

AECM feedback on the draft sustainability reporting standard for voluntary use

AECM - European Association of Guarantee Institutions represents 51 members in 33 countries, encompassing national promotional banks and institutions as well as private/mutual guarantee schemes, whose mission is to facilitate access to finance for SMEs. We strongly support the double objective of the draft sustainability reporting standard for voluntary use (VS): encouraging voluntary SME sustainability reporting, and establishing the VS as the reference ESG questionnaire that protects SMEs from excessive and duplicative data requests from their business partners and financiers. Our members sit precisely at the interface between these two worlds: as financial institutions subject to growing prudential ESG obligations under the revised CRD/CRR package, and whose daily work is supporting SMEs with limited administrative capacity. A well-designed, broadly adopted VS is not merely a reporting tool for us: it is an enabler of access to finance for SMEs. We welcome simplification achieved through the Omnibus I Directive, and efforts to develop a proportional, straightforward and usable voluntary reporting standard. That being said, we would like to share some thoughts and considerations ahead of the adoption of the VS as a delegated act.

➤ **Increasing the threshold for certain disclosures to 50 employees**

AECM appreciates the modular structure consisting of a basic module and a comprehensive module inherited from the VSME, making certain disclosures voluntary for undertakings with 10 employees or fewer, thereby recognising that micro-enterprises have the most limited reporting capacity. However, we believe this threshold should be extended to all small enterprises, i.e. those with fewer than 50 employees. The administrative and financial reality of a company with 11 employees is not meaningfully different from one with 8 or 9: both lack dedicated sustainability staff, structured data collection processes, and the resources to absorb compliance costs. It is generally from 50 employees onwards that businesses begin to develop structured approaches to sustainability management. Extending the voluntary perimeter to this threshold would ensure the proportionality principle is applied consistently and meaningfully across the full range of small(er) enterprises, while still preserving the VS as a credible framework for those who choose to use it.

➤ **Harmonising the VS with ESG data requested by financial supervisors**

For the financial sector, the voluntary standard's success depends on genuine market acceptance and regulatory alignment. Prudential supervisors (EBA, ECB, and national authorities) should explicitly endorse the VS as a sufficient basis for SME counterparty ESG data; without this, financial institutions will continue sending informal ad hoc questionnaires regardless of the standard's existence. This need is urgent given the somewhat contradictory regulatory trajectories: banks and financial institutions face heightened ESG obligations under the CRD/CRR package, requiring granular counterparty data that most SMEs cannot provide, while companies see simplified reporting and reduced scope under CSRD. As such, the VS must be widely adopted by SMEs and regulatory requirements on banks must align with the data the standard can realistically deliver, ensuring a seamless continuum between company disclosures and expectations from financial supervisors.

➤ **Empowering undertakings with a digital toolbox**

The successful implementation of VS will depend on a relevant and adequate digital toolbox that supports undertakings in the value chain (in particular SMEs) at every stage of the process. This toolbox should prioritise substantial onboarding and digital training materials for financiers and business partners that work with SMEs, enabling them to fully grasp the requirements and deliver accurate reporting through an intuitive user experience. Additionally, a national or EU-level user-friendly digital platform should be established to streamline data collection, aligning with the once-only principle and reducing administrative burdens. This platform could integrate with the European Single Access Point (ESAP), but with simplified technical specifications – such as more accessible alternatives to XBRL – to ensure usability for SMEs. Finally, the platform should also facilitate data sharing, making information available to relevant stakeholders in a secure and efficient manner. Such an approach would not only enhance compliance but also foster transparency and collaboration across the ecosystem.

About us

The **European Association of Guarantee Institutions (AECM)** represents 51 members operating in 33 countries in Europe, and 7 affiliates. They are national promotional banks and institutions or private/mutual sector guarantee schemes. Their mission is to support SMEs in getting access to finance. They provide guarantees to SMEs that have an economically sound project but do not dispose of sufficient bankable collateral. This so-called SME financing gap is recognised as market failure. By guaranteeing for these enterprises, guarantee institutions address effectively this market failure and facilitate SMEs' access to finance. The broader social and economic impact of this activity includes the following:

- Job creation and preservation of jobs by guaranteed companies
- Innovation and competition: crowding-in of new ideas leading to healthy competition with established market participants
- Structure and risk diversification of the European economy
- Regional development since many rural projects are supported
- Counter-cyclical role during crises

SME guarantees generally pursue a long-term objective and our members, if public, private, mutual or with mixed ownership structure, have a promotional mission.

AECM's members operate with counter-guarantees from regional, national, and European level. At the end of the year 2024, AECM's members had about EUR 218 billion of guarantee volume in portfolio, thereby granting guarantees to around 6 million SMEs. AECM's members are by far the most important counterparts of the EIF concerning EU counter-guarantees, handling EU (counter-)guarantees from the very beginning in 1998.

Have a look at our [AECM Brochure](#) and at our most recent publications:

[Statistical Yearbook 2024](#)

[Annual Activity Report 2024](#)

[Position papers](#)

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