of economic power in a few large companies and promotes the resilience of the economic system as a whole. Moreover, in recent years, the number of SMEs exporting products and services has increased, which has contributed to improving the Spanish and European trade balance, boosting their competitiveness in international markets (COMEX, 2025). Recently, the Cotec Foundation has highlighted this dynamic nature by presenting its "Map of economic complexity in Spain" (Cotec, 2025), which analyses the evolution of foreign trade in products and identifies strategic export capacities at provincial, regional and national levels in these companies.

All that has been described so far explains the fact that SMEs are part of major strategies at the European level, such as the European Green Deal. Indeed, the Commission recognises that "without the active participation of SMEs, the transition to a climate-neutral economy will be unfeasible" (European Commission, 2024, p. 2), in line with the most recent reports of the Organisation for Economic Co-operation and Development (OECD, 2025a). However, despite their importance, SMEs face a number of challenges, such as difficulties in accessing finance, high bureaucracy, low digitisation in certain sectors and difficulty in attracting and retaining qualified talent (Jiménez-Martínez, 2024). These challenges have been addressed both by the OECD and in studies by Banco de España (OECD, 2025b; Banco de España, 2023).

1.2 A brief introduction to starting conditions in SMEs in terms of sustainability

Increasing pressure on SMEs to adopt sustainable practices (Caputo et al., 2024) is driving the incorporation of ESG information in their reporting (Albu et al., 2025; Cicchini et al., 2024; Rodríguez-Gutiérrez et al., 2021). While some of them are already incorporating integrated thinking processes into their accounting (Rossi and Luque-Vílchez, 2021), in general, most are at an early stage of the implementation process (Galli et al., 2024). This initial phase is consistent with the fact that, although there is a general consensus that sustainability contributes to improved business performance, social welfare and collective prosperity, the recent economic climate is not conducive to the active promotion of such practices (Jiménez-Martínez, 2024). On the other hand, as the literature on this topic points out, compared to large companies, SMEs have significant resource constraints and a still limited understanding of the business implications in terms of sustainability management (Marco-Fondevila et al., 2018; OECD, 2025a).

We are, therefore, at a key moment for the advancement of sustainability reporting in SMEs. This scenario is marked by the implementation of the Corporate Sustainability Disclosure Directive 2022/2464 (CSRD) at the European level and the standards drawn up by EFRAG and subsequently adopted by the European Commission, the European Sustainability Reporting Standards (ESRS). This "regulatory tsunami" (García-Torea et al., 2024) affects both large companies (directly, as they

2 COSME *(Competitiveness of Enterprises and SMEs)* is an EU initiative aimed at boosting the competitiveness of SMEs. Fundamentally, it focuses on optimising their access to finance and fostering their entrepreneurial spirit. As of 2021, this European programme has been integrated in https://eur-lex.europa.eu/ES/legal-content/summary/single-market-programme.html

are required by current regulations to report on sustainability in accordance with the ESRS) and smaller companies (indirectly, due to their involvement in the different links of the value chains of large companies). In regulatory jargon, this is known as the "trickle-down effect" of the CSRD.

The small size of SMEs makes it difficult to implement complex reporting initiatives, such as the implementation of the VSME standard. Thus, references to the concept of "administrative overload" frequently appear in the literature on these companies, as has been the case with other initiatives to address sustainability issues in this group to date. These increased reporting requirements must be implemented without losing sight of the limited resources, technical knowledge and reporting tools of smaller firms, as noted in the empirical research and by multilateral organisations themselves (OECD, 2025a). Aiming to strike a reasonable balance between "reporting but not overburdening", in December 2024, EFRAG delivered to the European Commission the *Voluntary Sustainability Reporting Standard for Non-Listed SMEs* (VSME) (EFRAG, 2024a), which proposes a two-pronged approach based on a "basic" and an "advanced" version (*Basic Module* and *Comprehensive Module* respectively). This scheme includes concrete indications on how to approach its implementation for sustainability reporting by SMEs. The next step is for the Commission to adopt, by delegated act, the voluntary standard based on the VSME. This is still pending because the adoption of the standard depends on the conclusion of negotiations between co-legislators on the "Omnibus I" simplification proposal (European Commission, 2025a)[3]. Meanwhile, on 30 July 2025, the European Commission published Recommendation (EU) 2025/1710 (European Commission, 2025b), a non-binding policy framework that encourages the use of such a reporting standard, limits the information to be requested by third parties from SMEs, and provides guidance on implementation and digitisation. Together, the VSME standard (technical standard) and Recommendation 2025/1710 (policy framework) are today the operational benchmark for SMEs to disclose sustainability information.

This momentum does not stem solely from the institutional level. Financing organisations, both public (such as the European Investment Bank -EIB- or the Official Credit Institute -ICO- in Spain) and private (banks and investment funds, among others), are increasingly focused on incorporating sustainability criteria into financing decisions, which affects both large corporations and SMEs (Jiménez-Martínez, 2024).

1.3 Sustainability reporting in SMEs: recent developments and state of the art

Within the current economic scenario, sustainability has established itself as a fundamental pillar for competitiveness and business success for SMEs as well. The need for sustainable development not only responds to its obvious social and environmental implications, but also to its positive impact on the bottom line, a perception shared by large companies and SMEs alike (Global Compact, 2024; OECD, 2025a).

The integration of sustainability in Spanish SMEs has been the subject of several analyses in recent years. A recent study by the Spanish Centre for Sustainable and Responsible Finance (FINRESP, 2024) indicates that 75% of SMEs consider ESG management a priority and that sustainability reporting will be a requirement of their stakeholders. A recent self-assessment by the Spanish Chamber of Commerce (2024) on SMEs reveals that these companies are making progress in integrating ESG aspects, which places them on a path of maturity in this area. This latest report classifies corporate commitment to sustainability according to four levels, ranging from non-application and basic compliance with standards (Levels 1 and 2, respectively), through active management with plans for improvement (Level 3), to a strategic approach where ESG issues are integrated as a key pillar of the business (Level 4 or maturity). In parallel, the latest report by the UN Global Compact (2024) con-

3 On 26 February 2025, the European Commission presented the first "Omnibus" package as a legislative initiative to simplify the European regulatory framework for corporate sustainability. The package proposes adjustments to the CSRD in order to reduce administrative burdens for businesses, especially SMEs.

cludes that 87.8% of SMEs are already taking action on the SDGs and that sustainable development, *per se,* is a competitive advantage for a large majority (81% of cases) of them.

Within this context, the growing demand for information on sustainable performance in each of its three components (E, S and G), as well as the need to comply with legal requirements and stakeholder expectations, make it essential for SMEs to improve or initiate their reporting on this issue (Jiménez-Martínez, 2024). An illustrative example of this need for improvement is the recent EFRAG observation: "in most cases SMEs have mixed disclosures across practices, policies (and future initiatives) as well as across environmental, social and governance topics" (EFRAG, 2025, p. 3).

The OECD (2025a) stresses, however, that SMEs face significant barriers to measuring and reporting their sustainable performance. These include lack of time (42%), complexity of the process (41%) and high associated costs (41%). This is compounded by regulatory fragmentation and the diversity of reporting frameworks and standards, which create administrative burdens and overlaps, especially due to the diversity of reporting requirements of financial institutions and supply chains. It also emphasises the need to accompany the deployment of this framework with reporting tools and technical training, as well as ensuring data interoperability and the use of clear and understandable language. This is intended to reduce the administrative burden and facilitate adoption, including by micro-enterprises, which face the greatest constraints.

In Spain, this perspective is backed up by evidence that shows that the situation is highly heterogeneous: SMEs are at different stages of maturity as regards sustainability and display considerable disparity in their reporting. At one end, some undertakings align themselves with the practices of large companies and produce sustainability reports or structured reports; at the other end, there are SMEs that are yet to publish any such document. In between, there are intermediate cases, with partial reports (policies, basic indicators, commitments) or occasional reporting. This diversity is primarily due to initial differences in resources, measurement capabilities and knowledge of the standards. As a matter of fact, according to the results of the 2024 Sustainable Development Consultation (UN Global Compact, 2024), 34% of Spanish SMEs have a sustainability report, exceeding the 27% of these companies in the previous edition, that of 2022. This evidence is in line with the findings of the Spanish Chamber of Commerce report (2024, p. 20), where the bulk of participating SMEs rate their reporting as "occasional or minimal", with slight variations depending on size.

In any case, sustainability reporting in Spanish SMEs is advancing gradually and steadily over time (Milanés-Montero et al., 2025). In this regard, Ortiz-Martínez and Marín-Hernández (2024) conclude that sustainability reports of European SMEs are scarce and that most of them are neither integrated nor externally verified, and that they are prepared under the Global Reporting Initiative (GRI) standard at the *essential* or *core* level. Their voluntary nature accounts for the highly diverse landscape of evidence found, as the comparison between potential benefits and associated costs will be key, among other reasons, when addressing this type of disclosure. For this reason, it is unsurprising that the review of the drivers and barriers occupies an important part of the academic literature, which we shall discuss below.

Along with the information demands of society and the market in general, another aspect that has been linked to an increased interest in disclosure in these companies is the resulting reputational improvement (see Castilla et al., 2025). Furthermore, according to the report produced by Corporate Excellence (2025), *Approaching the Future*, corporate reporting is the intangible asset that organisations focus on most (61.7%), reflecting its growing strategic importance in building trust and reputation management, with this area being a priority for the top management of both large companies and SMEs. Other drivers of sustainability reporting include attracting talent, access to finance on more favourable terms, and supply chain pressures (FINRESP, 2024; Galli et al., 2024; Global Compact, 2024).

In terms of the latter driver, we should point out the important influence of large companies on SMEs, through the so-called "trickle-down effect", whereby the former require the latter to adopt an ESG reporting strategy that meets all reporting requirements they demand of them. In this regard, Yadav et al. (2018) analyse a sample of SMEs from Brazil, China, India, Indonesia and South Africa, revealing that the main driver for sustainability reporting is market demand, driven by global value chain requirements, new export opportunities, or public procurement. This dynamic presents a marked contrast with the situation observed in many European countries, and especially in Spain (Fernández-Pérez and Luque-Vílchez, 2024a), where a notable disconnect persists between sustainability reporting and public procurement (Fernández-Pérez and Luque-Vílchez, 2024b). This lack of alignment is especially worrying, considering the potential of public procurement as a lever for business transformation, especially for SMEs.

At the Spanish level, Guerrero-Baena et al. (2024a) highlight a combination of external and internal drivers of ESG reporting in a sample of proactive SMEs. The results reveal the preponderance of management factors over sociological arguments, which is consistent with what is proposed by theories on stakeholders, legitimacy, and resources and capabilities, as theoretical frameworks widely used to support such disclosures. Specifically, these authors (Guerrero-Baena et al., 2024b) identify stakeholder engagement as the most important motivational factor in justifying SMEs' decision to engage in sustainability reporting. In contrast, the internal drivers related to the vision and values of the owners, compared to the previous work, occupy the last position in the ranking.

Regarding the barriers encountered by SMEs in reporting sustainability-related information, Setyaningsih et al. (2024) have conducted a systematic review of the literature, and found the following: financial (high costs), general attitudes (resistance to change), knowledge and technology, organisational (lack of resources and time), policy and regulatory (lack of clear standards) and socio-environmental barriers. Internationally, the most significant barriers are high implementation and certification costs (see e.g. O'Reilly et al., 2024a), often unaffordable for SMEs, and lack of access to finance (Yadav et al., 2018; Guidi et al., 2024). Another review by Lisi et al. (2024) on non-financial reporting over the last two decades identifies a lack of conceptual consensus on what must be included in sustainability reporting as regards SMEs, concluding that, although there is increasing literature for SMEs, there is still a lack of conceptual and methodological maturity.

The findings of the above reviews are in line with recent empirical studies such as that by Pizzi and Coronella (2024), which analysed listed Italian SMEs and their CSRD readiness. These authors conclude that most SMEs are not yet ready to fully comply with this Directive, indicating a critical gap between regulation and business reality that must be addressed with technical and institutional support. Among the main findings of this study are a great deal of heterogeneity in the level of preparedness: some already implement voluntary standards (GRI or those of the Sustainability Accounting Standards Board, SASB), while many others have not yet started the process. As key readiness factors, they point to prior experience in ESG reporting, membership of business groups, stakeholder pressure and access to external consultants. They also point out that the mandatory nature of the standards is creating tensions between regulatory compliance and actual operational capabilities, especially in companies without specific sustainability departments. With regard to such "tensions", it is key to bear in mind the recommendation of the report by the *Association of Chartered Certified Accountants* (ACCA, 2024), one of the world's most recognised professional organisations in the field of accounting and finance, which states that, although not yet bound by directives such as the CSRD, SMEs should adopt a proactive sustainability reporting strategy in order to remain competitive, especially in international supply chains.

The current overview described in this section on the situation of sustainability reporting in SMEs shows the need to promote and consolidate the VSME standard as an adapted and accessible tool to facilitate its effective incorporation into sustainability reporting. Previous studies have already been carried out in the case of listed SMEs (Miras, 2023), which may be considered as a close precursor to our research, which focuses on unlisted SMEs.

1.4 Research objectives

Based on the above, in this report we seek to gain knowledge of the level of readiness of Spanish SMEs with regard to the VSME standard. More specifically, we set out to respond to the following research objectives:

- **Research objective 1:** To analyse the formats used by Spanish SMEs to disclose sustainability information, distinguishing between the presentation of monographs on different sustainability dimensions, and the study of disclosures on specific certifications in this area. This review aims to understand the reporting strategies adopted and the accessibility of this information by its stakeholders.
- **Research objective 2**: To assess the degree of alignment of the sustainability information disclosed by a sample of Spanish SMEs with the requirements of the Basic Module[4] of the VSME standard. This analysis will identify the specific metrics and datapoints covered, breaking down the results by topic: the corporate framework for sustainability (B1-B2), environment (B3-B6), social (B8-B10) and business conduct (B11).
- **Research objective 3**: To determine the extent to which the information disclosed by the sample of Spanish SMEs is aligned with the requirements of the Comprehensive Module of the VSME standard. The metrics (C1-C9) and the different datapoints that include them will be analysed.
- **Research objective 4:** To review the existence of double materiality analysis as a fundamental pillar for advanced reporting, thus assessing the maturity of corporate sustainability strategy and management in the sampled SMEs. In addition, the level of assurance of the sustainability information published, a sign of credibility offered to interested third parties, will be identified through independent third-party reports that support the truthfulness of the disclosed content.

4 "Referred to as *Módulo Completo* or *Complete Module* in its official Spanish translation, formalised after the closure of this report".

2 The Voluntary Sustainability Reporting Standard for SMEs (VSME) as a framework of study

This report is framed within the current European regulatory context on sustainability reporting. In this context, the VSME standard is the benchmark instrument. Its analysis is therefore essential in order to assess the degree of alignment of the reporting practices of the SMEs analysed.

2.1 The VSME standard within the current regulatory framework

In early 2023, the EU adopted the aforementioned CSRD, whose central purpose is to promote transparency and the integration of sustainable practices within the business environment. Although SMEs are not included in the scope of application of this directive, as discussed in the previous section, in 2024, EFRAG drew up a voluntary reporting standard specifically tailored to SMEs: the VSME (EFRAG, 2024a). This standard specifies the information to be disclosed, provides common guidelines and definitions, and proposes two levels of application - the *Basic Module* and the *Comprehensive Module* - to adapt the effort required to the size and maturity of each SME in these matters. Building on the VSME standard, at the end of July 2025, the European Commission published Recommendation (EU) 2025/1710 (European Commission, 2025b), which elevates the VSME standard to the level of a non-binding policy reference, promoting its use by SMEs, limiting the information to be requested from them by third parties, and providing guidance for its implementation and digitalisation. Furthermore, it is expected that it shall be formally adopted by delegated act in the near future, which would consolidate the VSME as the official voluntary standard for SMEs.

The adoption by delegated act of the VSME recognises the growing importance of SMEs within the value chains of large corporations. Since the latter are obliged to comply with the CSRD, it is expected that they will request their SME suppliers for a variety of sustainability information, thus generating a cascading effect that indirectly extends the scope of the CSRD. Moreover, SMEs may be motivated to adopt VSME on a voluntary basis, not only to maintain their business relations with large corporations, but also to meet the expectations of their different stakeholders (from consumers and public administrations to society at large) and to position themselves strategically within a market that places increasing value on sustainability.

In any case, one of the key goals of the VSME standard is to simplify data collection by reducing the burden of the multiple questionnaires that SMEs currently have to complete when requested by their business partners. Moreover, the adoption of these standards is directly linked to the European framework for sustainable financing. Thus, the Taxonomy Regulation (Regulation (EU) 2020/852) defines the activities that may be considered environmentally sustainable and under which criteria. On that basis, the Sustainable Finance Disclosure Regulation (SFDR) and Pillar 3 ESG requirements make it mandatory for financial institutions to disclose and justify the sustainability of their portfolios (e.g. degree of alignment with the Taxonomy and indicators of adverse impacts). Thus, when companies report under ESRS (VSME in the case of SMEs), they provide the standardised data required by banks and investors to meet these obligations. Article 8 of the Taxonomy Regulation requires companies subject to the CSRD to report on the extent to which their economic activities are sustainable. Although SMEs are not formally subject to this obligation, those that opt to voluntarily align themselves with the Taxonomy could reap significant benefits, such as more favourable conditions when seeking financing, thanks to the growing interest of banks and investors in supporting "green" projects. This alignment could facilitate their access to sustainable lending and new investment opportunities.

This regulatory progress on sustainability is part of a broader competitiveness agenda, in response to the EU's slowdown compared to economies such as the US or China, as detailed in the Draghi report of September 2024. In response, the European Commission launched its new roadmap, the "Competitiveness Compass" in January 2025. This strategic plan, while maintaining decarbonisation and innovation as key pillars, introduced a crucial shift in focus: the drastic reduction of the regulatory burden to promote a more favourable business environment. In line with this new priority, an ambitious target has been set to reduce the administrative burden by at least 25% for companies that are subject to the CSRD and 35% for SMEs by 2029, in an unprecedented effort towards simplification in order to recalibrate the standards and boost economic growth.

Thus, on 26 February 2025, the draft of the European Commission's first Omnibus, the "Omnibus Package" (European Commission, 2025a), a set of rules aimed at simplifying the European regulatory landscape for corporate sustainability, was presented (European Commission, 2025a). It includes amendments to the CSRD, the Taxonomy Regulation and the Corporate Sustainability Due Diligence Directive (CSDDD), in order to alleviate the administrative burdens imposed by these standards on companies, especially SMEs. The "Omnibus Package" represents a major overhaul of the sustainability reporting framework, designed to simplify regulations and reduce the administrative burden on business without altering the objectives of the European Green Deal. Its most significant change is the drastic reduction of the scope of application of the CSRD, limiting the reporting obligation to large companies with over 1,000 employees, which exempts 80% of the companies previously affected (those with over 500 employees). For this large group of companies (companies with 500 to 1,000 employees), as well as for SMEs, the voluntary VSME standard and Recommendation 2025/1710 are positioned as a frame of reference, acting as a "shield" or "value-chain cap" that limits the information that their business partners may request from them. Additionally, the proposal delays the implementation of the CSRD for certain groups, eliminates the implementation of sectoral standards and keeps verification at a "limited" level for companies subject to this directive. Although these measures are pending approval by the Parliament and the Council, scheduled for the end of 2025, they mark a clear shift towards a more proportional and voluntary reporting system for the majority of European companies. In any case, this legislative measure reinforces the role of the VSME standard as the benchmark reporting instrument for the vast majority of European businesses.

2.2 Reporting modules within the VSME

To promote widespread adoption among SMEs, the VSME standard and its policy framework (Recommendation 2025/1710) are based on the principle of proportionality. This is manifested through a modular design and simplified language, allowing for a stepwise progression in reporting. Thus, the VSME standard is divided into a "Basic Module", which is the starting point with the minimum sustainability information; and a complementary "Comprehensive Module", designed for those SMEs that wish or need to disclose a more in-depth analysis of their ESG performance. More explicitly, the VSME standard envisages:

- *Basic Module*: includes minimum sustainability reporting requirements for SMEs, covering disclosures on general information (B1-B2) and environmental (B3-B7), social (B8-B10) and governance (B11) metrics.
- *Comprehensive Module*: provides additional disclosures (C1-C9) to more comprehensively address the reporting requirements of the company's business partners, such as corporate cus-

tomers, as well as investors and financial institutions, by supplementing the disclosures included in the Basic Module.

The content of the Basic Module is expected to constitute the Sustainability Statement of micro-enterprises and, in the case of small and, mainly, medium-sized enterprises, the Basic Module will be supplemented by the Comprehensive Module as a benchmark for sustainability reporting.

In any case, SMEs should choose which of the two available options to use, being aware that the preparation of this statement, using both modules, provides relevant and timely information on how the company's activity has affected or may affect (positively or negatively) the environment or people, in the short, medium or long term; and how environmental and social issues have affected or could affect the company, especially its financial situation, performance and cash flows, in the short, medium and long term.

2.2.1. Basic Module

This module sets out the basic level of sustainability information to be disclosed by SMEs, combining general company data with specific information related to ESG topics. In total, this module includes eleven requirements structured as follows (EFRAG, 2024a; European Commission, 2025b): an introductory section on the company (B1), cross-cutting aspects (B2), five environmental requirements (B3-B7), three social metrics (B8-B10) and one on business conduct (B11). Of these, nine (B3-B11) require quantitative data, which, in the context of the Sustainability Report, are referred to as *metrics*, *reporting points* or *datapoints*. Each disclosure requirement is briefly described below, although more in-depth information on each metric of every disclosure may be found in the sections devoted to the description of the results (see Section 4):

- *Disclosure B1. Basis for preparation.* Under this requirement, introductory information on the preparation of the Sustainability Report must be provided, indicating whether it is a consolidated or individual report, the list of subsidiaries covered by the report (if consolidated), the activities carried out by the company (legal form and NACE or Spanish CNAE code(s)), and information on the size of the company (number of employees, turnover, size of assets, etc.). Additionally, the geolocation of the company's different sites must be indicated.
- *Disclosure B2. Practices for transitioning towards a more sustainable economy.* It is intended to report on whether the SME has implemented (or not) practices, policies and/or future initiatives that contribute to the transition towards a more sustainable economy.
- *Environment metrics (B3-B7)* include information on the total energy consumed in the company, distinguishing between the use of renewable energy, fossil fuels and electricity, and greenhouse gas (GHG) emissions (Disclosure B3. Energy and GHG emissions); the impact of pollution (B4 disclosure. Pollution of air, water and soil); the impact on biodiversity (Disclosure B5. Biodiversity); water consumption (Disclosure B6. Water); and waste generation and management (Disclosure B7. Resource use, circular economy and waste management).
- *Social metrics (B8-B10)* are aimed at providing information on the workforce disaggregated by type of employment contract, gender and, for companies operating outside Spain, the country of the employment contract (Disclosure B8. Workforce: General characteristics); occupational health and safety management, i.e. events related to accidents at work and potential casualties (Disclosure B9. Workforce: Health and safety); employee remuneration policies, the extent of collective bargaining coverage and training initiatives, highlighting the company's commitment to fair labour practices and employee training (Disclosure B10. Workforce: Remuneration, collective bargaining and training).
- *Governance metrics* (Disclosure B11. Convictions and fines for corruption and bribery) includes information on the existence, if any, of convictions and fines imposed on the company for violation of anti-corruption and anti-bribery laws.

2.2.2 Comprehensive Module

This module develops and expands the content of the Basic Module, including nine additional disclosures (C1-C9) aimed at meeting the reporting expectations of external groups, such as corporate clients, investors or financial institutions. It is intended to supplement the Basic Module and to provide a more detailed overview of the sustainability performance of SMEs. It is expected that companies will prepare this module when they have to respond to more stringent stakeholder requirements, especially those related to ESG risk assessment or measuring their sustainability performance. It should be noted that, in order to apply this module, the SME must have previously completed the Basic Module, as both are integrated in a sequential and progressive manner (EFRAG, 2024a; European Commission, 2025b).

This module is structured around nine disclosure requirements, of which two address cross-cutting issues (C1 and C2), two focus on environmental metrics (C3 and C4), three on social metrics (C5 to C7) and two deal with corporate governance metrics (C8 and C9). These requirements are briefly described below:

- *Disclosure C1. Strategy: Business Model and Sustainability -Related Initiatives* (cross-cutting). This requirement includes reporting points related to key elements of the business model and strategy, including information on the products and/or services offered, or on the company's main business relationships.
- *Disclosure C2. Description of practices, policies and future initiatives for transitioning towards a more sustainable economy* (cross-cutting). If the SME has implemented any of these elements in its transition towards sustainability, it should describe them.
- *Disclosure C3. GHG reduction targets and climate transition* (environmental). Under this disclosure requirement, the company must report on its GHG emission reduction targets, if adopted. Additionally, SMEs operating in high climate impact sectors that have adopted or plan to adopt a climate transition plan can provide information on this plan.
- *Disclosure C4. Climate risks* (environmental). It requires the company to report on whether it has identified its climate-related hazards and, if so, to describe its level of exposure, the potential effects on its assets, activities and value chain, the time horizon of these impacts, and the adaptation actions implemented. On a voluntary basis, this analysis may be enriched by an assessment of financial and business impacts.
- *Disclosure C5. Additional (general) workforce characteristics* (social). SMEs with more than 50 employees should disclose the proportion of women and men in managerial positions, as well as the number of self-employed personnel working exclusively for the SME, and the corresponding number of temporary workers provided by specialised temporary employment agencies.
- *Disclosure C6. Additional own workforce information – Human rights policies and processes* (social). Under these requirements, the company should disclose whether or not it has a code of conduct or human rights policy for its own workforce and, if so, whether the following areas are covered: i) child labour; ii) forced labour; iii) human trafficking; iv) discrimination; v) accident prevention; or vi) other related issues.
- *Disclosure C7. Severe negative human rights incidents* (social). The SME must report if there have been (confirmed) incidents related to any of the above-mentioned areas in its own workforce. If so, the company may describe the actions it has taken to address such incidents. In addition, it must declare whether it is aware of any such incidents in its value chain, affected communities, consumers or end-users and, if so, specify them.
- *Disclosure C8. Revenues from certain sectors and exclusion from EU reference benchmarks aligned with the Paris Agreement* (governance). This disclosure focuses on the need to report on

revenues generated from sectors considered highly sensitive or significant from a sustainability perspective (such as tobacco production or pesticide manufacturing). The company shall also disclose whether it is excluded from the EU reference benchmarks aligned with the Paris Agreement.

- *Disclosure C9. Gender diversity ratio in the governance body* (governance). If the SME has a governance body (board of directors), it shall disclose the gender diversity ratio of its members.

Reporting points are differentiated in both the Basic Module and the Comprehensive Module, depending on whether they are mandatory, subject to applicability, optional or mandatory above a specific threshold. Therefore, firstly, certain datapoints are to be *compulsorily* reported by all SMEs that adopt the standard, regardless of their specific characteristics. A clear example is energy and GHG emissions (B3), or reporting on whether or not the SME has a code of conduct or human rights policy applicable to its own workforce (C6).

Secondly, the "*if applicable*" principle operates at certain datapoints. This implies that the company will have to report on a specific issue if the circumstances of its activity make it relevant. For example, information on the emission of pollutants (B4) is only required if the company is already legally obliged to report these emissions to the competent national authorities, or the description of climate risks (C4), which should only be described if the SME has previously identified them. In such cases, the omission of the disclosure will be taken as an indication of its non-applicability to the SME in question.

Thirdly, there are datapoints whose reporting is purely *optional*; this applies to information on the types of land use by the company, as set out in Disclosure requirement B5. The description of the transition plan for climate change mitigation is also highlighted as optional for those SMEs in high climate impact sectors that have adopted it.

Finally, certain reporting items must be disclosed provided the SME *exceeds a specific threshold*. This is the case for the reporting item on the pay gap (B10), whose disclosure is mandatory only for SMEs with a workforce of more than 150 employees, or the reporting item on the number of self-employed without personnel (C5), who work exclusively for the company, to be disclosed if the workforce exceeds 50 employees.

The nature of each reporting point, i.e. mandatory, "if applicable" or considered "if applicable", optional or mandatory above a certain threshold, will be further described in the individual explanation of each point in Section 4.

2.3 The issue of materiality in the VSME standard

One of the unique characteristics of the VSME standard is that it does not require SMEs to conduct a formal double materiality or materiality analysis, or to report it in their Sustainability Report. However, when preparing for each of the modules – both the Basic and the Comprehensive modules – it is advisable for SMEs to consider the impact of their decisions and operations on people and the environment (*impact materiality*), as well as how environmental, social and governance factors may influence their current or future financial position (profitability, cash flows, etc.) (*financial materiality*). Thus, although the VSME standard does not explicitly use the term "double materiality", it does imply that this principle is included in the standard by making detailed reference to the fact that SMEs should report on these two complementary perspectives, i.e. on impact materiality issues and on financial materiality issues.

Therefore, the double materiality analysis should be based on an analytical assessment of all relevant issues for the SME, considering both approaches (impact materiality and financial materiality), to determine the issues that are truly significant for the company. An issue is considered material from an impact perspective when it refers to the relevant actual or potential, positive or negative effects of the company on people or the environment. These impacts must be derived from the company's own operations or activities. Examples of negative impacts may be GHG emissions or water pollution from industrial discharges. On the other hand, a sustainability issue is considered material from a financial perspective if it has the potential to generate significant economic effects for the company. This occurs when an environmental, social or governance issue gives rise to risks (such as physical or transition risks) or opportunities (such as resource efficiency or sustainable product innovation) that significantly influence the company's development, financial position, performance, cash flows, access to finance or cost of capital in the short, medium or long term. For example, an obvious financial risk is the increase in energy prices, which could reduce corporate profit margins. Conversely, an opportunity would involve obtaining an environmental certificate for a product, such as organic production, which could open up new markets and increase revenues.

To facilitate the materiality or double materiality assessment process, SMEs may refer to Appendix B of the VSME standard, which contains a list of possible material issues divided into topics, subtopics and sub-sub-topics.

3 Methodology

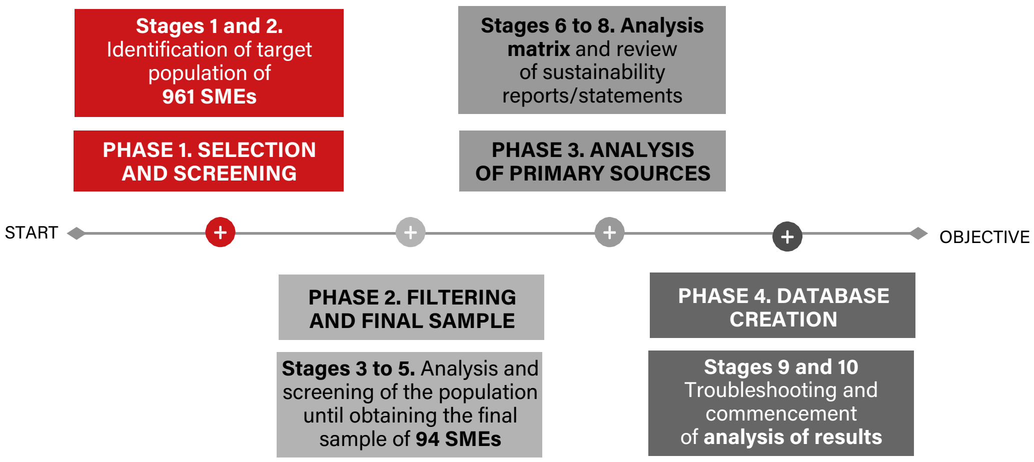
This section describes the methodological design of the study, detailing both the research stages and the main analytical tools and techniques used. More specifically, it focuses on describing how the participating SMEs were selected, and on the presentation of the analysis matrix, as an *ad hoc tool* developed to review the alignment between the information disclosed by the SMEs under analysis and that information required by the VSME standard.

3.1 Methodological design guidelines

The methodological process followed by this report includes an initial part involving the search for primary sources, divided into two phases: 1. *Selection and screening* and 2. *Filtering and final sample*. We began by selecting the population of companies to be analysed, and then screening and filtering the sample of SMEs to be used as the basis for the empirical study conducted. Following the selection of a sample of SMEs, in a third phase (3. *Analysis of primary sources*) we proceeded to review the sustainability reports and statements published by the participating SMEs, enabling us, in a final phase, (4. *Database creation*), to create a database where the degree of alignment of the information disclosed by the SMEs with the requirements of the VSME standard is recorded for each company in the sample.

Figure 1 displays the four phases included in the methodological design, which in turn are broken down into the 10 stages described in greater detail below.

//// **FIGURE 1** **Stages of the methodological design**



Source: Authors' own.

3.1.1 Phase 1: Selection and screening of SMEs

- **Stage 1:** Selection of participating SMEs from the UN Global Compact Communications on Progress database (*Our Participants | UN Global Compact)*), which contains information provided by the various companies that have signed up to the Compact. The consultation date was 1 April 2025. This database contains a data sheet for each adhering company, with the date of its adherence to the Global Compact, the historical list of communications on progress published by the company, as well as a link to the corporate website.

- **Stage 2**: Three initial screening criteria were used in the database: *company size, country* and *sector of activity*. Consequently, all *Spanish SMEs* (i.e. companies with fewer than 250 employees) – that is, those with their registered office within Spain – operating in the various *non-financial sectors* included in the Global Compact database (18 sectors in total) have been reviewed. Consequently, from the outset, companies in the *banking, financial services and insurance sectors* have been excluded from the analysis, due to their distinctive characteristics and specific regulatory requirements regarding sustainability. The initial population under analysis has thus been defined, comprising a total of **961** SMEs.

3.1.2 Phase 2: Filtering and final sample of SMEs

- **Stage 3**: For each of these 961 SMEs, we analysed their sustainability reporting formats. To this end, we reviewed not only the Global Compact database which, as we have pointed out, includes documents on the topic beyond the Communication on Progress required of participating companies, but also their own corporate websites. The following reporting formats were distinguished:

  a) Communication on Progress.

  b) Sustainability certifications (e.g. ISO 14001, EMAS, B-Corp).

  c) Sustainability reports:
     i) Sustainability or ESG Report/Statement.
     ii) Non-Financial Information Statement (NFIS).
     iii) Corporate Social Responsibility (CSR) or Social Responsibility (SR) Report.
     iv) Integrated Report.
     v) Other non-standard reports on topics related to the company's performance on sustainability.

  We have initially checked whether the companies that are part of the study population have published their corresponding Communications on Progress, as a requirement for adherence to the Global Compact (Section a). Since 2023, these reports have been standardised using a questionnaire format. A new aspect of this report, compared to previous research, is that it has also reviewed whether SME report through both sustainability certifications (Section b) and by preparing specific reports on the company's sustainable performance, the latter being understood as formats clearly identified by means of a file published on the corporate website (Section c). Specifically, sustainability ESG reports/statements and NFIS have been included as priority sustainability disclosure formats, as well as CSR/SR reports, Integrated Reports and any other document included in the "Other Reports" category.

  The results of this phase will provide a comprehensive overview of the sustainability reporting formats used by all SMEs in non-financial sectors that participate in the Global Compact, in turn enabling us to address *Research Objective 1*: to analyse the formats used by Spanish SMEs to disclose sustainability information.

- **Stage 4:** After obtaining the information disclosed by each of the 961 companies that make up the population of non-financial SMEs participating in the Global Compact, we have proceeded to analyse in detail those that are proactive on this issue. We refer to those SMEs that have published a *Sustainability or ESG Report/Statement* (ESG) either on the Global Compact website or on their own website, as these are considered the closest reports to the Sustainability Reports required by the ESRS. In this regard, it has been found that some SMEs within the target population form part of business groups or holding companies, and that the sustainability reports or NFIS published by them correspond to those of the group to which they belong. These SMEs that are part of business groups have been excluded from the study sample, insofar as the information provided is not specific to their sustainability performance and, most importantly for this report, their reporting does not respond to a corporate strategy that takes into account the capacities and resources of this type of company. In total, out of the 961 companies in the sample, only the **165** SMEs that publish sustainability or ESG reports have been selected[5].

- **Stage 5:** Taking the 165 Spanish non-financial SMEs that are proactive in the area of sustainability as a starting point, and with the aim of providing an up-to-date overview of their reporting, a second screening of the sample was carried out to exclude those that had submitted information prior to 2023. It should be noted that the timing of the fieldwork, in April 2025, meant that documentation published in 2025 for the 2024 financial year had to be used, as the 2024 report was only available in a few cases. Similarly, state-owned companies and listed SMEs have been disregarded (as they are subject to their own standard). As a result, **94** SMEs were ultimately selected as the study sample. See Annex 1 for an individualised list and description of all participating companies.

3.1.3 Phase 3: Analysis of primary sources

- **Stage 6:** The research team reviewed each sustainability or ESG report published by the 94 SMEs in the final sample, organising them by sector of activity for further analysis. These are compiled in the data repository of the University of Jaén, guaranteeing compliance with the FAIR principles *(Findable, Accessible, Interoperable, Reusable*), for their analysis and future verification by all persons interested.
- **Stage 7**: As a key contribution of this report, and as a necessary tool for achieving its ultimate objective, an *analysis matrix* has been developed for the VSME standard (see Section 3.3), which includes all the metrics of its Basic and Comprehensive Modules with different rating scales. These not only consider the presence or absence of the reporting item in question within the SME's respective sustainability or ESG report, but also enable an assessment of its partial or full alignment with the requirements of the voluntary standard proposed by EFRAG. This analysis matrix, presented in spreadsheet format, is in itself a significant contribution to the study, whilst also enabling us to draw conclusions regarding the three remaining research objectives: the alignment of the sustainability report's content with the Basic Module (*Research Objective 2*), the alignment of the content with the Comprehensive Module (*Research Objective 3*) and the implementation of materiality analysis and external assurance of the sustainability report (*Research Objective 4*).
- **Stage 8**: An individualised analysis of the sustainability or ESG reports/statements of the final sample of companies considered has been conducted, in order to analyse their alignment with the VSME standard requirements, and in accordance with the analysis matrix previously developed. To optimise the research team's use of the analysis matrix for each of the participating SMEs, Google AI prompts have been developed which enable us to improve the review of the primary sources used. In no case does the use of Google AI Studio replace the document review carried out by the research team, rather it acts as a complementary support tool for the evidence found and a way of unifying the individual criteria of the research team when extracting the primary information from the reports reviewed (see Section 3.3). Thus, for each of the SMEs that make up the final sample, the assessments by the researcher in charge have been comparatively analysed together with the results of the reports produced by Google AI Studio, and the analysis matrix has been completed through the expert judgement of the researchers.

3.1.4 Phase 4: Database creation

- **Stage 9:** Once the previous phase was completed, the issues identified by the various members of the research team were addressed; having been recorded in an incidents matrix drawn up

5 It should be noted that all selected SMEs (those that are not part of business groups) have prepared and published a sustainability or ESG report. None of them have reported their sustainability performance by means of an NFIS. As indicated above, the NFIS reported by the SMEs in the study population initially considered are, in reality, reports on the performance of the business group as a whole, and therefore they have not been considered in the final sample for the empirical study.

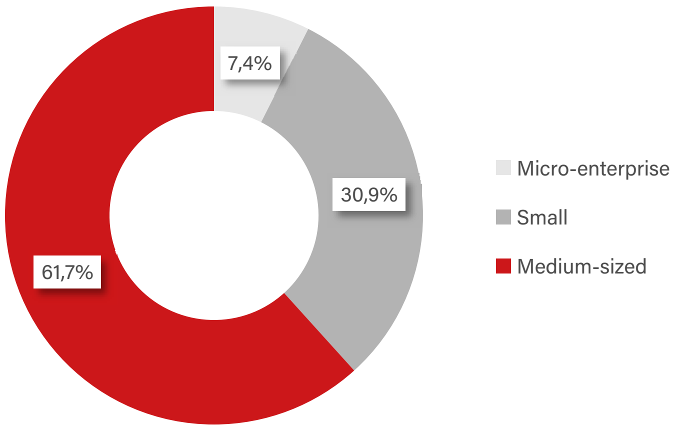
during Stage 8. All discrepancies, doubts and unresolved issues in relation to the sustainability or ESG reports and statements of the participating SMEs have been agreed upon by the research team.

- **Stage 10**: The end result of the process is a dedicated database, compiled from the collection and systematisation of primary sources (sustainability reports) from the **94** participating SMEs. This data repository, organised by size and sector, has allowed us to make a final assessment of the evidence found in the SMEs analysed through an exploratory descriptive analysis (EDA), the results of which will be integrated and detailed in Section 4 of this report.

3.2 Final sample: participating SMEs

Taking into account the indications mentioned in the previous section, the final sample of Spanish non-financial SMEs participating in this report was 94. On the basis of the dimensions or size of the participating SMEs, the sample consists of 7 micro enterprises (less than 10 employees) (7.4% of the sample), 29 small enterprises (between 10 and 50 employees) (30.9% of the sample) and 58 medium enterprises (+50 employees) (61.7% of the sample), a distribution that is reflected in Figure 2.

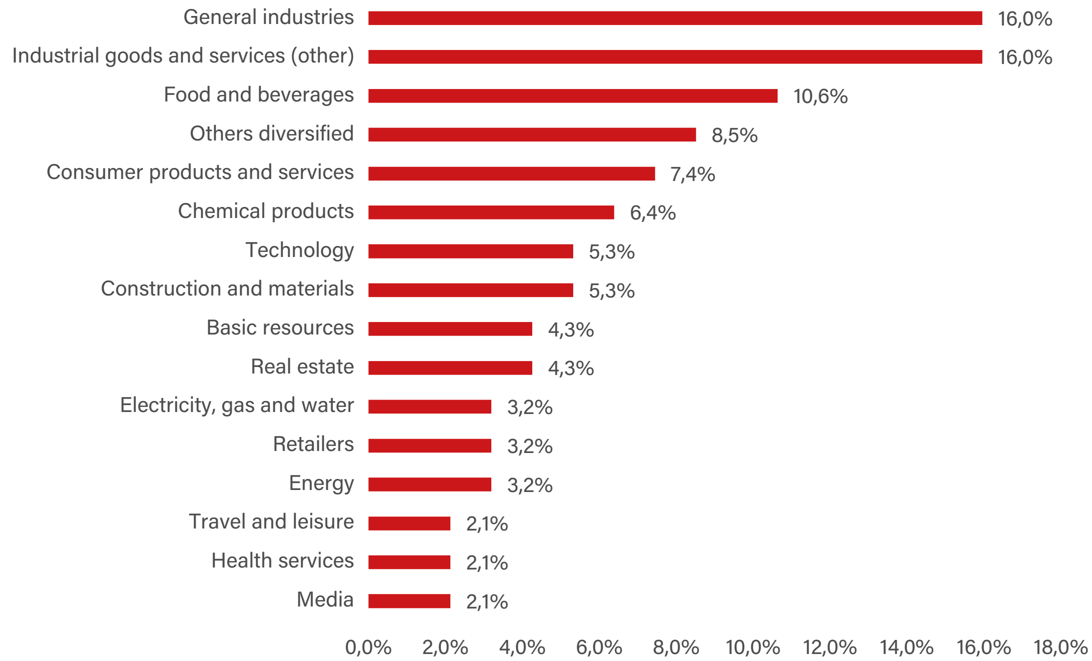
//// **FIGURE 2** **Distribution by size of the selected sample**



Source: Authors' own.

The sector-based distribution of participating SMEs, taking as a reference the Global Compact's classification, is displayed in Figure 3, showing that all sectors were represented in the sample analysed. However, it is the sectors of General Industry and Industrial Goods and Services (Other) (16.0% each) that occupy the top positions, in contrast to the Health Services, Travel and Leisure, and Media sectors, which have the lowest share (2.1% in each case).

//// **FIGURE 3** **Distribution of the SMEs in the selected sample by sector of activity.**



↑ Source: Authors' own.

It should be noted that, for practical purposes when reviewing the results, the sectors have been categorised into two groups based on their climate impact: *high climate impact sectors* and *low climate impact sectors*. Given that the VSME standard seeks to standardise ESG reporting and that it is in the environmental section where the greatest differences between companies are to be found, grouping sectors by their potential climate impact facilitates the assessment of how SMEs with varying impact profiles are addressing the requirements of the standard. In this sense, in accordance with the provisions of Regulation 1893/2006, SMEs whose 2009 CNAE (National Classification of Economic Activities) code belongs to the following activities are considered to be high climate impact sectors:

A. Agriculture, forestry and fishing (Codes 01-03)

B. Mining and quarrying (Codes 05-09)

C. Manufacturing (Codes 10-33)

D. Electricity, gas, steam and air conditioning supply (Code 35)

E. Water supply, sewerage, waste management and remediation activities (Codes 36-39)

F. Construction (Codes 41-43)

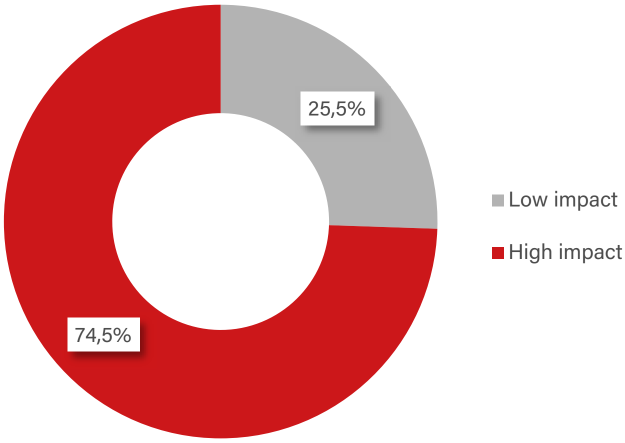
G. Wholesale and retail trade; repair of motor vehicles and motorcycles (Codes 45-47)

H. Transportation and storage (Codes 49-53)

I. Real estate activities (code 68)

If a company has two CNAE codes and at least one of them belongs to a high impact sector, it has been classified as high impact. SMEs included in the CNAE codes of activities I to U have been considered as low impact. Figure 4 displays the sample distribution in terms of this criterion, where the majority participation of high climate impact SMEs may be observed, a total of 70 out of the 94 companies in the sample.

//// **FIGURE 4** Distribution of SMEs in the selected sample by climate impact



Source: Authors' own.

3.3 Data collection tool: analysis matrix and the use of artificial intelligence

In order to analyse the readiness of ESG disclosures by companies according to the standard proposed by EFRAG for SMEs (VSME), an analysis matrix has been developed which includes all the metrics and reporting points included in both the Basic Module and the Comprehensive Module. For each reporting point, a specific *measurement scale* has been defined to enable the numerical coding of the level of disclosure for each SME analysed. Tables 1 and 2 show the developed matrix divided into two broad blocks: the Basic Module and the Comprehensive Module, respectively, where the measurement scales used for each reporting point may be seen.

//// **TABLE 1** **Analysis matrix for the Basic Module**

Disclosure requirement	Reporting point		Measurement scale	Mandatory VSME
General information	Company Tax ID			Mandatory
	Year to which the disclosed information refers (Year N)		Year N	Mandatory
	The notes to the financial statements provide information for both years N and N-1.		0: No, never; 1: Yes, sometimes; 2: Yes, in most cases	Mandatory
	Company size		1: less than 10 employees (micro); 2: between 10 and 50 employees (small); 3: between 51 and 250 employees (medium)	Mandatory
B1. Basis for preparation	Legal form of the company		0: Not reported; 1: Yes, reported	Mandatory
	NACE CNAE sector code		0: Not reported; 1: Yes, reported	Mandatory
	Total assets on the Balance Sheet (in Euros)		0: Not reported; 1: Yes, reported	Mandatory
	Turnover (in Euros)		0: Not reported; 1: Yes, reported	Mandatory
	Number of employees (no. of personnel or FTE)		0: Not reported; 1: Yes, reported	Mandatory
	Main country of operation		0: Not reported; 1: Yes, reported	Mandatory
	Location of main fixed assets		0: Not reported; 1: Yes, reported	Mandatory
	Geolocation of the facilities managed by the company, whether owned or leased.		0: Not reported; 1: Yes, reported	Mandatory
	Sustainability certifications or labels		0: Not reported; 1: Yes, reported that it possesses some certifications or labels	If applicable
	If reporting the possession of sustainability certifications or labels		0: Not reported; 1: Indicates only certificate name/label; 2: Indicates some information; 3: Indicates all information (certificate, issuing body, date of issue and score)	If applicable
B2. Practices for transitioning towards a more sustainable economy	*Sustainable economic practices*	Business practices aimed at minimising environmental impact or improving social performance	0: Not reported; 1: Yes, reported	If applicable
	Sustainable economic policies	Frameworks guiding decision-making, including whether they are publicly available	0: Not reported; 1: Yes, reported: 2: Yes, reported and indicated that they are publicly available	If applicable
	Future sustainable economy initiatives and plans	Any future sustainability initiatives or plans that are expected to be implemented	0: Not reported; 1: Yes, reported	If applicable
	Sustainable economy targets	Quantitative targets set to monitor policy implementation	0: Not reported; 1: Yes, reported	If applicable
	If the company is a cooperative, it may disclose information regarding...	a) The effective participation of workers, users or other interested parties or communities in governance; b) The financial investment in the capital or assets undertaken by the cooperative in other social economy entities, excluding simple donations; c) Any limits to the distribution of benefits that have been established in the cooperative	0: Not reported; not a cooperative; 1: Not reported; yes, it is a cooperative; 2: Some qualitative disclosures are provided (non-VSME); 3: Some quantitative disclosures are provided (non-VSME); 4: The information suggested by the VSME is partially provided; 5: The information suggested by the VSME is provided in full	Optional

Disclosure requirement	Reporting point		Measurement scale	Mandatory VSME
B3. Energy and GHG emissions	*Energy consumption*	Total energy consumption in MWh, distinguishing between renewable and non-renewable sources, and between electricity and fossil fuels	0: Not reported; 1: Some qualitative disclosures are provided (non-VSME); 2: Some quantitative disclosures are provided (non-VSME); 3: The disclosure required by the VSME standard is partially provided; 4: The disclosure required by the VSME standard is provided in full	Mandatory
	Gross GHG emissions	Estimate of gross GHG emissions in tCO_2eq, covering both Scope 1 and Scope 2 GHG emissions	0: Not reported; 1: Some qualitative disclosures are provided (non-VSME); 2: Some quantitative disclosures are provided (non-VSME); 3: The disclosure required by the VSME standard is partially provided; 4: The disclosure required by the VSME standard is provided in full	Mandatory
	GHG intensity	The result of dividing gross GHG emissions by turnover (in Euros)	0: Not reported; 1: Some qualitative disclosures are provided (non-VSME); 2: Some quantitative disclosures are provided (non-VSME); 3: The disclosure required by the VSME standard is partially provided; 4: The disclosure required by the VSME standard is provided in full	Mandatory
B4. Pollution of air, water and soil	*Pollution of water, air and soil*	Total amount of pollutants (kg) generated by the company as a whole (pollutant, emission medium and kg of emissions)	0: Not reported; 1: Some qualitative disclosures are provided (non-VSME); 2: Some quantitative disclosures are provided (non-VSME); 3: The disclosure required by the VSME standard is partially provided; 4: The disclosure required by the VSME standard is provided in full	If applicable (legally required by national standard)
	Additional information	Includes information contained in the EMAS Environmental Statement or documentation generated for ISO 14001 certification related to pollutant emissions	0: Nothing additional is reported because it does not have EMAS or ISO 14001; 1: No additional information is reported even though it has EMAS or ISO 14001; 2: Includes information contained in the EMAS Environmental Statement or documentation generated for ISO 14001 certification related to pollutant emissions.	If applicable (if ISO 14001 or EMAS)
B5. Biodiversity	*Location in biodiversity sensitive areas*	Site location, site area, biodiversity sensitive area	0: Not reported; 1: Some qualitative disclosures are provided (non-VSME); 2: Some quantitative disclosures are provided (non-VSME); 3: The disclosure required by the VSME standard is partially provided; 4: The disclosure required by the VSME standard is provided in full	If applicable
	Land-use and land use change	Total land use, total sealed area and total nature-oriented area in m^2 or ha	0: Not reported; 1: Some qualitative disclosures are provided (non-VSME); 2: Some quantitative disclosures are provided (non-VSME); 3: The disclosure required by the VSME standard is partially provided; 4: The disclosure required by the VSME standard is provided in full	Optional
	Additional information	Includes information contained in the EMAS Environmental Statement or documentation generated for ISO 14001 certification related to biodiversity	0: No additional information is reported because it does not have EMAS or ISO 14001; 1: No additional information is reported even though it has EMAS or ISO 14001; 2: Includes information contained in the EMAS Environmental Statement or documentation generated for ISO 14001 certification related to biodiversity	Optional

Disclosure requirement	Reporting point		Measurement scale	Mandatory VSME
B6. Water	*Water withdrawal*	Volume of water drawn in cubic metres, specifying withdrawals made in areas of high water stress	0: Not reported; 1: Some qualitative disclosures are provided (non-VSME); 2: Some quantitative disclosures are provided (non-VSME); 3: The disclosure required by the VSME standard is partially provided; 4: The disclosure required by the VSME standard is provided in full	Mandatory
	Water consumption	Water consumption in cubic metres, specifying the volume of consumption in areas of high water stress	0: Not reported because not applicable (company in a sector without significant water consumption); 1: Not reported, but applicable (company in a sector with significant water consumption); 2: Some qualitative disclosures are provided (non-VSME); 3: Some quantitative disclosures are provided (non-VSME); 4: The disclosure required by the VSME standard is partially provided; 5: The disclosure required by the VSME standard is provided in full	If applicable (sectors with high water consumption)
	Water discharge	Water discharged into public sewers or public water bodies	0: Not reported; 1: Some qualitative disclosures are provided (non-VSME); 2: Some quantitative disclosures are provided (non-VSME); 3: The disclosure required by the VSME standard is partially provided; 4: The disclosure required by the VSME standard is provided in full	Optional
	Additional information	Includes information contained in the EMAS Environmental Statement or documentation generated for ISO 14001 certification related to water use	0: No additional information is reported because it does not have EMAS or ISO 14001; 1: No additional information is reported even though it has EMAS or ISO 14001; 2: Includes information contained in the EMAS Environmental Statement or documentation generated for ISO 14001 certification related to water use	Optional
B7. Resource use, circular economy and waste management	*Total annual generation of waste*	Total waste generated, broken down by type (hazardous and non-hazardous), in kg or tonnes	0: Not reported; 1: Some qualitative disclosures are provided (non-VSME); 2: Some quantitative disclosures are provided (non-VSME); 3: The disclosure required by the VSME standard is partially provided; 4: The disclosure required by the VSME standard is provided in full	Mandatory
	Waste diverted to recycling or reuse	Total waste diverted to recycling or reuse (hazardous and non-hazardous) in kg or tonnes	0: Not reported; 1: Some qualitative disclosures are provided (non-VSME); 2: Some quantitative disclosures are provided (non-VSME); 3: The disclosure required by the VSME standard is partially provided; 4: The disclosure required by the VSME standard is provided in full	Mandatory
	Annual mass-flow of relevant resources	Total resources used (relevant materials), and recycled or renewable used resources, in kg or tonnes	0: Not reported because not applicable (company in a sector without mass-flows of materials); 1: Not reported, but applicable (company in a sector with mass-flows of materials); 2: Some qualitative disclosures are provided (non-VSME); 3: Some quantitative disclosures are provided (non-VSME); 4: The disclosure required by the VSME standard is partially provided; 5: The disclosure required by the VSME standard is provided in full	If applicable (sectors with mass-flows of materials)

Disclosure requirement	Reporting point		Measurement scale	Mandatory VSME
B8. Workforce: General characteristics	*Type of employment contract*	Number of permanent and temporary employees (headcount or FTE)	0: Not reported; 1: Some qualitative disclosures are provided (non-VSME); 2: Some quantitative disclosures are provided (non-VSME); 3: The disclosure required by the VSME standard is partially provided; 4: The disclosure required by the VSME standard is provided in full	Mandatory
	Gender of employees	Number of employees (headcount or FTE) "male", "female", "other" and "not reported".	0: Not reported; 1: Some qualitative disclosures are provided (non-VSME); 2: Some quantitative disclosures are provided (non-VSME); 3: The disclosure required by the VSME standard is partially provided; 4: The disclosure required by the VSME standard is provided in full	Mandatory
	Country of employment contract	Number of employees (headcount or FTE) in each country of employment	0: Not reported because not applicable; 1: Not reported, but applicable; 2: Some qualitative disclosures are provided (non-VSME); 3: Some quantitative disclosures are provided (non-VSME); 4: The disclosure required by the VSME standard is partially provided; 5: The disclosure required by the VSME standard is provided in full	If applicable (employees in more than one country)
	Employee turnover	Employee turnover rate	0: Not reported because not applicable; 1: Not reported, but applicable; 2: Some qualitative disclosures are provided (non-VSME); 3: Some quantitative disclosures are provided (non-VSME); 4: The disclosure required by the VSME standard is partially provided; 5: The disclosure required by the VSME standard is provided in full	If a specific threshold is exceeded (50 employees)
B9. Workforce: Health and safety	*Accidents at work*	Number and rate of recordable work-related accidents	0: Not reported; 1: Some qualitative disclosures are provided (non-VSME); 2: Some quantitative disclosures are provided (non-VSME); 3: The disclosure required by the VSME standard is partially provided; 4: The disclosure required by the VSME standard is provided in full	Mandatory
	Fatalities resulting from work-related injuries and work-related ill health	Number of fatalities due to work-related injuries and work-related ill health	0: Not reported; 1: Some qualitative disclosures are provided (non-VSME); 2: Some quantitative disclosures are provided (non-VSME); 3: The disclosure required by the VSME standard is partially provided; 4: The disclosure required by the VSME standard is provided in full	Mandatory
B10. Workforce: Remuneration, collective bargaining and training	*Ratio of minimum wage employees*	Rate of employees receiving pay at or above the minimum wage	0: Not reported; 1: Some qualitative disclosures are provided (non-VSME); 2: Some quantitative disclosures are provided (non-VSME); 3: The disclosure required by the VSME is partially provided; 4: The disclosure required by the VSME is provided in full.	Mandatory
	Gender pay gap	Pay gap	0: Not reported; 1: Some qualitative disclosures are provided (non-VSME); 2: Some quantitative disclosures are provided (non-VSME); 3: The disclosure required by the VSME standard is partially provided; 4: The disclosure required by the VSME is provided in full	If a specific threshold is exceeded (150 employees)
	Collective bargaining coverage	Rate of employees covered by collective bargaining agreements	0: Not reported; 1: Some qualitative disclosures are provided (non-VSME); 2: Some quantitative disclosures are provided (non-VSME); 3: The disclosure required by the VSME standard is partially provided; 4: The disclosure required by the VSME standard is provided in full	Mandatory
	Employee training	Average number of hours of training received by employees, broken down by gender	0: Not reported; 1: Some qualitative disclosures are provided (non-VSME); 2: Some quantitative disclosures are provided (non-VSME); 3: The disclosure required by the VSME standard is partially provided; 4: The disclosure required by the VSME standard is provided in full	Mandatory
B11. Convictions and fines for corruption and bribery	*Convictions and fines for corruption and bribery*	Number of convictions and amount of fines incurred for violations of anti-corruption and anti-bribery laws	0: Not reported; 1: Some qualitative disclosures are provided (non-VSME); 2: Some quantitative disclosures are provided (non-VSME); 3: The disclosure required by the VSME standard is partially provided; 4: The disclosure required by the VSME standard is provided in full	If applicable

↑ Source: Authors' own.

//// **TABLE 2** **Analysis matrix for the Comprehensive Module**

Disclosure requirement	Reporting point		Measurement scale	Mandatory VSME
C1. Strategy: Business model and sustainability - related initiatives	*Products and services*	Description of primary products and/or services offered	0: Not reported; 1: The disclosure required by the VSME standard is partially provided; 2: The disclosure required by the VSME standard is provided in full	Mandatory
	Markets	Description of significant markets the company operates in (B2B, wholesale, retail, countries) or major customer groups served	0: Not reported; 1: The disclosure required by the VSME standard is partially provided; 2: The disclosure required by the VSME standard is provided in full	Mandatory
	Main business partners	Description of main business relationships (such as suppliers, customers, distribution channels and consumers). The company shall disclose the estimated number of its suppliers, detailing the sectors and countries in which they operate.	0: Not reported; 1: The disclosure required by the VSME standard is partially provided; 2: The disclosure required by the VSME standard is provided in full	Mandatory
	Sustainability in business strategy	Description of key business strategy related to sustainability issues	0: Not reported; 1: Yes, reported	If applicable
C2. Description of practices, policies and future initiatives for transitioning towards a more sustainable economy	*Description of practices for transitioning towards a more sustainable economy.*	Description of the specific activities being carried out by the company, involving changes to its production processes, the adoption of new technologies and the implementation of practices geared to improving sustainability issues	0: Not reported; 1: The company reports that it has practices in place for transitioning towards a more sustainable economy; 2: The company reports that it has practices in place for transitioning towards a more sustainable economy and describes them	If applicable
	Description of policies for transitioning towards a more sustainable economy	A description of the frameworks that guide the company's decision-making on sustainability, setting out the principles, objectives, targets and commitments undertaken in relation to the environment and society	0: Not reported; 1: The company reports that it has policies in place for transitioning towards a more sustainable economy; 2: The company reports that it has policies in place for transitioning towards a more sustainable economy and describes them	If applicable
	Description of future initiatives for transitioning towards a more sustainable economy	Projects or programmes that the company plans to implement in the medium and long term to make progress towards sustainability	0: Not reported; 1: The company reports that it is undertaking initiatives for transitioning towards a more sustainable economy; 2: The company reports that it is undertaking initiatives for transitioning towards a more sustainable economy and describes them	If applicable
	Highest senior level in the accountable company	Indicate, if any, the highest senior level in the company accountable for implementing them (practices, policies or future initiatives)	0: Not reported; 1: Yes, reported	Optional

Disclosure requirement	Reporting point		Measurement scale	Mandatory VSME
C3. GHG reduction targets and climate transition	*Scope 1 and Scope 2 GHG emission reduction targets*	The report should include: 1. The target year and the target year value of emissions. 2. The base year and the base year value of emissions. 3. The units used for targets. 4. The percentages of Scope 1 and Scope 2 emissions set as reduction targets. 5. The list of the main measures it seeks to implement in order to achieve its reduction target	0: Does not report on whether GHG emission reduction targets have been set; 1: It reports that GHG emission reduction targets have been set, and some qualitative disclosures are provided (non-VSME); 2: It reports that GHG emission reduction targets have been set, and some quantitative disclosures are provided (non-VSME); 3: It reports that GHG emission reduction targets have been set, and the disclosure required by the VSME is partially provided; 4: It reports that GHG emission reduction targets have been set, and the disclosure required by the VSME is provided in full.	If applicable
	Transition Plan for Climate Change Mitigation	If the SME operates in a high climate impact sector and has adopted a transition plan for climate change mitigation, the company may explain how this plan is contributing to reducing GHG emissions	0: Not reported, because the company does not operate in a high climate impact sector; 1: Not reported, although the company does operate in a high climate impact sector; 2: Some qualitative disclosures are provided (non-VSME); 3: Some quantitative disclosures are provided (non-VSME); 4: The disclosure required by the VSME standard is partially provided; 5: The disclosure required by the VSME standard is provided in full	Optional
		If the SME operates in a high climate impact sector and has not adopted a transition plan for climate change mitigation, the company must indicate whether it plans to adopt one in the coming years and, if so, when it will be implemented	0: Not reported, although the company does operate in a high climate impact sector; 1: Not reported, because the company does not operate in a high climate impact sector; 2: Not reported, because it already has a transition plan; 3: Yes, it reports that it plans to adopt a transition plan and the scheduled time of implementation, regardless of whether it operates in a high climate impact or low climate impact sector	If applicable
C4. Climate risks	*Identification of climate risks*	If the company has identified climate-related hazards to which it is subject, provide: 1. A brief description of such climate-related hazards. 2. An explanation of how it has assessed the exposure and sensitivity of its assets, activities and value chain to these climate-related hazards. 3. Establishment of the time horizons associated with the different climate-related hazards identified. 4. Disclosure of actions for climate change adaptation and management of such climate-related hazards undertaken	0: Not reported because not applicable (no climate-related hazards identified); 1: Some qualitative disclosures are provided (non-VSME); 2: Some quantitative disclosures are provided (non-VSME): 3: The disclosure required by the VSME standard is partially provided; 4: The disclosure required by the VSME standard is provided in full	If applicable
	Additional information (adverse effects on financial performance or business operations)	The company may report on the potential adverse effects of climate risks on its financial performance or business operations, in the short, medium or long-term, indicating whether the risks are assessed as high, medium or low.	0: Not reported, because no risks are identified; 1: Not reported, but risks are identified; 2: Some qualitative disclosures are provided (non-VSME); 3: Some quantitative disclosures are provided (non-VSME); 4: The disclosure required by the VSME standard is partially provided; 5: The disclosure required by the VSME standard is provided in full	If applicable

Disclosure requirement	Reporting point		Measurement scale	Mandatory VSME
C5. Additional (general) workforce characteristics	*Gender diversity ratio at management level*	Gender diversity ratio at management level = Number of women in managerial positions / Number of men in managerial positions	0: Not reported, because it does not exceed the threshold of 50 employees; 1: Not reported, despite exceeding the threshold of 50 employees; 2: Some qualitative disclosures are provided (non-VSME) 3: Some quantitative disclosures are provided (non-VSME); 4: The disclosure required by the VSME standard is partially provided; 5: The disclosure required by the VSME standard is provided in full	Optional, if exceeding a specific threshold (i.e., more than 50 employees)
	Self-employed	Number of self-employed without personnel who are working exclusively for the company	0: Not reported, because it does not exceed the threshold of 50 employees; 1: Not reported, despite exceeding the threshold of 50 employees; 2: Some qualitative disclosures are provided (non-VSME); 3: Some quantitative disclosures are provided (non-VSME); 4: The disclosure required by the VSME standard is partially provided; 5: The disclosure required by the VSME standard is provided in full	Optional, if a specific threshold is exceeded (more than 50 employees)
	Temporary workers (TWAs)	Total number of temporary workers recruited through temporary work agencies (TWAs)	0: Not reported, because it does not exceed the threshold of 50 employees; 1: Not reported, despite exceeding the threshold of 50 employees; 2: Some qualitative disclosures are provided (non-VSME); 3: Some quantitative disclosures are provided (non-VSME); 4: The disclosure required by the VSME is partially provided 5: The disclosure required by the VSME standard is provided in full	Optional, if a specific threshold is exceeded (more than 50 employees)
C6. Additional own workforce information - Human rights policies and processes	*Code of conduct or human rights policy*	The company should indicate whether it has a code of conduct or human rights policy for its own workforce	0: Not reported; 1: Yes, reported	Mandatory
	Additional information (areas covered in the Code of Conduct)	If yes, indicate whether the following areas of action are covered in this document: a) Child labour; b) Forced labour; c) Human trafficking; d) Discrimination; e) Others, indicating which ones are covered	0: Not indicated, because it does not have a code of conduct or a human rights policy applicable to its own workforce; 1: Not indicated that these areas of performance are covered, but it does have a code of conduct or human rights policy applicable to its own workforce; 2: Yes, indicated that one or more of the areas of action are covered in its code of conduct or human rights policy applicable to its own workforce	If applicable
	Complaints-handling mechanism for own workforce	The company must state whether it has a mechanism in place for handling complaints and grievances from its own workforce (complaints inbox), as well as if there is an Ethics Committee to address and follow up on such matters when they arise	0: Not reported; 1: Yes, reported	Mandatory

Disclosure requirement	Reporting point		Measurement scale	Mandatory VSME
C7. Severe negative human rights incidents	*Severe human rights incidents in own workforce*	The company must report if it has had confirmed incidents in its own workforce with the following causes: a) Child labour; b) Forced labour; d) Discrimination; e) Other, indicating which of them have occurred.	0: Not reported; 1: Yes, confirmed incidents in its own workforce are reported.	Mandatory
	Actions to address incidents in own workforce	In the event of confirmed incidents related to human rights compliance, the company must describe the actions being taken to address these incidents.	0: Not reported because not applicable (no confirmed incidents); 1: Not reported, but applicable (if there are confirmed incidents); 2: Yes, the actions being carried out to address confirmed incidents with own workforce are reported.	If applicable
	Severe human rights incidents involving others (value chain, communities, consumers)	If the SME is aware of a confirmed incident involving workers in the value chain, affected communities, consumers and end-users. If yes, it must provide specific details of such incidents	0: Nothing reported; 1: Yes, confirmed incidents are reported, but no details are provided 2: Yes, confirmed incidents are reported, and details are provided	If applicable
C8. Revenues from certain sectors and exclusion from EU reference benchmarks	*Revenues from certain sectors (Arms, Tobacco, Fossil Fuels, Chemicals)*	The company shall report on revenues generated from the following sectors: 1. Controversial weapons. 2. Cultivation and production of tobacco. 3. Fossil fuels (coal, oil and gas) 4. Chemicals production, if the company is a manufacturer of pesticides and other agrochemical products	0: Not reported because not applicable; 1: Not reported, but applicable; 2: Yes, it reports on the revenue generated from these sectors	If applicable
	Exclusion from EU reference benchmarks aligned with the Paris Agreement	The company must disclose whether it is excluded from any EU reference benchmark aligned with the Paris Agreement.	0: Not reported; 1: Yes, it reports on exclusion from any EU reference benchmark	Mandatory
C9. Gender diversity ratio in the governance body	*Gender diversity in the governance body*	If the company has a governance body (board of directors), it shall calculate and report on the gender diversity ratio in its composition.	0: Not reported because not applicable (sole proprietorship); 1: Not reported, but applicable (company with governance bodies); 2: Some qualitative disclosures are provided (non-VSME); 3: Some quantitative disclosures are provided (non-VSME); 4: The disclosure required by the VSME standard is partially provided; 5: The disclosure required by the VSME standard is provided in full	If applicable

↑ Source: Authors' own.

In addition to the level of reporting of the different datapoints, the analysis matrix considers whether the sustainability reports published by the SMEs under analysis are based on materiality or double materiality analysis, and whether these reports have been subject to any external assurance process. This information, encoded in binary form (0: Not reported; 1: Yes, reported), has also enabled us to assess the adequacy of the process by which these reports are produced, as well as their level of credibility, allowing us to draw conclusions regarding the last of our research objectives (*Research Objective 4*).

Once the analysis matrix was defined, the different members of the research team proceeded to study each report published by the participating SMEs on an individual basis. In order to minimise errors when searching for information within these reports, as well as to eliminate any potential subjective bias when coding each datapoint, the initial data capture process has relied on the use of Artificial Intelligence (AI), which has already proven its usefulness for this type of task. To this end, we have used the Google AI Studio integrated development environment (IDE) (*https://aistudio.google.com/prompts/new_chat*), using the Gemini 2.5 Pro large language model (LLM), which is optimised for complex reasoning, advanced multimodality (text, images, audio, video and code) and highly complex tasks.

To interact with this AI, a knowledge base was specifically generated, consisting of the official EFRAG documents on the VSME standard. In addition, appropriate prompts were developed to help users search for and encode the required information. These prompts were tested and refined based on the AI's responses to each datapoint, until a robust and consistent set of prompts was developed to identify and code the required information. An example of the *prompts* that were ultimately used for certain datapoints may be seen in Table 3.

//// TABLE 3 Examples of prompts used to gather primary data that feeds into the analysis matrix

Act as an expert with 20 years of experience in non-financial corporate reporting assurance. Your task is to determine the extent to which the report provided by the company complies with the voluntary standard for small and medium-sized enterprises (VSME) developed by EFRAG. To achieve this objective, I will give you specific tasks to which you must respond, one by one, by choosing one of the proposed coding options. Explain in each task why you have chosen the selected coding option.
...
In order to verify the degree of compliance with reporting point ***B3. "Energy and GHG emissions"****, indicate whether this report discloses total energy consumption in MWh, differentiating between renewable and non-renewable sources, and between electricity and fossil fuel consumption.* *Select the answer according to one of the following options:* *0: Not reported* *1: Some qualitative disclosures are provided (non-VSME)* *2: Some quantitative disclosures are provided (non-VSME)* *3: The disclosure required by the VSME standard is partially provided* *4: The disclosure required by the VSME standard is provided in full*
...
In order to verify the degree of compliance with reporting point ***B8. "Own workforce: General characteristics"****, indicate whether the report discloses the number of permanent and temporary employees (headcount or full-time equivalent).* *Select the answer according to one of the following options:* *0: Not reported* *1: Some qualitative disclosures are provided (non-VSME)* *2: Some quantitative disclosures are provided (non-VSME)* *3: The disclosure required by the VSME standard is partially provided* *4: The disclosure required by the VSME standard is provided in full*
...
In order to verify the degree of compliance with reporting point ***C4. "Climate risks"****, indicate whether the report identifies the climate-related hazards to which the company is exposed. If yes, does it report on the following points?:* *1. Brief description of the climate-related hazards to which the company is exposed.* *2. An explanation of how it has assessed the exposure and sensitivity of its assets, activities and value chain to these climate-related hazards.* *3. Establishment of the time horizons associated with the different climate-related hazards identified.* *4. Disclosure of actions for climate change adaptation and management of such climate-related hazards undertaken.* Select the answer according to one of the following options: 0: Not reported because not applicable (no climate-related hazards identified) 1: Some qualitative disclosures are provided (non-VSME) 2: Some quantitative disclosures are provided (non-VSME) 3: The disclosure required by the VSME standard is partially provided 4: The disclosure required by the VSME standard is provided in full

↑ Source: Authors' own.

Finally, the knowledge base created using the VSME standard was combined with the set of *prompts* developed to analyse each report published by the companies in the sample on an individual basis.

It should be noted that this information extraction and coding procedure has been verified as being sufficiently robust. To this end, the suitability of the AI's responses to the set of prompts developed for the first 10 reports analysed was thoroughly tested, refining specific prompts where necessary, and verifying that they performed their task correctly. In any case, it should be noted that AI was used as a research support tool, but in no case has it replaced the work of reviewing the sustainability reports/statements by the research team. In this sense, for the analysis of the successive reports, the team members maintained an attitude of professional scepticism, assessing the veracity of the responses generated by carrying out sufficient and appropriate checks prior to feeding the analysis matrix. This whole process of verification of the data gathered ensures its accuracy and the correct feeding of the analysis matrix.

4 An assessment of Spanish SMEs

This section presents the main results obtained in line with the different research objectives proposed. We will begin by reviewing the sustainability reporting formats used by the population of Spanish SMEs participating in the Global Compact (961 SMEs). Next, an in-depth analysis of proactive SMEs that prepare sustainability reports (94 SMEs) will be carried out, in order to respond to the remaining research objectives, related to the alignment of such reports to the VSME standard, in relation to its Basic Module and Comprehensive Module, as well as to the performance of the double materiality analysis and the external assurance of the contents reported.

4.1 Research Objective One: Format analysis

This section provides an overview of the formats used by all Spanish non-financial SMEs participating in the Global Compact. It addresses *Research Objective 1,* which focuses on analysing the formats used to disclose information on sustainability. As indicated, there are 961 SMEs that have signed up to the Global Compact, spread across the 18 *non-financial sectors* listed in this database. Table 4 lists the percentage of participating SMEs, grouped by sector and by the number of sustainability reporting formats.

//// **TABLE 4** **Percentage of SMEs participating in the Global Compact by number of sustainability reporting formats**

Sector	No format	1 format	2 formats	More than 2 formats
Food and beverages	10.2%	36.7%	24.5%	28.6%
Automobiles and spare parts	0.0%	66.7%	22.2%	11.1%
Real estate	16.2%	32.4%	32.4%	18.9%
Industrial goods and services (other)	6.5%	42.3%	31.9%	19.2%
Construction and materials	11.1%	23.6%	30.6%	34.7%
Electricity, gas and water	3.6%	21.4%	53.6%	21.4%
Energy	8.8%	38.2%	23.5%	29.4%
General industries	28.4%	24.7%	22.2%	24.7%
Media	5.4%	64.9%	21.6%	8.1%
Retailers	0.0%	42.9%	46.4%	10.7%
Other diversified sectors	19.5%	40.2%	19.5%	20.7%
Chemical products	50.0%	19.0%	23.8%	7.1%
Consumer goods and services	4.3%	26.1%	26.1%	43.6%
Basic resources	10.0%	20.0%	40.0%	30.0%
Health services	16.0%	44.0%	20.0%	20.0%
Technology	17.1%	37.8%	35.4%	9.8%
Telecommunications	18.2%	45.5%	9.1%	27.3%
Travel and leisure	16.1%	38.7%	29.0%	16.1%
Average value	**13.6%**	**36.4%**	**29.2%**	**20.7%**

↑ Source: Authors' own.

As a general conclusion, it may be stated that there is a clear trend towards sustainability reporting, regardless of the number of reports published by these companies. As a matter of fact, 86.3% of Spanish SMEs participating in the Global Compact report their corporate sustainability performance through any of the possible formats, compared to 13.6% that do not, despite being considered proactive SMEs in this area due to their participation. There may be various reasons for non-reporting (e.g. technical or practical barriers) or it may simply be explained by the fact that they are in the process of preparing their first report after signing up. Another interesting finding is that 36.4% of the SMEs analysed report using a single format, typically the Global Compact's Communication on Progress, which may be due to the use of its database. However, most of these companies are using a combination of several formats, with 29.2% combining two formats and 20.7% using three or more formats. This diversity in the number of formats used may be due to the need to address different specific reporting needs or may reflect different organisational cultures when reporting.

By sectors of activity, those with the least variety in the number of sustainability reporting formats are the Automobiles and Spare Parts (66.7% with only one format) and Media (64.9% with only one format) sectors, where SMEs tend to stick to a single report, the Global Compact's Communication on Progress, required by their adherence to this initiative. On the other hand, the Chemical Products sector (50% with no format) stands out negatively, with half of the SMEs analysed in this sector failing to report, followed by the General Industries sector (28.4%), which ranks second for the latter reason (non-disclosure).

On the other hand, there is a greater variety of formats in sectors such as Construction and Materials (34.7% with more than two formats) and Consumer Products and Services (43.6% with more than two formats), which display a greater effort to reporting sustainability issues through different channels (certifications, other reports, in addition to the Global Compact's Communication on Progress). Basic Resources (70% combine two or more formats) and Electricity, Gas and Water (75% use two or more formats) also stand out as sectors with a comparatively greater variety of formats, a circumstance that may be explained by regulatory and social pressure on companies with high environmental impact. The sectors with the highest environmental or social impact (Energy, Construction and Materials, Basic Resources, Consumer Products and Services) are the most likely to diversify their formats, giving greater depth to their commitment to sustainability reporting, probably due to external pressure from regulators, customers and investors.

Overall, there is considerable heterogeneity in sustainability reporting options among the SMEs analysed. Thus, while some opt for a simpler approach, disclosing and complying with the requirements of the Global Compact via their Communication on Progress, there are sectors that demonstrate a deeper commitment by using multiple formats.

Table 5 displays the details of the different sustainability reporting channels by Spanish non-financial SMEs participating in the Global Compact. It is observed that the most common format for sustainability reporting is the Communication on Progress, disclosed both on the Global Compact website (75.2%) and in a smaller number of cases on the corporate website itself, to expand its disclosure (10.7%). The second most widely used format is sustainability certification (44.3%), with ISO 14001 being the most commonly applied standard, alongside ISO 27001, ISO 14006, ISO 45001, SA 8000, IQNET SR10, EMAS, and B-Corp, with others being used to a much lesser extent. These certifications show the importance attached by these companies to credibility and external recognition of their sustainability efforts.

//// **TABLE 5** **Sustainability reporting formats used by Spanish SMEs participating in the Global Compact**

Format	Companies	% of 961
Communication on Progress	723	75.2%
Sustainability certifications (e.g. ISO 14001, EMAS, B-Corp)	426	44.3%
Reports	349	36.3%
Sustainability or ESG Report/Statement	167	17.4%
Communication on Progress on the SME's own website	103	10.7%
NFIS	25	2.6%
CSR/SR Report	24	2.5%
Integrated Report	6	0.6%
Other reports	68	7.1%

↑ Source: Authors' own.

These two majority formats are closely followed by the use of specific sustainability reports, which reaches 36.3% of the analysed population. Within this last category, sustainability or ESG reports stand out, followed at a considerable distance by "other reports" (such as the *Task Force on Climate-Related Financial Disclosures* (TCFD), Carbon Footprint Reports, SDG Commitment Reports and Sustainability Plans, amongst others).

By sector (see Table 6), the use of the Communication on Progress is predominant in 16 of the 18 sectors analysed, which is justified by the use of the respective database. It is especially present in the following three sectors: Retail (92.9 %), Electricity, Gas and Water (89.3 %) and Industrial Goods and Services (88.1 %). The use of certifications, as the second most chosen reporting option within the analysed population, stands out especially in three sectors: General Industries, Basic Resources and Automobiles and Spare Parts; the latter tied with the Communication on Progress. The second most repeated option is the combination of specific sustainability reports in pdf format with the use of certifications in almost all sectors.

Among the SMEs that report their sustainability performance through specific reports, the use of the Global Compact's Communication on Progress is mainly used in Telecommunications (27.3%), Construction and Materials (26.4%) and Technology (23.2%) sectors. However, the reporting of sustainability certifications, which is the second most common format in the population analysed, is more evenly distributed among the participating sectors, although it ranks highest in Basic Resources (86.7%), and in those sectors clearly linked to the secondary sector; Energy (61.8%) and General Industries (56.8%). The Technology (19.5%), Chemicals Products (23.8%) and Media (24.3%) sectors have the lowest dependence on certifications and lowest scores.

The sustainability or ESG report format is most frequently used by companies in the Consumer Products and Services (43.5%) and Real Estate (37.8%) sectors. In contrast, Automobiles and Spare Parts (0.0 %) and Media (5.4 %) show no or very limited adoption of this format type. In the specific case of the Automobiles and Spare Parts sector, it is worth noting that it achieves the highest score by sector in the use of "other types of reports" (33.3%).

Finally, with regard to other formats with low usage in the population analysed, we must point out that the adoption of the NFIS reaches the maximum value in the Travel and Leisure sector, standing at 12.9%, which may be explained by the fact that the same percentage of SMEs belong to groups that disclose the NFIS on a consolidated basis. CSR/SR reports are especially prevalent in the media sector (8.1%), whilst the Integrated Report is most common in the healthcare sector (4%); however, this is the format most frequently excluded from the sector-by-sector analysis (in 12 of the 18 sectors analysed).

//// **TABLE 6** **Sustainability reporting formats**

Sector	Communication on Progress Global Compact	Certifications	Use of report	Global Compact Communication Website	Sustainability Report/ Statement (ESG)	NFIS	CSR/BSR Report	Integrated Report	Other reports
Food and beverages	71.4%	57.1%	42.9%	2.0%	26.5%	0.0%	10.2%	2.0%	2.0%
Automobiles and spare parts	55.6%	55.6%	33.3%	0.0%	0.0%	0.0%	0.0%	0.0%	33.3%
Real estate	67.6%	27.0%	54.1%	2.7%	37.8%	8.1%	2.7%	2.7%	5.4%
Industrial goods and services (other)	88.1%	44.6%	27.7%	13.5%	10.4%	1.9%	0.8%	0.4%	5.8%
Construction and materials	80.6%	48.6%	58.3%	26.4%	19.4%	2.8%	1.4%	0.0%	11.1%
Electricity, gas and water	89.3%	53.6%	50.0%	7.1%	17.9%	3.6%	0.0%	0.0%	25.0%
Energy	76.5%	61.8%	32.4%	5.9%	23.5%	2.9%	2.9%	2.9%	0.0%
General industries	53.1%	56.8%	32.1%	1.2%	18.5%	3.7%	7.4%	0.0%	3.7%
Media	83.8%	24.3%	24.3%	2.7%	5.4%	2.7%	8.1%	2.7%	2.7%
Retailers	92.9%	39.3%	35.7%	3.6%	21.4%	0.0%	3.6%	0.0%	7.1%
Others: diversified	54.9%	51.2%	34.1%	3.7%	25.6%	0.0%	1.2%	0.0%	8.5%
Chemical products	61.9%	23.8%	28.6%	7.1%	21.4%	2.4%	0.0%	0.0%	11.9%
Consumer goods and services	82.6%	43.5%	65.2%	30.4%	43.5%	8.7%	0.0%	0.0%	8.7%
Basic resources	70.0%	86.7%	33.3%	10.0%	20.0%	0.0%	0.0%	0.0%	10.0%
Health services	64.0%	40.0%	40.0%	4.0%	20.0%	4.0%	8.0%	4.0%	0.0%
Technology	74.4%	19.5%	40.2%	23.2%	9.8%	1.2%	0.0%	0.0%	11.0%
Telecommunications	63.6%	45.5%	36.4%	27.3%	9.1%	0.0%	0.0%	0.0%	0.0%
Travel and leisure	80.6%	35.5%	29.0%	3.2%	9.7%	12.9%	3.2%	0.0%	0.0%

↑ Source: Authors' own.

4.2 Content alignment with the Basic Module

This comprehensive section reviews the results obtained by the analysed SMEs in terms of their alignment with the reporting requirements set out in the Basic Module across all its metrics (Disclosures B1-B11), and constitutes the answer to *Research Objective 2.* This presentation includes a brief description of each disclosure requirement, as well as general comments on the degree of alignment found and on the effect of company size and sector.

4.2.1 B1 disclosure requirement. Basis for preparation

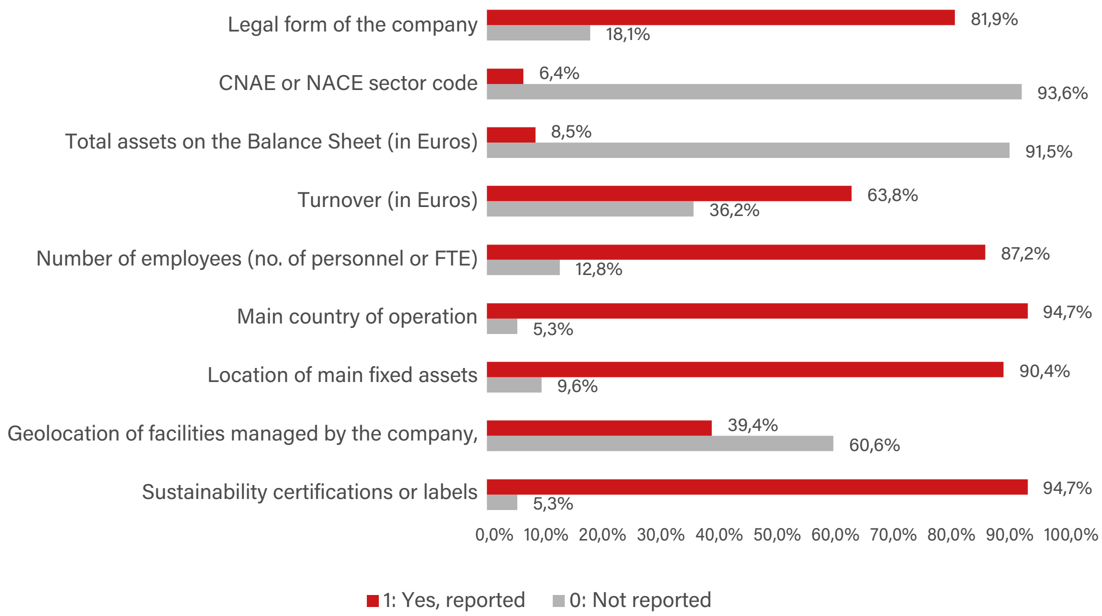
Description of the requirement

Following the VSME standard, within the Basic Module, the SME must report on the rationale followed for the preparation of its Sustainability Statement. Specifically, B1 disclosure requirement requires the SME to report a number of introductory and general details that lay the foundations for the preparation of such a statement. In this regard, the company must detail its legal form and sector of activity (NACE code), together with information on its size, such as the number of employees, turnover and balance sheet size. In addition, it should specify the country(ies) where it operates and the location of its main facilities or assets, as well as their geolocation. All of the above reporting points must be disclosed by the SME. Finally, if the company has sustainability certifications or labels, it should indicate this and provide a description of said certifications or labels. These last two indicators of the metric B1 are therefore of an "if applicable" nature.

Alignment of content disclosed in the sample of SMEs

In general terms, the level of transparency offered by the SMEs analysed varies significantly according to the type of information requested, as demonstrated in Figure 5.

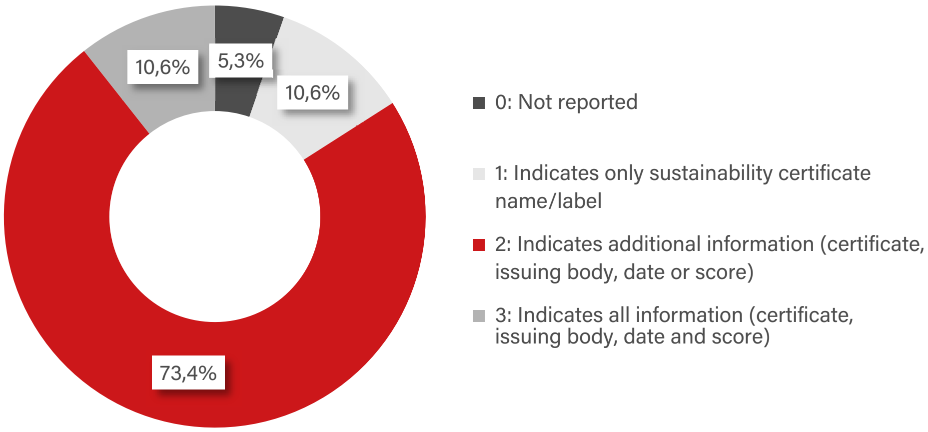
//// **FIGURE 5** **Information reported on B1 disclosure requirement**



Source: Authors' own.

In the section on general company information, there is a high level of compliance regarding the reporting of *legal form*, with 81.9% of SMEs providing this information. Transparency is even greater when it comes to the *number of employees*, with 87.2% of companies reporting on the size of their workforce. Transparency regarding *location* is also very high; 94.7% of companies disclose the country or countries in which they operate, and 90.4% disclose the location of their assets. However, *site-specific geolocation* is reported at a lower level, with a clear majority of SMEs in the sample (60.6%) not disclosing this. There is also low disclosure of financial data required by the B1 metric. In fact, an overwhelming 91.5% of SMEs do not report *the total value of their assets*. Similarly, 93.6% of the companies analysed do not disclose their *sector code* (CNAE or NACE). In contrast, *turnover* is reported and is disclosed by the vast majority of firms (disclosed by 63.8%). Finally, reporting on *sustainability certifications* is an almost universal practice, with 94.7% of companies providing specific information on this matter. However, the level of detail provided is moderate; 73.4% of the SMEs analysed only disclose partial information, typically their names and some minimal additional details (see Figure 6).

//// **FIGURE 6** Information reported on sustainability certifications or labels



↑ Source: Authors' own.

Alignment of the content disclosed. Differences by SME size and sector

When analysing the data by size and sector, there are marked trends, with reporting transparency generally increasing with company size, although with notable exceptions, as may be seen in Table 7. It is observed that, as the SME grows, there is more disclosure regarding its *legal form,* with 89.7 % of medium-sized companies complying with this requirement.

The disclosure of the sector code (CNAE or NACE) is low in general, but SMEs in high climate impact sectors disclose more (12.5%) than those in low impact sectors (4.3%). Micro-enterprises, however, are completely opaque regarding the *value of their assets*; 100% fail to report this information. Small enterprises show the highest degree of transparency, with 17.2% reporting this datapoint. By sector, low impact SMEs are slightly more likely to report (20.8%) than high impact SMEs (17.1%). A clear trend may be observed in the reporting of turnover figures: the larger the company and the higher its climate impact, the more likely it is to disclose its *turnover*. Only 14.3% of micro-enterprises report turnover, as opposed to the majority of small and medium-sized enterprises (69.0% and 67.2%, respectively). Additionally, high-impact companies show a higher level of transparency (70.0%) than low-impact companies (45.8%).

//// **TABLE 7** **B1 disclosure requirement. Differences by SME size and sector**

B1 DISCLOSURE REQUIREMENT

Legal form of the company

Scale	Total	%	Micro	%	Small	%	Medium	%	Low impact	%	High impact	%
0: Not reported	17	18.1	3	42.9	8	27.6	6	10.3	5	20.8	12	17.1
1: Yes, reported	77	81.9	4	57.1	21	72.4	52	89.7	19	79.2	58	82.9
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**

CNAE or NACE sector code

Scale	Total	%	Micro	%	Small	%	Medium	%	Low impact	%	High impact	%
0: Not reported	88	93.6	6	85.7	27	93.1	55	94.8	21	87.5	67	95.7
1: Yes, reported	6	6.4	1	14.3	2	6.9	3	5.2	3	12.5	3	4.3
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**

Total assets on the Balance Sheet (in Euros)

Scale	Total	%	Micro	%	Small	%	Medium	%	Low impact	%	High impact	%
0: Not reported	86	91.5	7	100.0	24	82.8	55	94.8	19	79.2	67	95.7
1: Yes, reported	8	8.5	0	0.0	5	17.2	3	5.2	5	20.8	3	4.3
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**

Turnover (in Euros)

Scale	Total	%	Micro	%	Small	%	Medium	%	Low impact	%	High impact	%
0: Not reported	34	36.2	6	85.7	9	31.0	19	32.8	13	54.2	21	30.0
1: Yes, reported	60	63.8	1	14.3	20	69.0	39	67.2	11	45.8	49	70.0
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**

Number of employees (no. of personnel or FTE)

Scale	Total	%	Micro	%	Small	%	Medium	%	Low impact	%	High impact	%
0: Not reported	12	12.8	5	71.4	4	13.8	3	5.2	5	20.8	7	10.0
1: Yes, reported	82	87.2	2	28.6	25	86.2	55	94.8	19	79.2	63	90.0
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**

Main country of operation

Scale	Total	%	Micro	%	Small	%	Medium	%	Low impact	%	High impact	%
0: Not reported	5	5.3	0	0.0	2	6.9	3	5.2	0	0.0	5	7.1
1: Yes, reported	89	94.7	7	100.0	27	93.1	55	94.8	24	100.0	65	92.9
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**

Location of main fixed assets (plants or establishments)

Scale	Total	%	Micro	%	Small	%	Medium	%	Low impact	%	High impact	%
0: Not reported	9	9.6	2	28.6	5	17.2	2	3.4	3	12.5	6	8.6
1: Yes, reported	85	90.4	5	71.4	24	82.8	56	96.6	21	87.5	64	91.4
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**

Geolocation of the facilities managed by the company, whether owned or leased														
Scale	Total	%	Micro	%	Small	%	Medium	%	Low impact	%	High impact	%
0: Not reported	57	60.6	3	42.9	18	62.1	36	62.1	13	54.2	44	62.9
1: Yes, reported	37	39.4	4	57.1	11	37.9	22	37.9	11	45.8	26	37.1
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**
Sustainability certifications or labels												
Scale	Total	%	Micro	%	Small	%	Medium	%	Low impact	%	High impact	%
0: Not reported	5	5.3	3	42.9	0	0.0	2	3.4	3	12.5	2	2.9
1: Yes, reported	89	94.7	4	57.1	29	100.0	56	96.6	21	87.5	68	97.1
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**
If reporting the possession of sustainability certifications or labels												
Scale	Total	%	Micro	%	Small	%	Medium	%	Low impact	%	High impact	%
0: Not reported	5	5.3	3	42.9	0	0.0	2	3.4	3	12.5	2	2.9
1: Indicates name only	10	10.6	1	14.3	3	10.3	6	10.3	2	8.3	8	11.4
2: Some disclosures provided	69	73.4	3	42.9	23	79.3	43	74.1	18	75.0	51	72.9
3: All disclosures provided	10	10.6	0	0.0	3	10.3	7	12.1	1	4.2	9	12.9
Total	**94**	**100**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	100.0

↑ Source: Authors' own

Micro-enterprises are the exception to the general trend of high transparency regarding the disclosure of *employee numbers*, as most (71.4%) do not provide this information. In comparison, medium-sized enterprises achieve an almost total level of transparency (94.8%). By sector, high climate impact companies are more transparent (90.0%) than low climate impact companies (79.2%).

Disclosure regarding the *country* of operation of SMEs is almost universal, with micro-enterprises and low climate impact companies demonstrating complete transparency. As regards the *location of assets*, transparency increases with company size: from 71.4% in micro-enterprises to 96.6% in medium-sized enterprises. High climate impact companies report on this aspect more frequently (91.4%) than low climate impact companies (87.5%), although both groups have high levels of reporting. In contrast to other trends, micro-enterprises are the most transparent group in terms of the *geolocation of their facilities*, with 57.1 % disclosing this point. They are followed by small and medium-sized enterprises with 37.9%.

Finally, the reluctance to report on the existence of *sustainability certifications or labels* is found almost exclusively among micro-enterprises; by contrast, almost all SMEs report this datapoint. With regard to the level of detail of disclosures regarding certifications, it can be seen that it increases with the size of the company. No micro-enterprises provide all disclosures required by the VSME standard, whereas a significant proportion of small (10.3%) and medium-sized (12.1%) enterprises meet the required level of detail. High climate impact companies lead the way in transparency, with 12.9% providing the maximum level of detail, compared to only 4.2% in low climate impact companies.

4.2.2 B2 disclosure requirement. Practices for transitioning towards a more sustainable economy

Description of the requirement

The B2 disclosure requirement requires the SME to report on the key aspects of its sustainability strategy within the Basic Module:

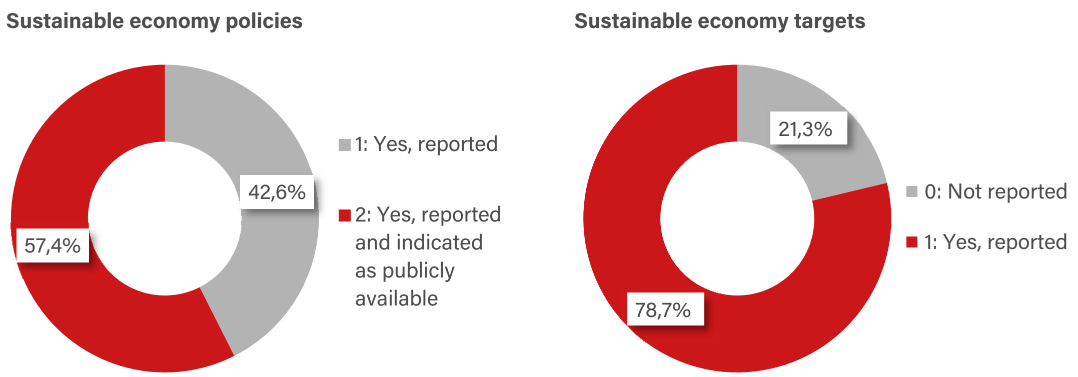
- *Business practices* aimed at minimising environmental impact or improving social performance. It refers to concrete actions to reduce environmental impact, such as reducing energy and water consumption or preventing pollution. It also includes social improvements, such as ensuring product safety, promoting equality and good working conditions, and promoting sustainability training.
- *Policies* on sustainability issues: these include formal, documented commitments to sustainability, which may be public or internal. These policies should guide the SME's actions, such as an energy policy that prioritises the use of renewable sources and efficiency in production processes.
- *Initiatives and forward-looking plans*: these are the projects that the company plans to implement in the future to advance its sustainability goals.
- *Targets and metrics for monitoring*: they involve setting quantifiable targets to monitor the effectiveness of the sustainability policies implemented.

Alignment of content disclosed in the SME sample

The results of the analysis of the sample, displayed in Figure 7, reveals a high degree of disclosure with regard to the B2 requirement. With regard to *sustainable economy policies*, all companies analysed have fully disclosed them (100%) information. Although a proportion of SMEs (42.6%) report the existence of such policies without detailing their public availability, most of them (57.4%) not only confirm that they have such policies, but also indicate that they are publicly available (Level 2).

As regards the level of reporting on *sustainable economy targets*, the picture is also generally positive. The vast majority of SMEs (78.7%) report positively on the existence of defined targets in this area. This suggests that while the adoption of sustainability policies is a widespread practice, the formulation and disclosure of concrete and measurable targets represents an additional step, which one-fifth of SMEs have not yet formalised or do not wish to disclose.

//// **FIGURE 7** **Information reported under the B2 disclosure requirement**



Source: Authors' own.

Alignment of the content disclosed. Differences by SME size and sector

If the results are disaggregated by size and sector of activity, there appear to be some differences in the level of reporting of the B2 disclosure requirement (see Table 8).

When it comes to *sustainable economy policies*, a clear trend emerges: the larger the company scale, the higher the proportion that not only disclose their policies but also make them publicly available. While this figure is 42.9% for micro-enterprises, it is 58.6% for small and medium-sized enterprises. By sector, low climate impact companies show a slightly higher propensity to publish their policies (62.5%) compared to high climate impact companies (55.7%).

As regards *sustainable economy targets*, there are no significant differences in reporting levels based on company size, with disclosure rates exceeding 70% across all categories. Considering the sector of activity, there is also a remarkable homogeneity, with both low climate impact companies (79.2%) and high impact companies (78.6%) providing substantial disclosures on their targets.

//// TABLE 8 B2 disclosure requirement. Differences by SME size and sector

B2 DISCLOSURE REQUIREMENT														
Sustainable economy practices														
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
1: Yes, reported	94	100.0	7	100.0	29	100.0	58	100.0	24	100.0	70	100.0
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**
Sustainable economy policies												
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
1: Yes, reported	40	42.6	4	57.1	12	41.4	24	41.4	9	37.5	31	44.3
2: Yes, reported and indicated as publicly available	54	57.4	3	42.9	17	58.6	34	58.6	15	62.5	39	55.7
Total	**94**	100.0	7	100.0	29	100.0	58	100.0	24	100.0	70	**100.0**
Future sustainable economy initiatives and plans												
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
1: Yes, reported	94	100.0	7	100.0	29	100.0	58	100.0	24	100.0	70	100.0
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**
Sustainable economy targets												
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported	20	21.3	1	14.3	8	27.6	11	19.0	5	20.8	15	21.4
1: Yes, reported	74	78.7	6	85.7	21	72.4	47	81.0	19	79.2	55	78.6
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**

Specific disclosure in case of a cooperative													
Scale	Total	%	Micro	%	Small	%	Medium	%	Low impact	%	High impact	%
0: Not reported; not a cooperative	93	98.9	7	100.0	29	100.0	57	98.3	24	100.0	69	98.6
1: Not reported; it is a cooperative	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
2: Qualitative disclosure- non-VSME	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
3: Quantitative disclosure - non-VSME	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
4: Partially disclosed (VSME)	1	1.1	0	0.0	0	0.0	1	1.7	0	0.0	1	1.4
5: Fully disclosed (VSME)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	100.0

↑ Source: Authors' own.

4.2.3 B3 disclosure requirement. Energy and GHG emissions

Description of the requirement

B3 disclosure requirement of the Basic Module requires the SME to report on:

- *Energy consumption*, in megawatt-hours (MWh), broken down by renewable and non-renewable sources, and by electricity consumption and fossil fuel use.
- The estimate of *gross GHG emissions* in tonnes of CO_2 equivalent (tCO_2eq), calculated as the sum of Scope 1 and Scope 2 GHG emissions.
- The *emissions intensity*, calculated by dividing gross GHG emissions by turnover (in Euros).

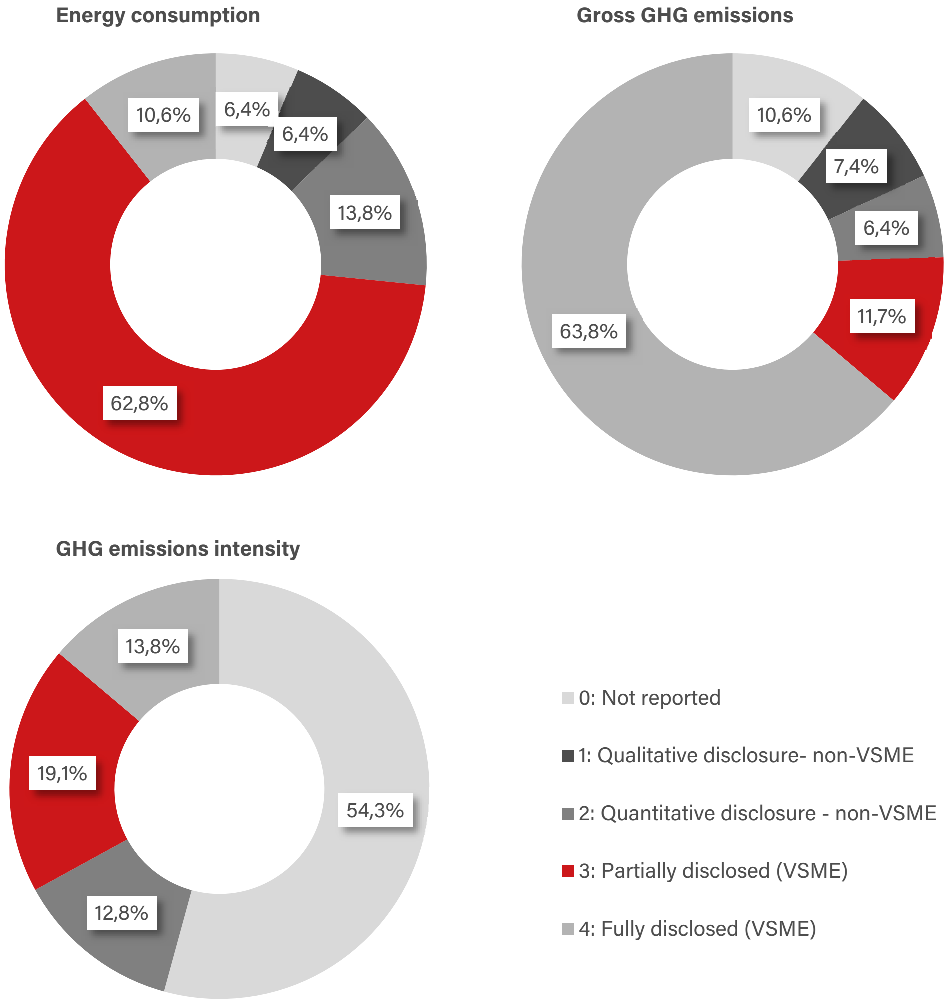
All these reporting points are mandatory and must be provided for the reporting year (N) and the previous reporting year (N-1), as well as the corresponding percentage changes.

Alignment of disclosed content in the SME sample

As shown in Figure 8, different levels of compliance may be observed for each of these reporting points within the sample analysed. Thus, with regard to *energy consumption*, the majority of SMEs (62.8%) disclose information that is partially aligned with the VSME standard. This indicates that, although quantitative information is provided, it does not meet the full requirements of the standard (e.g. year-on-year percentage changes are not calculated). Only 10.6% of the sample manages to provide complete and fully aligned disclosures, while 20.2% of the SMEs provide quantitative or qualitative disclosures that are not fully aligned with the VSME standard, and 6.4% do not report on this aspect.

With regard to *gross GHG emissions*, the picture is more positive in terms of compliance with the standard, as almost two-thirds of SMEs (63.8%) provide full disclosures in accordance with the VSME, while 11.1% make partial disclosures.

//// **FIGURE 8** **Information reported under the B3 disclosure requirement**



↑ Source: Authors' own.

For its part, *GHG emissions intensity* is the least disclosed reporting point of B3, suggesting that it is either a significantly more complex indicator or one that is considered less of a priority for disclosure. More than half of the sampled SMEs (54.3%) do not report on this indicator. 12.8% provide non-VSME quantitative disclosures, and 19.1% provide disclosures partially aligned with the standard. Finally, it should be noted that only 13.8% provide complete information that meets all required criteria.

Alignment of the content disclosed. Differences by SME size and sector

Table 9 shows the disaggregated results of the reporting level of the B3 disclosure requirement, by the size of the SMEs analysed and the sectors to which they belong.

//// **TABLE 9** B3 disclosure requirement. Differences by SME size and sector

B3 DISCLOSURE REQUIREMENT														
Energy consumption														
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported	6	6.4	1	14.3	2	6.9	3	5.2	1	4.2	5	7.1
1: Qualitative disclosure- non-VSME	6	6.4	1	14.3	3	10.3	2	3.4	2	8.3	4	5.7
2: Quantitative disclosure - non-VSME	13	13.8	2	28.6	5	17.2	6	10.3	7	29.2	6	8.6
3: Partially dis-closed (VSME)	59	62.8	3	42.9	15	51.7	41	70.7	11	45.8	48	68.6
4: Fully disclosed (VSME)	10	10.6	0	0.0	4	13.8	6	10.3	3	12.5	7	10.0
Total	**94**	**100.0**	7	100.0	29	100.0	58	100.0	24	100.0	70	100.0
Gross GHG emissions														
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported	10	10.6	1	14.3	4	13.8	5	8.6	2	8.3	8	11.4
1: Qualitative disclosure - non-VSME	7	7.4	1	14.3	3	10.3	3	5.2	2	8.3	5	7.1
2: Quantitative disclosure - non-VSME	6	6.4	0	0.0	1	3.4	5	8.6	1	4.2	5	7.1
3: Partially dis-closed (VSME)	11	11.7	2	28.6	4	13.8	5	8.6	6	25.0	5	7.1
4: Fully disclosed (VSME)	60	63.8	3	42.9	17	58.6	40	69.0	13	54.2	47	67.1
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**
GHG emissions intensity														
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported	51	54.3	6	85.7	19	65.5	26	44.8	18	75.0	33	47.1
1: Qualitative disclosure- non-VSME	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
2: Quantitative disclosure - non-VSME	12	12.8	1	14.3	2	6.9	9	15.5	2	8.3	10	14.3
3: Partially dis-closed (VSME)	18	19.1	0	0.0	5	17.2	13	22.4	3	12.5	15	21.4
4: Fully disclosed (VSME)	13	13.8	0	0.0	3	10.3	10	17.2	1	4.2	12	17.1
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	100.0

↑ Source: Authors' own.

With regard to *energy consumption*, when we analyse the results of the reports according to company size, there are notable differences. In this regard, it is noted that, in the case of micro-enterprises, less than half (42.9%) provide partial or full disclosures (Levels 3 and 4 on the scale) in accordance with the VSME standard, whereas, in the case of small and medium-sized enterprises, the reporting figures are significantly higher (65.5% and 81.0%, respectively). There are also differences by sector with regards to the reporting of this datapoint. Thus, 58.3% of low climate impact SMEs disclose this information in line with the VSME standard, either partially or in full, while this percentage rises to 78.6% for high climate impact SMEs.

With regard to *gross GHG emissions,* there appears to be an acceptable level of compliance with the VSME standard, with no significant differences based on company size. Thus, partial or full alignment with the VSME standard (Levels 3+4) is in the majority in all size groups, with relatively stable percentages: 71.5% for micro-enterprises, 72.4% for small enterprises and 77.6% for medium-sized enterprises. Considering the sector of activity according to its climate impact, there is also a certain homogeneity in the reporting of this disclosure requirement, insofar as both low climate impact (79.2%) and high climate impact (74.2%) companies provide partial or full disclosures according to the VSME standard.

As regards *GHG emissions intensity*, within the limited level of general disclosure mentioned above, it is apparent that the larger the organisation, the greater the likelihood of reporting this information. Thus, none of the micro-enterprises analysed are aligned with the VSME standard. However, this percentage rises to 27.5% for small and 39.6% for medium-sized enterprises. By sector of activity, it may be observed that SMEs belonging to low climate impact sectors have a higher percentage of "not reported" (75.0%) compared to high climate impact SMEs (47.1%). High climate impact companies have a higher percentage of partial (21.4%) and full disclosures (17.1%) than low climate impact ones (12.5% and 4.2%, respectively). These data suggest that high impact SMEs are more aware of or pressured to report on their emissions intensity.

4.2.4 B4 disclosure requirement. Pollution of air, water and soil

Description of the requirement

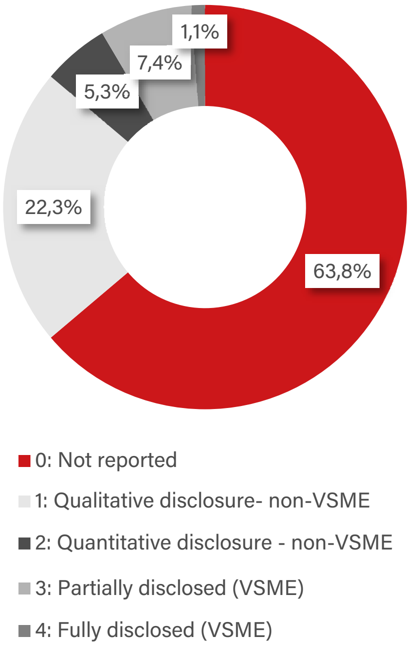
B4 disclosure requirement of the Basic Module seeks information from SMEs on pollutants arising from the business activity itself. In this regard, the SME must report the *pollutants generated* (kg of emissions), including those classified as "hazardous" as well as those classified as "non-hazardous", and must also specify the medium into which they are expelled (atmosphere, water or soil). However, according to the VSME standard, this is a reporting point that is only required ("if applicable" criterion) for companies that are legally obliged to report this information to the competent environmental authorities (in the National Pollutants Emissions and Sources Register PRTR-Spain). Similarly, in cases where the SME is voluntarily certified under an environmental management system (the "if applicable" criterion), the SME must provide the*additional information* under this reporting point which has been gathered for this type of certification.

Alignment of content disclosed in the SME sample

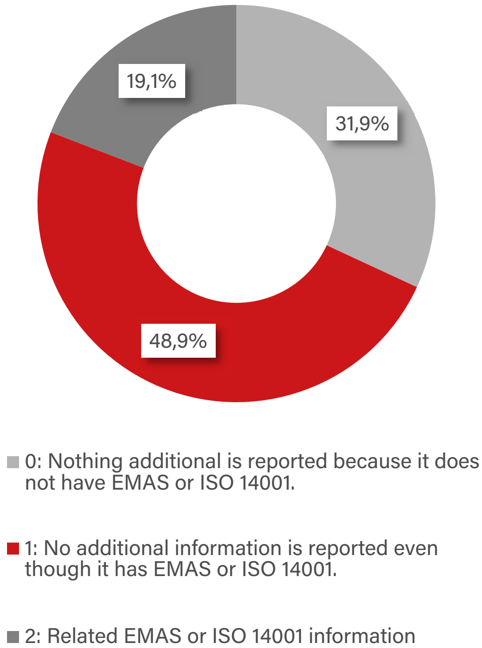
The degree of compliance with the VSME standard in relation to pollutant reporting is very low, as displayed in Figure 9. As can be seen, the majority of SMEs (63.8%) do not report on the *generated pollutants*. A further significant proportion (22.3%) provides only qualitative disclosures not aligned with the VSME standard. Only 7.4% provide quantitative disclosures that are partially aligned with the VSME standard, and only 1.1% disclose in full. Most likely, this low level of reporting is due to the "if applicable" nature of this reporting point (based on the obligation to register in the PRTR-Spain) and the limited number of SMEs to which it applies.

//// FIGURE 9 Information reported under the B4 disclosure requirement

Pollutants generated



Additional information



↑ Source: Authors' own.

With regard to the *additional information* on the implementation of environmental management systems (EMAS or ISO 14001), 31.3% of SMEs do not report on this matter because they do not hold these certifications. However, what is most noteworthy is that 48.9% do not provide disclosures on the generation of pollutants either, despite the fact that they do have such environmental management systems in place. Only 20.2% of the sampled SMEs disclose additional information on this point, on the information gathered for the implementation of their EMAS or ISO 14001 systems.

Alignment of the content disclosed. Differences by SME size and sector

The information on the degree of compliance with this requirement, grouped by size and sector of activity, may be seen in Table 10.

//// TABLE 10 B4 disclosure requirement Differences by SME size and sector

B4 DISCLOSURE REQUIREMENT														
Pollutants generated														
Scale	Total	%	Micro	%	Small	%	Medium	%	Low impact	%	High impact	%
0: Not reported	60	63.8	6	85.7	20	69.0	34	58.6	16	66.7	44	62.9
1: Qualitative disclosure- non-VSME	21	22.3	1	14.3	5	17.2	15	25.9	5	20.8	16	22.9
2: Quantitative disclosure - non-VSME	5	5.3	0	0.0	2	6.9	3	5.2	1	4.2	4	5.7
3: Partially disclosed (VSME)	7	7.4	0	0.0	2	6.9	5	8.6	2	8.3	5	7.1
4: Fully disclosed (VSME)	1	1.1	0	0.0	0	0.0	1	1.7	0	0.0	1	1.4
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**

Additional information												
Scale	Total	%	Micro	%	**Small**	%	**Medium**	%	**Low impact**	%	**High impact**	%
0: Nothing additional is reported because it does not have EMAS or ISO 14001.	30	31.9	7	100.0	9	31.0	14	24.1	16	66.7	14	20.0
1: No additional information is reported even though it has EMAS or ISO 14001.	46	48.9	0	0.0	15	51.7	31	53.4	5	20.8	41	58.6
2: Related EMAS or ISO 14001 information	18	19.1	0	0.0	5	17.2	13	22.4	3	12.5	15	21.4
Total	94	100.0	7	100.0	29	100.0	58	100.0	24	100.0	70	100.0

↑ Source: Authors' own.

In terms of size, it is worth noting that 85.7% of micro-enterprises do not report on *pollutants generated*. This under-reporting is also predominant in small and medium-sized enterprises, although with lower percentages (69.0% and 58.6%, respectively). Only 10.3% of medium-sized enterprises and 6.9% of small enterprises provide, partial or full quantitative disclosures as required by the VSME standard (Levels 3+4). This indicates that, in larger SMEs, although the degree of reporting remains low, there is a greater propensity to disclose information aligned with the VSME standard. In terms of sector, low climate impact SMEs have a slightly higher proportion of cases of "not reported" (66.7%) compared to high climate impact SMEs (62.9%). For the rest of the levels of VSME standard compliance, the differences found are equally small.

Analysing the *additional information* reported on the generation of pollutants when SMEs are certified by an environmental management system, it is observed that 100% of micro-enterprises do not report anything in this regard. 82.7% of small enterprises do not report additional information on this reporting point either; 31.0% because they do not hold certifications in environmental management systems and 51.7% do not report it despite holding such certifications. Only 17.2% of small businesses comply with the requirements of the VSME standard. Medium-sized enterprises report this information in a similar way to small enterprises, and only 22.4% do so in accordance with the VSME standard. These results indicate that larger SMEs have a higher proportion of companies with environmental certifications, but despite this, reporting on pollutants is the exception rather than the rule. A similar trend to that described above may be observed by sector of activity. The majority of SMEs belonging to low climate impact sectors (66.7%) do not provide this disclosure as they do not hold environmental certifications; of the companies in these sectors that do hold environmental certifications, only one third comply with the VSME standard by publishing data on pollutants gathered due to these certifications. The majority of SMEs in high climate impact sectors have environmental certifications (80.0%), but only a quarter of them report the information extracted from these certifications in relation to the pollutants produced by the company.

4.2.5 B5 disclosure requirement. Biodiversity

Description of the requirement

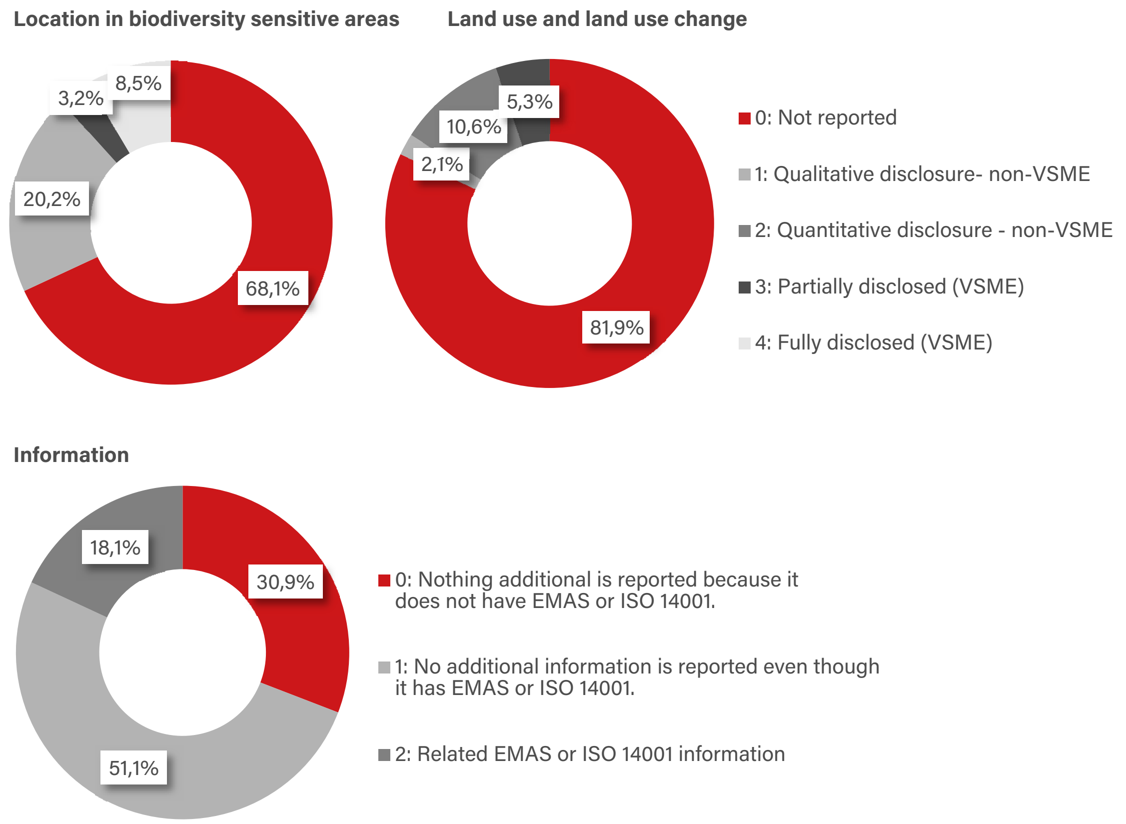
In this disclosure requirement, the SME is asked to report on its relationship with biodiversity and ecosystems. This includes:

- If their *sites are located in or near biodiversity sensitive areas* ("if applicable" criterion).
- Disclosure regarding *land-use and land use change*(optional).
- *Additional relevant information* if the SME is certified under EMAS or ISO 14001 (optional).

Alignment of content disclosed in the SME sample

The analysis of the sample reveals that the level of disclosure of the reporting points of the B5 requirement is, in general, extremely low, as may be seen in Figure 10.

//// FIGURE 10 Information reported on B5 disclosure requirement



Source: Authors' own.

As regards sites in biodiversity sensitive areas, a very low level of reporting is observed. The vast majority of SMEs (68.1%) do not report on this aspect. 23.4% of these companies only provide qualitative or quantitative information not in line with the VSME standard (Levels 1+2), and only 8.5% of the sample provides full disclosures aligned with the standard.

Land use and land use change are the indicators with the lowest disclosure rate within the B5 disclosure requirement. An overwhelming majority of 81.9% of the analysed SMEs do not report this information. 12.7% provide quantitative or qualitative non-VSME data (Levels 1+2) and only 5.3% provide disclosures partially aligned with the VSME standard. It is worth noting that none of the SMEs analysed provide complete information on this reporting point required by the standard.

Finally, with regard to the disclosure of additional information on land use related to environmental certifications, the picture is different. More than half of the SMEs in the sample (51.1%) hold EMAS or ISO 14001 certifications, but do not report additional information, which appears inconsistent. 30.9% of these companies do not report this information because they do not hold such certifications, and only 18.1% of those that do have such certifications publish the related information, complying with reporting requirements of the VSME standard. This again suggests a significant disconnect between the implementation of internal environmental management systems and external transparency regarding their performance.

Alignment of the content disclosed. Differences by SME size and sector

When analysing the results on a disaggregated basis, there are important differences in the level of reporting of the B5 disclosure requirement according to company size and sector of activity, as shown in Table 11.

//// TABLE 11 B5 disclosure requirement. Differences by SME size and sector

B5 DISCLOSURE REQUIREMENT

Scale	Total	%	Micro	%	Small	%	Medium	%	Low impact	%	High impact	%
Location in biodiversity sensitive areas												
0: Not reported	64	68.1	6	85.7	20	69.0	38	65.5	19	79.2	45	64.3
1: Qualitative disclosure-non-VSME	19	20.2	0	0.0	6	20.7	13	22.4	3	12.5	16	22.9
2: Quantitative disclosure - non-VSME	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
3: Partially disclosed (VSME)	3	3.2	1	14.3	0	0.0	2	3.4	0	0.0	3	4.3
4: Fully disclosed (VSME)	8	8.5	0	0.0	3	10.3	5	8.6	2	8.3	6	8.6
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**
Land use and land use change												
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported	77	81.9	5	71.4	23	79.3	49	84.5	21	87.5	56	80.0
1: Qualitative disclosure-non-VSME	2	2.1	0	0.0	1	3.4	1	1.7	1	4.2	1	1.4
2: Quantitative disclosure - non-VSME	10	10.6	1	14.3	4	13.8	5	8.6	2	8.3	8	11.4
3: Partially disclosed (VSME)	5	5.3	1	14.3	1	3.4	3	5.2	0	0.0	5	7.1
4: Fully disclosed (VSME)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**
Additional information												
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Nothing additional is reported because it does not have EMAS or ISO 14001.	29	30.9	6	85.7	9	31.0	14	24.1	14	58.3	15	21.4
1: No additional information is reported even though it has EMAS or ISO 14001.	48	51.1	1	14.3	14	48.3	33	56.9	8	33.3	40	57.1
2: Related EMAS or ISO 14001 information	17	18.1	0	0.0	6	20.7	11	19.0	2	8.3	15	21.4
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	100.0

↑ Source: Authors' own.

With regard to *sites located in biodiversity sensitive areas,* it is observed that the likelihood of reporting increases with the size of the company. The percentage of non-reporting companies is very high among micro-enterprises (85.7%) and decreases among small (69.0%) and medium-sized enterprises (65.5%). In fact, no micro-enterprises provides disclosures fully aligned with the VSME standard, while 10.3% of small and 8.6% of medium-sized enterprises disclose this information. By sector, companies in low climate impact sectors have a higher rate of non-disclosure (79.2%) than those in high climate impact sectors (64.3%), suggesting that the latter are under more pressure to report on this issue.

When it comes to reporting on *land use and land use change,* a lack of information is the norm across all sectors and at all levels. Interestingly, the percentage of non-reporting is slightly lower in micro- (71.4%) than in small (79.3%) and medium-sized (84.5%) enterprises. In this grouping by sector, only SMEs in high climate impact sectors demonstrate partial alignment with the VSME standard (7.1 %), while this type of reporting is non-existent in low climate impact sectors.

With regard to *additional information of this disclosure requirement related to certifications*, company size appears to be a key factor. The absence of EMAS or ISO 14001 certification as a reason for not reporting is widespread in micro-enterprises (85.7%), but this falls drastically in small (31.0%) and medium-sized enterprises (24.1%). In turn, the disclosure of related information that is not aligned with the VSME standard is zero for micro-enterprises, but 20.7% for small enterprises and 19.0% for medium-sized enterprises. By sector, high climate impact SMEs tend to hold these certifications to a greater extent and, although many (57.1 %) do not report additional information, 21.4% do, compared to 8.3% for low climate impact SMEs. This points to wider adoption of environmental management systems and a higher level of reporting on the data generated by these systems in sectors with the greatest climate impact.

4.2.6 B6 disclosure requirement. Water

Description of the requirement

The B6 disclosure requirement expects SMEs to report within the Basic Module on:

- *Water withdrawal* (mandatory).
- *Water consumption* (“if applicable”, if the SME belongs to a sector with high water consumption).
- *Water discharge* (optional).
- *Additional information on these topics from the implementation of environmental management systems* (EMAS and ISO 14001) (optional).

Alignment of content disclosed in the sample of SMEs

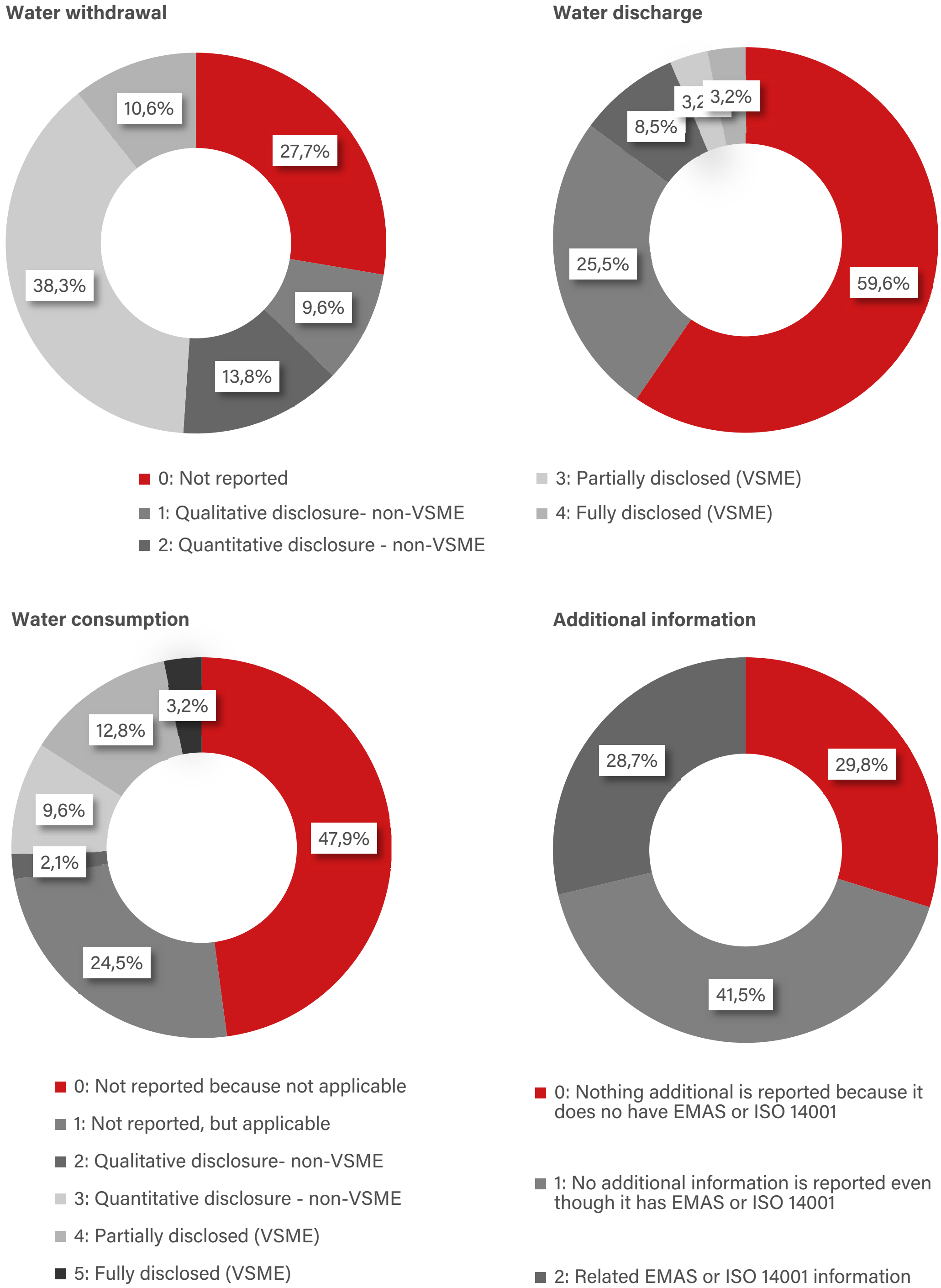
The results obtained by the analysed SMEs in relation to their alignment with the VSME standard in each reporting point of the B6 metric are shown in Figure 11.

With regard to the first reporting point, *water withdrawal*, it is noted that the majority of SMEs (66%) either do not report on this indicator (27.7%), or do so in a manner that is not aligned with the VSME standard (13.4%). Only 10.6% of the sample provides full disclosures as required.

A significant proportion, of the SMEs analysed (47.9%) do not report on their *water consumption* as these are companies that do not engage in activities involving high water consumption. A further, 24.5% do not report on it either, despite this requirement being applicable to them. The proportion of full disclosures in line with the VSME standard is very low, accounting for just 3.2% of the sample. There are also low percentages of positions that do not follow the VSME standard (Levels 2+3), at 11.7%.

Additionally, it is necessary to point out the high degree of confusion found in the reports reviewed regarding the concepts of water "withdrawal" and "consumption". One possible explanation is that SMEs are used to obtaining information on "consumption" in their water bill, which measures the total volume supplied and is referred to as "consumption", but is in fact "withdrawal". They may therefore be transferring this terminology directly into their sustainability reporting, without applying the technical nuance required by the VSME standard. Even so, in order to achieve precision and rigour in the data of our analysis matrix, we have recorded as "water withdrawal" all cases where the information was erroneously referred to as "water consumption" but which undoubtedly represented the volume of water withdrawn.

//// FIGURE 11 Information reported under the B6 disclosure requirement



↑ Source: Authors' own.

When it comes to disclosing *water discharge*, 59.6% of SMEs do not provide disclosures on this optional reporting point. Although the percentage of SMEs (25.5%) providing qualitative disclosures not aligned with the VSME standard is significant, only 3.2% provide full disclosures in line with the VSME standard.

Finally, it is worth noting that almost 3 in 10 SMEs (28.7%) provide *additional information* on one or more of the datapoints under the B6 disclosure requirement covered by the EMAS or ISO 14001 certification schemes. In any case, what is most striking is that a high percentage (41.5%) of SMEs do not report any additional information in this respect, despite holding this type of certification.

Alignment of the content disclosed. Differences by SME size and sector

Table 12 displays the results obtained on the alignment of each reporting point of the B6 metric with the VSME standard, by SME size and sector.

//// TABLE 12 B6 disclosure requirement. Differences by SME size and sector

B6 DISCLOSURE REQUIREMENT												
Water withdrawal												
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported	26	27.7	4	57.1	7	24.1	15	25.9	8	33.3	18	25.7
1: Qualitative disclosure- non-VSME	9	9.6	0	0.0	3	10.3	6	10.3	4	16.7	5	7.1
2: Quantitative disclosure - non-VSME	13	13.8	1	14.3	7	24.1	5	8.6	3	12.5	10	14.3
3: Partially disclosed (VSME)	36	38.3	2	28.6	8	27.6	26	44.8	7	29.2	29	41.4
4: Fully disclosed (VSME)	10	10.6	0	0.0	4	13.8	6	10.3	2	8.3	8	11.4
Total	**94**	100.0	7	100.0	29	100.0	58	100.0	24	100.0	70	**100.0**
Water consumption												
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported because not applicable	45	47.9	7	100.0	13	44.8	25	43.1	20	83.3	25	35.7
1: Not reported, but applicable	23	24.5	0	0.0	8	27.6	15	25.9	2	8.3	21	30.0
2: Qualitative disclosure- non-VSME	2	2.1	0	0.0	0	0.0	2	3.4	1	4.2	1	1.4
3: Quantitative disclosure - non-VSME	9	9.6	0	0.0	4	13.8	5	8.6	1	4.2	8	11.4
4: Partially disclosed (VSME)	12	12.8	0	0.0	3	10.3	9	15.5	0	0.0	12	17.1
5: Fully disclosed (VSME)	3	3.2	0	0.0	1	3.4	2	3.4	0	0.0	3	4.3
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**
Water discharge												
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported	56	59.6	6	85.7	16	55.2	34	58.6	18	75.0	38	54.3
1: Qualitative disclosure- non-VSME	24	25.5	1	14.3	9	31.0	14	24.1	4	16.7	20	28.6
2: Quantitative disclosure - non-VSME	8	8.5	0	0.0	1	3.4	7	12.1	0	0.0	8	11.4
3: Partially disclosed (VSME)	3	3.2	0	0.0	2	6.9	1	1.7	1	4.2	2	2.9
4: Fully disclosed (VSME)	3	3.2	0	0.0	1	3.4	2	3.4	1	4.2	2	2.9
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**
Additional information												

Scale	Total	%	Micro	%	Small	%	Medium	%	Low impact	%	High impact	%
0: Nothing additional is reported because it does not have EMAS or ISO 14001	28	29.8	7	100.0	10	34.5	11	19.0	16	66.7	12	17.1
1: No additional information is reported even though it has EMAS or ISO 14001	39	41.5	0	0.0	12	41.4	27	46.6	4	16.7	35	50.0
2: Related EMAS or ISO 14001 information	27	28.7	0	0.0	7	24.1	20	34.5	4	16.7	23	32.9
Total	**94**	**100.0**	7	100.0	29	100.0	58	100.0	24	100.0	70	100.0

↑ Source: Authors' own.

Regarding the report on *water withdrawal*, medium-sized companies have higher percentages of partial or fully disclosures in line with the VSME standard (Levels 3 and 4), reaching 55.1%. On the other hand, the omission of this information is predominant in micro-enterprises (57.1%). If we introduce the sector effect, high climate impact SMEs display higher partial compliance with the standard (41.4%), compared to low climate impact SMEs (29.2%), although the lack of reporting is similar in both groups.

As regards disclosures on *water consumption*, it should be noted that no micro-enterprises report on this topic. The majority of small and medium-sized enterprises also do not report on this topic (72.4% and 69.0% respectively), whether it is applicable to them (27.6% and 25.9%) or not (44.8% and 43.1%). The majority of low climate impact companies (83.3%) do not report this information because it is not applicable to them, while for high climate impact SMEs, this proportion drops considerably to 35.7%. However, it is striking that 30.0% of high climate impact SMEs do not report on water consumption, although this reporting point is applicable to them.

There is a considerable lack of reporting in each SME size group as regards *water discharge*, being especially high in micro-enterprises (85.7%). Medium-sized enterprises have a higher proportion of quantitative disclosures not aligned with the VSME standard (12.1 %) and only 3.4% of both small and medium-sized enterprises provide full disclosures according to the requirements of the VSME standard. Non-reporting is prevalent regardless of sector, being somewhat lower in high climate impact companies (54.3%) compared to low climate impact companies (75.0%).

Finally, it should be noted that none of the micro-enterprises analysed provide *additional information* related to the B6 requirement arising from EMAS or ISO 14001 certifications, while 24.1% of small and 34.5% of medium-sized SMEs disclose this information. Greater disclosure of EMAS and ISO 14001 related information is also observed in high climate impact companies (32.9%), compared to low climate impact ones (16.7%).

4.2.7 B7 disclosure requirement. Resource use, circular economy and waste management

Description of the requirement

B7 disclosure requirement of the Basic Module requires the SME to report on:

- The *total generation of waste* (mandatory).
- *Waste diverted to recycling or reuse* (mandatory).
- *Annual mass-flow of relevant resources* ("if applicable" criterion, if the SME handles large flows of material).

Alignment of content disclosed in the SME sample

As shown in Figure 12, different levels of compliance may be observed for each reporting points of the B7 requirement in the sample analysed.

//// FIGURE 12 Information reported under the B7 disclosure requirement

↑ Source: Authors' own.

With regard to *total generation of waste,* almost 60% of the SMEs provide disclosures in line with the VSME standard, either partially (26.6%) or in full (31.9%), while 12.8% of the sample does not disclose this reporting point at all.

For *waste diverted to recycling or reuse,* the situation is entirely different, as there is a low level of compliance with the VSME standard, and non-VSME qualitative disclosures are common in this regard (33.0%). The omission of reporting on recycling practices by one in five SMEs (20.2%) is equally significant, considering the social relevance of practices aligned with the circular economy in the current context.

Finally, the *annual mass-flow of relevant materials* is the indicator with the lowest level of disclosure within the B7 metric. The option chosen by the majority, at 27.7%, is to not report because it is not applicable, and a further 25.5% do not report, even though it applies to them. This adds up to more than half of all companies omitting this reporting point. Only 9.6% of SMEs provide full disclosures aligned with the VSME standard.

Alignment of the content disclosed. Differences by SME size and sector

Table 13 shows the disaggregated results of the reporting level of the B7 disclosure requirement, by the size of the SMEs analysed and the sectors to which they belong.

//// TABLE 13 B7 disclosure requirement. Differences by SME size and sector

B7 DISCLOSURE REQUIREMENT												
Total generation of waste												
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported	12	12.8	1	14.3	6	20.7	5	8.6	4	16.7	8	11.4
1: Qualitative disclosure-non-VSME	18	19.1	3	42.9	4	13.8	11	19.0	9	37.5	9	12.9
2: Quantitative disclosure - non-VSME	9	9.6	2	28.6	3	10.3	4	6.9	5	20.8	4	5.7
3: Partially disclosed (VSME)	25	26.6	1	14.3	6	20.7	18	31.0	4	16.7	21	30.0
4: Fully disclosed (VSME)	30	31.9	0	0.0	10	34.5	20	34.5	2	8.3	28	40.0
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**
Waste diverted to recycling or reuse												
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported	19	20.2	1	14.3	5	17.2	13	22.4	7	29.2	12	17.1
1: Qualitative disclosure-non-VSME	31	33.0	5	71.4	9	31.0	17	29.3	12	50.0	19	27.1
2: Quantitative disclosure - non-VSME	13	13.8	0	0.0	6	20.7	7	12.1	2	8.3	11	15.7
3: Partially disclosed (VSME)	8	8.5	0	0.0	2	6.9	6	10.3	2	8.3	6	8.6
4: Fully disclosed (VSME)	23	24.5	1	14.3	7	24.1	15	25.9	1	4.2	22	31.4
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**
Annual mass-flow of relevant resources												
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported because not applicable	26	27.7	6	85.7	7	24.1	13	22.4	17	70.8	9	12.9
1: Not reported, butapplicable	24	25.5	1	14.3	7	24.1	16	27.6	1	4.2	23	32.9
2: Qualitative disclosure-non-VSME	7	7.4	0	0.0	3	10.3	4	6.9	2	8.3	5	7.1
3: Quantitative disclosure - non-VSME	17	18.1	0	0.0	8	27.6	9	15.5	3	12.5	14	20.0
4: Partially disclosed (VSME)	11	11.7	0	0.0	2	6.9	9	15.5	0	0.0	11	15.7
5: Fully disclosed (VSME)	9	9.6	0	0.0	2	6.9	7	12.1	1	4.2	8	11.4
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	24	100.0	70	100.0

↑ Source: Authors' own.

In terms of *total generation of waste*, there is a clear relationship between greater alignment with the VSME standard and greater company size. Thus, it may be observed that micro-enterprises are strikingly non-transparent in this regard, with only 14.3% of them making partial or full disclosures according to the VSME standard. The picture changes for small companies, where the figure stands at 55.2%, and also for medium-sized companies, which show the greatest alignment with the standard, reaching 65.5%. This trend is even more pronounced when referring to the sector of activity. The difference between companies based on their climate impact is high: those in high climate impact sectors demonstrate a much higher commitment, with 40% fully meeting the requirements of the standard. This level of reporting contrasts sharply with that of low climate impact SMEs, where only a residual group (8.3%) reaches the same level of transparency.

With regard to *waste diverted to recycling or reuse*, medium-sized enterprises lead the way in compliance, with 25.9% providing full disclosures and 10.3% providing partial disclosures, in accordance with the standard's requirements. In comparison, the majority of micro-enterprises (71.4%) limit themselves to making some qualitative disclosures. Another pattern detected in the SMEs analysed is that companies in high climate impact sectors significantly outperform those in low climate impact sectors, as regards fully aligned reporting on this indicator (31.4% vs. 4.2%).

Finally, with regard to *annual mass-flow of relevant materials,* none of the micro-enterprises provide any disclosures on this topic, while around half of small enterprises (51.7%) and medium-sized enterprises (50.0%) provide some kind of reporting, regardless of whether it complies with the VSME standard or not. When examining the sector-based categories of SMEs, in low climate impact SMEs the norm is to not report as they consider that it does not apply to them (70.8%), while almost half of all high climate impact SMEs do disclose this reporting point; the most common level in this case is the provision of quantitative disclosures not aligned with the standard (20.0%).

4.2.8 Disclosure requirement B8. Workforce: general characteristics

Description of the requirement

Following the VSME standard, the B8 disclosure requirement requires SMEs to report within the Basic Module on the total number of employees, using two units of measurement: headcount or full-time equivalent (FTE). This second option expresses the number of full-time employees required to cover the hours of work performed by the current employees, either full-time or part-time.

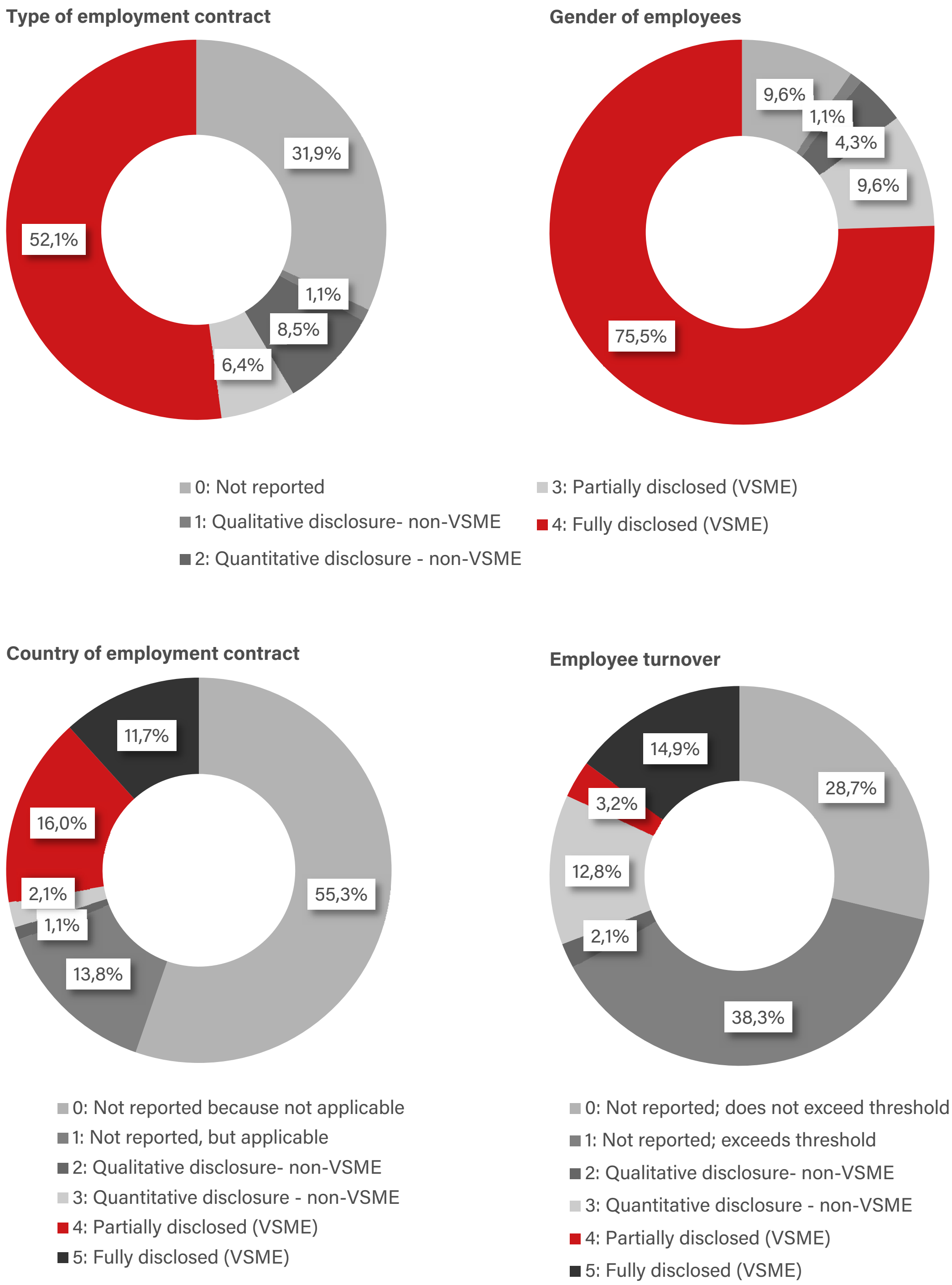
Irrespective of how the workforce is measured (headcount or FTE), the SME should break down the reporting on its workforce according to the following points:

- *Type of contract*, indicating at least the number of permanent and temporary employees (mandatory reporting item).
- The *gender* of the employees, using the categories: "male", "female", "other" and "not reported" (mandatory reporting item).
- The *country of employment contract*, provided that it has locations outside Spain (report point of an "if applicable" nature).
- If the SME has 50 or more employees, it shall report its *employee turnover rate* calculated as the number of employees leaving the company during a reporting year by the average number of employees during the reporting year (×100) (reporting item "if exceeding the threshold of 50 employees").

Alignment of content disclosed in the SME sample

Figure 13 displays the overall results obtained from the four reporting points that make up the B8 disclosure requirement.

//// FIGURE 13 Information reported under the B8 disclosure requirement



↑ Source: Authors' own.

One of the initial findings is that 52.1% of the sample of Spanish SMEs analysed fully meets the requirements set out in the VSME standard regarding *employment contract type*. In contrast, a significant proportion (31.9%) fails to make any disclosures on this topic. In fact, a solid majority (58.5%) already comply or are very close to complying with the VSME standard (Level 4 and, to a lesser extent, Level 3), which indicates that the requirement is sufficiently aligned with the reporting practice of the analysed SMEs. On the other hand, there continues to be a lack of transparency for more than a third of the sampled SMEs, which are either completely secretive about this indicator or simply make qualitative or quantitative comments on this reporting point (10.1%, Levels 1+2).

The results on the *gender* of employees show a clear alignment of the participating SMEs with this reporting requirement, insofar as 85.1% of them report partially or fully in this regard, providing the complete disclosure required by the VSME standard in more than 3 out of 4 cases (75.5%). Compared to reporting on types of contracts, the level of compliance with reporting on gender is notably higher in the sample analysed. In this regard, it should be noted that while the standard recommends providing gender information according to all possible categories, including "other/not reported", in practice, disclosures in sustainability reports are reduced exclusively to the categories of "male" and "female".

With regard to the disclosure of the number of employees in each *country of employment contract*, it should be noted that this requirement is applicable only when SMEs operate in more than one country (i.e. 'if applicable'). It is for this reason that the scale includes an item to initially determine whether or not it is applicable to the SME in question (Level 0). In the sample, it is not a requirement for 55.3% of the SMEs analysed. However, it should be noted that within the subgroup of SMEs that operate internationally and where the VSME standard would apply, 13.8% do not comply with this reporting requirement. Only 11.7% of the analysed SMEs provide disclosures that are fully aligned with the standard, ranking as the least aligned reporting point within the B8 metric.

The disclosure of the *employee turnover rate* of SMEs is another conditional requirement – that is, 'if applicable' under the VSME standard – for companies with more than 50 employees. As in the case of the country of employment contract, this reporting point is scarcely disclosed by the SMEs analysed in our study. Thus, 28.7% of SMEs do not report because they do not exceed the threshold set by the VSME standard. But what is more relevant is that in 38.3% of the cases, companies fail to report this point, despite having more than 50 employees. Only 14.9% of SMEs report their employee turnover rate using the formula required by the VSME standard and 3.2% come close to partially meeting this requirement, with SMEs often reporting the number of employees who have left the company, mainly due to retirement, during the year, but not calculating the resulting employee turnover rate.

Alignment of the content disclosed. Differences by SME size and sector

Based on the information in Table 14 regarding differences by size, the results show that there are significant differences in disclosures regarding *types of contracts* between micro-enterprises and other categories, with only one micro-enterprise providing the disclosure required by the VSME standard (14.3%) and the vast majority (71.4%) omitting this information. On the other hand, small companies present a completely contrary picture; 24.1% do not report, compared to 58.6% who already comply fully with the standard. In the case of medium-sized enterprises, these figures stand at 31.0% and 53.4%, respectively. Climate impact sector (high or low) does not appear to have as obvious an influence as SME size on the disclosure practices of companies for this reporting point, the disclosure patterns being quite similar, with only small residual variations in favour of those in high climate impact sectors across different levels of the scale.

Another important note is that, as company size increases, full and aligned disclosure of required reporting on *gender* is predominant (28.6%, 79.3% and 79.3%, respectively, for Level 4), with medium-sized companies boasting the lowest percentage of non-disclosure (6.9%). Also, in terms of gender, there are slight percentage variations in favour of high impact sectors when we review total alignment with the VSME standard (66.7% versus 78.6%), with the polarisation of the results found being more evident in the latter type of companies, as this point is either not disclosed (11.4%) or fully aligned with the requirement (78.8%).

None of the micro-enterprises analysed disclose the number of employees by *country of employment contract*, which is justified by the fact that in 85.7% of all cases, this point does not apply to them, as they operate exclusively in Spain. This trend decreases as the size of the enterprise increases, with 65.5% for small enterprises and 46.6% for medium-sized enterprises. Among companies with employees abroad, the proportion of full compliance increases with size, but reaches low percentages of alignment in all cases; only 17.2% of medium-sized SMEs (10 cases) provide disclosures that are fully aligned with the requirements of the standard. If we introduce the effect of belonging to a sector with low or high climate impact, we find that low climate impact SMEs do not fully comply with the requirement, compared to 15.7% (11 cases) of high climate impact companies whose disclosures are in full alignment.

Completing the analysis of *employee turnover rate* by SME size, similar conclusions are reached: it is observed that 100% of micro-enterprises do not provide this disclosure, a result that is consistent with the definition of this type of SME (less than 10 employees) and therefore, is not applicable (Level 0). However, although applicable, it is also not disclosed by 62.1% of medium-sized SMEs, despite the fact that this group has the highest percentage of full alignment with the standard (17.2%). Finally, it should be noted that 42.9% of SMEs in high climate impact sectors do not report on this requirement, even though they exceed the threshold for reporting the *employee turnover rate*. Despite this, all partial reports (4.3%) and the highest percentage of full VSME compliance (16.4%) on this last requirement is concentrated within this group.

//// **TABLE 14** **B8 disclosure requirement. Differences by SME size and sector**

B8 DISCLOSURE REQUIREMENT

Type of employment contract												
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported	30	31.9	5	71.4	7	24.1	18	31.0	9	37.5	21	30.0
1: Qualitative disclosure- non-VSME	1	1.1	0	0.0	1	3.4	0	0.0	0	0.0	1	1.4
2: Quantitative disclosure - non-VSME	8	8.5	0	0.0	2	6.9	6	10.3	3	12.5	5	7.1
3: Partially dis-closed (VSME)	6	6.4	1	14.3	2	6.9	3	5.2	2	8.3	4	5.7
4: Fully disclosed (VSME)	49	52.1	1	14.3	17	58.6	31	53.4	10	41.7	39	55.7
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**
Gender of employees												
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported	9	9.6	2	28.6	3	10.3	4	6.9	1	4.2	8	11.4
1: Qualitative disclosure- non-VSME	1	1.1	0	0.0	0	0.0	1	1.7	1	4.2	0	0.0
2: Quantitative disclosure - non-VSME	4	4.3	1	14.3	1	3.4	2	3.4	3	12.5	1	1.4
3: Partially dis-closed (VSME)	9	9.6	2	28.6	2	6.9	5	8.6	3	12.5	6	8.6
4: Fully disclosed (VSME)	71	75.5	2	28.6	23	79.3	46	79.3	16	66.7	55	78.6
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**

Country of employment contract														
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported because not applicable	52	55.3	6	85.7	19	65.5	27	46.6	18	75.0	34	48.6
1: Not reported, butapplicable	13	13.8	0	0.0	4	13.8	9	15.5	2	8.3	11	15.7
2: Qualitative disclosure- non-VSME	1	1.1	1	14.3	0	0.0	0	0.0	1	4.2	0	0.0
3: Quantitative disclosure - non-VSME	2	2.1	0	0.0	1	3.4	1	1.7	0	0.0	2	2.9
4: Partially disclosed (VSME)	15	16.0	0	0.0	4	13.8	11	19.0	3	12.5	12	17.1
5: Fully disclosed (VSME)	11	11.7	0	0.0	1	3.4	10	17.2	0	0.0	11	15.7
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**
Employee turnover rate												
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported; does not exceed threshold	27	28.7	7	100.0	20	69.0	0	0.0	13	54.2	14	20.0
1: Not reported; exceeds threshold	36	38.3	0	0.0	0	0.0	36	62.1	6	25.0	30	42.9
2: Qualitative disclosure- non-VSME	2	2.1	0	0.0	1	3.4	1	1.7	1	4.2	1	1.4
3: Quantitative disclosure - non-VSME	12	12.8	0	0.0	3	10.3	9	15.5	1	4.2	11	15.7
4: Partially disclosed (VSME)	3	3.2	0	0.0	1	3.4	2	3.4	0	0.0	3	4.3
5: Fully disclosed (VSME)	14	14.9	0	0.0	4	13.8	10	17.2	3	12.5	11	15.7
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	100.0

↑ Source: Authors' own.

4.2.9 B9 disclosure requirement. Workforce: health and safety

Description of the requirement

In order to comply with the VSME standard, the SME shall disclose within the Basic Module the following two reporting items in relation to the B9 metric "Workforce: Health and Safety" (both are mandatory reporting items):

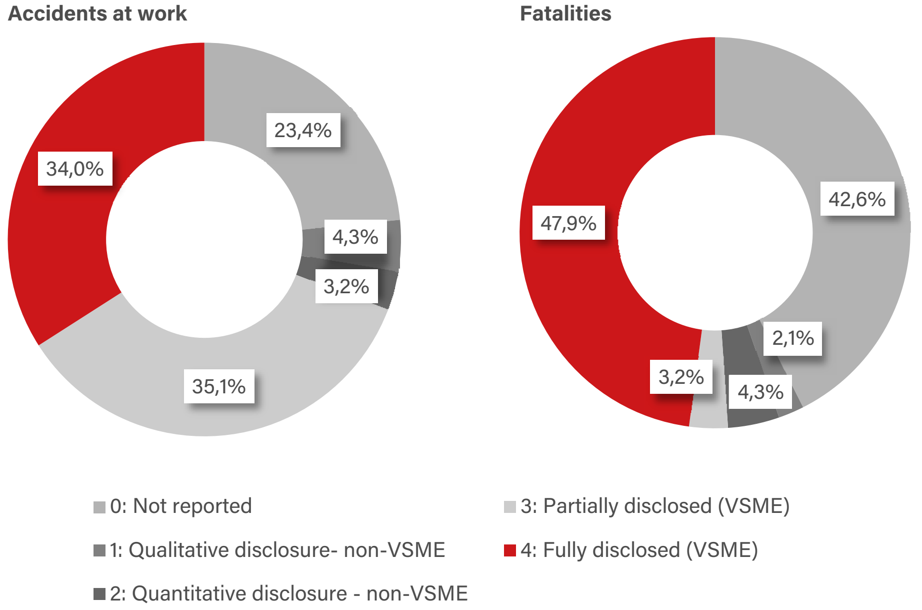
- *Number and rate of recordable work-related accidents*, meaning those resulting in physical or mental injury requiring the intervention of a health professional. To calculate the accident rate, the number of accidents during the reporting year is compared with the actual or estimated number of hours worked per year (in the latter case, 2,000 working hours per full-time employee per year), and multiplied by 200,000 to obtain the accident rate per 100 full-time employees as required by the VSME standard.

- *Number of fatalities* as a result of work-related injuries and work-related ill health.

Alignment of content disclosed in the SME sample

Figure 14 breaks down the scores obtained by the SMEs analysed for each of the two reporting items that make up the B9 metric.

//// FIGURE 14 Information reported under the B9 disclosure requirement



Source: Authors' own.

Disclosure of the *number and rate of work-related accidents* according to the requirements of the VSME standard is provided in one in three cases (34.0%), with partial compliance reaching a similar level (35.1%), although reference is mostly made to the number of significant incidents suffered by SME employees rather than to the rate calculation required by the VSME standard. In 22 cases (23.4%), SMEs do not disclose this reporting point.

Meanwhile, with regard to the reporting of the *number of fatalities*, there is a clear divide in reporting rates; whilst 47.9% report in accordance with the VSME standard, in 42.6% of the cases, no figures are provided. It is highly likely possible that a significant part of the cases of non-reporting are in fact omissions due to the fact that there have been no fatalities in the SME during the reporting year. In this regard, and according to the stipulations of the VSME standard, omission of disclosure does not in any case amount to compliance. Therefore, if the SME has not recorded any fatalities, it should explicitly state this in its Sustainability Statement.

Alignment of the content disclosed. Differences by SME size and sector

Table 15 details the results obtained for the reporting points that make up the B9 disclosure requirement, demonstrating the influence of company size and climate impact classification (low or high).

//// **TABLE 15** **B9 disclosure requirement. Differences by SME size and sector**

B9 DISCLOSURE REQUIREMENT														
Accidents at work														
Scale	Total	%	Micro	%	Small	%	Medium	%	Low impact	%	High impact	%
0: Not reported	22	23.4	4	57.1	6	20.7	12	20.7	8	33.3	14	20.0
1: Qualitative disclosure- non-VSME	4	4.3	0	0.0	1	3.4	3	5.2	3	12.5	1	1.4
2: Quantitative disclosure - non-VSME	3	3.2	1	14.3	0	0.0	2	3.4	1	4.2	2	2.9
3: Partially disclosed (VSME)	33	35.1	0	0.0	12	41.4	21	36.2	6	25.0	27	38.6
4: Fully disclosed (VSME)	32	34.0	2	28.6	10	34.5	20	34.5	6	25.0	26	37.1
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**
Fatalities resulting from work-related injuries and work-related ill health												
Scale	Total	%	Micro	%	Small	%	Medium	%	Low impact	%	High impact	%
0: Not reported	40	42.6	5	71.4	12	41.4	23	39.7	11	45.8	29	41.4
1: Qualitative disclosure- non-VSME	2	2.1	0	0.0	0	0.0	2	3.4	1	4.2	1	1.4
2: Quantitative disclosure - non-VSME	4	4.3	0	0.0	0	0.0	4	6.9	1	4.2	3	4.3
3: Partially disclosed (VSME)	3	3.2	0	0.0	0	0.0	3	5.2	1	4.2	2	2.9
4: Fully disclosed (VSME)	45	47.9	2	28.6	17	58.6	26	44.8	10	41.7	35	50.0
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	100.0

↑ Source: Authors' own.

If we introduce the effect of company size with regard to the first requirement (number and rate of recordable work-related accidents), we observe that there are notable differences between micro-enterprises and other categories. Thus, 57.1% of all micro-enterprises do not report this information, compared to 28.6% whose disclosures are fully aligned with the requirements of the VSME standard. For small and medium-sized enterprises, 34.5% of the sub-samples meet all reporting requirements of the standard, while 36.2% of medium-sized and 41.4% of small enterprises provide disclosures that are partially aligned. Thus, it may be concluded that, as a company grows, its options for reporting become more diversified. Results by sector are also slightly affected, with scores for reporting options being more complete for high climate impact SMEs (Levels 3+4 for 50% of low climate impact SMEs compared to 75.7% of high climate impact SMEs).

It is also noted that the failure of SMEs to report *fatalities* decreases as their size increases, with the rate being very high among micro-enterprises (71.4%), compared with the rate observed for medium-sized enterprises (39.7%). The criterion of sector scarcely conditions the results obtained; in any case, with small variations in favour of this disclosure in high climate impact companies.

4.2.10 B10 disclosure requirement. Workforce: remuneration, collective bargaining and training

Description of the requirement

In the area of remuneration, the VSME standard requires SMEs to report the following items in the Basic Module, under the B10 metric:

- Proportion of employees receiving *pay equal to or above applicable minimum wage*, this being the lowest wage that may be legally paid to employees (excluding apprentices and interns), taking into account the legal requirements regarding pay as set out in the national minimum wage (SMI in Spanish) and the provisions of any applicable collective agreements (mandatory).
- *Pay gap* on account of gender if the company has more than 150 employees. When calculating this gap, the unit to be used is the average gross hourly wage for each gender category as reported by the SME (reporting point "if exceeds threshold").
- *Rate of collective bargaining coverage* of employees (mandatory).
- *Hours of training received by employees, broken down by gender* (mandatory).

Alignment of content disclosed in the SME sample

Figure 15 displays the main results obtained for each of the four B10 reporting points.

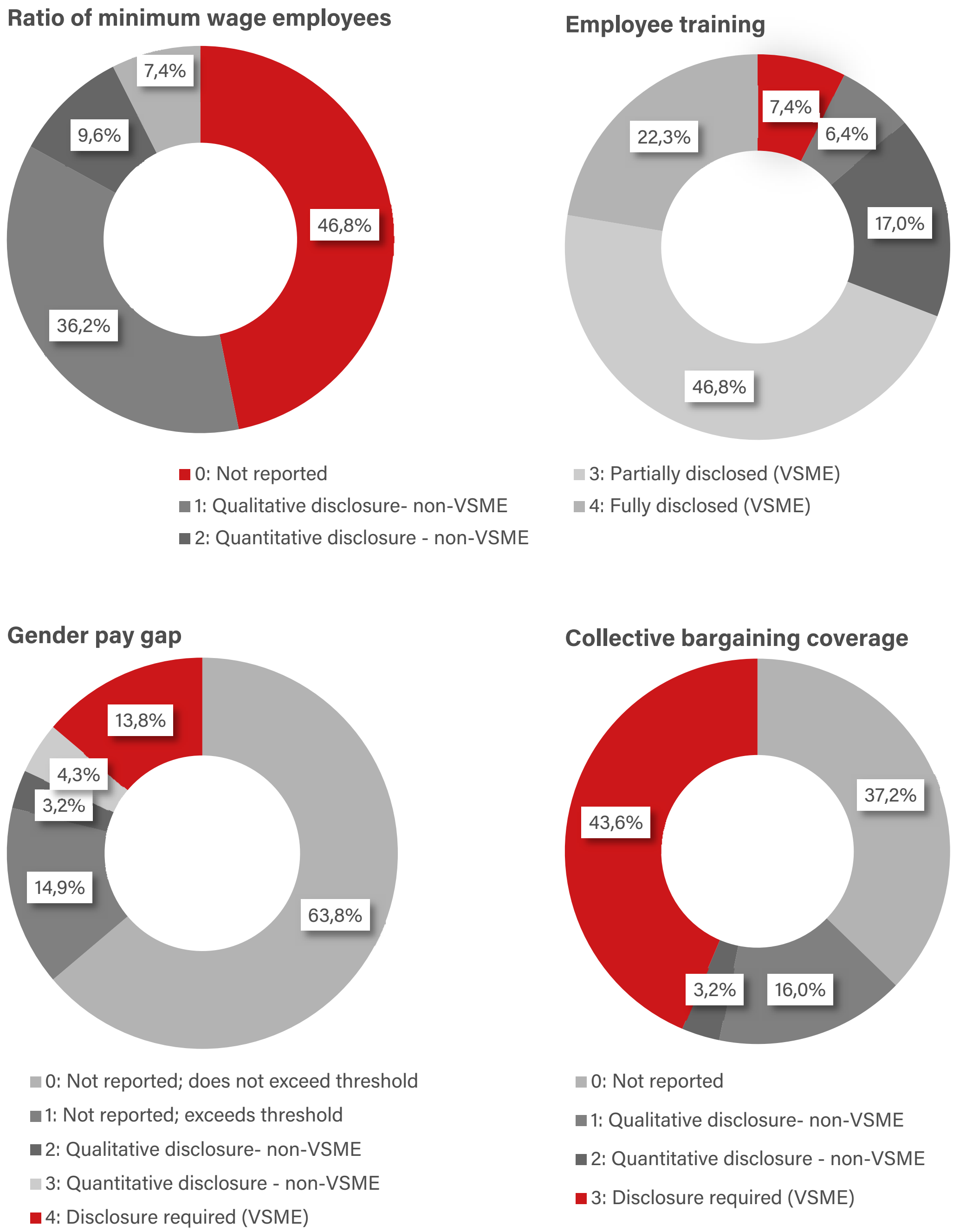
Starting with the first reporting point, the *proportion of employees receiving equal to or above applicable minimum wage*, we should note that this is one of the reporting points with the lowest scores across all metrics required by the VSME standard; only 7.4% meet this requirement, with almost half of the cases (46.8%) not disclosing this topic and limited to qualitative disclosures with opinions and references in 36.2% of cases. This low level of reporting may be justified by the sensitivity of the data to which this reporting point refers.

The opposite is true when it comes to SMEs' reporting of *training received by employees*, with only a very small number of companies failing to disclose this information (7.4%). Thus, in full compliance with the requirements of the VSME standard, 22.3% of the SMEs analysed fully complied with the standard, although the option of partial alignment was in the majority, with 46.8%, the vast majority of cases indicating only the volume of training hours offered to the workforce, but without the required breakdown by gender.

The *rate of collective bargaining coverage* is disclosed by 43.6% of the SMEs analysed, with the option to not disclose also being widely chosen by these companies (37.2%). Thus, it is evident that there is a large block of companies that rigorously comply with the VSME standard, but also another, almost as large, that fails to disclose this information at all. Possibly, the non-disclosure of this reporting item is an unintentional omission, justified by the incorrect consideration that mere compliance with labour regulations (i.e., hiring under a collective bargaining agreement) does not have to be reported in the sustainability report. Even so, the rate of coverage by collective bargaining agreements is the indicator with the highest compliance within this B10 disclosure requirement.

Finally, regarding the *pay gap,* we should bear in mind that SMEs are required to disclose this information if they have more than 150 employees. In this regard, 14.9% of the SMEs analysed do not report on this item, even if it is required, and 63.8% also fail to disclose it, in the latter case, not applying to them as they do not reach the required size. Only 13 cases (13.8% of the sample) are fully aligned with the requirements of the VSME standard.

//// **FIGURE 15** **Information reported under the B10 disclosure requirement**



Source: Authors' own.

Alignment of the content disclosed. Differences by SME size and sector

The results for the B10 reporting points, both in absolute and relative values, and grouped by size and sector of activity (high and low climate impact), are detailed in Table 16.

//// **TABLE 16** **B10 disclosure requirement. Differences by SME size and sector**

B10 DISCLOSURE REQUIREMENT												
Ratio of minimum wage employees												
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported	44	46.8	4	57.1	14	48.3	26	44.8	14	58.3	30	42.9
1: Qualitative disclo-sure- non-VSME	34	36.2	3	42.9	9	31.0	22	37.9	6	25.0	28	40.0
2: Quantitative disclosure - non-VSME	9	9.6	0	0.0	3	10.3	6	10.3	2	8.3	7	10.0
3: Partially disclosed (VSME)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
4: Fully disclosed (VSME)	7	7.4	0	0.0	3	10.3	4	6.9	2	8.3	5	7.1
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**
Gender pay gap												
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported; does not exceed threshold	60	63.8	7	100.0	25	86.2	28	48.3	17	70.8	43	61.4
1:Not reported; exceeds threshold	14	14.9	0	0.0	0	0.0	14	24.1	4	16.7	10	14.3
2: Qualitative disclo-sure- non-VSME	3	3.2	0	0.0	0	0.0	3	5.2	1	4.2	2	2.9
3: Quantitative disclosure - non-VSME	4	4.3	0	0.0	1	3.4	3	5.2	1	4.2	3	4.3
4: Disclosure required (VSME)	13	13.8	0	0.0	3	10.3	10	17.2	1	4.2	12	17.1
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**
Collective bargaining coverage												
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported	35	37.2	4	57.1	9	31.0	22	37.9	11	45.8	24	34.3
1: Qualitative disclo-sure- non-VSME	15	16.0	3	42.9	6	20.7	6	10.3	6	25.0	9	12.9
2: Quantitative disclosure - non-VSME	3	3.2	0	0.0	1	3.4	2	3.4	0	0.0	3	4.3
3: Disclosure required (VSME)	41	43.6	0	0.0	13	44.8	28	48.3	7	29.2	34	48.6
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**
Employee training												
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported	7	7.4	1	14.3	2	6.9	4	6.9	2	8.3	5	7.1
1: Qualitative disclo-sure- non-VSME	6	6.4	2	28.6	1	3.4	3	5.2	4	16.7	2	2.9
2: Quantitative disclosure - non-VSME	16	17.0	3	42.9	5	17.2	8	13.8	3	12.5	13	18.6
3: Partially disclosed (VSME)	44	46.8	1	14.3	17	58.6	26	44.8	15	62.5	29	41.4
4: Fully disclosed (VSME)	21	22.3	0	0.0	4	13.8	17	29.3	0	0.0	21	30.0
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	100.0

↑ Source: Authors' own.

As mentioned earlier, there is a widespread tendency to not disclose data on the *proportion of employees receiving minimum wage*. Regardless of their size, most SMEs prefer to not report on this topic or provide only limited qualitative disclosure, to the extent that these are the only two options encountered for micro-enterprises. In the case of small and medium-sized companies, non-disclosure is also the majority option, although, within these two groups, there are some cases that disclose this rate in compliance with the requirements of the VSME standard; 3 cases (10.3%) and 4 cases (6.9%), respectively. On the basis of whether the SME belongs to a high or low climate impact sector, there are slight variations in the results, with larger differences in the options of non-disclosure and qualitative disclosures not aligned with the VSME standard. One possible explanation for these results is that low climate impact sectors include companies with labour-intensive activities (e.g. tourism and catering), where employee remuneration is a reputationally sensitive issue, and therefore only reported when this disclosure is favourable for the public image of the SME.

Training is an area where the VSME standard has been widely adopted, especially by small and medium-sized enterprises, the majority of which choose to report by partially meeting the standard's requirements and, in some cases, aiming for full compliance, with over 70% of the sub-samples in both types of SMEs achieving this. There are no micro-enterprises that meet the requirements of the standard, although quantitative and qualitative non-VSME comments make up the bulk of the distribution for this size group. If we introduce the sector criterion, it is noteworthy that no company in low climate impact sectors fully complies with the VSME standard requirement, compared to 30% of high climate impact companies; however, with regard to partial compliance with the standard, we do observe a significant participation of low climate impact companies (62.5%). The low levels of reporting in low climate impact companies may also be justified by the concentration of low-skilled labour-intensive companies (e.g. tourism and catering), where staff training actions are the exception rather than the rule.

With regard to *coverage by collective bargaining agreements*, we detect a considerable group of SMEs, especially medium-sized (48.3%) and small (44.8%) companies, that are transparent and report as required by the standard, while another somewhat smaller block omits the information altogether (37.9% and 31.0%, respectively). However, in the case of micro-enterprises, non-disclosure (57.1%) is repeated, with no cases of reporting according to the VSME standard requirements. Furthermore, the sector of activity reveals differences between the SMEs analysed, with high climate impact SMEs being more likely to disclose this information: one in two (48.6%) report this, compared to 29.2% of low climate impact SMEs.

The proportion of non-disclosure regarding the *pay gap* is especially high among micro-enterprises and small businesses, none of which disclose this information; a fact that may, to some extent, be justified the requirement not applying to them. However, it is also evident that 24.1% of medium-sized companies, which have more than 150 employees and are therefore subject to this reporting point, also do not disclose this topic. It is in this group where the departure from the VSME standard is to be found and where the greatest reporting efforts should be made to comply with the standard. Efforts should also be directed at SMEs in low climate impact sectors, where 16.7% of SMEs do not provide disclosures, even though they meet the required threshold, compared to 14.3% of SMEs in high climate impact sectors. It is in the latter group that the highest scores in total compliance with the VSME standard are found (17.1%, compared to 4.2% for companies in low climate impact sectors).

4.2.11 B11 disclosure requirement. Convictions and fines for corruption and bribery

Description of the requirement

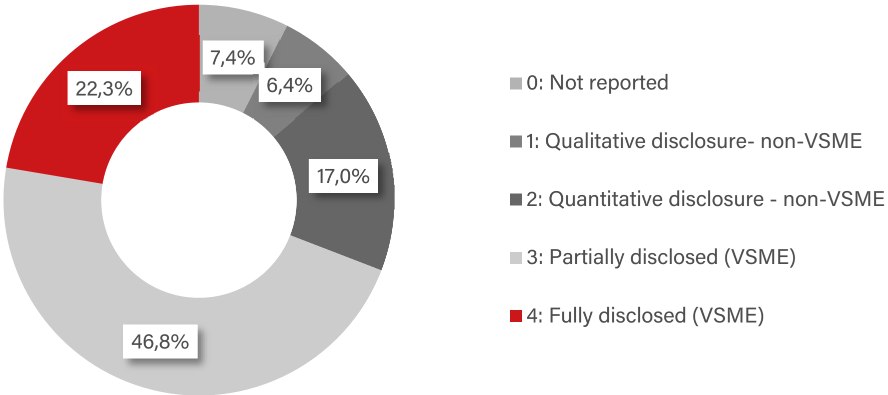
The governance section of the Basic Module includes a single disclosure requirement, B11, under which the SME must report the *number of convictions and amount of fines incurred for the violation of anti-corruption and anti-bribery laws*, provided that these are confirmed cases (final judgements). This reporting point falls under the "if applicable" type within the VSME standard.

Alignment of content disclosed in the SME sample

If we analyse the results obtained, we observe that 69.1% of the SMEs analysed already use the VSME standard for reporting corruption convictions and fines (Figure 16). However, compliance is uneven, i.e. in 46.8% of the cases, the disclosure required by the VSME standard is partially provided (mainly because either fines or convictions are disclosed, but not on both), while 22.3% of the sample does provide the required disclosure in full. It is noteworthy that the percentage of companies omitting this disclosure altogether is low at 7.4%. This indicates a widespread awareness of the importance of reporting in this area. However, the high percentage of partial compliance shows that there is still room for improvement for this group of companies to achieve full transparency in this area.

//// FIGURE 16 **Information reported under the B11 disclosure requirement**

Convictions and fines for corruption and bribery



↑ Source: Authors' own.

Alignment of the content disclosed. Differences by SME size and sector

Turning to the effect of size and sector (Table 17), we find that the way in which companies report their sanctions and convictions for corruption varies considerably with size. It is worth noting that there are no cases that meet the requirements of the VSME standard in micro-enterprises, compared to 29.3% in medium-sized enterprises. Another noteworthy feature is that the option to provide information partially aligned with the standard increases considerably for small and medium-sized SMEs (58.6% and 44.8%, respectively). However, in the case of micro-enterprises, there is greater reporting that is not aligned with the VSME standard, providing qualitative (28.6%) or quantitative disclosures (42.9%).

By impact sector, the results obtained display significant differences between companies in low and high climate impact sectors, with the latter being more diverse and including all scores on the scale used, which is not the case for low climate impact companies, which in no case are fully aligned with the VSME standard. The profile of low climate impact micro-enterprises is the most present for the non-disclosure of this metric for the above-mentioned reason.

//// **TABLE 17** **B11 disclosure requirement. Differences by SME size and sector**

B11 DISCLOSURE REQUIREMENT														
Convictions and fines for corruption and bribery														
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported	7	7.4	1	14.3	2	6.9	4	6.9	2	8.3	5	7.1
1: Qualitative disclosure- non-VSME	6	6.4	2	28.6	1	3.4	3	5.2	4	16.7	2	2.9
2: Quantitative disclosure - non-VSME	16	17.0	3	42.9	5	17.2	8	13.8	3	12.5	13	18.6
3: Partially dis-closed (VSME)	44	46.8	1	14.3	17	58.6	26	44.8	15	62.5	29	41.4
4: Fully dis-closed (VSME)	21	22.3	0	0.0	4	13.8	17	29.3	0	0.0	21	30.0
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	100.0	24	100.0	70	100.0

↑ Source: Authors' own.

4.3 Content alignment with the Comprehensive Module

The results obtained for each disclosure requirement included in the Comprehensive Module proposed by the VSME standard for preparing the Sustainability Statement under this modality are detailed below. Furthermore, this discussion will address the role of size and impact sector on the results obtained for each of the metrics included (C1-C9).

4.3.1 C1 disclosure requirement. Strategy: Business model and sustainability related initiatives

Description of the requirement

In this first metric of the Comprehensive Module, the company must disclose information on the key elements of its overall business strategy, including its long-term corporate objectives, its market positioning and the competitive advantage that distinguishes it. It should also report on its business model, explaining how value is created in the company. This includes aspects such as targeted market segments, distribution channels used and sources of revenue generated. More specifically, within this disclosure requirement, clear and detailed information on the following reporting points must be provided:

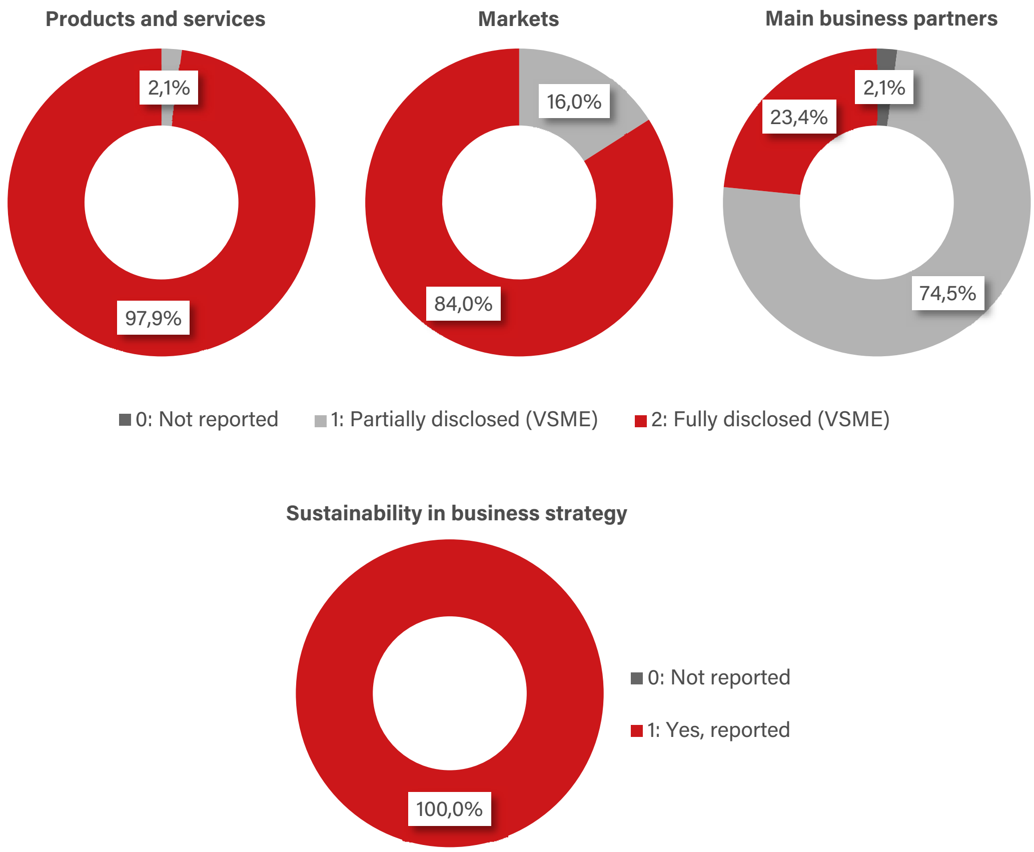
- A description of the *significant products and/or services* offered by the company (mandatory).
- A description of *significant markets* in which the company operates in (B2B, wholesale, retail, countries) or significant customer groups served (mandatory).
- A description of *main business relationships* (key suppliers, customers, distribution channels and consumers) (mandatory).

Where applicable, it should also include a *description of key elements of its strategy that relate to or affect sustainability issues* ("if applicable").

Alignment of content disclosed in the SME sample

In the sample analysed, high levels of compliance are observed for most of the reporting points that make up C1, although with one notable exception, as may be seen in Figure 17.

//// FIGURE 17 **Information reported under the C1 disclosure requirement**



↑ Source: Authors' own.

As regards *products and services,* there is almost complete compliance with the VSME standard. The vast majority of SMEs (97.9%) disclose the full information required, and only 2.1% provide partially aligned disclosures. No company omits this information, which is a remarkable result. Regarding *markets*, the outlook remains equally positive; the majority of SMEs (84.0%) provide full disclosures in accordance with the VSME standard, while the remaining 16.0% provide partial disclosures, indicating that these companies are largely compliant with this reporting requirement.

Conversely, information on the *main business partners* is the least-reported datapoint of this metric. Despite this, the majority of SMEs (74.5%) provide partially aligned disclosures, and 23.4% of the sample manage to provide complete disclosures fully aligned with the VSME standard. Finally, the disclosure on the role of *sustainability within the strategy;* is unanimous: 100% of the SMEs in the sample report on how sustainability is integrated into their business strategy.

Alignment of the content disclosed. Differences by SME size and sector

Table 18 displays the results broken down by the level of reporting of the C1 disclosure requirement with regard to the size of the SMEs analysed and the sector to which they belong.

//// **TABLE 18** **C1 disclosure requirement. Differences by SME size and sector**

C1 DISCLOSURE REQUIREMENT

Products and services												
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
1: Partially disclosed (VSME)	2	2.1	0	0.0	1	3.4	1	1.7	0	0.0	2	2.9
2: Fully disclosed (VSME)	92	97.9	7	100.0	28	96.6	57	98.3	24	100.0	68	97.1
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**
Markets												
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
1: Partially disclosed (VSME)	15	16.0	2	28.6	4	13.8	9	15.5	4	16.7	11	15.7
2: Fully disclosed (VSME)	79	84.0	5	71.4	25	86.2	49	84.5	20	83.3	59	84.3
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**
Main business partners												
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported	2	2.1	0	0.0	1	3.4	1	1.7	0	0.0	2	2.9
1: Partially disclosed (VSME)	70	74.5	6	85.7	24	82.8	40	69.0	21	87.5	49	70.0
2: Fully disclosed (VSME)	22	23.4	1	14.3	4	13.8	17	29.3	3	12.5	19	27.1
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**
Sustainability in business strategy												
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
1: Yes, reported	94	100.0	7	100.0	29	100.0	58	100.0	24	100.0	70	100.0
Total	**94**	**100.0**	**7**	**100.0**	**29**	100.0	58	100.0	24	100.0	70	100.0

↑ Source: Authors' own.

With regard to two of the C1 reporting points: *products and services* and *sustainability in business strategy*, compliance is virtually universal across all sizes and sectors. This indicates a widespread understanding and reporting of these basic aspects of business, irrespective of size and sector.

Regarding disclosure on *markets,* although the level of compliance is high in general, it is observed that the percentage of reporting by micro-enterprises that is fully aligned with the standard (71.4%) is somewhat lower than that of small (86.2%) and medium-sized enterprises (84.5%). The differences between low and high climate impact sectors are not significant on this point.

As for disclosures regarding the *main business partners,* there are indeed more significant differences. It is observed that the larger the size, the greater the propensity to provide the disclosures required by the standard. Thus, while only 14.3% of micro- and 13.8% of small enterprises offer this level of detail, the percentage rises to 29.3% for medium-sized enterprises. By sector, high climate impact SMEs have a higher percentage of full reporting (27.1%) compared to low climate impact SMEs (12.5%), which tend to remain at a level of partial disclosures (87.5%). These data suggest that larger companies and those in high climate impact sectors are more able or under pressure to provide a more detailed view of their value chain.

4.3.2 C2 disclosure requirement. Description of practices, policies and future initiatives for transitioning towards a more sustainable economy

Description of the requirement

The C2 disclosure requirement of the Comprehensive Module requires SMEs to report on the governance and integration of sustainability in their operations. This includes the following reporting points, all of which are of an "if applicable" nature:

- The description of the *practices for the transition to a more sustainable economy*.
- Description of the *policies that guide the company's decision-making on sustainability.*
- Description of *future initiatives for progress in this area.*
- Identification, where applicable, of *the highest senior level in the company accountable for implementing practices and policies, as well as designing future sustainability initiatives.*

Alignment of content disclosed in the SME sample

As may be seen in Figure 18, there is a very high level of compliance with this requirement in most of the reporting points, although with clear differences in terms of the figure in charge of sustainability in the SME.

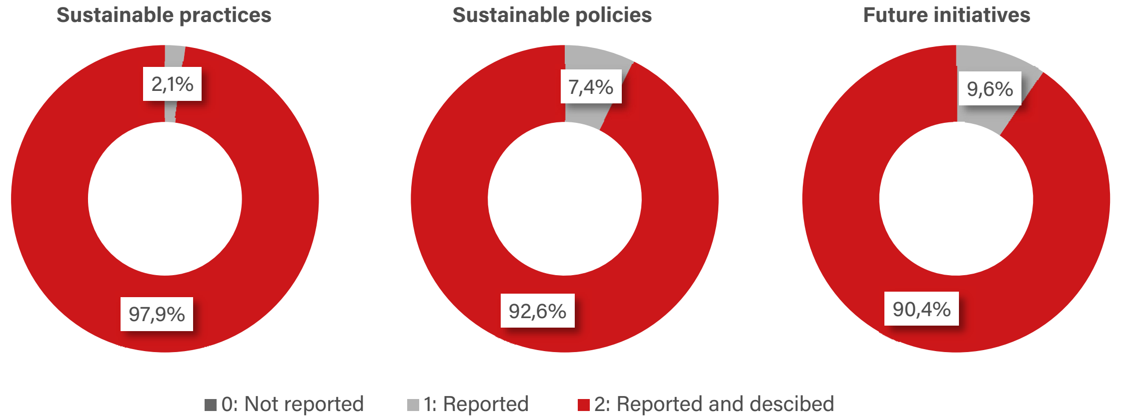
As regards the *description of sustainable practices*, there is almost complete alignment. An overwhelming majority of SMEs (97.9%) report and describe their practices according to the indications of the VSME standard, and only 2.1% merely report their existence without describing them. No company omits this information. The situation is also very positive in terms of alignment with regard to the *description of sustainability policies*, as most of the analysed SMEs (92.6%) disclose their policies following the VSME standard, while 7.4% only report their existence.

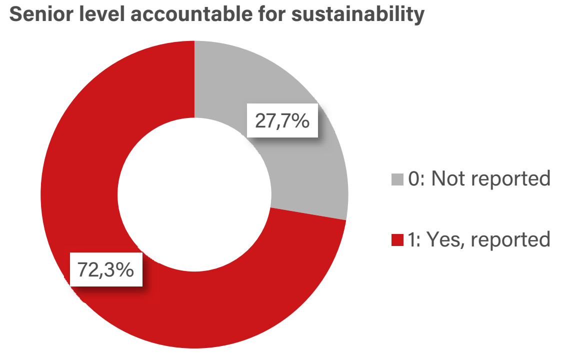
In terms of the description of *future sustainability initiatives*, the overall rate of reporting in accordance with the VSME standard is also very high, with 90.4% of companies both disclosing and describing these initiatives. Approximately 1 in 10 SMEs (9.6%) disclose the existence of future initiatives, but do not describe them in their sustainability reports. This pattern suggests that, while there is a strong formalisation of strategy in the sample, reporting of concrete future actions represents the last step that certain companies still need improve.

Finally, the appointment of a *senior level in charge of sustainability* is the reporting point with the lowest compliance. While a majority (72.3%) do report the existence of such a position (which does not always correspond to a position dedicated exclusively to this area in SMEs, but is usually assumed by managers with other responsibilities), a considerable 27.7% of the companies in the sample do not.

The high level of compliance observed in this C2 disclosure requirement is largely consistent with the profile of the sample, which consists entirely of SMEs participating in the Global Compact. This requires a prior commitment to sustainability and the existence of processes for reporting their performance, which makes it more likely that their reported content will be more aligned with the VSME standard.

//// FIGURE 18 **Information reported under the C2 disclosure requirement**





Source: Authors' own.

Alignment of the content disclosed. Differences by SME size and sector

When analysing the disaggregated data (see Table 19), some differences in the level of reporting of the C2 requirement are observed depending on the size of the SME and its sector of activity.

//// TABLE 19 **C2 disclosure requirement. Differences by SME size and sector**

C2 DISCLOSURE REQUIREMENT														
Description of sustainable practices														
Scale	Total	%	Micro	%	Small	%	Medium	%	Low impact	%	High impact	%
0: Not reported	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
1: Sustainable practices are disclosed	2	2.1	0	0.0	1	3.4	1	1.7	0	0.0	2	2.9
2: Sustainable practices are disclosed and described	92	97.9	7	100.0	28	96.6	57	98.3	24	100.0	68	97.1
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**
Description of sustainability policies														
Scale	Total	%	Micro	%	Small	%	Medium	%	Low impact	%	High impact	%
0: Not reported	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
1: Sustainable policies are disclosed	7	7.4	0	0.0	3	10.3	4	6.9	1	4.2	6	8.6
2: Sustainable policiesare disclosed and described	87	92.6	7	100.0	26	89.7	54	93.1	23	95.8	64	91.4
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**

Description of future initiatives on sustainability														
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
1: Future initiatives are disclosed	9	9.6	0	0.0	2	6.9	7	12.1	1	4.2	8	11.4
2: Future initiatives are disclosed and described	85	90.4	7	100.0	27	93.1	51	87.9	23	95.8	62	88.6
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**
Senior level accountable for sustainability												
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported	26	27.7	2	28.6	6	20.7	18	31.0	4	16.7	22	31.4
1: Yes, reported	68	72.3	5	71.4	23	79.3	40	69.0	20	83.3	48	68.6
Total	94	100.0	7	100.0	29	100.0	58	100.0	24	100.0	70	100.0

↑ Source: Authors' own.

With regard to the first three reporting points (*Description of practices, policies and future initiatives*), the level of compliance is very high across all categories of SMEs, broken down by size, exceeding 87% of alignment with the VSME standard in every case. It should be noted that micro-enterprises achieve 100% compliance in the three reporting points mentioned above. In the case of future initiatives, fully aligned reporting is slightly lower for medium-sized companies (87.9%) compared to small companies (93.1%). When analysing the differences by sector with respect to the reporting of these first three reporting points, slight variations are observed in favour of low climate impact SMEs compared to high climate impact ones.

Regarding the existence of a *senior level in charge of sustainability*, the differences are more pronounced. Interestingly, the percentage of companies that do not disclose the existence of this role is higher for medium-sized enterprises (31.0%) and micro-enterprises (28.6%) than for small enterprises (20.7%). Considering the sector, a significant difference may be observed: the percentage of "not reported" is much lower for low climate impact SMEs (16.7%) than for high climate impact SMEs (31.4%). These data suggest that, despite greater regulatory or social pressure, high climate impact companies have more difficulty in formally appointing or reporting a sustainability officer compared to low-impact companies.

4.3.3 C3 disclosure requirement. GHG reduction targets and climate transition

Description of the requirement

Disclosure requirement C3 under the Comprehensive Module requires SMEs to disclose their *Scope 1 and 2 GHG emission reduction targets*, where such targets have been set. Thus, this reporting point should be disclosed only if applicable. Therefore, the information to be included in the Sustainability Statement is as follows:

- The *target year* and the *target year value* of emissions.
- The *base year* and the *base year value* of emissions.
- The *units* used for targets.

- The *percentages* of Scope 1 and Scope 2 emissions set as reduction targets[6].
- The *list of the main measures* it seeks to implement in order to achieve its reduction target.

Furthermore, if the SME operates in a high climate impact sector and has adopted a *transition plan* for climate change mitigation, the company may explain how this plan contributes to reducing GHG emissions. This reporting point is "optional". According to the CSRD requirements, a climate transition plan is defined as a strategic and forward-looking document that details the actions, objectives and resources implemented or intended to be implemented by a company, to make its business model compatible with the Paris Agreement's goal of limiting global warming to 1.5 °C. This transition plan should include, among other things, science-based emission reduction targets, planned investments in the company to improve environmental performance and the financial impact of climate risks and opportunities.

If the SME operates in a high climate impact sector, but has not yet adopted a transition plan, it shall indicate whether it plans to adopt one in the coming years and, if so, when it shall be implemented ("if applicable").

Alignment of content disclosed in the SME sample

The aggregate results for the sample of SMEs considered in relation to the disclosure levels of the reporting points of this requirement may be seen in Figure 19.

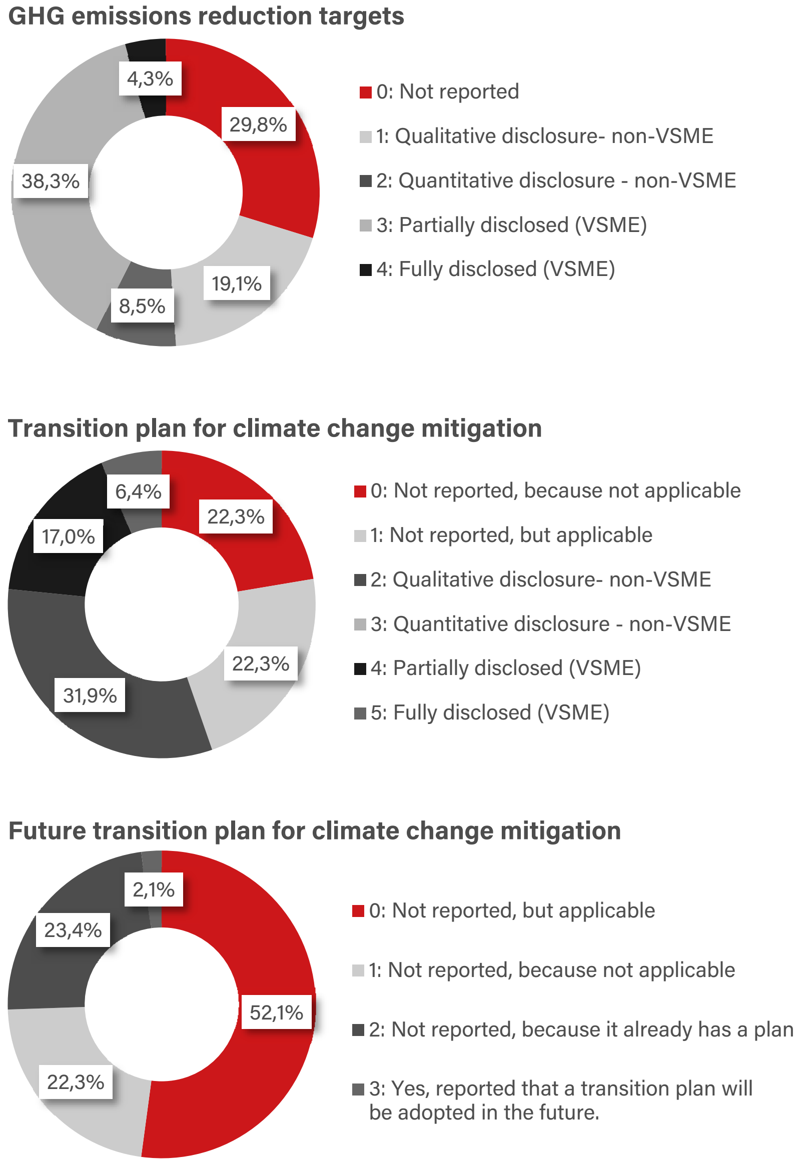
With regard to *GHG emission reduction* targets, the sample analysed shows that the most common level of disclosure (38.3%) is partially aligned with the VSME standard, whilst only 4.3% of SMEs provide disclosures that are fully compliant with the standard. However, a considerable percentage (29.8%) do not report their reduction targets at all, and the remaining 27.6% provide only qualitative or quantitative non-VSME disclosures (Levels 1+2).

The results also indicate a generally low level of awareness regarding the *transition plan* for climate change mitigation. Thus, 44.6% of the sample did not report at all on the topic, half because this reporting point does not apply to them, since they do not belong to a high impact sector, while the other half failed to report, even though they do operate in one of these sectors. Only 23.4% of companies reported partially or completely according to the VSME standard. It seems relevant to note in this regard that, on one hand, SMEs that are partially or fully aligned with VSME do have a transition plan for climate change mitigation, even if it is not termed as such in all cases. On the other hand, companies that provide some qualitative or quantitative (non-VSME) disclosures in this regard, do not have a structured transition plan, although this bulk of SMEs (31.9%) opted to provide information on isolated components of a transition plan.

As regards *future transition plans*, it is worth noting that the majority of SMEs do not report on this; 22.3% because they operate in low climate impact sectors and this reporting point does not apply to them, and 52.1% even though they operate in a high climate impact sector, which is all the more surprising. Only a small proportion of the companies in the sample (2.1%) operate in a high climate sector and disclose that, although they do not yet have a transition plan, they plan to implement one in the near future.

6 The gathering of reliable information on Scope 3 emissions poses significant challenges for SMEs (Stenzel and Waichman, 2023) and has therefore not been considered as a requirement in the VSME standard.

//// **FIGURE 19** **Information disclosed under the disclosure requirement C3**



↑ Source: Authors' own.

Alignment of the content disclosed. Differences by SME size and sector

Table 19 displays the results by size and sector. With regard to the adequacy of the disclosure of *GHG emission reduction targets*, there is no clear indication that company size has a significant impact, as the distribution of this information across reporting groups is similar for micro-enterprises and medium-sized enterprises. The only notable differences are seen among small companies, which report partial or full compliance with the standard (Levels 3 and 4) at a lower rate than the other two categories of SMEs (27.6%, compared with 42.9% for micro-enterprises and 50.0% for medium-sized enterprises). Considering the sector in which the company operates, there are clearer differences regarding this reporting point. Logically, SMEs in high climate impact sectors are more likely to disclose their GHG reduction targets partially or fully in line with the VSME standard (47.1%, compared to 29.2% for companies in low climate impact sectors).

With regard to information on the *transition plan for climate change mitigation*, it is clear that the reporting of this point improves as the size of the business increases. Thus, while only one micro-enterprise reports on this metric according to VSME (Levels 4 and 5), 20.7% of small and 25.8% of medium-sized enterprises provide partial or full disclosures on this topic. In any case, non-disclosure or provision of qualitative or quantitative non-VSME information is in the majority in all business size groups. This reporting point also displays clear differences depending on the sector of activity. Thus, among SMEs operating in low climate impact sectors, a very high percentage of companies do not report anything (87.5%). This behaviour may be directly attributed to a perception of low materiality in this group of SMEs in low climate impact sectors. In other words, these companies do not consider climate change risks or the climate transition itself to be relevant or urgent issues for their business model, given that their operations are not emissions-intensive. Among SMEs in high climate impact sectors, 27.2% provide partial or full disclosures according to the VSME standard (Levels 4 and 5) and 42.9% provide qualitative non-VSME disclosures. This shows that high climate impact SMEs are more committed to disclosing this reporting point, although they do not always do so fully.

As regards the analysis of the disclosure of the *future transition plan*, significant differences may be observed depending on company size. No micro-enterprise discloses anything in this regard, despite the fact that 28.6% of them operate in high climate impact sectors. The majority of small (55.2%) and medium-sized (53.4%) enterprises also do not disclose the existence of a planned transition plan for the future, even though this reporting point applies to them as they belong to high climate impact sectors. Only 20.7% of small and 25.9% of medium-sized enterprises report that they already have a transition plan. Also, only 3.4% of medium-sized enterprises report that they will adopt a future plan. Similar results are observed when differentiating by sector of activity, where it is striking that 70.0% of high climate impact companies have not implemented any transition plan and provide no disclosures regarding the implementation of transition plans in the future.

//// TABLE 20 C3 disclosure requirement. Differences by SME size and sector

C3 DISCLOSURE REQUIREMENT												
Scope 1 and Scope 2 GHG emission reduction targets												
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported	28	29.8	2	28.6	10	34.5	16	27.6	6	25.0	22	31.4
1: Qualitative disclosure- non-VSME	18	19.1	1	14.3	7	24.1	10	17.2	8	33.3	10	14.3
2: Quantitative disclosure - non-VSME	8	8.5	1	14.3	4	13.8	3	5.2	3	12.5	5	7.1
3: Partially disclosed (VSME)	36	38.3	3	42.9	6	20.7	27	46.6	7	29.2	29	41.4
4: Fully disclosed (VSME)	4	4.3	0	0.0	2	6.9	2	3.4	0	0.0	4	5.7
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**
Transition Plan for Climate Change Mitigation												
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported, because not applicable	21	22.3	4	57.1	7	24.1	10	17.2	21	87.5	0	0.0
1: Not reported, but applicable	21	22.3	1	14.3	5	17.2	15	25.9	0	0.0	21	30.0
2: Qualitative disclosure- non-VSME	30	31.9	1	14.3	11	37.9	18	31.0	0	0.0	30	42.9
3: Quantitative disclosure - non-VSME	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
4: Partially disclosed (VSME)	16	17.0	1	14.3	6	20.7	9	15.5	3	12.5	13	18.6
5: Fully disclosed (VSME)	6	6.4	0	0.0	0	0.0	6	10.3	0	0.0	6	8.6
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**

Future Transition Plan for Climate Change Mitigation														
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported, but applicable	49	52.1	2	28.6	16	55.2	31	53.4	0	0.0	49	70.0
1: Not reported, because not applicable	21	22.3	4	57.1	7	24.1	10	17.2	21	87.5	0	0.0
2: Not reported, because it already has a plan	22	23.4	1	14.3	6	20.7	15	25.9	3	12.5	19	27.1
3: Yes, reported that a transition plan will be adopted in the future.	2	2.1	0	0.0	0	0.0	2	3.4	0	0.0	2	2.9
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	100.0

↑ Source: Authors' own.

4.3.4 C4 disclosure requirement. Climate risks

Description of the requirement

The VSME standard recommends that SMEs that have identified the *climate-related hazards* to which they are exposed, including both physical risks and transition risks, should provide information on these risks in their Sustainability Statements (with this disclosure being of the "if applicable" type). Where such risks have been identified, the C4 disclosure requirement of the Comprehensive Module requires SMEs to disclose:

- A brief description of such *climate-related hazards*.
- An explanation of how it has assessed the *exposure and sensitivity of its assets, activities and value chain* to these climate-related hazards.
- Establishment of the *time horizons associated with* the different climate-related hazards identified.
- Disclosure of *actions for climate change adaptation and management of such climate-related hazards undertaken*.

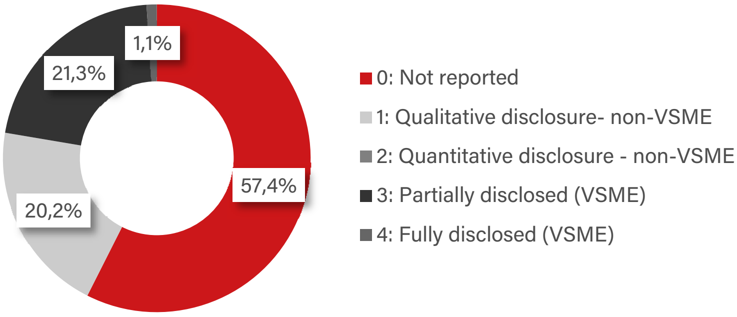
In this requirement of the Comprehensive Module, the SME may also report on the *possible adverse effects of climate risks* on its financial performance or business operations, in the short-, medium- or long-term, indicating whether the risks are assessed as high, medium or low, provided it has conducted this analysis and therefore, possesses this information. This reporting point is also subject to the "if applicable" criterion.

Alignment of content disclosed in the SME sample

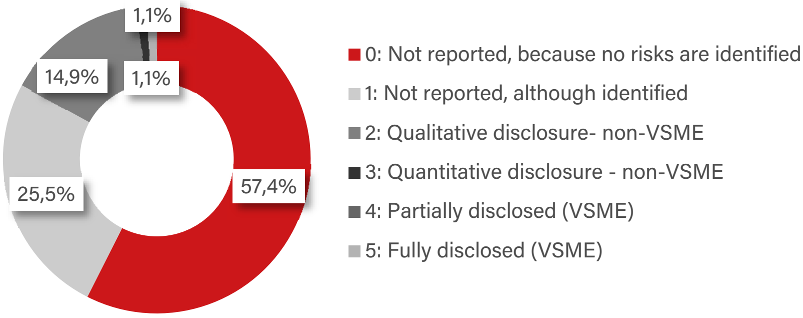
With regard to the *Identification of climate risks* (see Figure 20), the sample results indicate that the majority of SMEs (57.4%) provide no disclosures regarding their climate-related hazards, as they do not carry out this identification. 21.3% report their climate-related hazards only partially in accordance with the VSME standard; in such cases, they typically list only the hazards identified, without providing any details on how they were identified, the associated timeframes, or the actions taken to address them. Only 1.1% provide full disclosures as required by this standard. This low level of reporting is undoubtedly related to the "if applicable" nature of this reporting point.

//// **FIGURE 20** **Disclosed information under the disclosure requirement C4.**

Identification of climate risks



Additional information Effects and probability



Source: Authors' own.

As for additional information on the *effects and likelihood of climate risks*, the level of reporting is even lower than that of the previous reporting point. Unsurprisingly, 57.4% of SMEs that fail to report on this topic do not do so because they have not identified the risks. Additionally, about a quarter of the sample (25.5%) do not report these effects, although they do identify their climate-related hazards. Only 1.1% of the sample provides partial and full disclosure on this topic in accordance with the requirements set by the VSME standard.

Alignment of the content disclosed. Differences by SME size and sector

Table 20 breaks down these results by company size and sector of activity. With regard to the *identification of climate-related hazards* the general trend of low reporting levels persists across all company sizes, with non-reporting being the most common practice. No conclusions can be drawn either on a sector-by-sector basis either, as the differences in reporting between high and low climate impact SMEs are small. It does not appear, as might be expected, that larger companies and/or those in high climate impact sectors are more likely to identify these risks.

Analysing the reported *effects and likelihood of climate risks*, there is also no evidence of differing behaviour based on size or sector of activity. For all size groups and the two sectors considered, the clear majority option is non-reporting, as these risks have not been identified. In any case, our results show that the C4 disclosure requirement leaves ample room for improvement as regards its reporting in the Sustainability Statement of SMEs.

//// **TABLE 21** C4 disclosure requirement. Differences by SME size and sector

C4 DISCLOSURE REQUIREMENT												
Identification of climate risks												
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported	54	57.4	4	57.1	18	62.1	32	55.2	12	50.0	42	60.0
1: Qualitative disclosure- non-VSME	19	20.2	1	14.3	4	13.8	14	24.1	5	20.8	14	20.0
2: Quantitative disclosure - non-VSME	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
3: Partially disclosed (VSME)	20	21.3	2	28.6	7	24.1	11	19.0	7	29.2	13	18.6
4: Fully disclosed (VSME)	1	1.1	0	0.0	0	0.0	1	1.7	0	0.0	1	1.4
Total	**94**	**100.0**	7	100.0	29	100.0	58	100.0	24	100.0	70	100.0
Identification of climate risks. Additional information												
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported, because no risks are identified	54	57.4	4	57.1	18	62.1	32	55.2	12	50.0	42	60.0
1: Not reported, although identified	24	25.5	3	42.9	5	17.2	16	27.6	8	33.3	16	22.9
2: Qualitative disclosure- non-VSME	14	14.9	0	0.0	6	20.7	8	13.8	3	12.5	11	15.7
3: Quantitative disclosure - non-VSME	1	1.1	0	0.0	0	0.0	1	1.7	1	4.2	0	0.0
4: Partially disclosed (VSME)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
5: Fully disclosed (VSME)	1	1.1	0	0.0	0	0.0	1	1.7	0	0.0	1	1.4
Total	94	100.0	7	100.0	29	100.0	58	100.0	24	100.0	70	100.0

↑ Source: Authors' own.

4.3.5 C5 disclosure requirement. Additional (general) workforce characteristics

Description of the requirement

With regard to the C5 metric within the Comprehensive Module, the VSME standard indicates that an SME with 50 or more employees (this is a reporting point "if a specific threshold is exceeded") shall disclose the following reporting points:

- The *gender diversity ratio at management level*, understood as the proportion of men and women at such levels.
- The *number of self-employed* without personnel who are working exclusively for the company.
- The *total number of temporary workers recruited through temporary work agencies* (TWAs).

The VSME standard considers that reporting on these last two datapoints is advisable for SMEs where the proportion of self-employed workers and/or temporary workers is significant, or where the risks related to the company's negative social impacts are greater for any of these groups compared to the risks faced by the company's employees.

Alignment of content disclosed in the SME sample

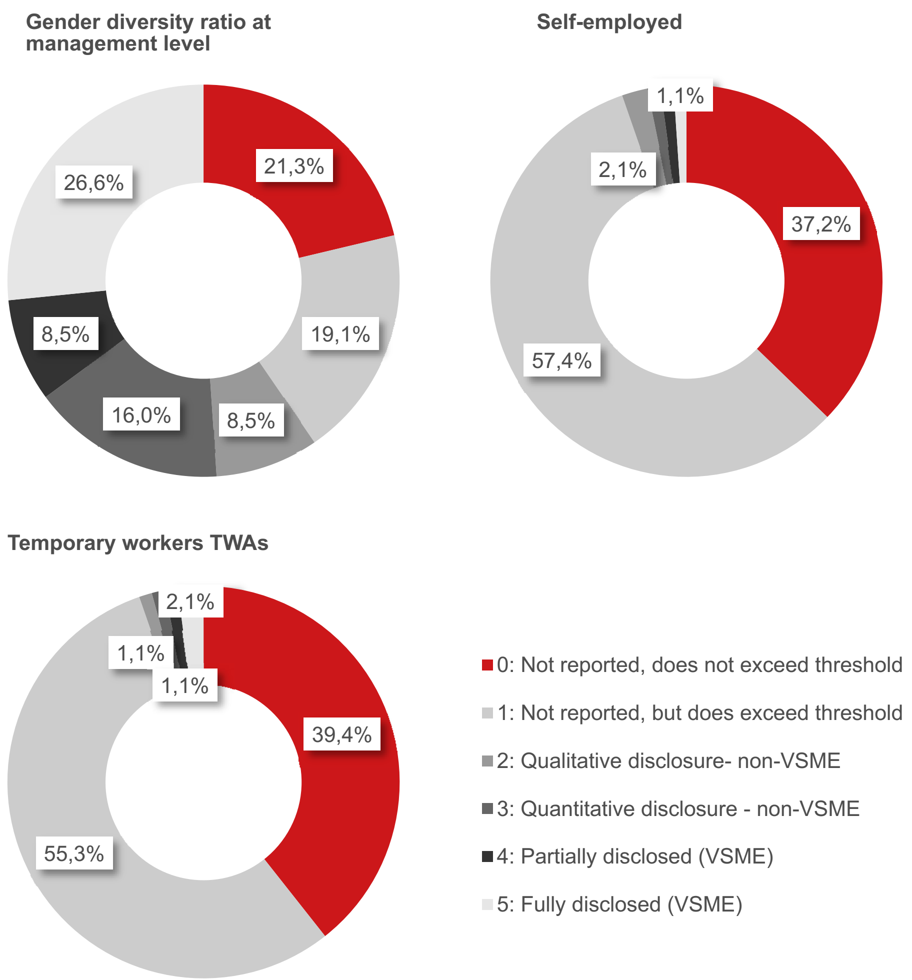
The results obtained for each of reporting point for the C5 metric are displayed in Figure 21.

With regard to *gender diversity at management level*, it is worth noting that only 26.6% of SMEs are fully compliant with the requirements of the VSME standard, whilst 8.5% are partially compliant. However, this reporting point does not apply in 21.3% of cases as the threshold of 50 employees is not exceeded. What is striking is that it appears as a non-reported point for 19.1% of the SMEs analysed, even when it is applicable.

The fact that the reporting requirement was not met, despite the number of employees exceeding the 50-person threshold stipulated by the VSME standard, is even more striking when we look at the breakdown of responses regarding *self-employed.* In this case, the percentage of non-reporting is 57.4% compared to 37.2% for those that are not required to report due to size. It is worth noting the minimal percentage of cases of full and partial compliance with the VSME standard, at 1.1% respectively. Only 3.2% of SMEs provide some kind of qualitative and quantitative non-VSME disclosure (Levels 2+3).

We find the same situation applies to the disclosure regarding *temporary workers recruited through TWAs*. The bulk of the responses (94.7%) are concentrated in the non-disclosure option, although many of them exceed the threshold for required reporting (55.3% of the SMEs reviewed). As with the previous reporting point, there is minimal partial and total alignment with the standard (1.1% Level 1 and 2.1% Level 2).

//// FIGURE 21 Information disclosed under the disclosure requirement C5.



↑ Source: Authors' own.

Alignment of the content disclosed. Differences by SME size and sector

We now review whether company size and sector of activity lead to variations in the responses obtained for each reporting item in the C5 metric, based on the results provided in Table 16.

Starting with *gender diversity at management level*, it is observed that size influences full compliance with the standard, with a positive relationship between SME size and full alignment with the standard: 14.3% for micro-enterprises, 17.2% for small enterprises and 77.6% for medium-sized enterprises. In the last category, which by definition exceeds the threshold of 50 employees, there is nevertheless a significant percentage (31.0%) that do not report this information. Also noteworthy is the percentage of SMEs that do not report on this topic because they do not meet the threshold (57.1% and 55.2%, respectively, for micro- and small enterprises). On the other hand, there are differences by sector, with low climate impact SMEs reporting this point the least because they do not meet the threshold (37.5%), compared to high climate impact SMEs (15.7%). The latter has the highest percentage of non-compliance with the standard; 21.4% do not report despite having more than 50 employees.

If we focus on the disclosure on *self-employed and temporary workers recruited through TWAs*, as was the case previously, we find results similar to the above. Thus, there are hardly any differences when comparing by size, as the vast majority of companies are not reporting these datapoints. However, micro- and small enterprises mostly do not do so because they are not obliged to, while medium-sized enterprises fail to disclose this information even though they are required to, which represents a more serious non-compliance with the standard. Disclosure on workers who are not part of companies' own workforce (self-employed and temporary workers recruited through agencies) remains a major unresolved issue for SMEs of all sizes. In fact, there is minimal compliance with the VSME standard; only one case of reporting by a medium-sized SME (1.7%) on its self-employed workers and two medium-sized SMEs (3.4%) disclose the information on temporary workers required by the standard.

The sector of activity does not seem to exert a significant influence either, as the bulk of responses are in the non-disclosure category. The justification for non-compliance with this reporting item lies in not meeting the threshold for low climate impact sectors, while direct non-compliance is slightly higher for SMEs in high climate impact sectors. The sector of activity does not seem to exert a significant influence either, as non-disclosure is the norm. However, this observation is nuanced: the justification of not meeting the threshold is more common in low climate impact sectors, while direct non-compliance is slightly higher in high climate impact sectors.

//// TABLE 22 C5 disclosure requirement. Differences by SME size and sector

C5 DISCLOSURE REQUIREMENT														
Gender diversity ratio at management level														
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported, does not exceed threshold	20	21.3	4	57.1	16	55.2	0	0.0	9	37.5	11	15.7
1: Not reported, but does exceed threshold	18	19.1	0	0.0	0	0.0	18	31.0	3	12.5	15	21.4
2: Qualitative disclosure- non-VSME	8	8.5	1	14.3	3	10.3	4	6.9	1	4.2	7	10.0
3: Quantitative disclosure - non-VSME	15	16.0	1	14.3	1	3.4	13	22.4	4	16.7	11	15.7
4: Partially disclosed (VSME)	8	8.5	0	0.0	4	13.8	4	6.9	1	4.2	7	10.0
5: Fully disclosed (VSME)	25	26.6	1	14.3	5	17.2	19	32.8	6	25.0	19	27.1
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**

Self-employed														
Scale	Total	%	Micro	%	Small	%	Medium	%	Low impact	%	High impact	%
0: Not reported, does not exceed threshold	35	37.2	7	100.0	28	96.6	0	0.0	13	54.2	22	31.4
1: Not reported, but does exceed threshold	54	57.4	0	0.0	0	0.0	54	93.1	10	41.7	44	62.9
2: Qualitative disclosure- non-VSME	2	2.1	0	0.0	1	3.4	1	1.7	1	4.2	1	1.4
3: Quantitative disclosure - non-VSME	1	1.1	0	0.0	0	0.0	1	1.7	0	0.0	1	1.4
4: Partially disclosed (VSME)	1	1.1	0	0.0	0	0.0	1	1.7	0	0.0	1	1.4
5: Fully disclosed (VSME)	1	1.1	0	0.0	0	0.0	1	1.7	0	0.0	1	1.4
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**
Temporary workers (TWAs)												
Scale	Total	%	Micro	%	Small	%	Medium	%	Low impact	%	High impact	%
0: Not reported, does not exceed threshold	37	39.4	7	100.0	29	100.0	1	1.7	14	58.3	23	32.9
1: Not reported, but does exceed threshold	52	55.3	0	0.0	0	0.0	52	89.7	10	41.7	42	60.0
2: Qualitative disclosure- non-VSME	1	1.1	0	0.0	0	0.0	1	1.7	0	0.0	1	1.4
3: Quantitative disclosure - non-VSME	1	1.1	0	0.0	0	0.0	1	1.7	0	0.0	1	1.4
4: Partially disclosed (VSME)	1	1.1	0	0.0	0	0.0	1	1.7	0	0.0	1	1.4
5: Fully disclosed (VSME)	2	2.1	0	0.0	0	0.0	2	3.4	0	0.0	2	2.9
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	100.0

↑ Source: Authors' own.

4.3.6 C6 disclosure requirement. Additional own workforce information - Human rights policies and processes

Description of the requirement

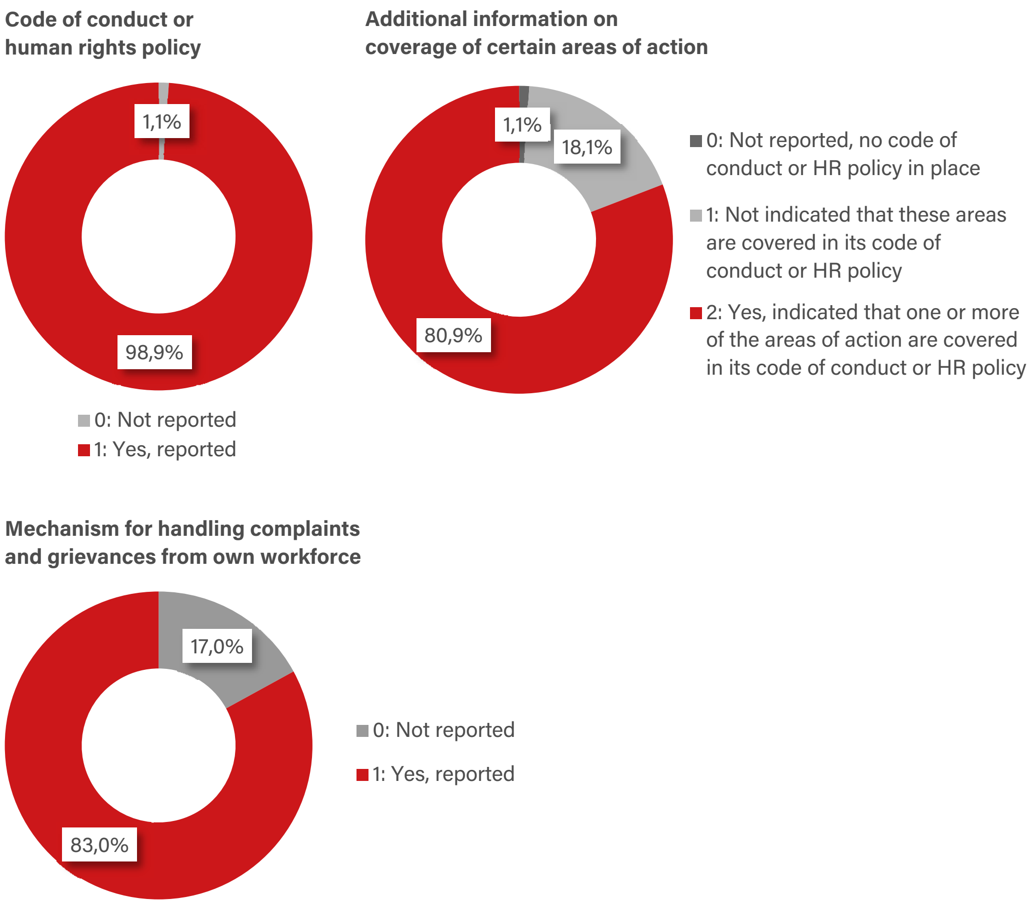
Following the VSME standard, in the Comprehensive Module, the SME must disclose the following two reporting points included in the C6 metric:

- Whether it has a *code of conduct or a human rights policy applicable to its own workforce* (mandatory). Additionally, for SMEs that do have such a document, they should indicate whether it covers any of the following areas of action ("if applicable" reporting points):
  - Child labour (yes/no).
  - Forced labour (yes/no).
  - Human trafficking (yes/no).
  - Discrimination (yes/no).
  - Accident prevention (yes/no).
  - Other issues, indicating what they are (yes/no).
- Whether it has *mechanisms in place for handling complaints and grievances from its own workforce*, including, but not limited to, complaint inboxes, as well as the establishment of an Ethics Committee (mandatory).

Alignment of content disclosed in the SME sample

Figure 22 details the evidence found in the SMEs analysed in relation to the two information points that make up the C6 disclosure requirement.

//// FIGURE 22 Information disclosed under the disclosure requirement C6.



Source: Authors' own.

Firstly, 93 of the 94 SMEs analysed (98.9%) state that they have a *Code of Conduct or a Human Rights Policy*, highlighting the requirement to report on the areas covered by such codes; this reporting is generally carried out appropriately (80.9%), although there is room for improvement (18.1%).

As regards the existence of *mechanisms for handling complaints and grievances* , this is also a point frequently mentioned by SMEs (83.0% of the sample). However, the difference between the declaration of principles (having a Code of Conduct or Human Rights Policy, 98.9%) and the implementation of practical mechanisms (complaints/grievances channels, 83.0%) to deal with possible incidents that could fall under their scope of action is worth noting.

Alignment of the content disclosed. Differences by SME size and sector

The effect of the size of the SME and its climate impact sector is given in Table 23.

//// TABLE 23 C6 disclosure requirement. Differences by SME size and sector

C6 DISCLOSURE REQUIREMENT														
Code of conduct or human rights policy														
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported	1	1.1	0	0.0	1	3.4	0	0.0	0	0.0	1	1.4
1: Yes, reported	93	98.9	7	100.0	28	96.6	58	100.0	24	100.0	69	98.6
Total	94	100.0	7	100.0	29	100.0	58	100.0	24	**100.0**	**70**	**100.0**
Code of conduct. Additional information on child labour, forced labour, human trafficking, discrimination, etc.												
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported, no code of conduct or HR policy in place	1	1.1	0	0.0	1	3.4	0	0.0	0	0.0	1	1.4
1: Not reported that these areas of action are covered in the code of conduct or HR policy	17	18.1	2	28.6	5	17.2	10	17.2	6	25.0	11	15.7
2: Yes, indicated that one or more of the areas of action are covered in its code of conduct or HR policy	76	80.9	5	71.4	23	79.3	48	82.8	18	75.0	58	82.9
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**
Complaints-handling mechanism for own workforce												
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported	16	17.0	3	42.9	6	20.7	7	12.1	4	16.7	12	17.1
1: Yes, reported	78	83.0	4	57.1	23	79.3	51	87.9	20	83.3	58	82.9
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	100.0

↑ Source: Authors' own.

No clear size effect is detectable when analysing the existence of a *Code of Conduct or Human Rights Policy*, as this is a disclosure found across the entire sample. However, there is some variation in whether or not the various *areas of action* identified by the VSME standard are addressed, with this variation increasing with the size of the SME (71.4% for micro-enterprises, 79.3% for small enterprises and 82.8% for medium-sized enterprises, respectively). Also belonging to a high or low climate impact sector affects the alignment of the SME in terms of areas covered. Thus, the percentage of SMEs that comply with these information requests is higher in high climate impact sectors (82.9 %) compared to those in low climate impact sectors (75.0 %).

The reporting of *mechanisms for handling complaints and grievances* increases as the size of the SME grows, from 57.1% for micro-enterprises and 79.3% for small enterprises to 87.9% for medium-sized enterprises. This allows us to conclude that company size is a decisive factor for the maturity of human rights policies. Thus, as companies grow, not only do they develop more specific policies, but also invest in the mechanisms to make them effective. By impact sector, there are hardly any notable differences.

4.3.7 C7 disclosure requirement. Severe negative human rights incidents

Description of the requirement

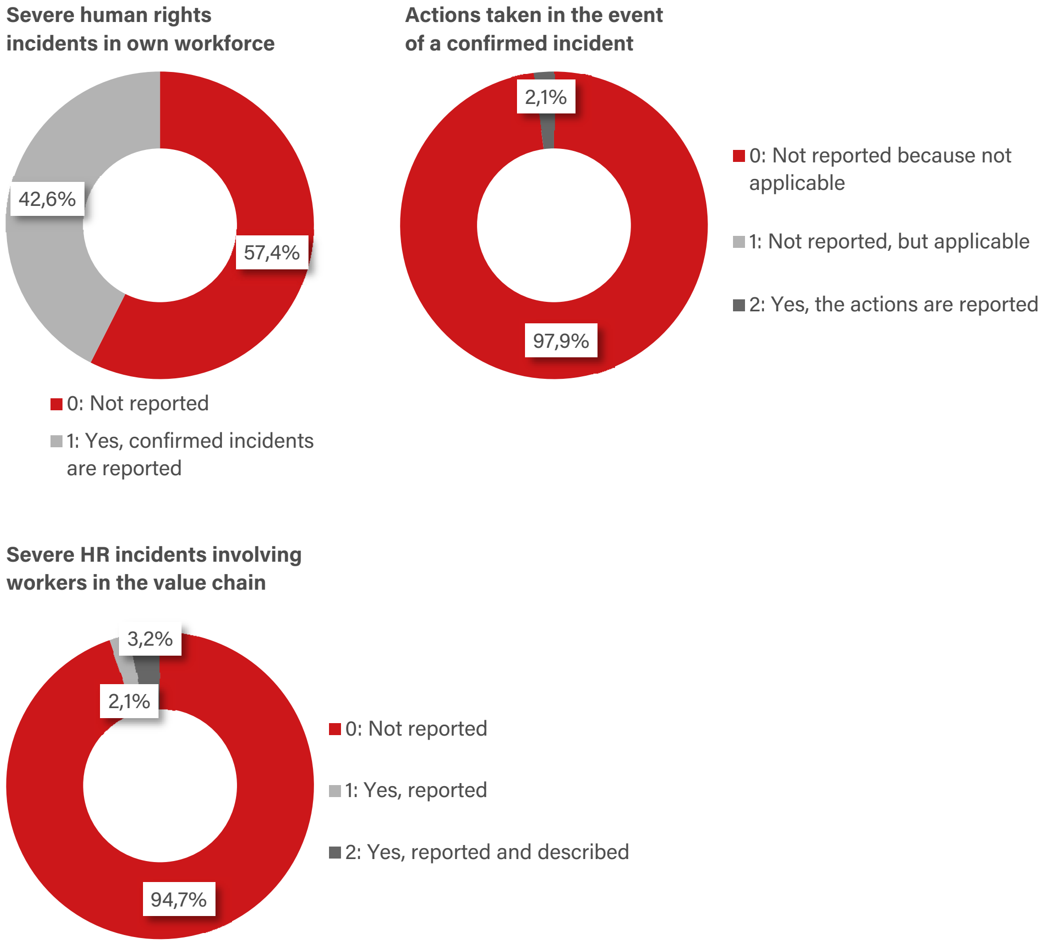
In the C7 metric, the SME is required to report whether it has had any confirmed incidents of human rights violations, including:

- *Confirmed human rights incidents in its own workforce* (mandatory); if these exist, the SME is required to indicate their type according to the following topics ("if applicable"):
  - Child labour (yes/no).
  - Forced labour (yes/no).
  - Human trafficking (yes/no).
  - Discrimination (yes/no).
  - Other issues, indicating what they are (yes/no).
- If there are confirmed cases in its own workforce, the SME shall describe the *actions being taken* to address these incidents (reporting point "if applicable").
- If the SME is aware of any *confirmed incidents involving workers in the value chain, affected communities, or consumers and end-users,* it must specify such incidents ("if applicable").

Alignment of content disclosed in the SME sample

To analyse the alignment of the surveyed SMEs with the C7 metric and their respective reporting points, the results may be observed in Figure 23.

//// **FIGURE 23** **Information reported on C7 disclosure requirement**



Source: Authors' own.

A first point to note is that 42.6% of the participating SMEs reported *confirmed incidents in their own workforce (although, for the most part, the number reported was zero)*, compared to 57.4% who did not report any such incidents (regardless of whether such incidents had occurred or not). In those cases where corrective actions or measures have been taken, and therefore, where it is necessary to disclose the corrective actions or measures, only two of these companies (2.1% of the sample) have complied with the VSME standard's requirement to report on the actions implemented to handle them.

It is also common (94.7%) to not disclose *severe incidents involving workers in the value chain* of the SME, even when the company is aware of them. This reporting point enables the company's level of due diligence to be comprehensively addressed throughout its sphere of influence. The existence of such incidents and details of their circumstances are scarcely reported (2.1%). Only three SMEs (3.2% of the sample) reported, in some detail, the existence of such incidents. This allows us to conclude that there is widespread opacity on this reporting point, where non-disclosure is the norm.

Alignment of the content disclosed. Differences by SME size and sector

Reviewing the results on severe incidents in the own workforce and workers in the value chain, demonstrates heterogeneity by size and sector of activity, as may be seen in Table 24.

//// TABLE 24 C7 disclosure requirement. Differences by SME size and sector

C7 DISCLOSURE REQUIREMENT												
Severe human rights incidents in own workforce												
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported	54	57.4	4	57.1	18	62.1	32	55.2	13	54.2	41	58.6
1: Yes, reported	40	42.6	3	42.9	11	37.9	26	44.8	11	45.8	29	41.4
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**
Actions taken in the event of an incident												
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported because not applicable	92	97.9	7	100.0	29	100.0	56	96.6	24	100.0	68	97.1
1: Not reported, but applicable	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
2: Yes, the actions to handle such incidents are reported	2	2.1	0	0.0	0	0.0	2	3.4	0	0.0	2	2.9
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**
Severe HR incidents involving workers in the value chain												
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported	89	94.7	7	100.0	27	93.1	55	94.8	22	91.7	67	95.7
1: Yes, reported	2	2.1	0	0.0	1	3.4	1	1.7	1	4.2	1	1.4
2: Yes, reported and described	3	3.2	0	0.0	1	3.4	2	3.4	1	4.2	2	2.9
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	100.0

↑ Source: Authors' own.

Regarding the existence of *confirmed incidents in own workforce*, a significant percentage of the analysed SMEs of all sizes report on this issue: 42.9% of micro-, 37.9% of small and 44.8% of medium-sized enterprises. However, when we focus on the actions carried out, this transparency disappears. 100% of micro- and small enterprises do not do not disclose the actions taken. The actions carried out are only described by medium-sized companies, and that too, in a very small minority (3.4%). The impact sector also exerts a slight influence on the probability of reporting incidents involving employees, being higher for low climate impact SMEs (45.8% vs. 41.4%, respectively), although the description of the actions taken is only provided by high climate impact SMEs (2.9%). Therefore, compliance with the disclosure requirement in question is implemented by larger, medium-sized SMEs with a high climate impact.

Confirmed incidents involving workers in the value chain are reported by small and medium-sized enterprises (3.4% in both groups), but never by micro-enterprises. Also under this reporting point, the details of the actions taken in relation to reported incidents by low climate impact companies slightly exceeds that of SMEs in high climate impact sectors (4.2% compared to 2.9%).

4.3.8 C8 disclosure requirement. Revenues from certain sectors and exclusion from EU reference benchmarks aligned with the Paris Agreement

Description of the requirement

Disclosure requirement C8 requires reporting on two datapoints "if applicable":

- *Revenues from the following specific sectors,* if the SME is active in them (reporting item "if applicable"):
  - Controversial weapons prohibited by international treaties, such as nuclear weapons, chemical weapons, biological weapons and others.
  - The cultivation and production of tobacco.
  - Fossil fuel (coal, oil or gas).
  - Pesticide production or other agrochemical products.
- If *the company is excluded from any EU reference benchmark aligned with the Paris Agreement* (mandatory reporting point), which may affect its eligibility for certain sustainable investment products. In this regard, Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 indicates that the following companies should be excluded from these benchmarks:
  - Companies involved in any activities related to controversial weapons.
  - Companies involved in the cultivation and production of tobacco.
  - Companies that derive 1% or more of their revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite.
  - Companies that derive 10% or more of their revenues from oil fuels.
  - Companies that derive 50% or more of their revenues from gaseous fuels; or from electricity generation with a GHG intensity of more than 100 g CO_2eq/kWh.

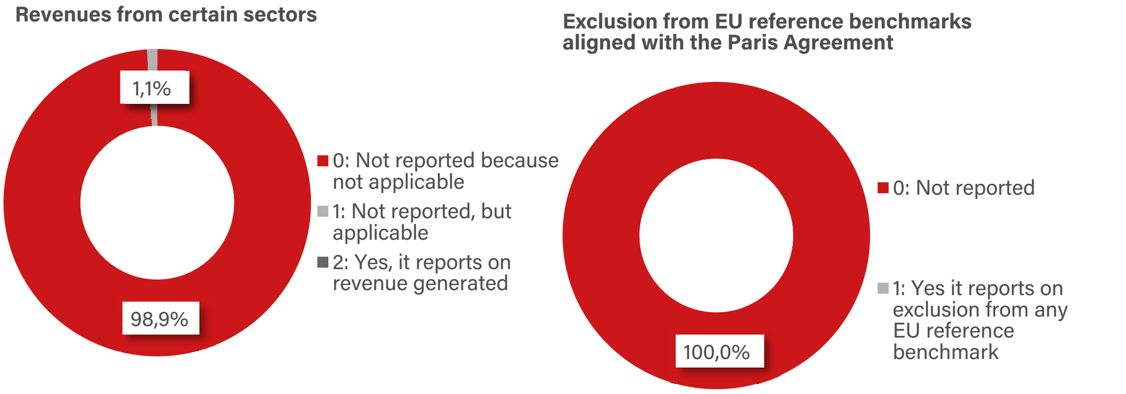
Alignment of content disclosed in the SME sample

As shown by the data from the sample of SMEs analysed (see Figure 24), the level of reporting of the C8 disclosure requirement is practically nil, indicating a general lack of applicability or disclosure by the SMEs analysed in this study.

As far as revenues from the above sectors are concerned, almost all companies in the sample (98.9%) do not disclose this information because they consider that it does not apply to them. Only 1.1% acknowledged that it applied to them, but they did not disclose it. Thus, no company in the sample has disclosed information on the revenues it derives from these sectors.

As regards *exclusion from EU reference benchmarks aligned with the Paris Agreement,* the result is even more striking: 100% of the SMEs in the sample do not provide disclosures on this point, suggesting that this requirement is not deemed applicable or relevant.

//// **FIGURE 24** **Information disclosed under the disclosure requirement C8.**



Source: Authors' own.

Alignment of the content disclosed. Differences by SME size and sector

Table 25 displays the disaggregated results of the reporting level of the C8 disclosure requirement, in terms of size and sector of activity.

//// **TABLE 25** **C8 disclosure requirement. Differences by SME size and sector**

C8 DISCLOSURE REQUIREMENT														
Revenues from certain sectors														
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported because not applicable	93	98.9	6	85.7	29	100.0	58	100.0	24	100.0	69	98.6
1: Not reported, but applicable	1	1.1	1	14.3	0	0.0	0	0.0	0	0.0	1	1.4
2: Yes, it reports on revenue generated	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**
Exclusion from EU reference benchmarks aligned with the Paris Agreement												
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported	94	100.0	7	100.0	29	100.0	58	100.0	24	100.0	70	100.0
1: Yes, it reports on exclusion from any EU reference benchmark	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	100.0

Source: Authors' own.

With regard to ***revenue from certain sectors,*** the non-disclosure due to non-applicability is the norm across all categories. 100% of small, medium and low climate impact companies indicate that this requirement does not apply to them. There is only one case of a micro-enterprise in a high climate impact sector that does not report, although the requirement does apply to it. In no case, regardless of size or sector, is the disclosure required by the VSME standard provided. Furthermore, the findings are similar to those of reporting on *exclusion from EU reference benchmarks*: 100% of the SMEs analysed, regardless of size or sector, do not provide disclosures on this reporting point.

4.3.9 C9 disclosure requirement. Gender diversity ratio in the governance body

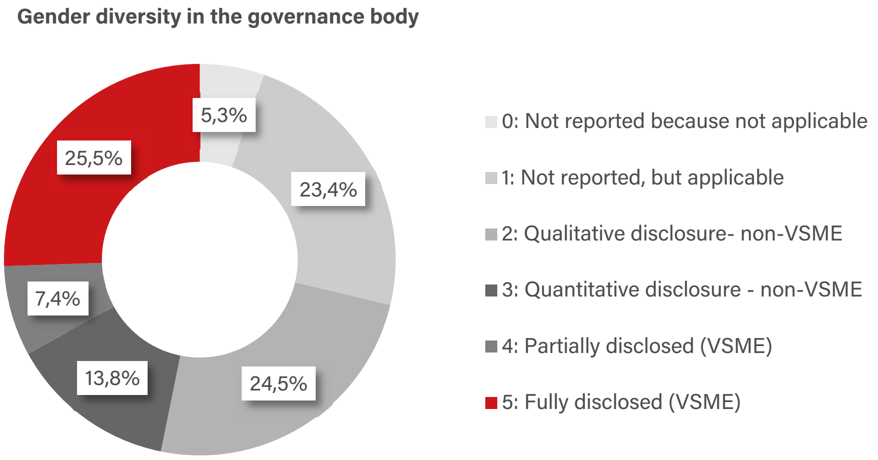
Description of the requirement

The C9 disclosure requirement calls for SMEs to report on the *gender diversity ratio in their governance bodies* (typically their board of directors), where such a body exists (reporting point "if applicable"). This indicator measures the proportion of women and men in the company's highest decision-making authority. This requires disclosure of the composition of these bodies and the company's diversity policies.

Alignment of content disclosed in the SME sample

Within the sample analysed, reporting on *gender diversity ratio in the governance body* reveals a wide range of results (see Figure 25). The most frequent response is to disclose the ratio requested by the VSME standard, appearing in one out of four SMEs (25.5%). This is immediately followed by non-VSME qualitative disclosures, at 24.5%, and non-reporting, even when applicable at 23.4%. Only 5.3% do not report on this topic because it does not apply to them.

//// FIGURE 25 Information reported on C9 disclosure requirement



Source: Authors' own.

Alignment of the content disclosed. Differences by SME size and sector

Table 26 displays the results broken down by the level of reporting of the C9 disclosure requirement, with regard to the size of the SMEs analysed and the sectors to which they belong.

When analysing the results by company size, it becomes evident that the larger the company, the greater the likelihood of providing disclosures aligned with the VSME standard, similar to what is observed for a significant number of other disclosure requirements. Thus, if the most demanding reporting levels (partial and full alignment with the standard) are added up, only 14.3% of micro-enterprises reach this level of detail. However, this percentage rises to 34.4% for small and 34.5% for medium-sized enterprises. Micro-enterprises tend to either not report (42.9%) even though the requirements apply to them, or to provide only qualitative disclosures (42.9%).

//// **TABLE 26** **C9 disclosure requirement. Differences by SME size and sector**

C9 DISCLOSURE REQUIREMENT														
Gender diversity in the governance body														
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported because not applicable	5	5.3	0	0.0	3	10.3	2	3.4	0	0.0	5	7.1
1: Not reported, but applicable	22	23.4	3	42.9	6	20.7	13	22.4	6	25.0	16	22.9
2: Qualitative disclosure- non-VSME	23	24.5	3	42.9	8	27.6	12	20.7	9	37.5	14	20.0
3: Quantitative disclosure - non-VSME	13	13.8	0	0.0	2	6.9	11	19.0	1	4.2	12	17.1
4: Partially disclosed (VSME)	7	7.4	0	0.0	3	10.3	4	6.9	2	8.3	5	7.1
5: Fully disclosed (VSME)	24	25.5	1	14.3	7	24.1	16	27.6	6	25.0	18	25.7
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	100.0

Source: Authors' own.

Considering the sector of activity, the level of reporting according to the VSME standard (Levels 4 and 5) is very similar between low climate impact companies (33.3%) and high climate impact companies (32.8%). However, there are differences in the type of disclosures provided. High climate impact companies have a higher percentage of quantitative disclosures overall (Levels 3+4+5) at 49.9%, compared to 37.5% for low climate impact companies. This may suggest that SMEs in high climate impact sectors, while not always fully aligned with the standard, feel greater pressure to provide disclosures on gender diversity in their governance bodies.

4.4 Disclosure of double materiality reporting and assurance

Description of "double materiality" and "assurance" of the information

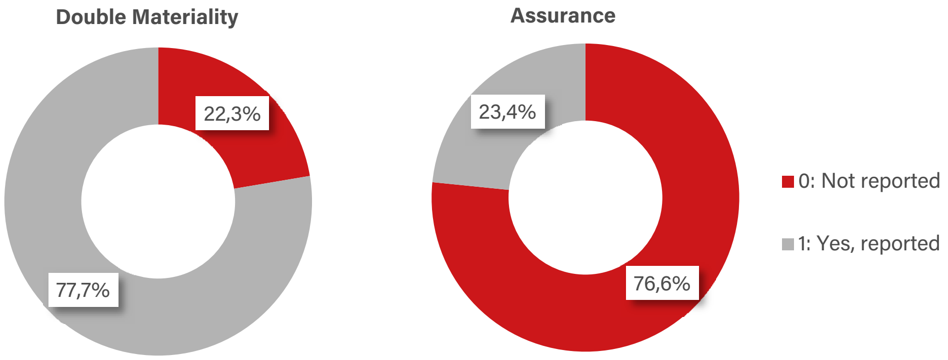
According to the VSME standard, conducting and reporting a formal double materiality analysis is not a mandatory requirement for SMEs in preparing their Sustainability Statements, although it recommends doing so (Gómez-Limón et al., 2025). The purpose of this analysis is to provide a comprehensive overview of the most significant impacts, risks and opportunities (IRO) from two perspectives: *impact materiality*, which considers how the company's activities affect people and the environment; and la *financial materiality*, which assesses how sustainability issues may give rise to risks or opportunities with financial implications for the company.

Furthermore, sustainability reporting *assurance* refers to the process by which a qualified third party reviews this information in order to assess its quality and reliability. The VSME standard does not require SMEs to undergo mandatory external assurance by an independent third party. In any case, the ultimate purpose of assurance is to increase the users' confidence in this information, being comparable to a financial audit, but focused on ESG issues.

Contents disclosed in the SME sample

The analysis of the sample of participating SMEs reveals a high degree of disclosure on the performance of double materiality analysis (Figure 26).

//// FIGURE 26 Information reported on double materiality and assurance



Source: Authors' own.

The vast majority of SMEs (77.7%) provide disclosures regarding this aspect. Conversely, the remaining 22.3% do not provide any disclosures (see Figure 26). These results suggest that, far from being a token practice, double materiality is being established as a strategic tool within the SME ecosystem. This proactive behaviour may be attributed to a combination of factors, including pressure from large companies to align their value chains with the CSRD, growing demands from finance providers to assess ESG risks, and an internal strategic vision that recognises sustainability as a driver of resilience and competitive advantage.

In comparison, the vast majority of the SMEs analysed do not report on the external assurance of their sustainability data. Specifically, 76.6% of the sample (72 out of 94 companies) do not provide any disclosures, while only 23.4% (22 companies) state that their data have been verified.

Disclosed content. Differences by SME size and sector

Table 27 displays the disaggregated results of the level of reporting of double materiality, by SME size and the sector to which they belong.

Regarding double materiality, the reporting results by company size show that small and medium-sized companies have the highest level of disclosure, with 82.8% and 79.3% reporting on this analysis respectively. In contrast, micro-enterprises have the lowest level of disclosure, with a majority (57.1 %) not disclosing it. Meanwhile, the results by size in terms of assurance show that micro-enterprises have the highest level of relative transparency: 42.9% (3 out of 7) report on assurance, compared to 20.0% of small enterprises (6 out of 30) and 22.8% of medium-sized enterprises (13 out of 57). However, given the small absolute number of micro-enterprises, these results should be interpreted with caution, two of them being consultancy firms that may in fact be using assurance as a means of promoting their services.

Considering the sector of activity in terms of its climate impact, there is a notable consistency in reporting. High climate impact companies report slightly more (78.6%) than low climate impact companies (75.0%), but the difference is insignificant. This suggests that the importance of conducting a materiality analysis is similarly recognised in both sectors. As regards the sector-based analysis of assurance, the difference between the two sub-samples is also irrelevant.

//// **TABLE 27** Double materiality and reporting assurance. Differences by SME size and sector

DOUBLE MATERIALITY AND REPORTING ASSURANCE														
Double materiality analysis														
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported	21	22.3	4	57.1	5	17.2	12	20.7	6	25.0	15	21.4
1: Yes, reported	73	77.7	3	42.9	24	82.8	46	79.3	18	75.0	55	78.6
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	**100.0**
Assurance												
Scale	**Total**	**%**	**Micro**	**%**	**Small**	**%**	**Medium**	**%**	**Low impact**	**%**	**High impact**	**%**
0: Not reported	72	76.6	4	57.1	24	82.8	44	75.9	18	75.0	54	77.1
1: Yes, reported	22	23.4	3	42.9	5	17.2	14	24.1	6	25.0	16	22.9
Total	**94**	**100.0**	**7**	**100.0**	**29**	**100.0**	**58**	**100.0**	**24**	**100.0**	**70**	100.0

↑ Source: Authors' own.

5 Discussion of the results

This section summarises and discusses the main conclusions reached in relation to the various research objectives addressed in this report. Its main limitations, which are necessary to properly contextualise the scope and validity of the results obtained, are also discussed.

5.1 Format for reporting on the sustainability performance of SMEs

Under the first research objective, the formats used by Spanish SMEs to address sustainability reporting were analysed. To this end, this initial analysis has considered all SMEs that make up the study population (961 companies), deliberately focusing on the formal aspects of disclosure (i.e. types of reports used), as opposed to their material aspects (i.e. contents included in the reports), which have been dealt with in the second, third and fourth research objectives.

In this regard, it should be recalled that the target population consists of Spanish non-financial SMEs included in the United Nations Global Compact database, an initiative that encourages companies to voluntarily participate in the Compact based on a commitment to its 10 principles of action, as well as to quantify, report and progressively improve their corporate sustainability performance. Participating companies undertake to prepare and publish an annual Communication on Progress, setting out in detail their progress in ESG performance. After reviewing the selected population, our results show that 75.2% of the SMEs reviewed publish their respective Communications on Progress in this database, which is the format most commonly disclosed by these companies, consistent with the selected population. However, it should be noted that only 10.7% publish this report on their corporate websites. Thus, it is evident that a large majority publish this information exclusively through the Global Compact database, which makes it more difficult to access compared to hosting it on the corporate website.

It is worth noting that 24.8% of the remaining population has not complied with this ESG disclosure requirement and does not disclose the Communication on Progress. This result, which is especially striking in view of the fact that this is a mandatory report for member SMEs, may be due to several complementary circumstances. Firstly, it should be noted that the research team conducted its fieldwork in April 2025. For this reason, it may be the case that some SMEs have rushed their reporting deadline, which ends on 31 July, and therefore, although they are listed as "active", they have not yet published any report. A second circumstance that may explain the above-mentioned percentage would be the case of SMEs that have joined in 2025, in which case, they will have until 31 July 2026 to publish the Communication on Progress. Thirdly, it may be that the decision not to disclose is due to the difficulties faced by the company in drafting this communication. In this regard, it should be noted that the Communication on Progress changed its structure in 2023 from a report-type format to a survey-type format. Although completing a questionnaire represents a relatively less complex form of disclosure, the demands of providing information and answering between 52 and 74 questions can represent a considerable burden for SMEs. Not having an easy and agile reporting system that allows them to report on each and every one of the topics addressed by the Communication on Progress may explain why they are not able to systematically report on their ESG performance and, therefore, to produce said Communication.

In any case, it should be noted that when a company does not submit its Communication on Progress within the deadline set between 1 January and 31 July, its status changes to "non-communicating".

This is made public and visible in the company's profile on the Global Compact website, which may reveal a gap between what companies aspire to achieve by joining this initiative and what they can realistically achieve with the resources allocated in this regard.

Among the SMEs that do disclose their sustainability information, the vast majority present their Communication on Progress, either individually - in compliance with the requirements of their participation in the Global Compact - or in combination with other formats. Thus, it is relatively common (29.2%) for these companies to provide information on their sustainability certifications along with the Communication on Progress. There is also a considerable group (20.7%) that adopts a more committed reporting strategy, using more than two different formats to disclose their ESG performance. The latter option mainly includes Communications on Progress, certifications and sustainability or ESG reports/statements. In other remaining cases, the first two are combined with other specific reports, such as the *Task Force on Climate-Related Financial Disclosures* (TCFD), the *Carbon Footprint Report*, the *SDG Commitment Report and Sustainability Plans and Policies*, amongst the most frequent. This diversity in reporting formats reflect different levels of maturity in sustainability reporting across the population analysed.

It is especially worth mentioning the role of sustainability certifications in our results. Amongst the reasons for their relevance, several are worth highlighting. Firstly, large companies are increasingly focused (either by law or by due to stakeholder pressure - e.g. investors or financial institutions) on having a sustainable supply chain. This implies that they are passing on these ESG reporting and performance assurance requirements to their SME suppliers - the so-called trickle-down effect. Moreover, access to new markets and customers is another of the biggest reasons to justify the adoption of such certifications (Tröster and Hiete, 2018). The independent third-party validation of one or more sustainability achievements that is introduced by certifications builds trust among customers and other stakeholders. These results appear to be in line with the recent literature on the subject. Thus, for example, Caseiro-Blanco and Mesa-Pérez (2025, p. 53) point out that "since the process of reporting assurance is highly complex and costly, small and medium-sized companies opt for certifications in specific and concrete areas, given the greater ease in the process of reporting and performance in terms of sustainability". Similarly, in mature markets, SMEs may opt for certifications such as B-Corp, which accredit high social and environmental performance, in order to stand out from their competitors.

In any case, it may be seen that the disparity in the formats employed by the population studied depends, to a large extent, on the sector to which they belong, with SMEs showing marked preferences for different formats depending on the nature of their activity. As indicated above, 18 non-financial sectors have been used to group SMEs according to the classification of the Global Compact database, finding clear evidence in this regard. Consequently, sectors that deal directly with end consumers, such as small and medium-sized retail businesses, report on their ESG performance primarily through the Progress Report (in 92.9 % of cases). Thus, they appear to be prioritising the competitive edge that comes from being a participant in the Global Compact, using this report to raise their profile as companies committed to sustainable development. Retail SMEs are closely followed in the use of this format by industrial sectors such as Electricity, gas and water (89.3%) and Industrial goods and services (others) (88.1%), with very high reporting rates, possibly due to supply chain demands in their respective areas.

On the other hand, primary, industrial, B2B or complex supply chain sectors, such as Basic Resources (86.7%), Energy (61.8%), Food & Beverage (57.1%) and General Industries (56.8%), clearly favour certifications (ISO 14001, ISO 27001, SA 8000, IQNET SR10, EMAS, B-Corp, among others) as the main format for reporting on their sustainability performance, likely due to customer requirements and to standardise their operational processes. This is one of the fields where the sector effect is most evident, explained by the fact that, for these industries, certifications are crucial to managing risks, securing the supply chain and responding to customer and regulatory expectations regarding the environmental and social impact of their production processes.

There is also an inverse relationship between the Communication on Progress and other formats. Thus, sectors that make the least reporting in the Communication on Progress are precisely those that publish other reports the most. The most striking examples are in the Automobiles and Spare Parts sector (where only 55.6% publish a Communication on Progress, compared to 33.3% who publish other reports) and the Chemical Products sector (61.9% versus 11.9%, respectively). This suggests strategic decision-making by these SMEs to create a more controlled, detailed and customised report for their stakeholders, rather than limiting themselves to the standardised format of the Global Compact.

However, it is also observed that the greater the commitment to the Compact, the greater the interest in completing the sustainability report with a report detailing the most noteworthy aspects in this area. Thus, the Retail sector - 92.9% publish Communications on Progress and 21.4% publish sustainability or ESG reports and the Electricity, Gas and Water sector, with 89.3% and 17.9%, respectively - would be some examples in this sense. Our analysis also reveals the existence of "outliers", which demonstrate highly specific sectoral dynamics. The most striking example is the Automobiles and Spare Parts sector, where 27.3% of its SMEs use "other types of reports", far above any other sector. This may be due to the need for specific reporting required by large car manufacturers from suppliers.

As for the other formats covered in this report, the use of the NFIS is almost negligible in most SMEs, except in the Travel & Leisure sector (7.7%), which can probably be explained by the fact that these SMEs are part of consolidated groups that are required by law to submit this report. It should also be noted that formats such as the Integrated Report or the traditional CSR/SR reports are equally rare in most sectors. The low presence of the former may be explained by the complexity of its preparation. This difficulty is also shared by large companies, but especially exacerbated in the case of SMEs due to their limitations, since limited resources and specific knowledge may pose significant for this type of report, as mentioned above. The CSR/SR report is a conceptually outdated format, which has been replaced by a more holistic and strategic approach to sustainability, focused on reporting ESG performance. Consequently, both types of reports have a negligible presence in the surveyed population.

In summary, it may be stated that companies in sectors with high exposure to environmental or social risks, and/or with strong value chain and consumer pressures, tend to adopt a wider range of sustainability reporting formats and certifications. Conversely, in sectors with less visibility or direct pressure, compliance is more focused on core requirements or highly specific and targeted reporting in response to specific stakeholder demands.

5.2 Alignment of the sample with the metrics of the Basic Module

As indicated in Section 4.2, the degree of alignment of the sample of Spanish SMEs with the VSME standard is uneven, with some reporting points or metrics being highly aligned, while others are poorly disclosed. The degree of alignment is also uneven within each metric with different reporting points. This is evident in Table 28, which displays the percentages of total and partial alignment with the VSME standard for each disclosure requirement and its different reporting points. The colours indicate: pink, alignment below 50%; grey, alignment between 50 and 75%; and white, alignment of more than 75% of the companies in the sample. This evidence may be considered as the main added value of this report with regard to the second research objective.

//// **TABLE 28** Alignment of the sample with the disclosure requirements of the Basic Module

Disclosure requirement	Partial and full alignment (%)
B1. Basis for preparation	**65.1**
Legal form of the company (MANDATORY)	81.9
CNAE or NACE sector code (MANDATORY)	6.4
Total assets in the Balance Sheet (in Euros) (MANDATORY)	8.5
Turnover (in Euros) (MANDATORY)	63.8
Number of employees (no. of personnel or FTE) (MANDATORY).	87.2
Main country of operation (MANDATORY)	94.7
Location of main fixed assets (plants or establishments) (MANDATORY)	90.4
Geolocation of facilities managed by the company, either owned or leased (MANDATORY)	39.4
Sustainability certifications or labels (IF APPLICABLE)	94.7
Sustainability certifications or labels. Additional information (IF APPLICABLE)	84.0
B2. Practices for transitioning towards a more sustainable meconomy	**76.0**
Sustainable economy practices (IF APPLICABLE)	100.0
Sustainable economy policies (IF APPLICABLE)	100.0
Future sustainable economy initiatives and plans (IF APPLICABLE)	100.0
Sustainable economy targets (IF APPLICABLE)	78.7
Specific disclosure in case of a cooperative (OPTIONAL)	1.1
B3. Energy and GHG emissions	**60.6**
Energy consumption (MANDATORY)	73.4
Gross GHG emissions (MANDATORY)	75.5
GHG emissions intensity (MANDATORY)	33.0
B4. Pollution of air, water and soil	**13.8**
Pollutants generated (IF APPLICABLE)	8.5
Additional information (IF APPLICABLE)	19.1
B5. Biodiversity	**11.7**
Location in biodiversity sensitive areas (IF APPLICABLE)	11.7
Land use and land use change (OPTIONAL)	5.3
Additional information (OPTIONAL)	18.1
B6. Water	**25.0**
Water withdrawal (MANDATORY).	48.9
Water consumption (IF APPLICABLE)	16.0
Water discharge (OPTIONAL)	6.4
Additional information (OPTIONAL)	28.7
B7. Resource use, circular economy and waste management	**37.6**
Total generation of waste (MANDATORY)	58.5
Waste diverted to recycling or reuse (MANDATORY)	33.0
Annual mass-flow of relevant resources (IF APPLICABLE)	21.3
B8. Workforce: General characteristics	**47.3**
Type of employment contract (MANDATORY)	58.5
Employee gender (MANDATORY)	85.1
Country of employment contract (IF APPLICABLE)	27.7
Employee turnover rate (IF EXCEEDS THRESHOLD)	18.1
B9. Workforce: Health and safety	**60.1**
Work-related accidents (MANDATORY)	69.1
Fatalities resulting from work-related injuries and work-related ill health (MANDATORY)	51.1
B10. Workforce: Remuneration, collective bargaining and training	**33.5**
Ratio of minimum wage employees (MANDATORY)	7.4
Gender pay gap (IF EXCEEDS THRESHOLD)	13.8
Coverage by collective bargaining agreements (MANDATORY)	43.6
Employee training (MANDATORY)	69.1
B11. Convictions and fines for corruption and bribery	**69.1**
Convictions and fines for corruption and bribery (IF APPLICABLE)	69.1

↑ Source: Authors' own.

As an overall conclusion, the analysed SMEs show a high capacity to disclose their strategic framework and sustainability policies (e.g. B1 and B2 metrics), but face a considerable challenge in evolving towards quantitative and detailed reporting as outlined in the VSME standard. The results highlight that the main challenge lies not in stating intentions, but in measuring, managing and reporting on specific performance metrics.

Overall, a high level of compliance has been observed for most reporting points of the B1 and B2 metrics, both of which are cross-cutting metrics of the Basic Module. The reporting points on sustainable economy practices and policies are especially noteworthy, due to their full compliance, together with information on future initiatives and plans (included in B2). Disclosure requirements regarding the country of operations, the location of assets and the existence of sustainability certifications (included in B1) are almost unanimously complied with. This demonstrates a solid grounding in sustainable policies and a good ability to report descriptive data already in place in the company that does not require complex drafting.

The high degree of compliance observed across most reporting points for the B1 and B2 disclosure requirements may be interpreted as a clear indicator of maturity regarding the importance of sustainability for the sample of SMEs analysed. This strong performance on the more descriptive and strategic parameters may be explained by a number of reasons:

- Low-cost and easily accessible information: corporate identity details, such as legal form, country of operation or location of assets, are available in the information systems of any company, regardless of size. Their disclosure does not require additional measurements, complex calculations or implementation of new processes, which removes resource and technical capacity barriers to their reporting.
- Sustainability as a statement of intent: the disclosure of policies, practices and initiatives (B2 disclosure requirement) forms the narrative and strategic cornerstone of sustainability. For companies, especially those adhering to frameworks such as the Global Compact, it is the first step in demonstrating their commitment to sustainability, at the same time providing a reputational benefit. For SMEs, therefore, disclosing their strategic framework and policies is relatively straightforward when they are already in place.
- SMEs have prioritised certification: the high level of compliance regarding the disclosure of certifications (94.7%) suggests that many SMEs use management systems (primarily ISO 14001 and EMAS) as the main means of structuring and managing their approach to sustainability. The existence of policies and practices is inherently documented by the possession of these certifications, which greatly facilitates reporting.

This high compliance with the cross-cutting metrics demonstrates that the sampled SMEs have successfully passed the initial phase of integrating sustainability into the organisation: they have formulated their strategy, defined their policies and included processes to manage sustainability performance internally through certifications. However, this high descriptive and qualitative performance contrasts with the challenge posed by the next step for these companies: the measurement and disclosure of more complex quantitative performance metrics, such as those that make up the remaining metrics of the Basic Module.

Continuing the analysis by thematic blocks and following the environmental metrics, we must point to a high level of alignment with the VSME standard regarding the disclosure of gross GHG emissions (over 75%) and energy consumption (nearly 75%), reporting points that are integrated in the B3 metric. However, low levels of alignment with the VSME standard were found for the rest of the metrics in this block: disclosures on pollution (B4), biodiversity (B5), water (B6) and resource use, circular economy and waste (B7). The only exception involves the reporting points on total generation of waste, which are at an intermediate level of compliance (over 50%).

The high level of VSME alignment of the environmental reporting points related to climate change (gross GHG emissions and energy consumption) is no coincidence. There are several reasons for this. Firstly, our current climate emergency has placed GHG emissions and energy use at the heart of the global debate on sustainability, making them the most visible and media-friendly indicators of companies' transition towards a low-carbon economy. This central focus has led to increasing regulatory pressure, reflected in international and national regulations that require organisations to measure, manage and disclose their emissions and energy consumption in a transparent manner. At the same time, markets —both customers and investors— are increasingly calling for disclosures on companies' carbon footprints, and are using this as a key criterion in supplier selection processes, in the allocation of capital for financial investments, and in the assessment of risks associated with the climate transition. This external pressure has acted as a catalyst even for SMEs that have traditionally fallen behind in ESG reporting practices, leading them to prioritise ESG measurement, allocating resources and efforts to collect and standardise this data. Secondly, energy consumption is directly linked to operating costs that may be significant for the SME. Energy and emissions monitoring thus becomes a fundamental eco-efficiency tool with tangible, direct and short-term financial benefits, providing an incentive that is not always so evident in other areas of environmental sustainability such as biodiversity. Furthermore, there are now well-established and standardised methods (such as the *GHG Protocol*) for calculating carbon footprints, as well as an entire ecosystem of consultants and software that greatly facilitate their measurement, making this process technically more accessible.

The limited alignment of the reporting by the sampled SMEs regarding the metrics associated with pollution (B4), biodiversity (B5) and water (B6) may be explained by a limited perception of the materiality of these topics in the management of these organisations. In practice, companies view biodiversity impacts or water use as indirect externalities, which are more difficult to quantify and have fewer immediate economic consequences, unless they operate in specific sectors with significant water consumption (as in the case of the B6 metric).

In this regard, it is worth highlighting the issues encountered in relation to the reporting points on water withdrawal and water consumption (B6). The evidence shows that these concepts are not clearly defined and adequately disclosed in sustainability reporting (ESG). In practice, there is a tendency to use the term 'water consumed' (the volume of water that is not returned to the environment but instead evaporates or is incorporated into products) to refer, in fact, to 'water withdrawn' (the total volume of water withdrawn from any source). This confusion not only affects data comparability and reliability, but also restricts the company's own ability to understand and manage its true impact on the water environment, as "water consumed" is the key indicator to assess its contribution to water stress in the basin, not "water withdrawn".

Reporting on total generation of waste (integrated in the B7 metric) is in an intermediate position, with a reporting compliance rate of almost 60%. This may be interpreted as a clear reflection of the maturity of waste management among SMEs. A plausible explanation for this high level of reporting, in relation to the other indicators less disclosed within the environmental reporting block, may lie in the fact that waste management is heavily regulated in Spain (and in the EU). Companies are required by law to manage their waste through licensed waste managers, which implies the availability of records (e.g. delivery notes) documenting the volumes of waste generated. Therefore, in many cases, the primary data already exists reasons of legal compliance.

When analysing social metrics and reporting points, a fairly high level of compliance (85.1%) is identified in the disclosure of workforce composition by gender (included in B8). The main reason for this compliance may be the availability of information and the simplicity of its calculation. Unlike complex metrics that require calculations and whose disclosure is also sensitive (such as the pay gap or employee turnover rate), gender composition is a basic input in any human resource management system. Their gathering and disclosure do not impose a significant operational or financial burden, removing the resource barriers that affect other indicators. However, this indicator faces an emerging challenge: the increasing visibility of non-binary identities and the right of people to not declare their gender. Traditional reporting systems, based on a binary model (male/female), are insufficient and potentially in conflict with the right to self-identification.

At an intermediate level of compliance are reporting points linked to occupational health and safety (B9), employee training (69.1 %) (included in B10), and type of employment contract (58.5 %) (included in B8). The lack of higher levels of alignment, despite accessible data, suggests that the challenge for SMEs lies not so much in internal management as in the systematisation and standardisation of data for external reporting.

Regarding the reporting of work-related injuries and casualties (B9), it is common to report the number of accidents (even when zero), but not their rate, which should also be calculated according to the indications of the VSME standard. This distinction is by no means insignificant and highlights a fundamental shortcoming in the maturity of the reporting of the sample: the difference between reporting an incident and reporting a performance indicator. Firstly, as opposed to reporting the absolute number of accidents as a direct input (a simple incident), calculating a rate requires the additional input of the total number of hours worked, and the ability to perform the calculation correctly, an ability that many SMEs have not yet developed for reporting. Secondly, there is the reluctance of some SMEs to disclose certain "sensitive" reporting points, such as accident rates. Thus, an absolute number of accidents (e.g., "3 accidents") is an isolated figure and difficult to compare across companies of different sizes. Precisely for this reason, standardised rates were designed to enable comparability. Some companies may, consciously or unconsciously, prefer the ambiguity of absolute data to the exposure of a comparable indicator, which may place them at a disadvantage compared to their competitors. And thirdly, labour regulations require the recording of every accident (absolute data), but do not always require the calculation of frequency rates. SMEs are therefore limited to reporting the information they already manage for legal reasons, without taking the additional step required by the VSME standard.

The reporting point on employee training has a high level of partial alignment, given that it does not report the gender distribution of training received, as required by the VSME standard. The fact that despite being based on easily accessible data for companies, this reporting point obtains only an intermediate level of alignment may be explained by the fact that this information, although present, is often neither centralised in the SME nor managed (if at all) by the person in charge of sustainability reporting. Given the size of an SME, it may be appropriate for the owner or a trusted member of staff (the management) to carry out tasks which, in larger companies, would fall to different departments, such as human resources, training, finance or, in many cases, data processing handled by an external agency. The effort required to gather, consolidate and validate all of this fragmented information to prepare the Sustainability Statement represents a significant barrier for these companies. Additionally, the disclosure of information on the type of employment contracts used by SMEs is a sensitive indicator that reveals the stability (or possible precariousness) of the workforce. A high proportion of temporary contracts may be viewed negatively by customers, investors or future employees. This exposure to public scrutiny can lead to a deliberate reluctance to disclose this information.

The level of compliance or alignment is low (below 50%) in the metrics related to the employee turnover rate (18.1 %) (included in B8), as well as in the coverage of collective bargaining agreements (43.6 %), the gender pay gap (13.8 %) and the proportion of minimum wage employees (7.4 %) (included in B10). These reporting points are related to the SME's remuneration policy, being of a sensitive nature, which may explain the results obtained as reporting points less aligned with the standard, despite their mandatory nature.

The reluctance to disclose information on the economic conditions of the workforce may be explained by several reasons:

- These metrics generally serve as indicators of the quality of jobs created by the company: a high staff turnover rate may be interpreted as job dissatisfaction; a low minimum wage ratio and wide gender pay gap are seen as indicators of job insecurity and inequality. The sensitive nature of this data lies in the fact that it exposes the company to public scrutiny and unfavourable comparisons, a reputational risk that many SMEs are unwilling to take.
- The gap between primary data and indicators. While a company possesses information on the wages it pays, calculating the gender pay gap or the employee turnover rate involves more than simply selecting raw data; it requires the development of complex indicators with a specific cal-

culation methodology. This technical barrier, combined with reputational risk, deters disclosure on remuneration.

- Confidentiality as a cultural norm. Data on remuneration has traditionally been the most confidential area within any organisation, considered strategically sensitive and strictly internal. The sustainability paradigm calls for a radical shift, which involves turning this private data into public accountability metrics. This culture clash represents the final frontier of transparency for many companies. The fact that the proportion of minimum wage employees is the least aligned mandatory reporting item in the social block is the clearest evidence of this resistance.

The last block, on governance, includes only one metric, convictions and fines for corruption and bribery (B11). In this regard, the analysed SMEs display, in general, an acceptable level of alignment; most of them show a partial level of alignment. This demonstrates that, while companies do report whether or not they have received convictions, they do not usually provide details of any fines imposed or paid.

Finally, our findings have identified areas of significant weakness focusing on four types of data:

- Financial data and information on the sector of activity: there is a notable reluctance to disclose economic-financial information, such as minimum wage, gender pay gap, total assets or turnover. Similarly, basic registration information such as the CNAE code is omitted, making it difficult to contextualise and compare data. In the latter case, the failure to report does not appear to be due to the fact that the information is sensitive or difficult for SMEs to access, but rather to a possible lack of awareness that its disclosure is required by the VSME standard.
- Complex quantitative metrics: indicators requiring specific calculations, detailed analysis or systematic tracking of data have the lowest levels of alignment. GHG emissions intensity, indicators linked to pollutants, as well as biodiversity and land use topics, all display negative results. Likewise, data related to the circular economy, such as waste diverted to recycling or the annual mass-flow of resources, is still at an initial stage in the SMEs analysed.
- Threshold-based social indicators: datapoints whose reporting is mandatory only when a specific threshold is exceeded, show a lower level of compliance. This is the case for the gender pay gap and the employee turnover rate. While part of the non-disclosure is due to not reaching the required threshold, the results also suggest a possible reluctance to disclose issues deemed sensitive.
- Conflicting requirements within a single reporting point. When the prior consideration of several items for the disclosure of a reporting point is requested by the VSME standard, it is observed that companies tend to prioritise the disclosure of the simplest data, omitting the additional calculations that would lead to full compliance with the requirement. For example, in the work-related accidents rate, which requires the number of accidents and the number of hours worked by the workforce, it is common to find only the number of accidents and not the calculation of the rate. A similar situation is observed in the reporting point on employee training, where the number of hours of training is reported, but not the breakdown by gender.

5.3 Alignment of the sample with the metrics of the Comprehensive Module

The analysis of the alignment of the SME sample with the Comprehensive Module of the VSME standard, similar to the Basic Module, reveals a clear distinction between strategic and descriptive requirements and those that require quantitative analysis through the reporting of performance metrics. The results thus demonstrate a remarkable maturity in policy and strategy disclosure, but reveal a major challenge in the disclosure of specific climate and risk metrics. More specifically, the average alignment percentages for each disclosure requirement and reporting point are listed in Table 29.

//// **TABLE 29** Alignment of the sample with the disclosure requirements of the Comprehensive Module

Disclosure requirement	Partial and full alignment (%)
C1. Strategy: Business model and sustainability - Related initiatives	**99.5**
Products and services (MANDATORY)	100.0
Markets (MANDATORY)	100.0
Main business partners (MANDATORY)	97.9
Sustainability in business strategy (IF APPLICABLE)	100.0
C2. Description of practices, policies and future initiatives for transitioning towards a more sustainable economy	**93.1**
Description of sustainable practices (IF APPLICABLE)	100.0
Description of sustainability policies (IF APPLICABLE)	100.0
Description of future initiatives on sustainability (IF APPLICABLE)	100.0
Senior level accountable for sustainability (OPTIONAL)	72.3
C3. GHG reduction targets and climate transition	**22.7**
Scope 1 and Scope 2 GHG emission reduction targets (IF APPLICABLE)	42.6
Transition Plan for Climate Change Mitigation (OPTIONAL)	23.4
Planned future adoption of aclimate change mitigation transition plan (IF APPLICABLE)	2.1
C4. Climate risks	**11.7**
Identification of climate risks (IF APPLICABLE)	22.3
Identification of climate risks. Additional information (IF APPLICABLE)	1.1
C5. Additional (general) workforce characteristics	**13.5**
Gender diversity ratio at management level (IF EXCEEDS THRESHOLD)	35.1
Self-employed (IF EXCEEDS THRESHOLD)	2.1
Temporary workers (TWAs) (IF EXCEEDS THRESHOLD)	3.2
C6. Additional own workforce information - Human rights policies and processes	**87.6**
Code of conduct or human rights policy (MANDATORY)	98.9
Code of conduct. Additional information (IF APPLICABLE)	80.9
Complaints-handling mechanism for own workforce (MANDATORY)	83.0
C7. Severe negative human rights incidents	**16.7**
Severe human rights incidents in own workforce (MANDATORY)	42.6
Actions taken in the event of an incident (IF APPLICABLE)	2.1
Severe human rights incidents involving workers in the value chain (IF APPLICABLE)	5.3
C8. Revenues from certain sectors and exclusion from EU reference benchmarks	**0.0**
Revenue from certain sectors (IF APPLICABLE)	0.0
Exclusion from EU reference benchmarks aligned with the Paris Agreement (MANDATORY)	0.0
C9. Gender diversity ratio in the governance body	**33.0**
Gender diversity in the governance body (IF APPLICABLE)	33.0

↑ Source: Authors' own.

The main strengths of the reports in the sample are unambiguously found in the C1 and C2 disclosure requirements, where very high levels of alignment, in many cases 100%, are achieved. The analysed SMEs demonstrate an excellent ability to describe their products, markets, business models and the sustainability policies implemented. Within this block, the level of compliance is almost total for most reporting points: the disclosure of reporting points in the C1 disclosure requirement is 99.5% and the description of practices, policies and initiatives (C2) is 93.1%, reflecting an almost consolidated standardisation. The only exception, with an intermediate level of compliance, is the identification of the senior level accountable for sustainability in SMEs (72.3%). This suggests that, although the strategy has been formulated, the formal assignment of specific management responsibilities remains a step pending in a significant proportion of SMEs, likely due to constraints in terms of resources and specific capabilities.

In stark contrast, the environmental block represents the area of greatest weakness, with a consistently low level of compliance. Disclosure on emission reduction and climate transition targets (C3) barely reaches 22.7% and in climate risks (C4), it drops to 11.7%. The maximum alignment achieved for any reporting point within this block is 50%. This finding is critical and shows that the capacity of SMEs to quantify their emission reduction targets, formulate a credible transition plan and, above all, identify and analyse climate risks, is extremely limited. This contrasts with the high alignment of the reporting on energy consumption and gross GHG emissions (around 75 %) within the Basic Module. The paradox suggests that the SMEs analysed have passed the first stage of climate management, the retrospective measurement of their carbon footprint, but they are far from adopting a forward-looking and strategic approach, as they have not set clear emission reduction targets or drawn up climate transition plans. This result may also be explained by the fact that calculating carbon footprint (gross GHG emissions) is essentially an exercise involving the compilation of invoices (energy, fuel) and performing the respective calculations, which is a highly technical and retrospective process. In contrast, formulating a transition plan requires a strategic vision, the definition of science-based emission reduction targets, investment planning and the involvement of the entire organisation. Additionally, identifying and analysing climate risks (C4) is probably the most complex exercise and one that requires the most expertise. It requires looking beyond a company's internal data to understand external factors (physical risks such as droughts or floods, and transition risks such as regulatory or technological changes). This task requires advanced analytical skills and an understanding of the macroeconomic context that is understandably beyond the capabilities of most SMEs. Moreover, it is likely that many of these companies, while aware of the need to reduce their environmental impact, prefer not to make their targets public for fear of failing to achieve them.

The social block also illustrates the contradiction between stated policy and quantified performance. Thus, there is a high level of compliance in the disclosure of human rights policies and processes (C6), with an average alignment rate of 87.6%, where the existence of a code of conduct (98.9%) and of mechanisms to handle complaints and grievances (83.0%) is widely reported. This suggests that companies are comfortable disclosing their governance frameworks and formal commitments. However, this high alignment with the VSME standard contrasts with a low level of compliance in the performance indicators related to the C7 disclosure requirement (severe human rights incidents), with the point related to actions taken (2.1%) or that related to incidents in the value chain (5.3 %) especially noteworthy due to their negative nature. Reporting an incident, and even more so the resulting actions implemented within the organisation, exposes the company to a much greater legal and reputational risk than simply declaring that it has a policy. Opacity or absence of information thus becomes a protection mechanism. Furthermore, monitoring and obtaining reliable data on incidents in the value chain is a logistical and governance challenge of enormous complexity for an SME, which may explain its non-compliance. The same dynamic is repeated in other sensitive social indicators. While the description of the gender ratio of the workforce (B8 metric of the Basic Module) was high, the disclosure of gender diversity at management level (C5) displays low levels of alignment (35.1%).

Finally, the governance block also reveals a low level of compliance. The disclosure of revenue from certain sectors and the exclusion from reference benchmarks (C8) is zero (0.0%), suggesting that this does not apply to them as it is a "highly specific" issue and, possibly, not material for the majority of the sample. Gender diversity in the governance body (C9) stands at 33.0%, indicating that transparency in the composition of the companies' highest decision-making body is still a pending issue, in line with the disclosure on gender diversity at management level.

The findings of this report lead to the conclusion that SMEs that are proactive in terms of sustainability have adequately adopted ESG strategies and policies, but the big remaining challenge is the transition towards a culture of measurement, risk analysis and transparency on actual performance. It may therefore be inferred that the sampled SMEs have successfully integrated the narrative of sustainability into their strategy and governance, but are still at an embryonic stage when it comes to transparency regarding the quantitative disclosure that underpin this strategy, in order to meet the requirements of the VSME standard.

5.4 Double materiality analysis and ESG performance assurance

The analysis of disclosures of double materiality and external assurance, as the last research objective of this report, reveals that, while the performance and subsequent disclosure of the double materiality analysis has been established as a major strategic practice among the SMEs in the sample, its external assurance is still a minority and, to a large extent, negligible.

The high level of reporting of the double materiality analysis (77.7% of the sample reporting on its performance) is an especially relevant result, more so since it is a non-mandatory requirement or step under the VSME standard. In this regard, it is important to note that, while many SMEs report that they conduct this analysis, there remains much room for improvement in its practical application, an understandable fact considering that these are their first experiences in implementing this principle. Recent literature (Correa-Mejía et al., 2024; Michelon et al., 2024) on this topic confirms that a significant gap persists even among companies with the longest track record in sustainability reporting (generally the larger ones): although they claim to adopt the principle of double materiality, in practice they fail to fully implement its guidelines.

However, this should not only be interpreted critically, but also understood as a significant step in the right direction. For SMEs in particular, moving towards the integration of double materiality represents a key milestone in their process of maturity towards more robust sustainability practices that are aligned with both market and regulatory expectations. Furthermore, recent publications (Gómez-Limón et al., 2025) suggest that the principle of double materiality in SMEs should be implemented in a more simplified and proportional manner than in large companies, in order to avoid excessive burdens and enable the analysis to become a useful and operational tool, rather than an unattainable requirement.

This indicates that, for the most proactive SMEs in terms of sustainability, as in our case, double materiality has extended beyond a mere formality to become a fundamental strategic tool, which may be explained by a combination of market and internal factors listed below.

Firstly, value chain pressure refers to the direct cascade effect of the CSRD, which requires large companies to make comprehensive disclosures on their sustainability IROs. The key here is that this obligation is not limited to their own operations, but requires a full analysis of their entire value chain, including their suppliers (upstream) as well as their distributors and customers (downstream). Therefore, if it is to comply with the CSRD, a large company necessarily requires reliable data from its suppliers. This need for data translates into direct pressure on the SMEs that are part of these value chains. This pressure is no longer a suggestion of "good practice" but a business requirement. Thus, large companies often send detailed questionnaires to their suppliers requesting specific data on their carbon footprint, water consumption, employment policies and waste management. It should also be noted that supply contracts are starting to include certain sustainability clauses, requiring compliance with certain standards or the provision of regular information. Additionally, large companies often conduct sustainability audits of their most strategic suppliers to verify the information reported. This context therefore provides a direct explanation for the high levels of adoption of double materiality analysis by SMEs as a strategic response to this market reality. By conducting its own double materiality analysis, the SME anticipates the reporting demands of its suppliers and positions itself favourably to attract new businesses as well as to retain existing ones.

Secondly, the increasing demand for reporting by financial institutions reflects a transformation in this sector as regards risk assessment and the long-term viability of a company. Traditionally, a bank would assess the risk of a loan to an SME based almost exclusively on its historical financial statements (balance sheets, profit and loss accounts, etc.). However, the financial sector has realised that ESG risks and opportunities are in fact financial risks and opportunities that are not captured in traditional accounting. Therefore, a double materiality analysis conducted by an SME is a highly valuable diagnostic tool for a bank, one that responds to how sustainability issues may directly affect the company, considering its specific characteristics and context (financial materiality). Furthermore, a properly conducted double materiality analysis provides insight into how the SME has managed these risks, which gives the financial institution an idea of the company's approach to and proactivity regarding these issues. All of this information is relevant to the institution, in that it enables it to comprehend its own exposure to systemic risks, such as climate change, and to comply with the relevant regulatory obligations. For the SME, performing and reporting on a double materiality analysis can often lead to better financing conditions. It is increasingly common for loan conditions (mainly interest rate subsidies) to be linked to the fulfilment of certain sustainability targets.

Beyond external pressures from the value chain or requests for information from financial institutions, it also highlights that SMEs that are performing and reporting on double materiality analyses understand sustainability management as a competitive advantage, since it allows them to better manage the risks they face. This would be the third reason supporting this analysis. Thus, for SMEs that perform and report on a double materiality analysis, this process becomes a strategic tool that allows them to map the vulnerabilities they are subject to, and to design a resilience strategy before the risks materialise. Additionally, a solid reputation in sustainability translates into an invaluable intangible asset for SMEs by improving customer relations, facilitating relations with public administrations and, in short, setting them apart from the competition.

As far as external assurance of sustainability reporting is concerned, this is still a minority practice, with less than 1 in 4 SMEs reporting that they have had their data independently verified. A highly significant difference is observed between the frequency of assurance and the double materiality analysis. While many companies have made progress in internal strategic thinking through materiality analysis, assurance is often perceived as a significant cost rather than an essential investment in credibility. Assurance may be seen as a significant financial outlay without any immediate returns. The direct cost of hiring an independent assurance provider is high for SMEs, and the benefits - increased credibility and trust- if perceived as more diffuse and longer term, may explain the situation observed in the analysed companies. However, it is worth noting that those SMEs that conduct a robust materiality analysis are already well on their way to a successful assurance process. A well-structured materiality analysis not only organises and prioritises the issues relevant to the company and its stakeholders, but also establishes a documentary and methodological basis that facilitates the work of external assurance providers. The transition from an exercise in internal reflection to an independent review thus becomes smoother and less costly, both in economic terms and in terms of organisational effort. In any case, these results suggest that SMEs are investing where they see immediate strategic and business value (the IRO analysis). The shift towards assurance will occur when the market (customers, investors and regulators) makes it an essential prerequisite for building trust, thereby bringing sustainability reporting fully in line with financial reporting.

5.5 Limitations of the analysis performed

The results and conclusions presented in this report have been obtained following a specific methodology, described in Section 3.3. However, it is crucial that the results are interpreted bearing in mind a number of limitations that are inherent to the study, specifically with regard to the sample and the analytical techniques, which are outlined below in order to provide a complete and accurate context.

Firstly, the *sample* consisted of 94 non-financial Spanish SMEs. Thus, the results cannot be extrapolated to financial institutions or to insurance companies that may be classified as SMEs. This decision has enabled us to provide an overview of the extent to which non-financial SMEs are aligned with the VSME standard, leaving the analysis of the situation of companies that are subject to additional sustainability regulations, including references to the EU Taxonomy, for future studies, in line with recent research such as that conducted by O'Reilly et al. (2024a).

Similarly, the Global Compact database has been used as the study population for the participating SMEs. While this selection provides a proactive benchmark in sustainability reporting by including companies that are committed to its principles and the management of the SDGs, the results may not be representative of non-participating Spanish SMEs, which make up a considerable part of the business sector.

Secondly, there are certain aspects of the *method* used that are beyond our scope of review. Based on publicly available information, the latest published reports (2023 and 2024) have been reviewed, which, in practice, means most of them correspond to 2023. This discrepancy in dates is due to the timing of the research fieldwork, which took place in April 2024. In this regard, it is crucial to bear in mind the time-bound nature of our findings, given that the context of sustainability is highly dynamic, with evolving regulations, stakeholder expectations and reporting standards, including the VSME standard itself. As most of the data analysed is from 2023, the results may not be representative of more recent adaptations and improvements implemented by companies in response to new guidelines or market requirements which have emerged over the course of 2024, and which will be reported mostly in mid-2025.

It is also necessary to recognise a fundamental limitation which, in turn, defines the overall objective of this report. The sustainability or ESG reports analysed were produced by the SMEs in the sample at a time when they were not yet familiar with the VSME standard. This report therefore does not assess compliance with a regulation that has already been implemented, but rather measures the level of readiness of a sample of proactive SMEs. This study provides an initial assessment, making it possible to detect the reporting points that have already been spontaneously disclosed by these companies, as well as those requirements with low or non-existent compliance, thereby indicating the areas that will require greater effort.

Furthermore, relying solely on the information that companies choose to make public introduces a self-selection bias, and there is a clear risk that companies will present a more favourable picture of their sustainability practices, or *"greenwashing"*, while omitting challenges, negative data or areas of poor performance. The low level of assurance found in the information published by the SMEs under analysis, as well as the clear emphasis on qualitative rather than quantitative reporting, are two conditions that exacerbate this limitation. It should be stressed, however, that the qualitative dimension is especially relevant in sustainability reporting, as stated by the ESRS. Provided it is well-founded and consistently integrated with the quantitative reporting, qualitative reporting provides context, explanations and narrative evidence that enriches the interpretation of the numerical data. Moreover, certain ESRS requirements are exclusively qualitative in nature - for example, those related to the description of policies, strategies or governance systems - and their proper inclusion is therefore indispensable for a full and balanced report.

6 Expert consultation

As the final phase of the study, and in order to provide a more complete perspective to enrich the analysis, a focus group session was organised. This group consisted of experts specialising in corporate sustainability, who were asked to assess and interpret the main findings of this report regarding the readiness of Spanish SMEs to adopt the VSME standard.

6.1 Profile of participants and description of the consultation

The selection of focus group participants followed standard methodological guidelines, which include the participation of groups of people with shared characteristics or experiences relevant to the object of study (Hennink and Leavy, 2014). Thus, a group of five experts was formed, all of whom have a proven research track record in sustainability reporting and SMEs. The session was led by two facilitators who are part of the report's working team (the rest of the research team were present only as observers). The experts possessed between 10 and 25 years of experience in fields such as accounting and sustainability-oriented management. Prior to the session, their informed consent was sought and obtained in order to record the session and to publish their profile as a participant in the study.

The following is a brief overview of each participant's profile, focusing on their professional background in relation to sustainability management and reporting in SMEs:

- *Dr. Marta de la Cuesta González* (National University of Distance Education): Full Professor of Applied Economics, with a background in finance, sustainability and CSR. She led the ICO Foundation's "A Guide to the Circular Economy for SMEs", which identifies specific requirements and measures for Spanish SMEs. Since April 2025, she has been a member of the International Committee of Experts on CSR of the Spanish Ministry of Labour and Social Economy.
- *Dr. Javier Husillos Carqués* (Public University of Navarra): Full Professor of Accounting, with a background in sustainability and accountability. Part of his research work focuses on sustainability reporting in Spanish SMEs.
- *Dr. Rosa Fernández Pérez* (University of Valladolid): Assistant Professor of Accounting; her teaching and research focus on the requirements of sustainability reporting and its links to sustainable public procurement. She has worked on non-financial disclosures in SMEs within the area of occupational hazard prevention.
- *Dr. Fernando Polo Garrido* (Universitat Politècnica de València): Associate Professor of Accounting and Audits; his teaching and research covers sustainability reporting requirements and the role of internal oversight, which are important aspects for SMEs.
- *Dr. Eduardo Jiménez Martínez*: His PhD dealt with sustainability management in cluster organisations with a sector-specific focus (the furniture industry) on SMEs in the Basque Country. He has delivered lectures on this subject to SMEs both in Europe and abroad.

The contributions of the experts were key to comparing the results, to understanding the trends identified in the sample analysis, and to jointly develop recommendations better adjusted to the reality of the Spanish business sector (Gammie et al., 2020).

6.2 Focus group session

The focus group session was conducted online via Google Meet on 12 September 2025, lasting approximately 90 minutes and conducted entirely in Spanish, under strict confidentiality guarantees for the participants.

6.2.1 Preparation for the session

Prior to the meeting, the main results of the study were sent to the participants, as well as the rules of participation and confidentiality. Following the recommendations of the methodology used, any prior exchange of opinions that might influence the experts' responses during the focus group discussion was avoided (Hennink and Leavy, 2014). To guide the discussion, the project framework (report objectives, target population, sample, analysis instrument and fieldwork period) was shared, as well as the main results to be compared and discussed within the focus group. All participants confirmed their attendance and the receipt of the aforesaid documentation.

6.2.2 Conducting the session and discussion guide

The focus group session was conducted using a semi-structured guide structured into thematic blocks, in line with the best practices for this method (Hennink and Leavy, 2014; Patten and Newhart, 2018; Gammie et al., 2020). Additionally, an introductory block summarising the results of the report, which had been previously sent to the participants, was included. The focus group discussion then centred on the following areas of analysis, which correspond to the main project objectives and outcome

1. Sustainability reporting formats.
2. Alignment of the evidence found in the sample with the Basic Module of the VSME standard.
3. Alignment of the evidence found in the sample with the Comprehensive Module of the VSME standard.
4. Double materiality and assurance: sample results.
5. Recommendations to facilitate the adoption of the VSME standard.
6. Final thoughts on the VSME standard.

6.2.3 Coding and analysis.

The discussion was recorded and subsequently transcribed for thematic analysis using the Google Meet session and the features offered by this platform. The coding was reviewed by the team members and discrepancies resolved by consensus. As a closing criterion, thematic saturation was applied to the core topics.

6.3 Experts' views on sustainability reporting formats employed by SMEs

The analysis of the report's findings reveals a key observation highlighted by most experts: the growing prevalence of sustainability certifications as the second most widely used format among SMEs participating in the Global Compact. The majority preference for the Communication on Progress is unsurprising given that, in their own words, "we are required to complete it because we are participants in the Global Compact". In the specific case of sustainability certifications, the experts concluded that the situation is due both to the limited resources of SMEs and to the need to address different audiences (customers, administrations, large contractors). For this reason, many of the companies analysed rely on the certifications "required" by these groups to demonstrate sustainable practices, without having to produce sophisticated sustainability reports “from scratch” – in the words of one of the experts. In practice, they see sustainability certifications as a way of spending less time on reporting whilst still meeting the requirements of various stakeholders; “it’s the most practical approach when you want to spend as little time as possible on reporting, and it depends on who the report is aimed at”. Experts also point out that “many large clients have their own formats [...] and SMEs have to adapt to these formats”, which explains why these are uploaded to their websites as corporate sustainability reports. Even in the specific case of public administrations, one participating expert stated that they "don’t know about sustainability statements, but they do work with certifications [...], reinforcing the bias towards these 'seals'".

Another reason that may explain this second-place ranking lies in the internal structure of SMEs. The absence of a specific department or person in charge of sustainability means that these responsibilities are taken on by related areas; in many cases, by the quality control department ("there’s no specific position for sustainability in SMEs; it usually falls to quality control departments"), which boosts the use of certifications that are already known and familiar, since these managers work with them on a daily basis.

Finally, the experts also highlighted the risks relating to comparability and accessibility in SME reporting across the various formats covered by this report (communications on progress, sustainability reports, CSR reports, among others). One of the first problems highlighted revolved around the identification of the documents used: "When I read an integrated report, it's really not integrated, hardly ever". According to them, this approach often results in a disconnect between the report’s title and its contents; there are reports labelled ‘integrated’ that fail to actually integrate financial and non-financial information, or ‘sustainability’ statements that are limited to positive narratives regarding this aspect of corporate performance, without reporting any indicators, KPIs or targets. Secondly, experts agreed that publicly available information is limited (only a fraction of Communications on Progress are available on corporate websites), which hinders external scrutiny.

There are two recurring factors among the reasons for the variety of formats observed: on one hand, stakeholder demand (public administrations and large customers tend to request their own certificates and templates); and, on the other hand, the persons responsible for drafting these reports (often the quality control departments, which "draw on" the certifications they already handle, and which end up shaping the reports), thus reinforcing the fragmentation of formats and the dependence on certifications. In any case, they agreed that certifications such as ISO 14001 or EMAS are closely aligned with the environmental requirements of the VSME standard and facilitate the disclosure of the required information.

Finally, the experts emphasised that stakeholders demand a dynamic and forward-looking view of sustainability, one that encompasses the organisation's trajectory and objectives, rather than a static presentation of isolated data. All of this is consistent with the findings of the study and explains the predominance of certifications over the scarcity of specific reports on corporate websites. It also confirms that the reporting format is determined by its usefulness and the target audience of the report. As a matter of fact, a fundamental question raised by one of the experts was: "To what extent do certifications fit the indicators of the VSME standard (and represent an opportunity or advantage for certified SMEs) or conversely, do SMEs now have to present their story differently according to this voluntary standard?

6.4 Experts' views on alignment with the Basic Module

With regard to the second research objective, the alignment of Spanish non-financial SMEs with the Basic Module of the VSME standard, the expert panel attributed the high level of alignment with blocks B1 (preparation rationale) and B2 (transition practices) to the predominantly descriptive nature of these requirements and the availability of this information in the SMEs.

In contrast, significant barriers to the reporting of quantitative and sensitive metrics were identified, which is one of the main findings of this report for the Basic Module indicators. These findings may be due to a combination of reasons. For the experts, this imbalance between the metrics that are "easier to report” and those that are “more complicated to report" not only refers to a lack of resources and capacities, but also to weak internal controls and fear of disclosing metrics that may be interpreted in a manner that is detrimental to the interests and image of the SME. In this regard, three categories of barriers were identified: i) objective (lack of upstream data in the supply chain, lack of software and working files), ii) related to capacity (weak internal controls and low levels of professionalisation), and iii) cultural ("aversion to setting targets and reporting results that are difficult to explain", "fear of being transparent to society"). In fact, several experts also highlighted the tendency to publish raw data without placing it within a historical context or linking it to any established objectives in this regard ("when asked for raw data, they provide it; when asked for objectives, they provide almost no information"). This limits the usefulness of this data for stakeholders. In the words of another participant, "it's noteworthy that they take no risks, and this is linked to the lack of targets set when compiling the report".

Linking the key role of certifications as regards formats with the lack of reporting of complex indicators, especially environmental ones, one expert pointed out that certain sustainability certifications already cover certain complex quantitative indicators used by the VSME standard (e.g. carbon footprint or water consumption, among others). Consequently, the SME may not report this information "because it has already done so in the certification".

The experts also addressed the case of certain Basic Module indicators with partial reporting: for example, convictions for corruption are reported without details of fines, or accidents without accident rates. On the whole, the experts perceived the reporting level achieved in these indicators positively, even if the data did not provide all details required by the VSME standard. In the same vein, the group underlined that this trend is not exclusive to SMEs, as it has also been observed in large companies.

Last but not least, the expert panel warned that "a simplification of the Basic Module could compromise the comparability of information". The recommended strategy is to maintain the standard's conceptual rigour while facilitating its adoption through technical support, such as ready-to-use templates and practical examples, and tangible incentives, such as public procurement benefits or tax breaks to boost adoption.

6.5 Experts' views on alignment with the Comprehensive Module

As regards the alignment of this report's findings with the indicators included in the Comprehensive Module, it was noted positively that C1 (business model and sustainability) and C2 (policies and practices), which are cross-cutting metrics, showed high levels of descriptive compliance. However, experts agree that significant gaps remain in a number of important metrics of this Module. This is linked to the adoption of a "strict compliance with regulatory requirements" approach. This operational logic manifests itself in passive compliance and a policy of selective disclosure, which involves withholding information related to non-compliance or ESG performance that may still be improved.

Regarding poor alignment in some indicators, the gap in forward-looking plans and risk management was highlighted: specifically, in the areas of emissions reduction and climate risk analysis, which appear in just over one in ten of the sampled SMEs. Experts attribute this shortcoming mainly to a lack of foresight: "It's not a question of cost, rather of conviction", meaning "they don't make that extra effort to disclose". The general consensus is that these requirements call for analytical capabilities (scenario planning, setting objectives, transition plans) and corporate governance structures that many SMEs have not yet developed, in addition to management tools and software that they have not yet implemented.

The reporting point on the gender diversity ratio in managerial positions was also highlighted as an example of the preference for "good news" over "bad news", arising from the failure to reach desired levels. The group put forward a similar line of reasoning to explain the discrepancy between the disclosure of policies and their actual impact in the case of human rights policies and incidents: disclosure is high for the former, but very low for the latter.

As an extreme case, the disclosures on revenue from certain sectors and exclusion from EU reference benchmarks aligned with the Paris Agreement required by the Comprehensive Module have a reporting rate of zero. According to experts, it is likely that the sampled companies did not reveal anything information in this regard and that they deemed it unnecessary to disclose anything due to its “irrelevance to their activities”.

6.6 Experts' views on double materiality and assurance

With regard to the findings for this research objective which reveal that, of every four SMEs studied, three claim to have conducted a double materiality analysis, the expert panel considered this high level of compliance to be largely performative in nature; in other words, “they say they do it, but rarely explain how”. In this sense, the experts point out that "it would be interesting to know what they include", while welcoming the progress made, despite its technical difficulty and implications, because, in general, "they know what is material and for whom".

With regard to the external assurance of sustainability reporting, which was in the minority (only one in four SMEs report compliance), experts indicate that there is a general disinclination towards openness: “SMEs find it difficult to share information openly” and tend to invoke exceptions relating to trade secrets, as “the standard allows for the possibility of withholding sensitive information. Thus, by invoking this provision, they avoid reporting certain information” in order to avoid disclosing sensitive data, which reduces the public value of the report. However, the underlying explanation for the low level of assurance appears to be more prosaic: cost and lack of legal requirement. According to one expert, the issue of assurance is hindered by costs and lack of legal requirements: “If it’s not enforceable, why spend the money?” The experts pointed out that this is compounded by the lack of accessible assurance services for SMEs and the use of confidentiality exceptions: "The standard leaves open the possibility of not publishing sensitive information; based on that, they don't disclose certain information".

Nevertheless, the group described the proportion of sampled SMEs that report carrying out a double materiality analysis as “pleasantly surprising”, although they also point out that, unless the link between material topics, targets and plans is strengthened, materiality will remain a mere formality rather than a tool for management and accountability.

7 Recommendations and proposals for improvement

We conclude this report with a set of recommendations and proposals for incentives aimed at boosting the adoption of and alignment with the VSME standard among Spanish SMEs. The goal is to improve the perception of the standard as a useful and practical tool for enhancing the consistency, comparability and strategic outlook of the sustainability reporting of these companies. The proposals are based both on the results obtained and on the views of the expert group consulted.

7.1 Strategies for improving VSME implementation

Facilitating the implementation of the VSME standard requires, first and foremost, building confidence in its usefulness for SMEs and mitigating any potential drawbacks associated with its adoption. As with any voluntary activity, the expected benefits must outweigh the costs in order for these companies to consider alignment with the standard to be in their interest. Based on this cost-benefit ratio, three strategies to support and facilitate its implementation are proposed:

a) Communicate the strategic value of the VSME standard

Beyond meeting market expectations in terms of ESG reporting, the VSME standard offers SMEs strategic benefits such as enhanced reputation, access to new markets and green finance, and reduced operational and financial costs, among others, which translate into competitive advantages and better results. EFRAG's analysis of the costs and benefits of the standard (EFRAG, 2024b) confirms that, despite certain initial costs, the benefits – access to sustainable finance, improved risk and opportunity management, and standardisation of reporting– far outweigh the investment, thereby enhancing transparency and competitiveness.

Moreover, lack of transparency can make it more expensive for SMEs to access financing (O'Reilly et al., 2024b), which is especially significant considering that bank loans are one of the main sources of financing for SMEs in Spain and other European countries (CEPYME, 2024). Within this context, the VSME standard helps to systematise ESG data, identify risks and opportunities, optimise operations, and align financial objectives with social and environmental impacts, thereby strengthening their resilience. With the availability of comprehensive and objective information, it will be stakeholders who reward or penalise ESG performance in a market that increasingly values sustainability.

However, the experts insisted that the full benefits of the VSME standard depend on how companies approach its use: "stakeholders are more interested in the film than in the photo". Consequently, one of the key elements is to explain "how these indicators will lead to improvement", which justifies the use of the standard as a framework for reporting on progress and targets, rather than as a static snapshot of the current situation or of achievements in the field of sustainability. As one participant pointed out, "when you ask SMEs for the raw data, they provide it, [...] but almost nothing is reported on future targets". This shortcoming diminishes the usefulness of the sustainability report as a management and communication tool of strategic value, a view shared by the other participants.

In any case, and subject to the above caveats, it is essential to make a firm commitment to the proactive and strategic promotion of these benefits for SMEs, thereby encouraging a wider and more effective adoption of the VSME standard as a driver of long-term growth and sustainability. Organisations such as the ICAC, in collaboration with business associations and chambers of commerce, are ideal forums to publicise and promote the adoption of the VSME standard by highlighting its associated advantages.

b) The use of certifications

The flexibility of the standard is essential to ensuring its viability in different contexts, but the variety of formats and expectations leads to friction. In this regard, the experts noted that we face a situation where SMEs are focusing on meeting stakeholder demands, and they cite two clear examples: "large companies [...] have their own formats" and this influences suppliers; and, on the other hand, "the public administration [...] only goes for certifications", which pushes SMEs to prioritise certifications over reports. For this reason, an effective way to promote the VSME standard may be to encourage its interoperability with systems and certifications already in use by numerous SMEs, such as ISO 14001 (environmental), ISO 45001 (occupational health and safety), SA8000 (social) or the B Corp certification (holistic). As explained by the experts, the onus of reporting usually lies with quality control departments, which "handle the certificates", hence the prevalence of certification-based formats; it makes sense to build on this foundation and align the VSME standard with ISO/EMAS/B-Corp to avoid duplication.

This integration would enable the organisation to build on existing processes, avoid repeated efforts and generate synergies that boost internal management capabilities. This standard should therefore be perceived as a supplementary tool that adds value and consistency to existing sustainability initiatives. As a matter of fact, some reporting points required by the VSME standard refer to providing additional disclosures based on management systems such as ISO 14001 or EMAS. Public authorities can play a key role in this process by developing a taxonomy of "VSME-compatible" formats that clarifies the equivalences between certifications and reports, whilst also establishing minimum open accessibility standards to ensure that the information can be used by third parties. It is also worth aligning names with content and prioritising the reporting of KPIs and targets, not just narratives or certifications.

In relation to SMEs, a practical recommendation in this regard would be to publish at least a VSME dossier with a minimum set of indicators and targets for SMEs, even if it is based on certifications. It is also worth including a "source map" with the reports, explaining the areas covered as well as excluded by each certification. This would open many doors, e.g. for better communication between SMEs and public administrations. In the words of one expert, given that "the public administration [...] only goes for certifications", it is advisable to build bridges between certifications and VSME reporting (e.g. taxonomy of "VSME compatible" formats and open accessibility guidelines). Finally, it is worth noting that, in many SMEs, the task of preparing reports tends to fall "by default to quality control departments"; therefore, providing them with VSME-ISO guidelines and templates would help to reduce transition costs.

c) Addressing barriers caused by lack of knowledge or training

Not only do SMEs need to understand why VSME alignment is beneficial, they also need to know how to implement it. In this regard, we should highlight the work already being performed by EFRAG through the publication of online reporting templates –*originally known as the VSME Digital Template*– as supporting materials of the VSME standard. The following section sets out specific measures designed to address both the lack of training and the confusion caused by certain aspects of the standard – those that are technically more complex and show low levels of compliance ("red flags"):

- Developing websites to provide detailed information and reduce friction; the experts recommend a "website that clearly sets out the relevant certifications [...] and to simplify/standardise" the requirements, with public support and in coordination with chambers of commerce and associations representing both SMEs and various sectors. These sites would also be used to provide more specific operational guidelines to supplement the VSME standard for more complex indicators (exclusion criteria and justification procedures), thereby enhancing comparability whilst maintaining flexibility. It would also be advisable to supplement the sustainability report with self-declarations of non-compliance when certain data are missing (e.g. accidents or penalties), thereby avoiding the 'information blackout' that experts regard as problematic in sensitive areas.

- Draw up sector-specific guides that "translate" the VSME standard into practical terms (hospitality, manufacturing, retail, food and drink), including materiality matrices directly applicable to each sector. These guides should "translate" the standard into practical language and highlight the material topics for each sector, providing concrete examples such as the "Practical Guide for the drafting of the Sustainability Statement in Agri-Food SMEs" (Gómez-Limón et al., 2025). The results of this report suggest the need to develop minimum templates distinguished by size/sector, as well as the use of sector-specific benchmarks. In this regard, one of the experts commented: "If you can compile aggregated data at the sectoral level [ ], it helps to compare yourself with your neighbour". The role of business associations and chambers of commerce is therefore key.
- Specific training in technological tools and management software to automate data collection and complex calculations (carbon footprint, pay gap), helping to overcome technical limitations (software, data) and "upstream" gaps in the value chain that make it difficult to measure and report on an ongoing basis. In the words of one expert: "The smaller [the] supply chain [is] upstream, the more difficult it is [ ] to have information. That these training initiatives are free of charge was also highlighted by the participants, as well as their concrete objective: "to enable them to go into the details of the required reporting without causing any problems".

7.2 Incentives for the implementation of the VSME standard

Given its importance, we would like to reiterate, as previously noted, that without providing the necessary sustainability data, SMEs risk missing out on benefits and unique management opportunities. Within this context, the following measures or incentives are proposed to encourage the adoption of the VSME standard:

- *Tax incentives:* introduce deductions for preparation costs and especially for the external assurance of the report (tiered verification), all with a view to creating a "favourable tax regime" for "compliant SMEs".
- *Public tenders:* introduce an "incentive" or reward in the procurement process for the additional effort involved in reporting and assurance, and address current biases: "Public procurement is becoming increasingly professionalised in private companies [...] favouring large firms"; SMEs "are not entering" in public procurement, as noted by the experts. To address this situation, the experts repeatedly suggested the idea of an 'incentive' for SMEs that take the initiative to seek out the information required by the standard and to disclose it. In short, to focus on coherent public procurement: to address the fact that today "the public administration [...] only goes for certifications"; moving towards criteria that value comparable VSME information beyond certifications.
- *Specific financial support:* establish soft-loan schemes or grants to co-fund the costs of consultancy, training or implementation of ESG data management software, as well as the appointment of qualified personnel. Develop awareness-raising campaigns in collaboration with chambers of commerce and trade associations, not only to explain the 'why' behind the standard, but also the 'what' they would achieve from its implementation (access to finance, resilience and competitiveness).
- *Technical support:* training programmes and workshops organised in collaboration with chambers of commerce and trade associations, aimed at senior and middle management in SMEs, focusing on the implementation of the VSME standard and on how to integrate sustainability into business strategy.

7.3 Resources to support the implementation of the VSME standard

The implementation of an internal control system is essential for the effective adoption of the VSME standard, as highlighted by the experts consulted: "SMEs [...] often have very weak internal control systems [...] [and] this is a *key element*" for sustainability as well. The academic literature explores in depth why this aspect is so crucial: internal controls not only boost the reliability and credibility of sustainability reports, but also facilitate the integration of ESG objectives into strategic decision-making and the measurement of organisational performance (Kuruppu et al., 2023). Similarly, the integration of internal control and management systems in sustainability reporting promotes an organisational culture geared towards continuous improvement and accountability (Caseiro-Blanco and Mesa-Pérez, 2025). Antonini and Gómez-Conde (2024) also emphasise that control systems are essential for translating sustainability commitments into measurable actions. For the specific case of SMEs, Rossi and Luque-Vílchez (2021) argue that, although SMEs face barriers to integrating sustainable practices, adapted management systems enable overcoming these limitations. In this regard, SMEs are advised to design control systems that incorporate: clear policies and procedures, materiality analyses, stakeholder dialogue, internal reporting and feedback channels, staff training, and mechanisms for regular monitoring by senior management, with a focus on continuous improvement.

The following are some practical recommendations for putting these internal systems into practice:

a) Governance and teams. On this issue, one of the experts asked: "Who's the brave soul in charge of data collection in the SME? [...] There has to be professionalisation". To address this issue, it is recommended that: i) the initiative be driven by senior management and a dedicated sustainability team (however small) be established to develop processes, methodologies and resources; and ii) where this function falls to "quality control departments", specific training and VSME-ISO templates should be provided.

b) Processes and tools. The experts pointed to technical and data limitations as key obstacles. To this end, it is essential to focus on issues such as policies and procedures, materiality analysis, internal reporting channels and regular reviews; and to invest in software to integrate data and facilitate continuous reporting, thereby reducing friction caused by technical limitations and issues further up the value chain.

c) Data and targets. The experts highlighted the need to overcome the bias of "raw data" without targets, as "almost nothing is reported on the targets for improvement they set themselves"; and VSME should be used to set annual and three-year targets by material KPIs. In this regard, they remarked that: "No information [...] on future targets", despite reporting absolute figures. Therefore, more complex internal systems would allow them to meet the requirements of this "forward-looking vision" more effectively.

d) Assurance and public access. The study's findings point to the need to implement a tiered framework of phased external assurance that begins by boosting internal measurement, control and traceability systems, and scales up proportionally to external assurance depending on maturity and risk. At the same time, public access to information must be guaranteed, and organisations must not use confidentiality clauses as a pretext for withholding relevant data. This approach was supported by several experts and it was agreed to call for the alignment of public incentives in this regard and for the standardisation of requirements.

To make it easier for SMEs to implement all the recommendations outlined above, they are advised to bear the COSO Framework in mind. This framework is an internationally recognised benchmark for the design, implementation and evaluation of internal control systems. Originally developed in 1992 and updated in 2013, its *Internal Control-Integrated Framework* (COSO, 2013) defines five key components: control environment, risk assessment, control activities, information and communication, and monitoring activities, which must be present and operate in an integrated manner to ensure the effectiveness of internal controls. Although this framework was established in the financial sector, its application has gradually been extended to other critical areas of business management. More recently, COSO (2023) has reinforced its relevance in the field of sustainability by proposing the concept of *Internal Control over Sustainability Reporting* (ICSR), which adapts the principles of the integrated framework to non-financial reporting. For SMEs, gradually adopting this approach means moving towards more robust control systems that ensure the quality of ESG data and bolster the confidence of various stakeholders in an increasingly demanding regulatory environment.

Based on the above, it may be said that the combination of technical support strategies, well-designed incentives and support resources focused on internal control provides a realistic roadmap for SMEs to make a more confident transition to the VSME. The key lies in positioning the standard as a tool for continuity, which brings order to that which already exists, and at the same time acts as a catalyst for improvement, driving targets and verification, and thereby reinforcing its practical legitimacy and economic value.

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Annex

ANNEX. List of SMEs in the sample

Name	Company Tax ID	Sector	Description of activity
BODEGAS EMILIO MORO SL	B47359492	Food and beverages	Winemaking
CASTILLO DE CANENA OLIVE JUICE SL	B23514623	Food and beverages	Wholesale trade in gourmet oils
EXQUISITE FRUITS SL	B98440415	Food and beverages	Wholesale trade in fruit and vegetables
FRUITS DE PONENT SCCL	F25284209	Food and beverages	Wholesale trade in fruit and vegetables
IBÉRICA DE CONGELADOS SAU	A36876555	Food and beverages	Activities of business and employers' organisations
INDCRE SA	A08116808	Food and beverages	Manufacture of cocoa, chocolate and confectionery products
PESCAFÁCIL SL	B09270422	Food and beverages	Processing of fish, crustaceans and molluscs
PHARMADUS BOTANICALS SL	B24470171	Food and beverages	Production of coffee, tea and herbal teas
RIVERBEND ESPAÑA SA	A30143267	Food and beverages	Production of fruit and vegetable juices
URKABE BENETAN SA	A20137592	Food and beverages	Production of meat products and poultry processing
LIBERTAS 7, SA	A46007449	Real estate	Investments of various types
MIMEISA ASSET MANAGEMENT SL	B62113451	Real estate	Management and administration of securities representing the equity of investee companies
PROMOCIONES HABITAT, SAU	A08263972	Real estate	Property development
ST CONSULTORES SL	B81512550	Real estate	Preparation of studies and reports on the technical, economic and business feasibility of activities and businesses related to real estate.
ACTTIA MEDIOAMBIENTAL SL	B15743750	Industrial goods and services (other)	Waste management plant
ALIANZA LOGISTICS SERVICIOS EUROPEOS, S.L.	B02983336	Industrial goods and services (other)	Administration and management of rural or urban real estate, housing cooperatives and homeowners' associations
ALSICO IBERIA, S.L.	B65622821	Industrial goods and services (other)	Manufacture of workwear and clean rooms
DESTRUCCIÓN CONFIDENCIAL DE DOCUMENTACIÓN, S.A. (DCD)	A81597320	Industrial goods and services (other)	Document or file destruction, digitisation, storage and safekeeping services
DIAGNOSTIQA CONSULTORIA TECNICA	B85123875	Industrial goods and services (other)	Engineering project development and planning
ELECTRONICA Y COMUNICACIONES NOROESTE SL	B70390414	Industrial goods and services (other)	Design, manufacture and repair of industrial electronics equipment
GARMIR	B27451640	Industrial goods and services (other)	Industrial cleaning
GLOBALTEC DESARROLLOS E INGENIERÍA, S.A	A85032969	Industrial goods and services (other)	Agro-industrial, agricultural, energy and infrastructure engineering projects
HIPERBARIC	A09016338	Industrial goods and services (other)	Manufacture of high-pressure machines for the food industry
LAMP SA	A08478042	Industrial goods and services (other)	Manufacture and marketing of lamps and lighting equipment
MANAGING A SUSTAINABLE BUSINESS, S.L.	Q3067007I	Industrial goods and services (other)	Provision of port services

Name	Company Tax ID	Sector	Description of activity
MOONOFF S.L.	B70328307	Industrial goods and services (other)	Wholesale and retail trade in LED lighting material and other electrical and electronic material.
OMAWA HUELLA ECOLÓGICA S.L.	B34279091	Industrial goods and services (other)	Promotion and development of technical solutions applied to the challenge of sustainable management of natural resources.
OPTIMA FACILITY, SL	B65247827	Industrial goods and services (other)	Group holding company
ROCAJUNYENT, S.L.P.	B60985421	Industrial goods and services (other)	Operation and management of a law firm
TRADISA LOGICAUTO, S.L. (AGORA INVEST)	B63126163	Industrial goods and services (other)	National or international transport of all types of vehicles, by land, sea or air
UP SPAIN	A788887049	Industrial goods and services (other)	Issuing and reimbursement of all types of paper and electronic service vouchers.
CORRESPONSABLES	B65841702	Communication	Publication of periodicals
TINKLE COMMUNICATIONS, S.L.	B84824127	Communications	Communications agency
ACEFAT AIE	V60334497	Construction and materials	Coordination of guttering services in the city of Barcelona
ERRI BERRI SL	B31190051	Construction and materials	Fuel sales
FIBRA Y SISTEMAS S.L.	B61239075	Construction and materials	Manufacture and operating of electrical communication networks
SERANCO, S.A.	A79189940	Construction and materials	Building and civil works
SOMONTANO SOCIAL, S.L.	B22218051	Construction and materials	Cutting, carving, sawing and wholesale and retail sale of natural stone
ELAWAN ENERGY, S.L.	B85146215	Energy	Promotion of wind farms and solar power plants
ESPARITY SOLAR SL	B90329178	Energy	Renewable energy installations
IBER SOSTENIBILIDAD Y DESARROLLO, S.L.	B99536286	Energy	Renewable energy installations
ARATUBO SAU	A01242627	General industries	Manufacture of welded, pickled and rolled steel tubes and pipes
CAMPOS CORPORACIÓN SOLUCIONES INTEGRALES SL	B02156214	General industries	Electrical installations of all kinds
COTOBLAU SA	A97205744	General industries	Manufacture of other textile products, mainly of bedding
ENVASES METALÚRGICOS DE ÁLAVA SA	A01002252	General industries	Manufacture and sale of aluminium containers and packaging
EURO GOODNIGHT SL	B96519251	General industries	Wholesale trade in textiles and manufacture of textiles, mainly blankets and travelling rugs
INDUSTRIAS DE TRANSFORMACIÓN DE ANDOAIN SA	A20040648	General industries	Manufacture of silicone-coated paper
INDUSTRIAS MECANOELÉCTRICAS FONTECHA YEBENES SL	B45006616	General industries	Manufacture, marketing and export of liquid immersed transformers
MAQUINARIA MEYCO SL	B50183896	General industries	Machining and welding of parts for cement plants
MPO IBÉRICA SL	B79797148	General industries	Logistics services, marketing and distribution of advertising material at the point of sale
PINTURAS BLATEM SL	B46157533	General industries	Manufacture of paints
PLATAFORMAS ELEVADORAS GARLO SL	B27417609	General industries	Maintenance and repair of wind turbine blades
QUERQUS SUSTAINABLE PACKING SL	B50885565	General industries	Wood recycling
ROCHE HERMANOS SA	A08622797	General industries	Manufacture of plastic packaging
SISTEMA INTEGRADO DE GESTIÓN DE ACEITES USADOS SL (SIGAUS)	B84886837	General industries	Decontamination and waste management services
TOLDOS GÓMEZ SL	B15274459	General industries	Manufacture of awnings and other tarpaulin products

Name	Company Tax ID	Sector	Description of activity
VAYOIL TEXTIL SA	A96169230	General industries	Wholesale trade in textiles for the hospitality and catering sector
ZEDIS SL	B08584989	General industries	Construction and assembly of materials for shop windows
JUBA PPE	B26185900	Retailers	Wholesale trade in work gloves and work clothing
PRODUCT CIA DE IMPORTACIONES ASIÁTICAS, S.L.	B63811418	Retailers	Marketing of promotional items and fashion accessories
SALPAX, S.A	A03815099	Retailers	Manufacture and distribution of recycled leather
BPV ABOGADOS (ALABAMA) SLP	B65504466	Others: diversified	Law firm
BUSINESS STRATEGY SELEZZIONA S.L	B23788953	Others: diversified	Business consultancy
QALMA - CALIDAD ADAPTADA Y METODOLOGÍAS APLICABLES, S.L.	B45534336	Others: diversified	Consultancy and audits
GAONA PALACIOS Y ROZADOS ABOGADOS	B92918325	Others: diversified	Law firm management
INCATEMA CONSULTING & ENGINEERING S.L.	B82512609	Others: diversified	Agricultural and water engineering
MAGAIZ S.A.	A50059856	Others: diversified	Installation and maintenance of installation machinery, doors, stairlifts and lifts.
MONTAJES DELSAZ SLU	B80538887	Others: diversified	Integrated technology solutions
PRODUCTES INDUSTRIALS DE SANEJAMENT I MANTENIMENT, S.L.	B61134607	Others: diversified	Logistics and supply for cleaning companies
EUROFRAGANCE S.L.	B59341081	Chemical products	Manufacture of perfumes and cosmetics, principally fragrances
MAXAMCORP HOLDING, S.L.	B84598754	Chemical products	Holding company service
PLASTIGAUR S.A.	A20214623	Chemical products	Polyethylene packaging
PROVITAL, S.A.	A08584997	Chemical products	Manufacturing, development, research and marketing of active ingredients for the cosmetics industry
SEIPASA, S.A.	A22214498	Chemical products	Manufacture and wholesale trade in cereals, seeds and plant protection products
UNECOL ADHESIVE IDEAS S.L.	B98743842	Chemical products	Manufacture of glues and adhesives
ARCADI PLA SA	A17022344	Consumer goods and services	Building and civil works
BERGNER EUROPE SL	B50741925	Consumer goods and services	Wholesale trade in household goods, mainly kitchenware
GIOSEPPO	B03503034	Consumer goods and services	Wholesale trade in footwear and accessories for women, men and children
HIGIENE GLOBAL ORBIS, S.L.	B65280828	Consumer goods and services	Wholesale trade in sanitaryware
OCIBAR, S.A.	A58838434	Consumer goods and services	Services provided in the marina of Mallorca
RECOVER™.	B88537147	Consumer goods and services	Manufacture of recycled textiles
SASMAT RETAIL S.L.	B55670228	Consumer goods and services	Wholesale and retail trade in watches, clocks and jewellery
CONTAZARA - CONTADORES DE AGUA DE ZARAGOZA	A50096247	Basic resources	Manufacturing and marketing of precision, measuring and checking instruments
CAOLINES DE VIMIANZO SAU (CAVISA)	A15040009	Basic resources	Mining
GEOALCALI SL	B37508900	Basic resources	Development and exploitation of potash mining
AZOR AMBIENTAL SA	A30023238	Basic resources	Recovery and recycling of waste batteries and waste oil filters
OPERON, S.A.	A50029404	Health services	Research, development, manufacture and marketing of in vitro diagnostic tests

Name	Company Tax ID	Sector	Description of activity
SIGRE MEDICAMENTO Y MEDIOAMBIENTE, S.L.	B82329533	Health services	Collection of non-hazardous waste, mainly of medicines
APLITELC BERGUEDA SLU	B60536554	Public services	Installation of industrial electrical equipment
BELGICAST INTERNATIONAL, SLU	B48750806	Public services	Manufacture and marketing of valves and fittings
ISOTUBI S.L.	B59806794	Public services	Manufacture and marketing of stainless steel tubes
BIOSCORE SOSTENIBLE SL	B02736098	Technology	Data processing, hosting and related activities
EQUIPO TIC XXI SL	B84340942	Technology	Consultancy and IT development
INGETEAM, S.A.	A48420020	Technology	Comprehensive advice to group companies
JEANOLOGIA SL	B96381249	Technology	Engineering, research and manufacturing of textile finishing machinery
MAINTENANCE DEVELOPMENT SA	A83637074	Technology	Installation of telecommunications, switchboards, video conferencing, computer security and audiovisual equipment.
OPEN SISTEMAS DE INFORMACIÓN	B83513705	Technology	AI and iCloud data-related services
CASTELL DE RAYMAT, SL	B25858945	Travel and leisure	Event organisation, promotion of local heritage, environmental sustainability, social and educational activities
TARANNA CLUB DE VIATGES SA	A60361755	Travel and leisure	Travel wholesalers and retailers

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