

## **Danish technical paper on structured and standardized data formats for sustainability data collection in value chains reducing reporting burdens for companies.**

European companies are increasingly required to report on sustainability, particularly because of the Corporate Sustainability Reporting Directive (CSRD). For SMEs, the ability to collect and share sustainability data is becoming a 'license-to-operate' as larger companies request data across their organizations and value chains to fulfil sustainability reporting requirements.<sup>1</sup> Unfortunately, most sustainability data is currently being shared in different data formats and in a rather analogue manner – such as in different spreadsheets, PDF files, emails, or through manual surveys, restricted data platforms – resulting in significant administrative burdens for both large companies and SMEs.<sup>2</sup>

If European companies are to increase their competitiveness, this analogue and fragmented practice cannot continue. Instead, **companies should be able to collect necessary sustainability data in structured and standardized digital formats, allowing for automated data handling and sustainability reporting.** With the ambitious efforts to deliver on a European data economy, the digital single market, and the green deal, we must develop the required technical specifications on interoperability and data formats to enable data sharing on sustainability for European companies.

We encourage the Commission to consider the following initiatives to promote structured and standardized collection and sharing of sustainability data to reduce reporting burdens for European companies:

- 1. Identify, structure, and standardize sustainability data formats** for automatic sharing of sustainability data between suppliers and customers' ERP systems and ESG solutions. Initially, we should:
  - Develop and integrate standardized data fields for physical units and product codes (such as UNSPSC or TARIC) to be included in standardized data formats already sent and received between companies<sup>3</sup>. This would give companies better possibilities to automatically track materials and product usage in physical units through their procurement data.
  - Develop a digital standardized and structured data format for the voluntary reporting standard for SME's (VSME) currently being drafted by EFRAG<sup>4</sup>, as part of the implementation support for the CSRD.
  - Ensure that the developed data formats are integrated and used by the ESG-solution providers in the market, e.g., by setting minimum requirements for ESG solutions in the market<sup>5</sup>.
- 2. Ensure sufficient funding and resources for developing standards** required for horizontal interoperable data sharing needed to support reporting on sustainability information requirements, including:
  - Identifying existing standards for data formats already in use or under development in close collaboration with European and international standardization organizations<sup>6</sup>, also involving industrial stakeholders, public authorities, and standardization bodies. Diverse perspectives and expertise will enhance the robustness and relevance of the standards, as has been the case with the VSME standard.

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<sup>1</sup> Report from the Danish Board of Business Development shows that 52% of Danish SME's experience requirements related to their environmental and climate accounting.

<sup>2</sup> Deloitte, for DG Reform and Danish Business Authority (2024): "[Circular economy transition through standardization of product data in automated processes in Denmark](#)"

<sup>3</sup> [Such as in eInvoices standardized through the European Norm 16931](#)

<sup>4</sup> [EFRAG's work on VSME](#)

<sup>5</sup> See separate Danish technical non-paper on setting minimum requirements for ESG solutions.

<sup>6</sup> Such as ISO/IEC JTC 1, UNECE and UNECEFACT

- Ensuring that the development of digital data formats for data collection are coherent with relevant regulatory reporting frameworks, including CSRD. Coherence with these regulations is crucial to promote broad adoption and compliance with standardized reporting practices.
- Focus on interoperability to enable seamless data exchange between different platforms and organizations. This involves aligning data formats with existing standards and frameworks, such as CEF eDelivery, to facilitate seamless integration with business systems and regulatory requirements.

**3. Ensure well-functioning governance and coordination between standardization activities** ongoing in various fora in the EU – such as the workstream on data interoperability in the High-Level Forum for Standardization – and establish a governance mechanism tasked with ensuring continuously updated data formats. Inspiration for such a governance mechanism could be drawn from work in Peppol regarding eInvoices.<sup>7</sup>

We believe that through improving the availability of structured and standardized digital data formats for sustainability data companies will be significantly supported in their sustainability reporting which will reduce administrative burdens.

The Danish Business Authority is available to further discuss the elements proposed. For more information, please contact:

Jacob Frellesvig (jacfre@erst.dk)

Frederik Weiergang Larsen (frewla@erst.dk)

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<sup>7</sup> <https://peppol.org/>