VSME Digital Template and XBRL Taxonomy

Explanatory Note

May 2025

Disclaimer

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VSME Digital Template and VSME XBRL Taxonomy – Explanatory Note

1. Introduction & Background

1. On 17 December 2024, EFRAG issued the Voluntary Sustainability Reporting Standard for non-listed SMEs (VSME). EFRAG's work on this voluntary Standard for non-listed SMEs falls outside the scope of Corporate Sustainability Reporting Directive (CSRD). It stems from the market's need to have a common point of reference to be used by SMEs to respond to growing sustainability data requests from business partners and to lower entry barriers to sustainability reporting by non-listed SMEs. The primary ambition is for the VSME to become the basis for lenders, investors and corporate counterparts in the value chain when defining their ESG data requests for SMEs. In concrete terms this means that, based on market acceptance, the VSME is expected to limit de facto current multiple ESG data requests (a significant cost of preparation for SMEs) by replacing the various uncoordinated ESG questionnaires.

2. Following EFRAG's technical advice on the VSME to the European Commission, EFRAG has been working on the roll-out of the VSME Ecosystem which includes complementary initiatives aimed at promoting market acceptance of the VSME as a standardised tool for small medium-sized enterprises (below 250 employees) to report and provide data to counterparts, in order to fully realize the benefits of the standard. The ecosystem will span until November 2025. Please note that the VSME Standard has been developed for use by non-listed SMEs including micro-enterprises and has not been tested for use by other larger and more complex companies (above 250 employees). The work of the VSME Ecosystem, including the VSME Digital Template and XBRL Taxonomy, will support the application of the VSME Standard by companies with less than 250 employees standardizing the custom questionnaires many companies are faced with today.
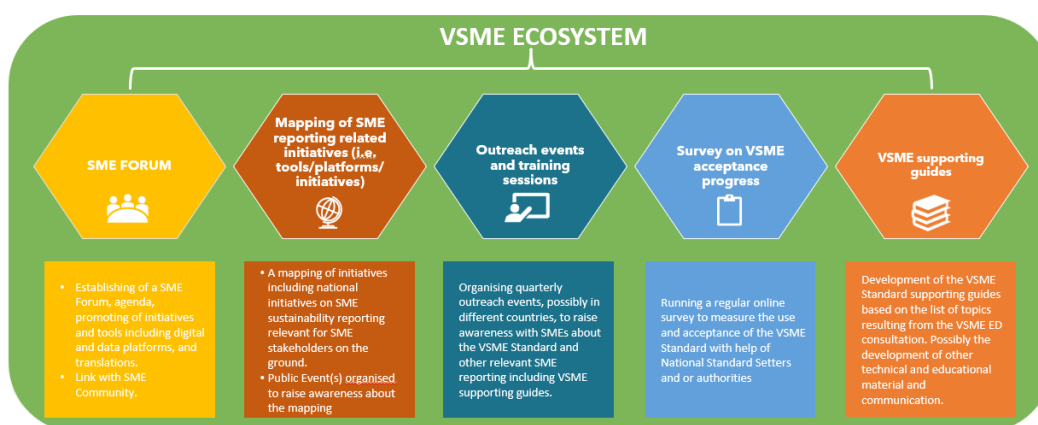
3. As seen in the picture above, the VSME ecosystem consists of five deliverables, namely:

    (a) SME Forum;

    (b) Mapping of initiatives on Platforms/ Tools/ Initiatives;

    (c) Outreach Events and Training sessions;

   (d) Survey on VSME Acceptance Progress;

    (e) VSME Support Guides:

i. An Excel Digital Template (from now onwards 'VSME Digital Template') reflecting the VSME standard illustrating the data entry and validation;

ii. An XBRL Taxonomy reflecting the VSME standard, enabling a single and open data exchange format;

iii. Examples of practices, policies and future initiatives for transitioning towards a more sustainable economy (Disclosure C2) to be used as a dropdown menu for a future VSME online template;

iv. Examples of GHG reduction targets and climate transition (Disclosure C3);

v. Examples of actions being taken to address severe negative human rights incidents (Disclosure C7).

4. The VSME Digital Template and XBRL Taxonomy fall within the fifth deliverable "VSME Support Guides" as they were requested by preparers and users during the public consultation of the VSME Exposure Draft that took place from the 22 January to 21 May 2024. The EFRAG Secretariat consulted, in April 2025, the SME Forum members on the VSME Digital Template and XBRL taxonomy before releasing it (see Annex I for more information on the consultation).

5. Lastly, the purpose of this document is to provide a documentation on the VSME Digital Template and XBRL taxonomy.

2. Objective of the VSME Digital Template and XBRL Taxonomy

6. The primary purpose of the VSME Digital Template and converter is to illustrate a technical reporting solution and provide educational materials.

7. The purpose of the VSME Digital Template is not to be competing with commercial providers, therefore:

(a) All materials are be provided for free;

(b) The template has basic but solid functionality;

(c) The priority is simplicity and user-friendliness.

8. All materials developed by the EFRAG Secretariat are released for free and as open source (MIT license), which will enable any stakeholder to further enhance them and integrate them into commercial solutions. However, respecting the license conditions, the reference to EFRAG must be mentioned by the providers of those commercial solutions.

9. The digital VSME XBRL Taxonomy maintained by EFRAG ensures that the data structure and data point definitions stay unchanged and reflect the VSME text. However, EFRAG intends to provide illustrations of how the XBRL taxonomy and VSME Digital Template can be extended in order to enable entity or bank-specific additional disclosures.

10. The VSME Digital Template will enable user-friendly data-entry, including:

(a)   Auto-calculation of totals, Validations and consistency checks using formulae and data validation;

(b)   Drop-downs and checkboxes for semi-narrative disclosures;

(c)   Links to the VSME Text (paragraph level) for each cell/column;

(d)   Color-coding and tool tips for different categories of datapoints (e.g. Basic/Comprehensive Module, *If Applicable*).

11.   The VSME XBRL Taxonomy enables digitization of VSME disclosures by:

(a)   Providing a tool-independent data model of the VSME disclosures, enabling reporting in various technical formats (Inline XBRL, XBRL-XML, XBRL-JSON, XBRL-CSV);

(b)   Facilitating data exchange and import to databases with a structured, license-free and open format, standardizing the custom questionnaires many companies are faced with today;

(c)   In contrast to ESRS Set 1, which often requires a "tagging" of the human-readable disclosures, the VSME XBRL Taxonomy can be used as a template, making digital tagging obsolete. It acts as the <u>invisible</u> datapoint definition, maintained by EFRAG.

12.   The EFRAG Secretariat has developed a Digital Template to XBRL Converter, in order to enable the conversion of the VSME Digital Template into a digital human- and machine-readable XBRL report. It is available on a web platform, developed in Python and hosted online on the EFRAG webpage[1], enabling the conversion of the Excel file into a tagged Inline XBRL report (human- and machine-readable), including full XBRL validation. The source code developed is shared as open-source software (MIT license)[2], in order to support the market to integrate and enable digital reporting with the corresponding platforms as well.

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[1] https://xbrl.efrag.org/convert/

[2] https://github.com/EFRAG-EU/Digital Template to XBRL Converter
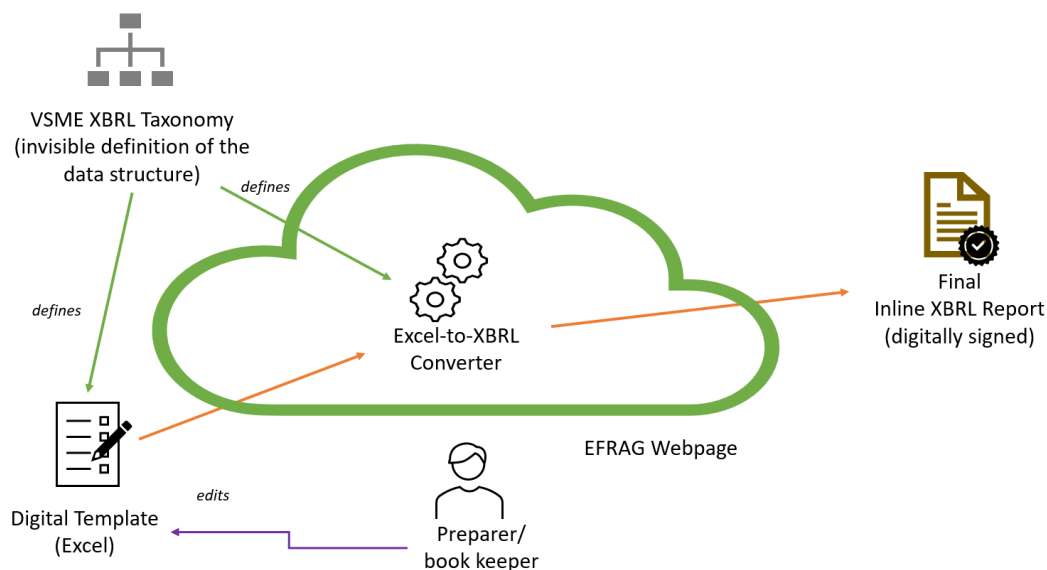
13.   Going forward, EFRAG intends to maintain all three items - the Digital Template, the XBRL Taxonomy, and the Digital Template to XBRL Converter - for a certain period (at least till end of 2025) by resolving issues and introducing improvements and an updated VSME standard. However, this does not include any guaranteed maintenance and support for individual users of the tools. The converter software (including the Digital Template) is provided "as is", without warranty of any kind, express or implied, including but not limited to the warranties of merchantability, fitness for a particular purpose and noninfringement. In no event shall the authors or copyright holders be liable for any claim, damages or other liability, whether in an action of contract, tort or otherwise, arising from, out of or in connection with the software or the use or other dealings in the software.

14.   EFRAG does not intend to compete with the market by offering a comprehensive reporting solution through the Digital Template and XBRL converter. Instead, the purpose is to provide guidance and a starting point to the market, encouraging the development of more stable, maintained, user-friendly, and comprehensive solutions. The Digital Template and XBRL Converter have the following limitations and known disadvantages (see the chapter below for more technical details):

(a)   The Digital Template and converter do not support reporting of comparative information as required by the VSME, so they may only be suitable for first-time reporting. More comprehensive solutions should support roll-forward across reporting periods.

(b)   Using the Digital Template with Microsoft Excel involves several technical limitations that reduce user-friendliness (translations, accessibility, dropdowns, open lists, etc.). The EFRAG Secretariat acknowledges that dedicated web forms and digital software applications would be better suited for this purpose.

(c)   The ability to modify the Digital Template in Excel increases the risk of corrupting the file and causing errors during XBRL conversion.

(d)   Relying on Microsoft Excel format (despite being an open ISO standardized format[3]) for the Digital Template is not ideal in terms independencies from proprietary (US) software solutions. Therefore, the EFRAG Secretariat encourages the market to adopt the license-free and open XBRL format to enable the development of alternative Digital Templates without relying on proprietary technology.

(e)   In general, the Digital Template does not support with the collection and calculation of the data needed for the disclosures. The Digital Template does not include a greenhouse gas (GHG) emission calculator.
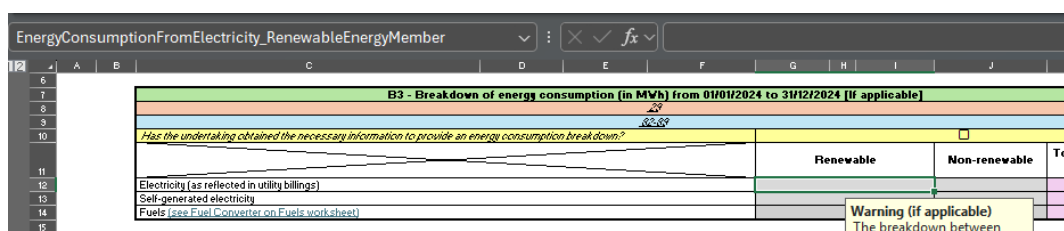
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[3] Office Open XML Workbook Format (XLSX), https://www.iso.org/standard/71691.html

(f) EFRAG does not provide end-user support (e.g., hotline or warranty). SMEs could rely on commercial providers for technical assistance.

(g) The formatting and design of the human-readable Inline XBRL report generated by the converter cannot be customized.

15. An update of the Digital Template and XBRL taxonomy to reflect the EC recommendation of the VSME is planned. In addition, updates of the Digital Template are planned when EFRAG will release the support guides as part of the VSME Ecosystem (e.g. C2 - Description of practices, policies and future initiatives for transitioning towards a more sustainable economy, C3 - GHG reduction targets and climate transition and disclosure C7 - Severe negative human rights incidents) that will be integrated within the template.

16. While the XBRL taxonomy itself, representing a vendor-independent data model and template should be supported and maintained long-term, ensuring standardized data exchange, the maintenance of the Digital Template and converter depends on the resources available and is not planned to be provided on a long-term basis.

17. Additional features and improvements, that could potentially be implemented in 2025 by the EFRAG Secretariat are:

(a) Making the Digital Template and XBRL taxonomy available in other languages (which was requested by many SME Forum members).

(b) Implementing the validation rules that are currently part of the Digital Template as well in the XBRL taxonomy (introducing a Formula linkbase). This will ensure that incomplete disclosures will cause ERROR messages in any software validating the digital VSME disclosures in XBRL.

(c) Enabling digital signatures as part of the XBRL report, in order to enable receivers of disclosures to identify the entity and map the data to the right entity.

(d) Providing guidance on how filing repositories and platforms can be connected, which would enable pulling/distributing a digital VSME report if the preparer wishes so.

(e) Adding support and guidelines for extensions of the XBRL taxonomy, which could enable banks and jurisdictions to introduce additional disclosure requirements.

3. Description of the VSME Digital Template

18. The purpose of this VSME Digital Template is to illustrate how VSME reporting can be implemented in an MS Excel format.

19. The VSME Digital Template, which is implemented as an MS Excel workbook, reflects the VSME Standard as delivered by EFRAG to the European Commission on 17 December 2024.

20. This VSME Digital Template can be used for data entry and validation. Thanks to the XBRL Converter, published on EFRAG's website, the template filled with data can be converted into an XBRL report, into a free and open data format. Excel-named ranges are used to identify the disclosures in value cells of the template. The names of the ranges are consistent with the XBRL element names of the XBRL taxonomy, facilitating the conversion into an XBRL report. Value cells that are empty and do not have any value (neither text nor a number) or have a "-" dash only will not be considered as reported and will not be included in the XBRL report when using the converter.

Figure 1*:* A named range has been introduced for cell G12 (in the left upper corner), using the XBRL taxonomy element names, which facilitates the conversion of this cell value into an XBRL report fact.

21. While MS Excel naturally provides a number of limitations, the EFRAG Secretariat considered it as an appropriate format to design a guidance material with relatively small effort and the possibility to be used by preparers easily. One particular limitation of Excel is that it does not allow multiple-choice dropdowns[4]. Therefore, the EFRAG Secretariat used multiple checkboxes to reflect a single multi-choice dropdown, which are not ideal solutions. It is expected that VSME reporting solution providers can implement multi-choice dropdowns instead.

22. In terms of accessibility, while developing the VSME Digital Template, EFRAG Secretariat has considered the '*Accessibility best practices with Excel Spreadsheets'* provided by Microsoft. While the EFRAG Secretariat acknowledges that an Excel file might not be the optimal way of producing an accessible tool, it might still provide a viable option for many users. Due to the technical limitations of Microsoft Excel, increased accessibility might only be achieved with more sophisticated technologies, like a web-form. The EFRAG Secretariat would like to emphasize, that a structured and machine-readable XBRL report increases

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[4] Multiple-choice dropdown menus can be implemented with VBA code. However, the EFRAG Secretariat avoided the use of custom code in the Excel workbook, since it triggers security warnings in many environments.

accessibility, and that the XBRL taxonomy represents a vendor-independent template, that can be integrated by any solution provider that offers more sophisticated and accessible tooling.

23. In terms of structure, the EFRAG Secretariat has regrouped a number of datapoint by type of disclosure (general information, environmental, social, governance) rather than following the Basic and Comprehensive Module structure of VSME in order to increase the user friendliness of the template. During the testing period that occurred in April 2025, this was confirmed by the large majority of SME Forum members.

24. The VSME standard requires disclosures of a number of open lists, e.g. list of sites. In order to reflect this in the VSME Digital Template, the EFRAG Secretariat included a number of empty sample rows. Those rows are hidden by default (grouped) and need to be expanded by the user by clicking the plus icon on the left side. If reporting entities want to report more rows, they can insert rows within the boundaries of the first and last row with value cells.

25. A few drop-down selection menus in the VSME have more than 100 entries (e.g. the NACE codes under B1, the list of pollutants under B4, the list of wastes under B7). In order to search in the list, users can simply start typing search keywords in the cell.

26. While the VSME standard requires separate negative or positive confirmation (Boolean or checkbox/dropdown, indicated by the word "whether") for the B2 disclosures about practices, policies, future initiatives and targets according to paragraph 26, it was decided not to implement the subparagraphs a-c and to aggregate the disclosures. This will not allow preparers to differentiate between practices, policies, and/or future initiatives, neither in the Digital Template nor in the XBRL report using the XBRL taxonomy. However, it is a closer implementation in comparison to the guidance table provided in paragraph 78. Paragraph 26d has been implemented as a single Boolean checkbox, in contrast to the guidance in paragraph 78 which indicates one per sustainability issue. Additionally, the Digital Template (and correspondingly the XBRL taxonomy) deviates from the VSME guidance in relation to C2 in paragraph 213. Instead of having separate narrative descriptions of policies, practices and future initiatives, the disclosure is aggregated in a single text cell.

27. This VSME Digital Template enables reporting for one reporting period only. Therefore, it might be used for reporting in the first year only. It is expected that reporting solutions will enable the roll-forward of reporting periods, which would automatically provide the necessary comparative information. Similarly, it does now allow reporting of multiple entities in one report, e.g. a consolidated report and one for the individual entity. Instead, two reports would need to be created by filling in the template twice.

28. When preparing the VSME Digital Template, it is essential that preparers start by reading the Introduction sheet where all the information concerning the usage of the template and the different cell colors are described. It is important to mention that during the consultation period that EFRAG Secretariat conducted in the month of April 2025, all SME Forum members agreed that the colors are useful within the template. In addition, following the

consultation responses, it was amended to ensure that no information is available through color only, to support color-blind users. *Figure 2* shows the different background colors for each cell.

Cell background color index:

General Principles	Indicates that the disclosure is from the general principles of the VSME.
Basic Module	Indicates that the disclosure is from the VSME Basic Module.
Comprehensive Module	Indicates that the disclosure is from the VSME Comprehensive Module.
	Indicates that the cell is automatically calculated and that no data entry is required.
	Indicates that the datapoint (often a condition) will not be included in the VSME and digital XBRL report. These cells are provided to facilitate the completion of the disclosure as they either trigger the applicability of the disclosure or they enable the automatic calculation of the disclosure. If the yellow cells are not being used to calculate a value, the total that is to be reported can be entered manually overwriting by the formula.
	Indicates that no data entry is required unless certain logics are selected in the disclosure itself. When one of these logics is selected, then this cell will turn white.
Validation MISSING VALUE/ERROR/VALUE INCONSISTENCY/INVALID URL	Indicates that either data entry is incorrect in terms of format or that certain information is missing in order to correctly report on the disclosure.
Validation OK	Indicates that data entry is OK and the undertaking can proceed to the next disclosure.
	No value can be entered in the cell.
[+]	Lists can be expanded using the plus [+] button on the left. If the number of rows is not sufficient, additional rows can be added by right clicking the second row and selecting "Insert row".

Figure 2: Cell Background color index

29.	In addition, in order to increase the user friendliness of the Digital Template, an overall table of content with respective validation for each disclosure has been included. In practice, this means that the undertaking can always check whether it has correctly filled in the disclosures it wants to report on or if something is missing. If the disclosure is completed correctly, "OK" will appear. If a disclosure is not prepared correctly "MISSING VALUE", "VALUE INCONSISTENCY", "ERROR" or "INVALID URL" will appear. Before uploading the Digital Template file to the XBRL converter, it is recommended that the undertaking verifies that the overall validation status is "COMPLETE". If disclosures are not filled in correctly, INCOMPLETE" will appear in the overall validation status. *Figure 3* portrays the table of contents with the validation status.

Table of Contents Contents grouping follows template's framework	**Overall Validation Status**
	INCOMPLETE
	Specific Content Validation Status
General Information	
· Information on the report necessary for XBRL	**MISSING VALUE**
· Information on previous reporting period	-
Basic Module	
General Information	
· B1 - Basis for Preparation	**MISSING VALUE**
Basis for Preparation and other undertaking's general information	**MISSING VALUE**
List of subsidiaries	-
Disclosure of sustainability-related certification(s) or label(s)	-
List of site(s)	-
· B2 - Practices, policies and future initiatives for transitioning towards a more sustainable economy	-
Practices, policies and future initiatives for transitioning towards a more sustainable economy	-
Cooperative specific disclosures	-

Figure 3: Table of contents with validation status overview

30.	To complete the VSME Digital Template, preparers need to fill in the datapoints in the following four Excel sheets:

(a)	General information sheet which contains the information necessary for the generation of the XBRL report and the general disclosures in VSME Basic and Comprehensive Module (B1, B2 and C1 and C2). It is essential for the XBRL converter to work properly that the cells "necessary for the generation of the XBRL report" are

completed properly. Failure to complete those cells will trigger fatal errors when using the XRBL converter.

(b)   Environmental Disclosures sheet which contains the environmental metrics from both the Basic and Comprehensive Modules;

(c)   Social Disclosures sheet which contains the social metrics from both the Basic and Comprehensive Modules;

(d)   Governance Disclosures sheet which contains the governance metrics from both the Basic and Comprehensive Modules.

31.   Following paragraph 10 and 11 of the VSME Standard, if the undertaking wishes to provide additional information (metrics and/or narrative disclosures) not covered by the VSME Standard, it may do so using the dedicated "Other disclosure" cells found at the end of each sheet.

32.   Paragraph references to both VSME text and guidance have been included on top of each disclosure. In practical terms, this means that the undertaking may click on the hyperlinks found on top of each disclosure, which will open on the browser the exact paragraph of the VSME disclosure or guidance. Please note that the VSME Digital Template is a reporting template and does not include the full text of the VSME standard itself.

33.   It is important to mention that the modularity of the VSME has been kept by ensuring that when Option A (i.e. Basic Module only) or Option B (i.e. Basic and Comprehensive Modules) is selected, different validations are triggered. As certain disclosures belonging to the different modules could be seen together visually, they have been inserted one after the other. This is the case of B2 and C2, where C2 is the continuation of B2 in case the undertaking opts for Option B.

34.   In addition, the "If applicable" principle has been kept through checkboxes that enable the disclosure to become visible. It is important to mention that these cells are yellow, which indicates that the disclosure - often a condition - will not be included in the VSME human readable report and digital XBRL report. These cells are provided to facilitate the completion of the disclosure as they trigger the applicability of the disclosure. In some cases, yellow cells also enable automatic calculation of the disclosure. If the undertaking does not wish to use the yellow cells to calculate a value, the undertaking can enter the final value manually by overwriting the formula.

35.   To further increase the user-friendliness of the VSME Digital Template, automatic calculations have been enabled where possible. These are purple cells in which, unless specified, the formula in the automatic calculation cannot be changed. In case the preparers would like to enter the values directly for those automatic calculations that are triggered when filling the yellow cells, they can do so by overwriting the formulas and inserting the values directly in the purple cell. The list of cells that ca be overwritten are:

-     in the General Information sheet from cell H108 to H132;

- in the Environmental Disclosures sheet the cells G14, H14 and I14 (that actually are a unique merged cell) and the cell J14;
- in the Social Disclosures sheet the cells D51 and D52.

36. In addition, EFRAG Secretariat, at the request of preparers at the first SME Forum meeting, has worked on a fuel converter in order to facilitate the conversion to megawatt hours (MWh) when undertakings want to report the energy consumption breakdown (if available) of fuels. This is found in the "Fuel Converter" sheet of the VSME Digital Template. It is important to mention that the Fuel Converter received overwhelming support during the testing period that EFRAG Secretariat conducted in the month of April 2025 with the SME Forum and Digital Reporting Consultative Forum. The purpose of the converter is to illustrate how energy consumption in MWh can be calculated for various fuel types. EFRAG assumes no responsibility or liability whatsoever for the content or any consequences or direct, indirect or incidental damage arising from using this fuel converter. Please note that the source of the typical values (Net Calorific Value and Density) is provided for each fuel in the "Fuel Converter parameters" sheet. However, those parameters might vary in different countries, due to national specificities for example. As such, the undertaking is supposed to manually add or change the parameters of the Net Calorific Value (NCV) and Density in the "Fuel conversion parameters" sheet in order reflect its local circumstances and jurisdictions. In addition, please note the renewability status provided is the typical one. All the undertakings should provide their specific status of renewability, which can be checked on their specific Guarantees of Origin, as outlined in Article 19 of the European Directive 2018/2001/EC on the promotion of the use of energy from renewable sources. The default renewability status provided for each fuel is a typical assumption and should be adjusted, if necessary, based on jurisdictional or individual circumstances.

37. During the testing period that occurred in April 2025, one SME Forum member suggested adding a GHG calculator within the VSME Digital Template. The EFRAG Secretariat recognizes the need for a GHG calculator, however, as already mentioned in the [cover letter sent to the European Commission](#) in December 2024, it recommends the EC to develop it. The EFRAG Secretariat might consider including the link of the mapping of tools (e.g. GHG calculators) once finalized.

38. Moreover, concerning the GPS coordinates for geolocation, an automatic calculation has been enabled when the undertaking fills the address information of the site and checks the box agreeing with the privacy terms and conditions of the software used. In practical terms, the generation of coordinates is automatically performed (among accepting the Privacy terms) when an address is entered via a web service. However, this webservice might trigger a security warning when opening the workbook. Web services should be enabled if the automatic GPS calculation is supposed to be used.
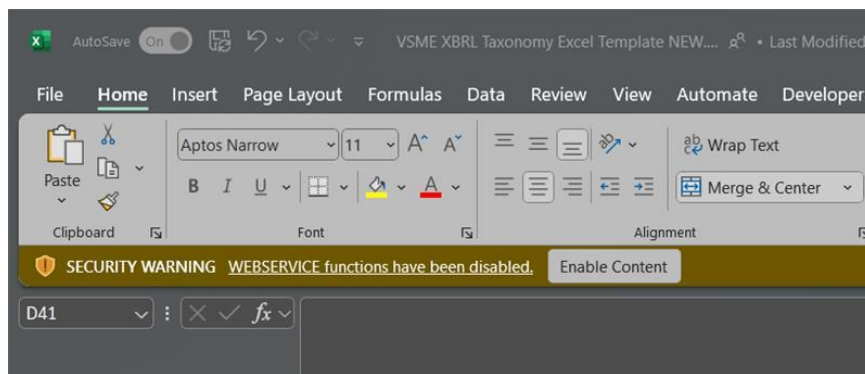
Figure 4: In order to enable automatic calculation of GPS coordinates from entities addresses, webservices must by enabled in the Workbook.

In addition, in order to verify that the GPS coordinates automatically calculated are correct, EFRAG Secretariat has inserted a link that, if clicked, opens the coordinates on Open Street Map.

Figure 5: In order to enable automatic calculation of GPS coordinates from entities addresses, the undertaking should tick the check box. The undertaking should verify the coordinates by clicking on the "Open Street Map Location" link on the right.

39.   It is also important to note that compared to the text of VSME, more flexibility has been given for the monetary units. In practical terms, this means that the undertaking can select any currency from a drop-down menu, based on the ISO 4217 Standard, for monetary values to be disclosed when using the VSME Digital Template.

40.   In order to enable flexible reporting and achieve a high comparability of the data, a list of pollutants and waste types has been implemented based on the corresponding EU legislation. EFRAG Secretariat is aware that having the possibility of adding a new type of pollutant could be useful and for this reason it may consider including this function in one of the next release of the template and XBRL taxonomy.

41.   Moreover, in order to give more flexibility in the units used to report certain Environmental disclosures, the VSME Digital Template gives the possibility to provide the figures for the area in different units depending on the preference of the undertaking. This reflects flexibility within the guidance of the VSME. Please note that when only a single unit of measurement is required by the VSME (e.g. no flexibility given), the respective unit of measurement is found in the title of the disclosure (e.g. *B3 - Estimated Greenhouse Gas Emissions considering the GHG Protocol Version 2004 (in tCO2e) [Always to be reported]*])

42.   In order to simplify the reporting on social metrics (breakdown of the number of employees), the VSME Digital Template supports only one counting methodology for all related metrics (i.e. either at the end of the reporting period or as an average across the reporting period). It needs to be first selected in B1, it is the same for all numerical disclosures that involve

employees. Concerning social metrics, the VSME Digital Template enables the completion of certain disclosures depending on the number of employees that is filled by the undertaking in the General information Sheet (i.e. it functions as an applicability filter as outlined in the text of the VSME Standard).

43. In order to enable the conversion into a digital XBRL report and to enable an automated data-exchange, a few essential technical master data fields have been added to the template. This includes the start and end-date reporting period, the entity name and an entity identifier, which are mandatary metadata fields required to produce a digital report[5]. While the VSME standard does not require the reporting of a unique entity identifier, the EFRAG secretariat recommends using an international and verifiable identifier like the Legal Entity Identifier (LEI)[6] issued by the GLEIF foundation. While it is technically possible to use any other identifier, domestic/national identifier systems might not be sufficient for undertakings and counterparties outside of it. Following the consultation with the SME Forum members, the EFRAG Secretariat introduced a number of additional entity identifiers proposed by the members, meeting the following criteria:

(a) the identifier can be claimed by all companies in the EU and ideally by those outside the EU, not limiting specific types of legal entities of companies doing specific business.

(b) The identifier is verifiable, which means an open and free database allows researching or looking up a given ID and retrieving the basic up-to-date information of the entity (name, address, etc.), ideally verified and accessible through and API;

(c) The identifier should enable digital signatures associated with it.

44. The EFRAG Secretariat also decided against including ISIN, since it's for listed companies and therefore less realistic for SMEs with less than 250 employees. Identifiers like national IDs issued by tax authorities in countries were considered by the EFRAG Secretariat, however, they were not deemed ideal for an international reporting system, since those often lack a public possibility to look up the company information for a given ID. Therefore, the EU VAT ID was not included in the Digital Template. Following the testing period with the SME Forum and DRCF members, the following IDs have been included by the Secretariat in the Digital Template. Technically it is still possible to use any other ID for the XBRL reporting, but the EFRAG Secretariat would like to discourage the use of an identifier not meeting the criteria above.

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[5] https://www.xbrl.org/Specification/XBRL-2.1/REC-2003-12-31/XBRL-2.1-REC-2003-12-31+corrected-errata-2013-02-20.html#_4.7.3.1

[6] This is in line with the ESMA survey on legal entity identifiers, https://www.esma.europa.eu/sites/default/files/2025-02/ESMA12-766636679-484_LEI_survey_results_aggregates.pdf

Name of Entity identifier	Link to register entity	Public lookup	Link to look up ID	Digital Signatures
LEI and vLEI	https://www.gleif.org/en/organizational-identity/get-an-lei-find-lei-issuing-organizations	Yes	https://search.gleif.org	Yes
DUNS	https://www.dnb.co.uk/duns-number/lookup/request-a-duns-number.html	Yes	https://www.dnb.co.uk/duns-number/lookup.html	No
EU ID	https://euid.eu/	Partially	https://e-justice.europa.eu/topics/registers-business-insolvency-land/business-registers-search-company-eu_en	No
PermID	https://permid.org/	Yes	https://permid.org/	No

45. The EFRAG Secretariat, following a number of comments from SME Forum members, has considered translating the VSME Digital Template. However, this has not been implemented at this stage as MS Excel has limitations when it comes to translations (e.g. it will be impossible for the data validation and input messages). The EFRAG secretariat is considering implementing it after the adoption of the VSME recommendation by the European Commission, if sufficient resources are given.

46. It is important to note that the Digital Template can be easily broken, making it impossible to convert it to XBRL by removing/renaming the named ranges in the workbook. The same is true for the formulae, implementing the validation rules. The Digital Template is protected with a password[7], in order to avoid users breaking it, only enabling the values cells to be changed (values inserted). If market participants intend to change the template, they must be aware of the fact that it will no longer be convertible.

47. However, going forward, the EFRAG secretariat intends to provide specific guidance on how to extend the Digital Template together with the XBRL taxonomy, in order to enable adding jurisdictional or bank-specific disclosures.

48. EFRAG considered allowing adding file attachments to the VSME report, as this might be helpful if the undertaking would like to include documents like certificates it gained. However, it also means that the data comes most likely in an unstructured format (PDF, image) and needs to be processed manually by the users. Additionally, it might come with security implications, because it could enable spreading viruses, trojans and other malicious code. Therefore, the EFRAG Secretariat decided not to implement it at this stage.

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[7] Password: T3mpl4t3EFRAGlock

49.   Suggestions for improvements of the Digital Template should be raised through issue tickets at Github[8] or by sending an e-mail to digital-reporting@efrag.org .

4. Description of the VSME XBRL Taxonomy

50.   The VSME XBRL Taxonomy plays a crucial role in simplifying sustainability reporting for very small and micro-enterprises. By enabling the digitisation of VSME disclosures, it offers a range of benefits that make reporting more accessible, efficient, and consistent across tools and platforms.

51.   At its core, the XBRL taxonomy provides a tool-independent data model of the VSME standard by providing dedicated data elements (concepts) for each VSME datapoint. This ensures that data can be exchanged and imported into databases in a structured, free, and open format, eliminating the need for various custom questionnaires and proprietary data formats many companies struggle with today (as confirmed during the VSME Field Test[9]).

52.   The XBRL taxonomy is compliant with the license-free and open XBRL specifications available at https://specifications.xbrl.org. It should be used with appropriate XBRL software that implements the specifications[10]. For convenience purposes, EFRAG has prepared a visualization of the XBRL taxonomy in Excel (Annex II), which provides a human-readable illustration of the XBRL taxonomy, supporting undertakings in understanding the relationship between the VSME Digital Template and the XBRL taxonomy.

53.   Unlike ESRS Set 1, which often requires manual "tagging" of human-readable disclosures, the VSME XBRL Taxonomy serves as an invisible datapoint definition. It mainly acts as a template that makes digital tagging obsolete, significantly reducing the complexity of the reporting process.

54.   The taxonomy also supports the conversion of human-readable disclosures, such as those in the VSME Digital Template provided by EFRAG into the Inline XBRL, which is a standardized human- and machine-readable format, using HTML combined with XBRL tagging information. Inline XBRL reports can be converted into XBRL-XML, XBRL-JSON, and XBRL-CSV, ensuring compatibility across systems and tools.

55.   The goal of the VSME XBRL Taxonomy in combination with the Digital Template to XBRL Converter is to enable automatic conversion of a prefilled template into XBRL by clicking a button. No additional effort (reporting burden) is associated with it.

56.   Importantly, the VSME XBRL Taxonomy guarantees that a common and tool-independent data exchange format is used. This standardization promotes interoperability and simplifies data sharing among stakeholders. This includes reporting from SMEs to counterparties to

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[8] https://github.com/EFRAG-EU/Digital Template to XBRL Converter/issues

[9] https://www.efrag.org/system/files/sites/webpublishing/Meeting%20Documents/2311031511250179/05-07%20-%20VSME%20ED%20Field%20Test%20-%20Key%20findings.pdf

[10] https://software.xbrl.org/

financial institutions and reporting from the value chain to larger groups preparing sustainability statements.

57. To promote accessibility, an online Digital Template to XBRL Converter is offered free of charge for individual users (subject to simple terms-of-use, such as solving captchas), and the corresponding software code has been released as open source. This empowers developers and stakeholders to build upon and integrate the tools into commercial solutions.

58. Maintained by EFRAG, the digital taxonomy ensures that all data structures and datapoint definitions remain aligned with the standard. The XBRL taxonomy is not intended to be extended by reporting entities themselves. Instead, EFRAG also plans to offer illustrations on how the taxonomy can be extended to support additional disclosures—such as those required by banks or specific jurisdictions.

59. The XBRL taxonomy has been designed based on the VSME standard and is aligned to the VSME Digital Template. This ensures producing compliant digital reports with a simple template-based data entry tool. It is available on the EFRAG webpage as an [XBRL Taxonomy Package](#) and using the following entry point:

    (a) All: Defines all core elements and has a presentation, definition and calculation linkbases, to be used for reporting:
    https://xbrl.efrag.org/taxonomy/vsme/2024-12-17/vsme-all.xsd

    (b) Additionally, the EFRAG Secretariat intends to add a technical entry point in a new version, which has the element definitions, labels and references only, for taxonomy extension purpose by jurisdictions or other users of VSME reporting:
    https://xbrl.efrag.org/taxonomy/vsme/2024-12-17/vsme-core.xsd

60. The architecture and methodology of the VSME XBRL Taxonomy follow mostly the one approved by the SRB in April 2024[11], except for the narrative tagging hierarchy and an aggregation of the of disclosures as described in paragraph 26 above, where the VSME deviates from the Digital Template and XBRL taxonomy. In relation to the narrative tagging hierarchy, this is not needed since narrative disclosures are presented with a single cell in the VSME Digital Template and correspondingly reflected with a single XBRL element in the taxonomy. With regard to XBRL dimensions, the EFRAG secretariat has implemented the XBRL taxonomy as simple as possible, e.g. by using not more than one dimension or avoiding dimensions altogether.

61. In order to enable reporting of other and entity specific information according to paragraph 10 and 11 of the VSME, four dedicated narrative elements have been provided in the XBRL taxonomy.

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[11]

https://www.efrag.org/system/files/sites/webpublishing/Meeting%20Documents/2302240950097339/04.02%20-%20%20ESRS%20XBRL%20Taxonomy%20Architecture%20and%20Methodology%20%28final%29.pdf

62. While the XBRL converter renders the XBRL taxonomy into tables similar to the ones defined in the VSME Digital Template, the EFRAG Secretariat is considering adding a Table Linkbase, which could enable a unified rendering of the information and might be used for data entry without using the VSME Digital Template. It is important to note that the yellow cells of the VSME Digital Template (as explained in paragraph 34 above) are not implemented as XBRL elements, since those support the preparation but are not disclosures themselves.

63. Going forward, the EFRAG Secretariat will introduce a specific XBRL element type for the GPS Location from the XBRL Data Type Registry.

64. In the VSME Digital Template, in table "C3 - GHG reduction targets (in tC02e)", there is a column dedicated to paragraph 54(d) of the VSME guidance. This column is related to the "Percentage reduction (of greenhouse gas emissions) from base year". In the template these cells are useful visualize the undertaking's capability of reducing greenhouse gas emissions from base year to target year, but inside of the taxonomy this percentage difference is an information already embedded in the greenhouse gas emissions provided for the base and the target year. For this reason, the datapoints related to this column do not have a dedicated item inside of the XBRL taxonomy.

65. Another temporary difference between the VSME Digital Template and the XBRL taxonomy is referred to table "B4 – Pollution of air, water and soil" (paragraph 32). At the moment, this excel table does not allow to add a pollutant that is not included in the drop-down list of pollutants. EFRAG Secretariat is aware that having the possibility of adding a new type of pollutant could be useful and for this reason it may consider including this function in one of the next release of the template and XBRL taxonomy.

66. Some datapoints can have a different type of period based on the employee counting methodology, as pointed out in paragraph 42. The template provides the possibility of choosing the period type (at the end of the reporting period or as an average across the reporting period), while in the XBRL taxonomy EFRAG secretariat has set a specific period type for each XBRL element, because it's a mandatory attribute. The following XBRL elements have an "instant" period type for simplicity, while the actual counting methodology is determined by an enumeration element in B1:
- NumberOfEmployees;
- NumberOfPermanentContactEmployees;
- NumberOfTemporaryContractEmployees;
- NumberOfMaleEmployees;
- NumberOfFemaleEmployees;
- NumberOfOtherGenderEmployees;
- NumberOfNonReportedGenderEmployees;
- NumberOfEmployeesForCountryOfEmploymentContract;
- TotalNumberOfSelfEmployedWorkersWithoutPersonnelThatAreWorkingExclusivelyForTheUndertaking;
- TotalNumberOfTemporaryWorkersProvidedByUndertakingsPrimarilyEngagedInEmploymentActivities.

67. The list of pollutants and waste types (implemented as XBRL explicit dimension in the XBRL taxonomy) is implemented in a similar way to the open tables, in order to cope with the fact that they use very long lists of predefined pollutants and waste types. The columns with "Row ID" are only provided to help navigate the disclosures in the Digital Template and are not implemented in the XBRL taxonomy itself.

68. All possible mathematical relations between XBRL elements have been modelled in the Calculation Linkbase, in particular XBRL elements related to the total number of employees, waste, the total GHG emissions and the revenues.

69. For the XBRL element "Link to the previous report" reflecting paragraph 16 of the VSME, the EFRAG Secretariat decide to implement it as a string in order to allow for laxer validation. It might consider changing the type to "URI" in a new XBRL taxonomy release, which makes XBRL reports invalid not providing a full qualified URI.

70. For every data-point that has specific unit of measurement the XBRL taxonomy provides corresponding measurement labels. While in the template the unit of measurement is inside the headlines and in the names of the data-points, in the XBRL taxonomy it is sufficient to include it in the label Linkbase, supporting XBRL software to display the correct units from the Unit Registry (UTR) [12]. The unit ID from the UTR is reflected in curly brackets.

71. Moreover, calculations for ratios are provided as additional documentation labels.

5. Description of the Digital Template to XBRL Converter

72. The tool enables converting data from the Digital Template in Excel into XBRL (eXtensible Business Reporting Language) format by leveraging Excel named ranges. Each named range in the Excel file must correspond exactly to the local name of the relevant element in the VSME XBRL taxonomy. This ensures accurate and standards-compliant digital tagging of sustainability disclosures.

73. A free instance of this tool is running on the EFRAG Webpage: https://xbrl.efrag.org/convert/

74. It comes with the following key-features, streamlining the digital sustainability reporting:

    (a) Maps Excel data to an XBRL reports using named ranges.

    (b) Compatible with the VSME Digital Template and XBRL Taxonomy developed by EFRAG.

    (c) Produces a human-readable Inline XBRL file (including viewer) based on the Presentation Linkbase of the XBRL taxonomy.

    (d) Converts the Inline XBRL report to an XBRL Report Package and XBRL-JSON report.

    (e) Comes with full certified XBRL validation powered by Arelle.

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[12] https://www.xbrl.org/utr/utr.xml

(f)   Can be deployed as a webserver using Flask, or as a command-line tool.

75.   While the Digital Template to XBRL Converter is optimized and tested with the VSME Digital Template and XBRL Taxonomy, in general it might be possible to re-use it for other XBRL taxonomies as well, given its generic implementation.

76.   In order to enable market-participants that wish to enable their own and/or existing reporting solutions to produce digital XBRL reports, they can either:

(a)   Make their own Excel template compatible with the XBRL converter by introducing the named ranges matching the XBRL taxonomy element local names.

(b)   Use the API of the converter to provide the reporting values to it, instead of reading those from an Excel spreadsheet.

77.   The converter requires a number of basic technicals to be provided, namely the cells in the "Information on the report necessary for XBRL [Always to be reported]". If those values are not provided, the XBRL converter will fatally abort the conversion.

78.   The XBRL converter provides various validation messages, including type and severity. Errors and warnings must be carefully solved before further processing. If the error message is not self-explanatory, it can be raised as an Github issue, with a description on how the issue can be reproduced.

Message Type	Description
Excel Parsing	The converter detected an issue while reading the value from the Excel file. In order to resolve the issues, please make sure to use the official template from EFRAG and pay attention to the validations in the Excel workbook.
Conversion	Conversion messages might indicate an issue with the application itself, i.e. an unexpected error occurred.
XBRL Validation	The XBRL validations are performed on XBRL files that could successfully be generated. Depending on the type of messages, those can be either calculation inconsistencies or critical errors with respect to the XBRL specifications that can be found on Usually, an error code is provided in square brackets as a prefix to the message, indicating which XBRL specification and which chapter is related to the error.
Progress Status	Provides timers for each step of the conversion (for software debugging purposes only)
Dev Info	Provides extensive logging for each step of the conversion (for software debugging purposes only)

79. It must be noted that a Digital Report is only considered valid according to the XBRL specifications, if no error is detected by the XBRL validation. Invalid XBRL reports should not be sent to users of the data.

80. The converter produces different files for download, each serving a different purpose but all containing the same disclosures and fact values:

    (a) Inline XBRL Report (incl. Viewer): Review and inspect the human-readable XHTML XBRL report with a Java-Script based viewer that shows you the underlying machine-readable XBRL tagging when opening in the web-browser.

    (b) Inline XBRL Report Package: Final report package. Including the Inline XBRL file that could be submitted/published (without viewer).

    (c) XBRL-JSON: Machine-readable dataset without human-readable report (for illustration purpose), that is generated from the Inline XBRL Report using Arelle.

81. The first version of the converter does not implement a validation of the completeness of the digital report (in contrast to the Digital Template itself), in relation to the mandatory VSME disclosure.

6. Annex I: Summary of the consultation with SME Forum and DRCF members

82. In April 2025, the EFRAG Secretariat shared a draft version of the Digital Template and XBRL taxonomy with the members of the SME and Digital Reporting Consultative Forum (DRCF) members, together with an online survey. The purpose of the consultation was to receive feedback and comments on both materials. In total 28 responses were provided, of which 5 were from DRCF members and 23 from SME Forum members.

83. The survey to SME Forum members included the following questions:

    (a) Do the SME Forum members find the cell background color index clear?

    (b) Do you agree with the way how the EFRAG Secretariat has modelled the VSME disclosure requirements in an Excel workbook?

    (c) Do you agree with the additional fuel converter (provided as a supporting tool) and the list with parameters provided in the "Fuel converter parameters" sheet? Should EFRAG Secretariat provide average net calorific values (density, etc.) or just leave it to the undertaking to provide the parameters based on their local circumstances and jurisdictions?

    (d) The digital reporting in XBRL requires an entity identifier to correctly identify the company. The EFRAG secretariat recommends using an international and verifiable entity identifier like the LEI, which is also used by EBA, EIOPA and ESMA to identify digital reports. Which other identifier types should be supported by the Digital Template?

(e)   Do you have any comment or suggestion on the Draft VSME Digital Template?

(f)   Do you think the Digital Template is a useful support guide for the SME ecosystem?

84.   The survey to DRCF members included the following questions:

(a)   The digital reporting in XBRL requires an entity identifier to correctly identify the company. The EFRAG secretariat recommends using an international and verifiable entity identifier like the LEI, which is also used by EBA, EIOPA and ESMA to identify digital reports. Which other identifier types should be supported by the Digital Template?

(b)   Can you confirm the validity of the VSME Draft XBRL Taxonomy with respect to the XBRL specifications? (For those with the capability of running a technical XBRL validation)

(c)   Do you have any comment or suggestion on the Draft VSME XBRL Taxonomy?

85.   All of the SME Forum members responding to the question "Do you think the Digital Template is a useful support guide for the SME ecosystem?" confirmed the usefulness and the need of a VSME Digital Template.

86.   Concerning the question if the EFRAG Secretariat has modelled correctly the VSME disclosure requirements in an Excel workbook, this was positively confirmed by the members. However, many useful suggestions for smaller improvements and changes (e.g. colors and visuals) which were mostly implemented. One respondent raised concerns about the complexity of the workbook in general (having many formulas) and the question of long-term continuity.

87.   The answers related to the question on the Fuel Converter confirmed that it is a useful tool, with a few members questioning whether EFRAG should specify the parameters (e.g. Net Calorific Value and Density) needed for the conversion.

88.   A vast majority of respondents agreed that the Legal Entity Identifier (LEI) should be recommended by the EFRAG Secretariat. However, a few additional identifiers have been proposed as well. Those that satisfied the criteria mentioned in paragraph 43 and 44 of this document have been added.

89.   The DRCF members confirmed that the draft XBRL taxonomy is compliant with the XBRL specifications and can be processed with various XBRL software tools.