



SUSTAINABLE SMEs

Sustainability reporting enhancing SMEs' market reach, competitiveness, and sustainable growth

Interview analysis on sustainability reporting
2025 among SMEs and SME Stakeholders

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1. Executive Summary

This report presents a comparative analysis of sustainability reporting maturity among small and medium-sized enterprises (SMEs) and their key stakeholders in Finland, Sweden, Ireland, and Iceland. The context for this analysis is the evolving European regulatory landscape: since 2024, large and listed companies have been required to report on their sustainability performance under the European Sustainability Reporting Standards (ESRS) as part of the Corporate Sustainability Reporting Directive (CSRD). In 2025, the European Union (EU) introduced the Voluntary Sustainability Reporting Standard for SMEs (VSME), aiming to standardize and simplify sustainability reporting for smaller companies across all member states.

Although these frameworks primarily target large companies (except VSME), SMEs are increasingly affected through supply chain requirements and growing customer expectations. Many SMEs face significant challenges in adapting to these new demands, including the complexity of reporting requirements, limited resources, and uncertainty about what data to collect and how to comply. These challenges are particularly acute for micro and small enterprises, which often lack the expertise or capacity to implement systematic sustainability reporting.

The Sustainable SMEs project, launched in April 2025 and funded by the EU's Interreg NPA Programme, seeks to address these issues by analysing the current state of sustainability reporting in SMEs within the bioeconomy and manufacturing sectors. Through interviews with SMEs and their stakeholders - including networks, associations, auditors, business development organizations, and public authorities - in Finland, Sweden, Ireland, and Iceland, the project identifies both common trends and country-specific differences.

Key findings include:

- Finnish and Swedish SMEs demonstrate the highest maturity, often integrating sustainability into strategy and operations, and sometimes exceeding legal requirements. Irish SMEs are generally at earlier stages, while Icelandic SMEs report medium maturity, focusing on relevance and simplicity.
- Common challenges across all countries include time-consuming data collection, fragmented systems, and uncertainty about evolving regulations. Increased automation and clearer guidance are seen as key opportunities for progress.
- Stakeholders such as public agencies, business networks, and consultants play a critical role in supporting SMEs. Over half of the interviewed stakeholders already offer sustainability reporting services, with about a quarter planning to introduce them. A wide range of tools is used, from advanced digital platforms to sector-specific applications, but there is a strong need for harmonized guidance and practical support.
- Both SMEs and stakeholders recognize the importance of collaboration, clearer regulations, and accessible tools to advance sustainability practices.

Overall, the journey toward mature sustainability reporting is ongoing. By addressing current barriers and leveraging digital solutions and networks, SMEs and their stakeholders can

enhance sustainability practices and better meet future demands from customers, regulators, and society.

2. Introduction & background to interview analysis

Since 2024 the EU has required large and listed companies to report on their sustainability performance through the European sustainability reporting standards (ESRS) (EUR-Lex, 2022). The standards implement the Corporate Sustainability Reporting directive (CSRD) (EUR-Lex, 2024). The idea of the directive is to make companies' environmental, social and governance (ESG) practices more transparent and make reporting more comparable and reliable. The directive is a part of the EU's aim to direct finances towards green investments and facilitate the green transition of the whole EU. (Alho & Rinne 2025.) Although the CSRD is directed at large companies, it affects small and medium-sized companies (SMEs) indirectly through upstream and downstream supply chains, since large companies are required to report certain information from their supply chain providers as well.

In 2025 the EU launched a specific reporting framework for small and medium-sized enterprises. It is called European Voluntary Sustainability Reporting Standard for SMEs (VSME). VSME aims to standardize the reporting information required from SMEs so that SMEs could meet the sustainability data needs of different customers and stakeholders with the same reporting framework. (EFRAG, n.d.). The VSME has been available in all EU languages since August 2025 (EUR-Lex, 2025).

However, some SMEs face difficulties with complying with the reporting requirements. For example, a study conducted on Finnish SMEs by Alho & Rinne (2025) from the Finnish Ministry of Environment states that the reporting requirements might seem complicated, or there might be challenges with collecting and managing necessary data. Some SMEs also lack either the knowledge of how to concretely do the reporting, or the resources to do it. (Alho & Rinne, 2025.) Similarly, Sean O'Reilly (2024) from the University College of Dublin identifies the main sustainability reporting challenges for SMEs as cost, education or knowledge, resources and data capture.

The project Sustainable SMEs (Sustainability reporting enhancing SMEs' market reach, competitiveness, and sustainable growth) was launched in April 2025 to understand better the situation and pain points of sustainability reporting in SMEs in the bioeconomy and manufacturing industries, and to develop and pilot solutions to help SMEs become more sustainable through sustainability reporting. The transnational three-year project is funded by the European Union's Interreg NPA Programme and implemented by Jamk University of Applied Sciences, BioFuel Region, AIM Centre, Irish Wood and Interiors Network, and University of Iceland.

During the first months of the project, SMEs and SME stakeholders, such as SMEs' networks and associations, accounting firms auditing sustainability reports, business development organizations, large companies, higher education institutions and public authorities were interviewed in Finland, Sweden, Ireland and Iceland to gain an overview of the current situation and challenges SMEs are facing with sustainability reporting. This analysis is the result of those interviews and serves to offer information about the aforementioned topics to businesses, decision-makers and other organizations that could benefit from it.

3. SME Interview analysis

In total, 29 interviews were conducted, fairly equally distributed between Finland, Ireland and Sweden. In Iceland one interview was conducted, due to limited resource constraints. The distribution between the size of the company is shown in Figure 1. Of the companies, 55% are performing sustainability reporting today. Of those, ecological, social and governance including economical reporting are done by almost everyone. Two companies are only doing financial reporting.

The companies did rate themselves in the maturity level of sustainability reporting, and more than 50% rate themselves as 4 or 5 in a 1 to 5 grade scale. This is typically the large and to some extent the medium size companies. Small and micro size companies rate themselves from 1 to 3 in maturity level.

Distribution of interviewed companies

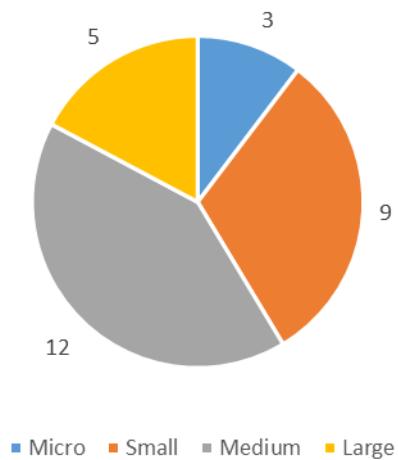


Figure 1. Distribution between the size of the companies that participated in the interviews.

3.1 Country overviews

3.1.1 Finland

Finnish SMEs face several challenges in their sustainability reporting journey. Data collection is often time-consuming, with information scattered across multiple systems, making integration and automation difficult. Smaller companies, in particular, struggle to prioritize sustainability work due to limited resources and the constant need to adapt to evolving regulations and customer requirements. Despite these obstacles, there are significant opportunities. Many Finnish companies view sustainability reporting as a competitive advantage and a way to meet increasing customer demands. There is a strong interest in adopting digital tools and automation to streamline reporting processes. Collaboration with consultants and industry partners is common, supporting knowledge sharing and process improvement. By proactively adapting to new regulations, Finnish SMEs are well-positioned to meet future requirements and further strengthen their sustainability practices.

3.1.2 Sweden

In Sweden, SMEs encounter challenges primarily related to data collection for Scope 3 emissions, as supplier data is often lacking or incomplete. Manual processes remain prevalent, even though digital tools are in use, and there is ongoing uncertainty about how new and changing regulations will impact reporting requirements. Smaller companies may also lack the resources or expertise needed to fully integrate sustainability into their strategies. On the other hand, Sweden has a strong culture of voluntary reporting, even when not legally required, which drives higher maturity levels. The use of advanced tools and ongoing digitalization efforts are notable opportunities. Swedish SMEs benefit from high stakeholder engagement and recognition for their sustainability work, and there are ample opportunities to leverage industry networks and benchmarking to adopt best practices and further advance their sustainability efforts.

3.1.3 Ireland

Irish SMEs are generally at an early stage in their sustainability journey and face several key challenges. Many lack systematic approaches to sustainability, and there is widespread uncertainty about what data to collect and which regulations apply. The administrative burden and lack of clear guidance further hinder progress, and the use of automation and digital tools for reporting is still limited. However, there are promising opportunities. There is a growing interest in hiring sustainability managers and building internal expertise. Increasing customer demand is pushing companies to improve their sustainability practices, and consultants and workshops are available to support SMEs in developing their reporting processes. As awareness and regulatory clarity increase, Irish SMEs have the potential to make rapid progress in their sustainability work.

3.1.4 Iceland

For the Icelandic interviewed company, the main challenges include reliance on manual processes and limited integration of sustainability reporting into business strategy. There is a risk that reporting becomes too bureaucratic or loses focus on what truly matters. External auditing and full integration are less common. Nevertheless, some companies follow international standards such as GRI, providing a solid foundation for further development. Icelandic SMEs emphasize the importance of keeping reporting relevant and meaningful, avoiding unnecessary complexity. There is an opportunity to build maturity by adopting best practices from other countries, and the focus on simplicity and relevance can be a strength in communicating sustainability efforts both internally and externally.

3.2 Comparative Analysis

This section presents a comparative overview of sustainability maturity levels among small and medium-sized enterprises (SMEs) in Finland, Sweden, Ireland, and Iceland. The analysis highlights key differences and similarities in how companies approach sustainability reporting, the tools they use, and the challenges they encounter. By examining these cross-country insights, the report aims to identify best practices and opportunities for advancing sustainability efforts across diverse business environments.

3.2.1 Maturity Levels Across Countries

Similarities Across Countries

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Across all countries, small and medium-sized enterprises (SMEs) are increasingly recognizing the importance of sustainability reporting, a trend largely driven by growing customer demands and evolving regulations. However, companies everywhere face significant challenges with data collection, which is often time-consuming and fragmented due to reliance on manual processes or multiple systems. There is widespread interest in adopting digital tools and automation to make sustainability reporting more efficient, though the extent of implementation varies. Additionally, many SMEs express uncertainty about new regulations—such as CSRD, ESRS, VSME, and Omnibus—and are seeking clearer, more practical guidance to ensure compliance.

Differences by Country

Finland

- **Higher Maturity:** Finnish SMEs are generally more advanced, with many integrating sustainability into strategy and operations. They often use tools like Excel, Power BI, ERP systems, and specialized platforms (e.g., Granite, ImpactOS).
- **Proactive Attitude:** Finnish companies tend to see sustainability as a competitive advantage and are proactive in adapting to new requirements.
- **Collaboration:** There is frequent collaboration with consultants and industry partners for knowledge sharing and process improvement.

Sweden

- **Voluntary Reporting Culture:** Swedish SMEs often report voluntarily, even when not legally required, and many reach high maturity levels.
- **Advanced Tools:** Use of advanced digital tools (e.g., Position Green, Power BI) is common, but manual work still persists.
- **Scope 3 Focus:** Swedish companies highlight particular challenges with collecting data for Scope 3 emissions (value chain).

Ireland

- **Lower Maturity:** Irish SMEs are generally at earlier stages, with less systematic approaches to sustainability.
- **Limited Automation:** There is less use of automation and digital tools, and companies often rely on consultants and workshops for support.
- **Uncertainty:** Irish companies express more uncertainty about what data to collect and which regulations apply, and they seek clearer guidance.

Iceland

- **Medium Maturity:** Icelandic SMEs typically report medium maturity, focusing on keeping reporting relevant and simple.
- **Manual Processes:** Reporting is often manual, with less emphasis on integration or external auditing.

- **Avoiding Bureaucracy:** There is a strong emphasis on avoiding unnecessary bureaucracy and ensuring reporting remains meaningful.

3.2.2 Drivers and Barriers

What drives development in each country?

The development of sustainability reporting among SMEs is shaped by a range of factors that differ from country to country. These drivers include customer demands, regulatory changes, competitive advantage, and the availability of digital tools and external support. The following section summarizes how these influences motivate companies in Finland, Sweden, Ireland, and Iceland to advance their sustainability practices.

Table 1. The main drivers for development in sustainability reporting divided by country.

Country	Main Drivers of Development
Finland	Customer demands, regulatory readiness, competitive advantage, collaboration, digitalization
Sweden	Voluntary reporting, stakeholder recognition, industry networks, Scope 3 focus, internal leadership
Ireland	Customer/supply chain pressure, regulatory changes, external support, growing awareness
Iceland	Customer relevance, international standards, simplicity, external support, peer learning

What are the challenges?

SMEs face a variety of challenges in sustainability reporting, which differ depending on sector and company size. The following section outlines the main obstacles identified through interviews with companies across Finland, Sweden, Ireland, and Iceland.

Table 2. Industry vs. Key Sustainability Reporting Challenges.

Industry	Main Challenges
Manufacturing & Wood/Furniture	<ul style="list-style-type: none"> - Collecting detailed data (component-level carbon footprint) - Scope 3 emissions reporting - Traceability of raw materials and side streams - Lack of resources and unclear standards
Forestry & Biomass/Bioenergy	<ul style="list-style-type: none"> - Tracking sidestreams (biomass, biofuels) - Social sustainability due diligence - Integrating sustainability into operations
Transport & Logistics	<ul style="list-style-type: none"> - Reporting transport-related emissions - Customer certification requests - Unclear requirements and supply chain transparency
Technology & Metal	<ul style="list-style-type: none"> - Understanding what data to collect - Need for clear frameworks and standards - Resource shortages
Textile Industry	<ul style="list-style-type: none"> - Data collection challenges - Setting sustainability standards

Water, Waste & Recycling	<ul style="list-style-type: none"> - Building reporting frameworks - Identifying essential data - Complex regulatory requirements
Food Processing	<ul style="list-style-type: none"> - Determining required sustainability information - Lack of standardized reporting practices

Of the respondents, it is obvious that the larger the company, there becomes more common to do sustainability reporting, see Figure 2. Of the micro and small sized companies, only 3 respondents are currently doing sustainability reporting, while all of the interviewed large companies are doing sustainability reporting.

Sustainability reporting 2024

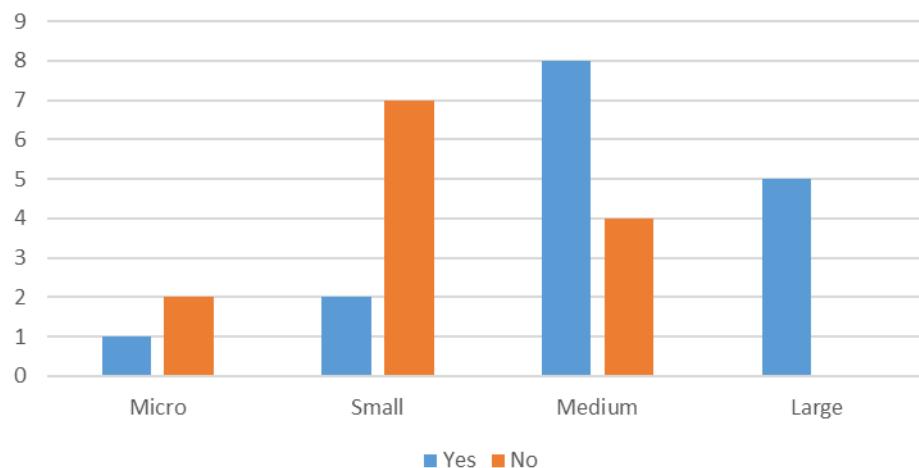


Figure 2. Number of companies that are doing and not doing sustainability reporting in 2024.

The challenges are somewhat different depending on the size of the company, and this is present in Table 3. One of the main challenges for micro and small sized companies are the lack of resources and time.

Table 3. Challenges for sustainability reporting depending on company size.

Company Size	Typical Challenges
Large (251+ employees)	<ul style="list-style-type: none"> - Complexity of data collection across multiple units and geographies - Scope 3 emissions reporting - Turning sustainability reporting into business value - Managing evolving regulatory requirements
Medium (51–250 employees)	<ul style="list-style-type: none"> - Lack of clarity on what data to collect and how to structure reporting - Limited resources for dedicated sustainability roles - Need for partners and frameworks for first report - Time constraints
Small (11–50 employees)	<ul style="list-style-type: none"> - Resource shortages (time, manpower) - Uncertainty about requirements and standards - Difficulty prioritizing sustainability in fast-growing businesses

Micro (1–10 employees)	<ul style="list-style-type: none"> - Very limited resources - Often not reporting yet, but anticipate future needs - Challenge is understanding what will be required without overburdening the business
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3.2.3 Tools and support

Many SMEs use a mix of digital tools and manual processes for sustainability reporting. The most common tools include Excel and Power BI for data collection and visualization, as well as various ERP systems tailored to company needs. Some companies use specialized platforms such as Granite, ImpactOS, Position Green, and Carbonfit for more advanced or automated reporting. In several cases, companies also rely on consultants or external partners to support their reporting processes. Despite increasing digitalization, manual data handling and fragmented systems remain common.

Table 4. Common tools that are used today for sustainability reporting divided per country.

Country	Common Tools Used for Sustainability Reporting
Finland	Excel, Power BI, ERP systems, Granite, ImpactOS, SharePoint, consultants
Sweden	Excel, Power BI, Position Green, ERP systems, custom tools, consultants
Ireland	Excel, Carbonfit, consultants, Enterprise Ireland workshops, limited use of automation
Iceland	Manual processes, GRI standards, consultants

The data shows that confidence levels among SMEs regarding new European sustainability legislation are mixed. Some companies feel well-informed and prepared, especially those with prior experience in sustainability reporting or larger organizations with dedicated resources. However, many SMEs express uncertainty or lack of clarity about the details and implications of the new regulations. Common concerns include understanding specific requirements, keeping up with frequent changes, and the administrative burden of compliance. Several companies highlight the need for clearer guidance and practical support to navigate the evolving legislative landscape.

SMEs most commonly seek support from external consultants, industry associations, and auditors. Many companies also rely on internal expertise, such as quality managers or dedicated sustainability teams. In some cases, support is provided by business partners, banks, or accounting firms. Additionally, companies participate in webinars, seminars, and workshops, and some mention using regional or national organizations for guidance. This mix of external and internal resources highlights the importance of networking and knowledge sharing in advancing sustainability work among SMEs.

3.3 Summary of SMEs

This report provides a thorough comparative analysis of sustainability reporting maturity among SMEs in Finland, Sweden, Ireland, and Iceland. The findings reveal that while Finnish and Swedish SMEs are at the forefront, integrating sustainability into their strategies and operations and leveraging digital tools, Irish and Icelandic SMEs are still developing their approaches, often facing greater uncertainty and resource constraints. Common challenges across all countries include time-consuming and fragmented data collection, difficulties with

system integration, and unclear or evolving regulatory requirements. The most significant bottlenecks are lack of resources, uncertainty about what and how to report, and the administrative burden of compliance.

Despite these obstacles, there are clear opportunities for progress. Increased automation and digitalization can streamline reporting processes, while sharing best practices and providing clearer regulatory guidance can help raise maturity levels, especially in countries currently lagging behind. The report highlights the importance of systematic data collection, dedicated resources, and internal procedures to improve sustainability reporting. In the long term, SMEs will benefit from improved traceability, standardization, and a stronger link between sustainability efforts and business value. Networking, collaboration with consultants and industry partners, and participation in workshops and seminars are also key to advancing sustainability work.

Overall, the journey towards mature sustainability reporting is ongoing. By addressing current barriers and leveraging digital solutions, SMEs across all countries can enhance their sustainability practices and better meet future demands from customers, regulators, and society.

4. SME Stakeholders interview analysis

The SME Stakeholders are organisations that mainly support SMEs with sustainability reporting, such as business support organisations and industry associations. In total, 32 interviews were conducted (Figure 3), fairly equally distributed between Finland, Ireland and Sweden. In Iceland and Norway, one interview each was conducted. Currently, more than half of the interviewed organizations have support for sustainability reporting in their service portfolio, while around 25% plan to introduce it but do not yet offer this service, see Figure 4.

Interviewed SME Stakeholders

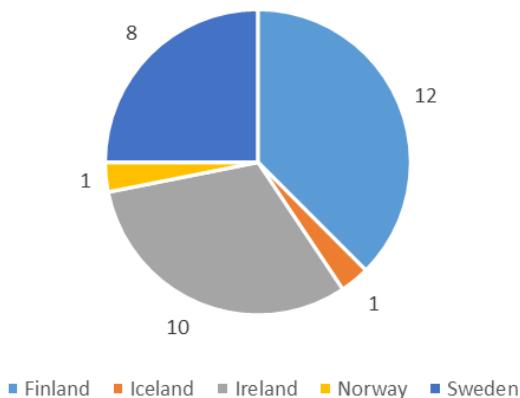


Figure 3. Number of stakeholder persons interviewed from different countries.

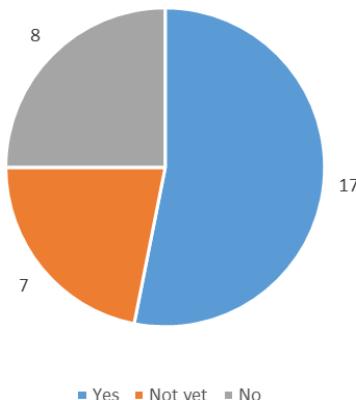


Figure 4. Distribution of the sustainability reporting included in the SME Stakeholders service portfolio.

4.1 Country Overviews

4.1.1 Finland

Finland demonstrates a relatively high level of engagement with sustainability reporting among both public and private sector organizations. Many organizations have established routines, such as Hansel Oy and Greenstep Oy, which use tools like Granite for CSRD materiality analysis and EFRAG tools. Collaboration with suppliers, benchmarking, and participation in training and networks are common. However, challenges remain, including fragmented understanding within organizations, lack of sector-specific guidance, and resource constraints for SMEs. There is a strong call for harmonized platforms and clearer legislative guidance. Benefits observed include improved market access, better pricing for sustainable products, and enhanced trust with clients. Awareness of CSRD, ESRS, and Omnibus is growing, but confidence in applying new regulations varies.

4.1.2 Sweden

In Sweden, there is a mix of advanced and developing practices. Tools such as web-based portals, AI-driven requirement analysis, and sector-specific tools (e.g., SÅ klimatcalc) are used. Networks, mentoring, and internal training are common support mechanisms. Some organizations require a sustainability dialogue as part of financing. The main challenges are the complexity and overlap of regulations, lack of known standards, and resource constraints for small companies. Reporting is seen as beneficial for competitiveness and customer dialogue, but there is a need for more practical support and clearer communication from authorities. Awareness of CSRD and related frameworks is increasing.

4.1.3 Ireland

Irish SMEs use a variety of tools, including Excel, in-house applications, and government-supported templates (e.g., Climate Toolkit 4 Business, GreenStart, Climate Ready). Local Enterprise Offices and agencies like SEAI and Enterprise Ireland are key sources of support. Peer learning and external consultants are also utilized. Challenges include difficulties in tracking and measuring sustainability metrics, especially in agriculture, hospitality, and manufacturing, as well as a lack of sector-specific frameworks and limited internal capacity. Benefits include efficiency gains, cost savings, improved competitiveness, and better access

to funding. There is a need for clearer, simplified guidance tailored to micro and small enterprises, and regular updates from national bodies.

4.1.4 Iceland

In Iceland, only one organization was interviewed, but the organization has knowledge of SMEs' situation through their work with them. Icelandic SMEs use a mix of tools, such as "Stika," "Klappir," custom Excel solutions, and sector-developed tools for carbon accounting. While there are dedicated personnel for sustainability knowledge, there is a need for better CSRD implementation and more accessible best practices. Many companies lack dedicated staff for sustainability reporting, and there is a need for unified methods for environmental data representation and traceability. Benefits include improved financing, business insights, and market positioning for those engaging in sustainability reporting.

4.1.5 Norway

In Norway, only one organization was interviewed, but the organization has knowledge of SMEs' situation through their work with them. Norwegian organizations, particularly in the forest sector, are actively working to inform their members about upcoming sustainability reporting requirements. Collaboration with universities and sector organizations is common, and information is shared through events and online resources. SMEs in Norway face challenges related to data capture and reporting systems, and there is a recognized need for more practical examples and regular legislative updates. Some SMEs have gained contracts due to proactive reporting, but there are also a fear of greenwashing and a need for more accessible, sector-specific guidance.

4.2 Comparative Analysis

To better understand the current state of sustainability reporting among SMEs, this section provides a comparative analysis across Finland, Sweden, Ireland, and Iceland. By examining similarities and differences in reporting maturity, tools, and challenges, the analysis highlights best practices and opportunities for advancing sustainability efforts in diverse business environments.

4.2.1 Maturity Levels Across Countries

Similarities Across Countries

Across Finland, Sweden, Ireland, Iceland, and Norway, the maturity of sustainability reporting shows several clear similarities. Larger organizations and public sector actors in all countries tend to have more advanced and structured reporting practices, often using established tools and integrating sustainability into their annual routines. In contrast, SMEs in every country generally have less mature approaches—reporting is often ad hoc, compliance-driven, or limited to what is required by customers or funders, with a widespread lack of dedicated personnel and sector-specific expertise. Many organizations are in a transitional phase, moving from basic compliance toward more strategic and integrated reporting, often supported by external consultants, peer learning, and training. Common challenges across all countries include fragmented knowledge, resource constraints, difficulties with supply chain data, and uncertainty about new regulations. Regardless of country, sectors facing strong regulatory or market pressure are more advanced, while micro-enterprises and less regulated sectors lag behind.

Differences by Country

Iceland and Norway are not included in the comparison of differences due to the limitation of only one participating organisation.

Finland:

Finland stands out for its relatively high maturity in sustainability reporting, especially among public sector organizations and larger companies. Many have established routines, use advanced tools (like Granite and EFRAG), and integrate reporting into annual cycles. There is also a strong culture of benchmarking, external audits, and participation in networks. However, smaller organizations and some sectors are still developing their practices and face challenges with supply chain data and new regulations.

Sweden:

Sweden also demonstrates advanced practices in larger organizations, with the use of web-based portals, sector-specific tools, and requirements for sustainability dialogue in financing. However, there is greater variation between sectors and company sizes. Many SMEs and less regulated sectors are still at an early stage, focusing on compliance and basic awareness, and often lack dedicated personnel.

Ireland:

Irish organizations are generally in a transitional phase. While some use government-supported templates and participate in training, most SMEs have less mature reporting, often limited to what is required by funders or customers. There is a strong reliance on external support, and many organizations are still building internal capacity and sector-specific expertise.

4.2.2 Drivers and Barriers

Understanding the factors that drive or hinder sustainability reporting is essential for assessing the progress and challenges faced by organizations across different countries and sectors. Drivers such as regulatory requirements, market expectations, and access to funding encourage organizations to adopt and improve sustainability reporting practices. At the same time, barriers—including limited resources, fragmented knowledge, and complex regulations—can slow down or complicate the implementation of effective reporting. This section includes the most significant drivers and barriers, as well as challenges identified in the interviews, highlighting how they shape the maturity and development of sustainability reporting among SMEs and larger organizations. The challenges between the business sectors are shown in Table 5.

Drivers:

- Regulatory requirements (CSRD, ESRS, Omnibus)
- Market access and customer demand
- Funding and grant eligibility
- Peer learning and benchmarking

Barriers:

- Complexity and overlap of regulations

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- Lack of sector-specific guidance and practical tools
- Resource constraints, especially for micro and small enterprises
- Fragmented internal knowledge and limited dedicated personnel

Challenges by Business Sector*Table 5. Challenges by business sector as identified by the interviewed stakeholders.*

Business Sector	Common Challenges
Public Sector / Procurement	Fragmented knowledge within organizations; difficulties integrating sustainability goals into procurement; supplier engagement; lack of shared understanding and guidance; varying requirements between procurement areas.
Agriculture & Food	Lack of expertise in sustainability reporting; need for unified platforms; resource constraints; difficulties measuring and reporting environmental data; challenges interpreting and following new regulations.
Manufacturing & Industry	Difficulties tracking and measuring emissions (especially Scope 3); variation in knowledge across industries; lack of detailed data; resource constraints for monitoring and verification; complex supply chains.
Services / Consulting	Keeping up with EU regulations; time and resource constraints; need for practical tools; difficulties finding sector-specific guidance; mental barriers to getting started.
Forestry & Natural Resources	Complex reporting requirements; lack of sector-specific guidance; need for harmonized data and traceability; fear of greenwashing; need for practical examples and regular legislative updates.
Other SMEs	Limited resources; fragmented knowledge; administrative burden; difficulties understanding and implementing new requirements; lack of clear, practical tools and guidance.

4.2.3 Tools and support

The main tools and sources of support for sustainability reporting, as described by the interviewed stakeholders, vary by country. The overview highlights how different nations utilize specific digital platforms, sector-based applications, and reporting templates to address their unique needs. Stakeholders—including representatives from public agencies, business networks, and SMEs—shared insights into the types of tools they use and where they primarily receive support. For a detailed summary of the most common tools and platforms used in each country, see Table 6.

*Table 6. Common tools that are used for sustainability reporting in the different countries.***Country Common Tools Used for Sustainability Reporting**

Finland	Granite (CSRD materiality analysis), EFRAG tools, Excel, sector-specific indicators, benchmarking
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Sweden Web-based portals, AI-driven analysis, SÅ klimatcalc, Sustainability Dialogue tool

Ireland Excel, in-house applications, Climate Toolkit 4 Business, GreenStart, Climate Ready, mentoring programs

Iceland Stika, Klappir, custom Excel tools, sector-developed carbon accounting solutions

Norway Sector-specific guidebooks, collaboration with universities, online resources

Most organizations and their clients receive support for sustainability and compliance work from a combination of sources: internal teams or dedicated personnel (where available), national or regional government agencies, sector-specific associations, external consultants, and peer networks. Public agencies and authorities (such as ministries, local enterprise offices, or environmental agencies) are frequently mentioned as key sources of guidance and training. In some cases, organizations also rely on project-based support, academic networks, or industry events and workshops. However, many SMEs indicate that they lack a single specialized support provider and often combine several sources to meet their needs

4.3 Summary of SME Stakeholders analysis

Across all countries, SMEs face similar challenges: limited resources, fragmented knowledge, and the complexity of evolving regulations. Support from networks, public agencies, and external consultants is crucial. There is a wide variety of tools in use, from simple spreadsheets to advanced sector-specific platforms. Proactive sustainability reporting can improve market access, trust, and competitiveness, but the administrative burden remains a concern. There is a clear need for more practical, accessible, and harmonized guidance and tools tailored to the needs of SMEs.

5. Conclusions

This report offers a comprehensive comparative analysis of sustainability reporting maturity among small and medium-sized enterprises (SMEs) and their key stakeholders in Finland, Sweden, Ireland, and Iceland. The findings are situated within the context of recent European regulatory developments, notably the Corporate Sustainability Reporting Directive (CSRD) and the introduction of the Voluntary Sustainability Reporting Standard for SMEs (VSME). While these frameworks primarily target large companies, their influence extends throughout supply chains, creating new expectations and requirements for SMEs.

The study reveals both common trends and notable differences in how SMEs and stakeholders approach, implement, and support sustainability reporting. Finnish and Swedish SMEs are at the forefront, often integrating sustainability into their strategies and operations and, in some cases, exceeding legal requirements. Irish SMEs are generally at earlier stages, just beginning to systematize their efforts, while Icelandic SMEs report medium maturity, focusing on relevance and simplicity.

Across all countries, SMEs face similar challenges: time-consuming and fragmented data collection, difficulties with system integration, and uncertainty about evolving regulations. Resource constraints are especially acute for micro and small companies, who often delay

sustainability work until required by law. The administrative burden and lack of clarity regarding what and how to report remain significant obstacles.

A mix of digital tools (such as Excel, Power BI, ERP systems, and specialized platforms) and manual processes is used for reporting. External consultants, industry associations, and peer networks are important sources of support, but many SMEs lack a single specialized provider. Stakeholders—including public agencies, business networks, and consultants—play a critical role in supporting SMEs, offering a variety of tools and services, though there is a strong need for harmonized guidance and practical support.

Both SMEs and stakeholders recognize the importance of collaboration, clearer regulations, and accessible tools to advance sustainability practices. The journey toward mature sustainability reporting is ongoing. By addressing current barriers—especially resource constraints, data integration, and regulatory uncertainty—and leveraging digital solutions and collaborative networks, SMEs and their stakeholders can enhance their sustainability practices and better meet future demands from customers, regulators, and society.

6. References

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7. Appendix A – Interview questions for SMEs

Questions for interviews to SMEs

Company Name:

Country:

Responsible partner Name & Organisation:

Date:

Permission from the interviewed person to save information of the interview and permission to use the content anonymously in publications & articles about the interviews results and later publication of the project.

Yes

No

If no, the interview cannot be carried out.

Are you responsible for sustainability issues and reporting in your company?

Yes

No

If no, who is?

1. Industry Information

What industry are you operating in?

Answer:

What is the size of your company?

micro (1–10 employees)

small (11–50 employees)

medium (51–250 employees)

large (251+ employees)

2. Sustainability Reporting

Are you doing sustainability reporting today?

Yes

No

Other comments:

If yes, what kind of sustainability reporting are you currently doing?

Social (e.g. safe working conditions, equal treatment and opportunities, responsible data handling)

Ecological (e.g. water and energy efficiency, renewable energy, reduction of emissions, waste, and harmful substances, circular economy)

Governance, incl. economical (e.g. payment practices, responsible sourcing, prevention of misconduct, animal welfare)

Don't know

Other comments:

Do you currently use any tools or systems for this reporting?

Yes

No

If yes, which ones?

Answer:

Do you currently use any tools or systems that automate parts of your sustainability reporting?

Yes

No

Other comments:

If yes, which tools or systems are you using?

Answer:

If no, would you be interested in using automation tools to support your reporting in the future?

Yes

No

Don't know

Other comments:

If yes, what kind of support or tools would be most helpful?

Answer:

What is the Sustainability Maturity Level in your company? (1-5 from "No strategy" to "Integrated and audited strategy").

1

2

3

4

5

Other comments:

Have your company benefited from carried out sustainability reporting?

Yes

No

Other comments:

If yes, in what way?

Answer:

What would you need to know more about sustainability? Tick relevant boxes.

Social sustainability

safe working conditions

equal treatment and opportunities for staff

equal treatment and opportunities for customers

responsible data handling

Northern Periphery and Arctic

 other topic. Please specify. (Open field)

Ecological sustainability

 water efficiency energy efficiency renewable energy reduction of emissions reduction of waste reduction of harmful substances circular economy Other topic. Please specify. (Open field)

Governance and economic sustainability

 payment practices responsible sourcing prevention of misconduct revealing of misconduct animal welfare traceability Other topic. Please specify. (Open field) Don't know

Other comments:

3. Client Requirements

Is your business model business to business (B2B), business-to-consumer (B2C) or both?

 B2B B2C Both I don't know

Other comments:

Do your clients require sustainability reporting?

 Yes No I don't know

Other comments:

If yes, what kind of reporting is required?

4. Current Challenges

What do you currently find difficult to deliver in terms of sustainability reporting?

Answer:**5. Legislation Awareness**

Do you feel confident about what the new European legislation entails (e.g., CSRD, ESRS, VSME, Omnibus)?*

 Yes No

Comments:

Do you need to have specific certificates or frameworks to validate your sustainability reporting? Certificates, quality standards (e.g. ISO9001, ISO14001).

Yes No

If yes, please specify:

6. Support & Guidance

Where do you currently get support for your sustainability and compliance work?

Answer:

Who can you turn to for help or advice?

Answer:

7. Event Participation

Would you like to be invited to our upcoming project events supporting SMEs in aspects of sustainability and sustainability reporting?

 Yes No

Email for invitation:

What sort of events you prefer?

 Face-to-face Remote/ On-line Any kind of events**8. Other comments**

Answer:

8. Appendix B – Interview questions for SME Stakeholders**Questions for interviews to SME stakeholders**

Organisation Name:

Country:

Responsible partner Name & Organisation:

Date:

Permission from the interviewed person to save information of the interview and permission to use the content anonymously in publications & articles about the interviews results and later publication of the project.

 Yes No

If no, the interview cannot be carried out.

Role of organisation

 business developers business networks regional developers reporting related entities (e.g. large companies, accountants, banks)

- reporting experts
- researchers
- other. Please specify. (open field)

1. Sector Information

What business sector(s) are you supporting or cooperating with?

Answer:

How many of your clients are SMEs?

- 1-10
- 11-50
- 51-250
- 251+

Other:

2. Client Requirements

Is support regarding sustainability reporting included in your service portfolio?

- Yes
- No

If yes, what kind of support?

Answer:

Other comments:

Do your clients require sustainability reporting?

- Yes
- No
- I don't know

Other comments:

Have you informed clients about sustainability reporting?

Answer:

Do you have knowledge about any good tools or best practices?

Answer:

Do you know if any SME has benefited from carried out sustainability reporting?

- Yes
- No

Other comments:

3. Current Challenges

What challenges do you have in terms of sustainability reporting services?

Answer:

What sustainability related knowledge is lacking today in your organisation?

Answer:

What sustainability related knowledge is lacking today at your clients organisations?

Answer:

4. Legislation Awareness

Do you feel confident about what the new European sustainability reporting legislation entails (e.g., CSRD, ESRS, VSME, Omnibus)?

Yes

No

Comments:

5. Support & Guidance

Where do you currently get support for sustainability and compliance issues?

Answer:

Who can you turn to for help or advice?

Answer:

What would you need to know more about? Please specify.

Social sustainability

- safe working conditions
- equal treatment and opportunities for staff
- equal treatment and opportunities for customers
- responsible data handling
- other topic. Please specify. (Open field)

Ecological sustainability

- water efficiency
- energy efficiency
- renewable energy
- reduction of emissions
- reduction of waste
- reduction of harmful substances
- circular economy
- Other topic. Please specify. (Open field)

Governance and economic sustainability

- payment practices
- responsible sourcing
- prevention of misconduct
- revealing of misconduct
- animal welfare

- traceability
- Other topic. Please specify. (Open field)

Don't know

Other comments:

6. Event Participation

Would you like to be invited to our upcoming project events supporting SMEs in aspects of sustainability and sustainability reporting?

- Yes
- No

Email for invitation:

What sort of events you prefer?

- Face-to-face
- Remote/ On-line
- Any kind of events

7. Other comments

Answer: