

PRESS STATEMENT - FOR IMMEDIATE RELEASE

Brussels, 18 September 2025

Investors call for a credible voluntary sustainability reporting standard for small and mid-caps

In a critical stage of the negotiations on the Omnibus Simplification package, EFAMA, Eurosif, and UN PRI join forces to call for a credible and proportionate voluntary sustainability reporting standard for companies with over 250 employees that will fall outside of the CSRD scope. This minimum voluntary standard would allow financial institutions, including investors, to access meaningful sustainability-related information crucial for their investment decisions.

Why does it matter?

ESG data is essential for informed investment decisions and assessing sustainability risks. However, the European Commission's current proposal risks excluding many companies already reporting under the Non-Financial Reporting Directive (NFRD)/CSRD, creating data gaps and market fragmentation. In addition, the use of the Voluntary Standard for SMEs (VSME) as a basis for non-SME voluntary reporting is not fit for purpose. Designed for micro, small, and medium enterprises, the VSME lacks the granularity and reliability needed for reporting to larger companies and financial market participants as users of information. Its application as a value chain cap may further restrict the information available to investors.

Our recommendations

To ensure that investors have access to meaningful, decision-useful ESG data across a wide range of companies and their entire value chain, our organisations suggest that the voluntary reporting standard should be grounded in the revised European Sustainability Reporting Standards (ESRS). This initiative aims to provide proportionate and scalable requirements that enable companies—particularly growing businesses—to gradually transition toward mandatory sustainability reporting. By enhancing the comparability, reliability, and usability of both voluntary and mandatory ESG disclosures, the standard will help close critical data gaps and foster greater transparency. Ultimately, this fit-for-purpose framework will support the growth of sustainable finance, empower informed investment decisions, reduce greenwashing, and ensure continued access to capital for European businesses navigating the evolving regulatory landscape.

Ilia Bekou, EFAMA Regulatory Policy Advisor, commented: *“Our proposal to EU legislators for a voluntary standard aims to ensure comparability and reliability of sustainable disclosures, support a smoother transition to mandatory reporting, and foster financing opportunities and market growth for EU companies.”*

Pierre Garrault, Eurosif Senior Policy Advisor, commented: *“By reducing the scope of companies subject to mandatory sustainability reporting by over 80%, the Omnibus initiative risks leaving investors in the dark. A voluntary bespoke standard for small and mid-caps is essential to narrow ESG data gaps and support informed investment decisions and risk management.”*

Elise Attal, PRI Europe Policy Head, commented: *“Investors need decision-useful sustainability information to guide their capital allocation decisions. A fit-for-purpose voluntary standard for the companies*

that will no longer report under CSRD, due to its scope change, will be important. This would limit ad-hoc requests for sustainability data that companies receive from investors and ensure their access to sustainable finance.”

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Notes to Editors

Read the full joint letter [here](#).

Eurosif's detailed position on the Omnibus package can be found [here](#).

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About EFAMA:

EFAMA is the voice of the European investment management industry, which manages around EUR 33 trillion of assets on behalf of its clients in Europe and around the world. Its membership consists of 29 national associations, 52 global asset managers, and 27 associate members. We advocate for a regulatory environment that supports our industry's crucial role in steering capital towards investments for a sustainable future and providing long-term value for investors.

Besides fostering a Savings & Investments Union, consumer empowerment and sustainable finance in Europe, we also support open and well-functioning global capital markets and engage with international standard setters and relevant third-country authorities. EFAMA is a primary source of industry statistical data and issues regular publications, including Market Insights and the authoritative EFAMA Fact Book.

More information is available at www.efama.org

About Eurosif

Eurosif – the European Sustainable Investment Forum, is the leading pan-European association promoting sustainable finance at the European level. Its membership is comprised of Sustainable Investment Fora (SIFs) from across Europe. Most of these SIFs have a broad and diverse membership themselves, including asset managers, institutional investors, index providers and ESG (Environmental, Social and Governance) research and analytics firms. Eurosif and its members are committed to the growth and development of sustainable finance and support development of EU rules which are fit-for-purpose and facilitate the financial industry's contribution to a just transition.

More information is available at www.eurosif.org.

About UN PRI

The Principles for Responsible Investment (PRI) works with its international network of more than 5000 signatories with USD 120 trillion assets under management to put the six Principles for Responsible Investment into practice. Its goals are to understand the investment implications of environmental, social and governance (ESG) issues and to support signatories in integrating these issues into investment and ownership decisions. The PRI acts in the long-term interests of its signatories, of the financial markets and economies in which they operate and ultimately of the environment and society as a whole. The six Principles for Responsible Investment are a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice. The Principles were developed by investors, for investors. In implementing them, signatories contribute to developing a more sustainable global financial system.

More information at www.unpri.org.