

# VSME Report

d line

## Reporting Period

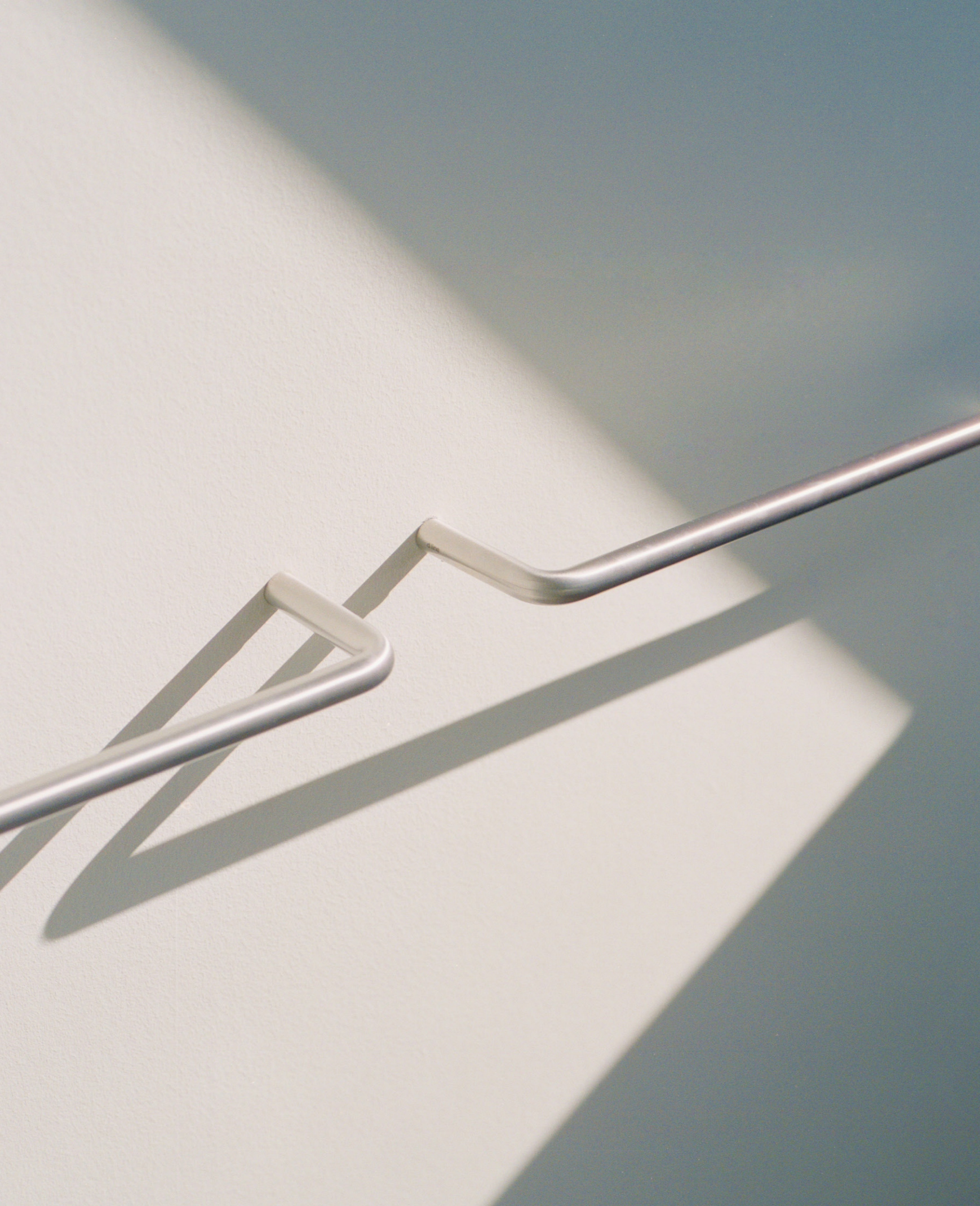
January - December 2024

## Published

October 2025







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**Disclaimer**  
This VSME report has been prepared in accordance with the guidelines of the VSME Standard December 2024.  
The original VSME guidelines were originally published in English, and thus this report has been prepared in English as well.



# Introduction

Crafted to be  
part of your  
every day.

Built with care,  
made to last.



01

At d line, we design and craft architectural hardware, sanitary ware and accessories that quietly support life's daily routines. From the lever handle turned as you enter a room to the tap used each morning — our products are made to be touched, used and trusted, every single day.

Since 1971, we've followed a design tradition rooted in simplicity, honest materials and enduring quality.

Every detail reflects our commitment to durability, reducing waste, designing responsibly, and making better choices for people and the planet. We care deeply about the people we work with and the products we put into the world.

From public spaces to private homes, d line products are made to perform beautifully — now and for generations to come.





# Our Purpose

**We exist to lead our industry in sustainability by acting with care and producing responsibly.**

The buildings and construction sector accounts for 37% of global emissions<sup>1</sup>, and we see this as our responsibility to live our purpose every day by caring for resources, people, and processes across everything we do.

This begins with our people. We are building a workplace culture rooted in trust and care, where employees and managers support one another and take shared responsibility for driving sustainability forward.

It extends into our products and production, where we continuously work to reduce our footprint:

- 40% of our portfolio comes with Environmental Product Declarations (EPDs).
- Our stainless steel taps, showers, and bathroom accessories are 100% recyclable.
- Our European production runs on 100% green electricity, and all waste is carefully sorted and recycled.
- With our Re-handle service, the product's guarantee is extended and emissions are reduced by up to 91%.

<sup>1</sup>UN Environment Programme, Building Materials And The Climate: Constructing A New Future, 2023  
<https://www.unep.org/resources/report/building-materials-and-climate-constructing-new-future>

One of our most important sustainability initiatives is Re-handle, the industry's first circular service. We repair and renew our products so they look and function as new.



Nearly 63% of our carbon footprint comes from material use, and stainless steel, chosen for its hygiene, durability, and timeless design, is resource-heavy to produce. Re-handle is our solution. By taking back and restoring, we turn this challenge into an opportunity to act responsibly and care for the resources.

Through these initiatives and the culture we foster, we are turning our purpose into action: leading our industry in sustainability with care at the center of everything we do.

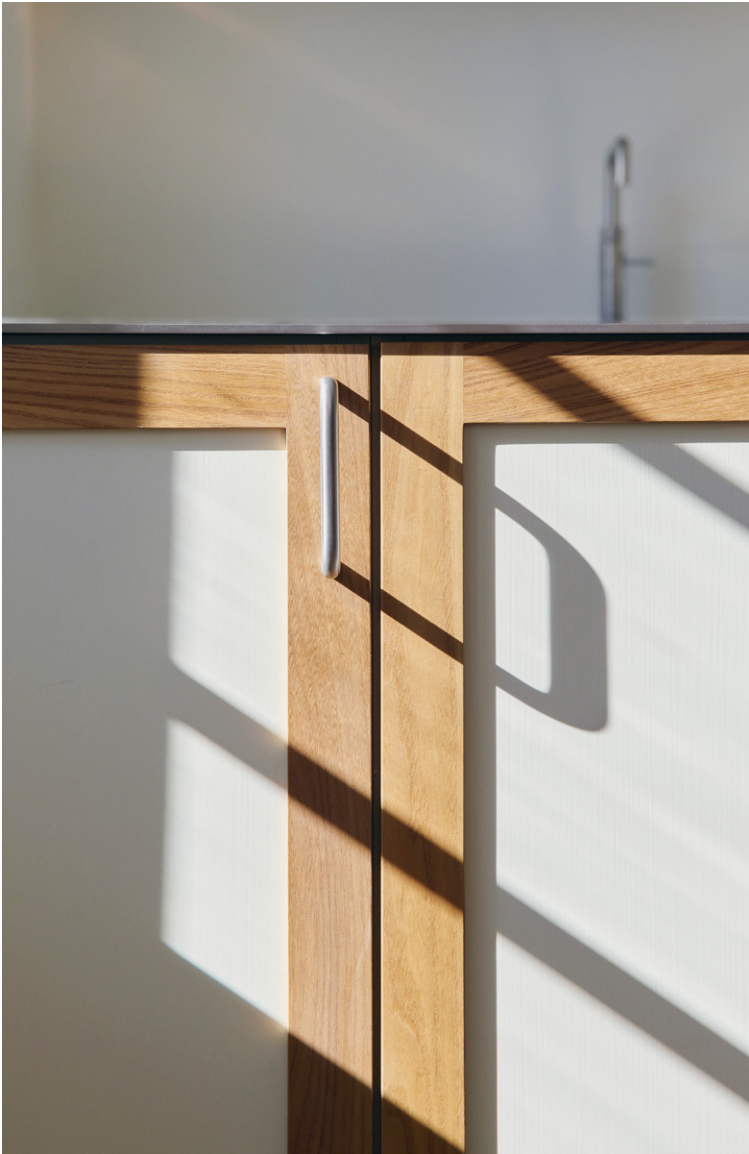
This report outlines our performance against the VSME standard, including Environmental, Social and Governance metrics, alongside actions already taken to become a more socially and environmentally responsible business.



# VSME

The EFRAG Voluntary Sustainability Reporting Standard for non-listed SMEs (VSME) aims to help micro-, small-, and medium-sized undertakings with sustainability reporting.

The following section outlines in detail the EFRAG VSME data collection, and reporting process used to report our annual VSME metrics. It includes all relevant business operational and value chain Environmental, Social and Governmental metrics.



### VSME Governance

Leah Stace is responsible for reporting GHG emissions resulting from d line operations.

However, the d line top management team and Board is ultimately responsible for governance and oversight of carbon-related activities and the decisions that affect carbon reductions at the company.

### Reporting Period

d line has reported the VSME requirements for the business activities within the period 1st January 2023 to 31st December 2024.



# General Information

## B1: Basis for Preparation

| Basis for preparation                                              | Response                                                                                                     |
|--------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| Reporting option                                                   | Option A: Basic Module (only)                                                                                |
| Omitted disclosures (classified or sensitive information)          | N/A                                                                                                          |
| Individual or consolidated reporting basis                         | Individual basis                                                                                             |
| List of all subsidiaries (for consolidated reporting)              | N/A                                                                                                          |
| The undertaking's legal form                                       | Private Limited Liability Undertaking                                                                        |
| NACE sector classification code(s)                                 | C25.7 - Manufacture of cutlery, tools and general hardware<br>C28.1.4 - Manufacture of other taps and valves |
| Size of the balance sheet (in Euro)                                | €9,028,665.02                                                                                                |
| Turnover (in Euro)                                                 | €9,151,132.11                                                                                                |
| Number of employees                                                | 79                                                                                                           |
| Country of primary operations and location of significant asset(s) | Denmark, Lithuania, United Kingdom and the People's Republic of China                                        |

| Sites                                            | Address                                               | Postcode | City        | Country                    | Geolocation             |
|--------------------------------------------------|-------------------------------------------------------|----------|-------------|----------------------------|-------------------------|
| Denmark Office                                   | Jyllingevej 59, kld.                                  | 2720     | Copenhagen  | Denmark                    | 55.7001° N, 12.4578° E  |
| People's Republic of China Assembly & Production | 11A-301, No. 200, Xingpu Road, Suzhou Industrial Park | 215123   | Suzhou      | People's Republic of China | 31.3045° N, 120.7329° E |
| People's Republic of China Office                | 11A-301, No. 200, Xingpu Road, Suzhou Industrial Park | 215123   | Suzhou      | People's Republic of China | 31.3045° N, 120.7329° E |
| Lithuania Warehouse 1                            | Rambyno g. 21                                         | 55116    | Jonava      | Lithuania                  | 55.0764° N, 24.2755° E  |
| Lithuania Warehouse 2                            | J.Basanaviciaus 44                                    | LT-56134 | Kaišiadorys | Lithuania                  | 54.8624° N, 24.4539° E  |
| Lithuania Production                             | J.Basanaviciaus 44                                    | LT-56134 | Kaišiadorys | Lithuania                  | 54.8624° N, 24.4539° E  |
| Lithuania Office                                 | J.Basanaviciaus 44                                    | LT-56134 | Kaišiadorys | Lithuania                  | 54.8624° N, 24.4539° E  |
| United Kingdom Warehouse                         | 17 Key Business Park, Kingsbury Road                  | B24 9PT  | Birmingham  | United Kingdom             | 52.5186° N, 1.8385° W   |
| United Kingdom Office                            | 17 Key Business Park, Kingsbury Road                  | B24 9PT  | Birmingham  | United Kingdom             | 52.5186° N, 1.8385° W   |

(25) Sustainability-related certifications or labels obtained by the organisation

5 Environmental Product Declarations covering 40% of the portfolio.  
ISO 14001 on both production facilities.

# General Information

B2: Practices, policies and future initiatives for transitioning towards a more sustainable economy

| Practices, policies and future initiatives                                      | Response                                                                                                                                                                                                                                                       |
|---------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sustainability Practices                                                        | <ul style="list-style-type: none"><li>- Circular economy practices - Re-handle scheme</li><li>- Waste Management - including recycling of metal, cardboard/paper and plastics</li><li>- Energy efficient lighting</li><li>- 0.3% production failures</li></ul> |
| Sustainability Policies                                                         | <ul style="list-style-type: none"><li>- ISO14001:2015 Environmental Management Systems</li><li>- ISO 9001:2015 Quality Management Systems (the People's Republic of China)</li></ul>                                                                           |
| Future sustainability initiatives or forward-looking plans                      | <ul style="list-style-type: none"><li>- 20-year product warranty</li><li>- Re-handle scheme</li></ul>                                                                                                                                                          |
| Sustainability targets that monitor the progress and implementation of policies | <ul style="list-style-type: none"><li>- Environmental Product Decalarations</li></ul>                                                                                                                                                                          |





# Environmental Disclosures

## B3: Energy and greenhouse gas emissions

|                            |                       | Total Energy Consumption (MWh) |                                  |
|----------------------------|-----------------------|--------------------------------|----------------------------------|
| Region                     | Building type         | Gas Consumption (MWh)          | Electricity Consumption (MWh)    |
| Denmark                    | Office                | 0.00                           | 7.00                             |
| People's Republic of China | Assembly & Production | 0.00                           | 7.74                             |
|                            | Office                | 0.00                           | 5.16                             |
| Lithuania                  | Office                | 0.00                           | Included in Lithuania Production |
|                            | Warehouse 1           | 0.00                           | 20.55                            |
|                            | Warehouse 2           | 0.00                           | Included in Lithuania Production |
|                            | Production            | 137.89                         | 157.65                           |
| United Kingdom             | Office                | 0.08                           | 4.09                             |
|                            | Warehouse             |                                |                                  |
| Total                      |                       | 137.98                         | 202.19                           |

### (29) Total Energy Consumption (MWh)

The majority of d line sites do not have a gas connection and therefore report no gas consumption.

The reporting of electricity consumption takes a combined approach for some sites, including the Lithuania Office, Warehouse 2 and Production site

whereby separate metering is not available and a site-wide approach has been taken. It is also noted that the Denmark Office only had records of consumption for 10 of the 12 reporting months, so assumptions have been made to extrapolate the additional months of consumption.

|                            |                       | Greenhouse Gas Emissions (tCO <sub>2</sub> e) |                                  |       |
|----------------------------|-----------------------|-----------------------------------------------|----------------------------------|-------|
| Region                     | Building type         | Scope 1                                       | Scope 2 (Location-based)         | Total |
| Denmark                    | Office                | 0.00                                          | 0.98                             | 0.98  |
| People's Republic of China | Assembly & Production | 0.00                                          | 5.11                             | 5.11  |
|                            | Office                | 0.00                                          | 3.41                             | 3.41  |
| Lithuania                  | Office                | 0.00                                          | Included in Lithuania Production | 0.00  |
|                            | Warehouse 1           | 0.00                                          | 3.38                             | 3.38  |
|                            | Warehouse 2           | 0.00                                          | Included in Lithuania Production | 0.00  |
|                            | Production            | 25.22                                         | 25.89                            | 51.12 |
| United Kingdom             | Office                | 0.02                                          | 0.85                             | 0.86  |
|                            | Warehouse             |                                               |                                  |       |
| Total                      |                       | 25.24                                         | 39.62                            | 64.85 |

(30) Gross Greenhouse Gas Emissions (tCO<sub>2</sub>e)

d line's Scope 1 emissions were 25.24tCO<sub>2</sub>e in 2024, as a result of the gas consumption at the Lithuanian Production site. Further, the Location-based Scope 2 emissions reported 39.62tCO<sub>2</sub>e during the 2024 reporting period.

(31) Greenhouse gas emission intensity per turnover

d line emission intensity:

7.09tCO<sub>2</sub>e/€1,000,000



# Environmental Disclosures



## B4: Pollution of air, water and soil

### (32) Pollutant reporting

This category is only required to be disclosed if the organisation already reported pollution to either authorities or an environmental management system.

d line is not obliged to disclose to either institutions, therefore this issue is omitted from the reporting period.

## B5: Biodiversity

### (33) Sites in biodiversity sensitive areas

None of the d line locations operate in or near biodiversity sensitive areas, and therefore this category is not required to be disclosed in the current reporting period.

### (34) Land-use

This issue is not required to be disclosed, as no d line locations are on or near biodiversity sensitive areas.

## B6: Water

| Region                     | Building type         | Water Stress   | Water Withdrawal (m³)                    |
|----------------------------|-----------------------|----------------|------------------------------------------|
| Denmark                    | Office                | Low-medium     | 119                                      |
| People's Republic of China | Assembly & Production | Extremely high | 10,250                                   |
|                            | Office                | Extremely high | 20                                       |
| Lithuania                  | Office                | High           | <i>Included in Lithuania Production</i>  |
|                            | Warehouse 1           | High           | 24                                       |
|                            | Warehouse 2           | High           | <i>Included in Lithuania Production</i>  |
|                            | Production            | High           | 570                                      |
| United Kingdom             | Office                | Low-medium     | 84                                       |
|                            | Warehouse             | Low-medium     | <i>Included in United Kingdom Office</i> |
| Total                      |                       |                | 11,067                                   |

### (35) Water Withdrawal

d line reported two operational locations to be in areas of extremely high water stress (>80%) in 2024 in accordance with the Aqueduct Water Risk Atlas. The water consumption is reported for the People's Republic of China as 10,250m³ for the Assembly & Production site, and 20m³ for the Office location. The total water consumption for d line's operations in 2024 was 11,067m³.

### (36) Water Consumption

d line reported that none of the sites have production processes in place which significantly consume water, and therefore the calculation of water consumption is not required to be disclosed for the current reporting period.



# Environmental Disclosures

## B7: Resource use, circular economy and waste management

With each Re-handle, we save the environment up to 91 percent CO<sub>2</sub> emission and the same product can be Re-handled up to four times – securing 100 years of use.

### (37) Circular economy principles

d line integrates circular economy principles into its products, material use and waste management. The initiatives implemented are broken down against the three key circular economy principles below.

#### 1. Eliminate Waste and Pollution

To eliminate waste generated from d line product range of Qtoo stainless steel taps and showers, which are manufactured in the People's Republic of China, have been designed to be disassembled using standard tools and are 100% recyclable.

In addition, the production sites in Lithuania ensure the responsible sourcing of materials, 50-70% of the steel used is recycled.

#### 2. Circulate Products and Materials

d line uses stainless steel in its products due to its benefits for hygiene properties, timelessness, durability and recyclability. However, as a very resource intensive material, d line's solution is an impact-reducing and product lifetime extending service: Re-handle. As the industry's first circular service, the scheme extends the lifetime of products up to 100 years and supports the intention that products are designed to never become waste. d line take back original products to fix, replace and brush them to be as good as new.

d line offers:

- 20-year product warranty, renewed at every Re-handle.
- Possibility to Re-handle the same item 4 times, securing 100 years of warrantied use.
- Re-handle possibility on 250 items.
- EPDs with full declaration across the entire LCA on 40% of their portfolio.
- Reduce the Global Warming Potential (CO2) between 54-91% with each Re-handle.
- 100% recyclable AISI 316 stainless steel as our core material.
- Recycled and recyclable packaging.

#### 3. Regenerate Nature

d line have not implemented any nature regeneration principles in the current reporting year, and will review the introduction of ecological restorations, where appropriate, in future years.

|                            |                       | Non-hazardous waste (kg) |                                |                    |
|----------------------------|-----------------------|--------------------------|--------------------------------|--------------------|
| Region                     | Building type         | Total waste generated    | Diverted to recycling or reuse | Waste for disposal |
| Denmark                    | Office                | 0                        | 0                              | 0                  |
| People's Republic of China | Assembly & Production | 300                      | 214                            | 86                 |
|                            | Office                | 10                       | 9                              | 1                  |
| Lithuania                  | Office                | 0                        | 0                              | 0                  |
|                            | Warehouse 1           | 19708                    | 16719                          | 2989               |
|                            | Warehouse 2           |                          |                                |                    |
|                            | Production            |                          |                                |                    |
| United Kingdom             | Office                | 0                        | 0                              | 0                  |
|                            | Warehouse             | 980                      | 784                            | 196                |

### 38 (a) Annual Waste Generation & 38 (b) Annual Waste Diversion

d line's annual waste generation and diversion is reported, reviewing both non-hazardous and hazardous waste at all locations. Where household waste is generated, the waste reporting is 0, in line with the requirements of the VSME reporting standard.



# Environmental Disclosures

|                            |                       | Hazardous waste (kg)  |                                |                    |
|----------------------------|-----------------------|-----------------------|--------------------------------|--------------------|
| Region                     | Building type         | Total waste generated | Diverted to recycling or reuse | Waste for disposal |
| Denmark                    | Office                | 0                     | 0                              | 0                  |
| People's Republic of China | Assembly & Production | 0                     | 0                              | 0                  |
|                            | Office                | 0                     | 0                              | 0                  |
| Lithuania                  | Office                | 0                     | 0                              | 0                  |
|                            | Warehouse 1           | 681                   | 0                              | 681                |
|                            | Warehouse 2           |                       |                                |                    |
|                            | Production            |                       |                                |                    |
| United Kingdom             | Office                | 0                     | 0                              | 0                  |
|                            | Warehouse             | 0                     | 0                              | 0                  |

| Material Type               | Total Material (kg) | Recycled Material (kg) | % of Recycled Material |
|-----------------------------|---------------------|------------------------|------------------------|
| Stainless steel (Lithuania) | 65644               | 40992                  | 62%                    |
| Brass (Lithuania)           | 4396                | 3077                   | 70%                    |
| Aluminum (Lithuania)        | 1922                | 1345                   | 70%                    |
| Cardboard (Lithuania)       | 3500                | 3150                   | 90%                    |
| Plastic (Lithuania)         | 4530                | 4077                   | 90%                    |
| Gasoline                    | 3730                | 0                      | 0%                     |
| Diesel                      | 1465                | 0                      | 0%                     |
| Water                       | 570000              | 0                      | 0%                     |

### 38 (c) Annual Mass Flow of Materials

As a company operating in product design and manufacturing, d line has significant material flows within its business operations. The annual consumption of relevant materials is reported. d line is committed to the responsible sourcing of its materials, and the company reports the quantity of materials sourced from recycled content.

90% percent of the cardboard and plastic used by d line comes from recycled material, 70% of the brass, and aluminum is made from recycled sources, and 62% of stainless steel, avoiding the extraction of raw materials.



# Social Disclosures

## B8: Workforce - General characteristics

| Region                     | Building Type         | Temporary Employees | Permanent Employees | Total |
|----------------------------|-----------------------|---------------------|---------------------|-------|
| Denmark                    | Office                | 1                   | 12                  | 13    |
| People's Republic of China | Assembly & Production | 0                   | 5                   | 5     |
|                            | Office                | 1                   | 4                   | 5     |
| Lithuania                  | Office                | 0                   | 13                  | 13    |
|                            | Warehouse 1           | 0                   | 2                   | 2     |
|                            | Warehouse 2           | 0                   | 3                   | 3     |
|                            | Production            | 0                   | 25                  | 25    |
| United Kingdom             | Office                | 0                   | 11                  | 11    |
|                            | Warehouse             | 0                   | 2                   | 2     |
| Total                      |                       | 2                   | 77                  | 79    |

| Region                     | Building Type         | Male | Female | Other Genders |
|----------------------------|-----------------------|------|--------|---------------|
| Denmark                    | Office                | 5    | 8      | 0             |
| People's Republic of China | Assembly & Production | 3    | 2      | 0             |
|                            | Office                | 1    | 4      | 0             |
| Lithuania                  | Office                | 7    | 6      | 0             |
|                            | Warehouse 1           | 1    | 1      | 0             |
|                            | Warehouse 2           | 1    | 2      | 0             |
|                            | Production            | 17   | 8      | 0             |
| United Kingdom             | Office                | 9    | 2      | 0             |
|                            | Warehouse             | 2    | 0      | 0             |
| Total                      |                       | 46   | 33     | 0             |

### 39 (a) Type of employment contract (temporary or permanent)

### 39 (b) Gender

During 2024, d line employed 79 individuals, of whom 46 were men and 33 were women, representing 42% of the total workforce. Women represented 50% of the Senior Management Team and 31% of the broader Management Team. This is a reflection of d line's ongoing focus to foster diversity and promote gender equality within both leadership and management positions.

# Social Disclosures

| Region                     | Building Type         | Employees residing in assigned office location | Employees residing outside of assigned office location |                  |
|----------------------------|-----------------------|------------------------------------------------|--------------------------------------------------------|------------------|
|                            |                       |                                                | Country of residence                                   | Employee numbers |
| Denmark                    | Office                | 11                                             | 1 in The Netherlands, and 1 in Sweden                  | 2                |
| People's Republic of China | Assembly & Production | 5                                              | n/a                                                    | 0                |
|                            | Office                | 5                                              | n/a                                                    | 0                |
| Lithuania                  | Office                | 13                                             | n/a                                                    | 0                |
|                            | Warehouse 1           | 2                                              | n/a                                                    | 0                |
|                            | Warehouse 2           | 3                                              | n/a                                                    | 0                |
|                            | Production            | 25                                             | n/a                                                    | 0                |
| United Kingdom             | Office                | 11                                             | n/a                                                    | 0                |
|                            | Warehouse             | 2                                              | n/a                                                    | 0                |
| Total                      |                       | 77                                             |                                                        | 2                |

39 (c) Country of the employment contract, if the undertaking operates in more than one country

| Region                     | Building Type         | Total employee departures | Total employees | Turnover rate % |
|----------------------------|-----------------------|---------------------------|-----------------|-----------------|
| Denmark                    | Office                | 3                         | 13              | 23              |
| People's Republic of China | Assembly & Production | 0                         | 5               | 0               |
|                            | Office                | 0                         | 5               | 0               |
| Lithuania                  | Office                | 3                         | 13              | 23              |
|                            | Warehouse 1           | 1                         | 2               | 50              |
|                            | Warehouse 2           | 2                         | 3               | 67              |
|                            | Production            | 1                         | 25              | 4               |
| United Kingdom             | Office                | 0                         | 11              | 0               |
|                            | Warehouse             | 0                         | 2               | 0               |
| Total                      |                       | 10                        | 79              |                 |

## 40 Employee turnover rate

d line reported an employee turnover rate of 12.7% in 2024. Total employee departures in 2024: 10/79



# Social Disclosures

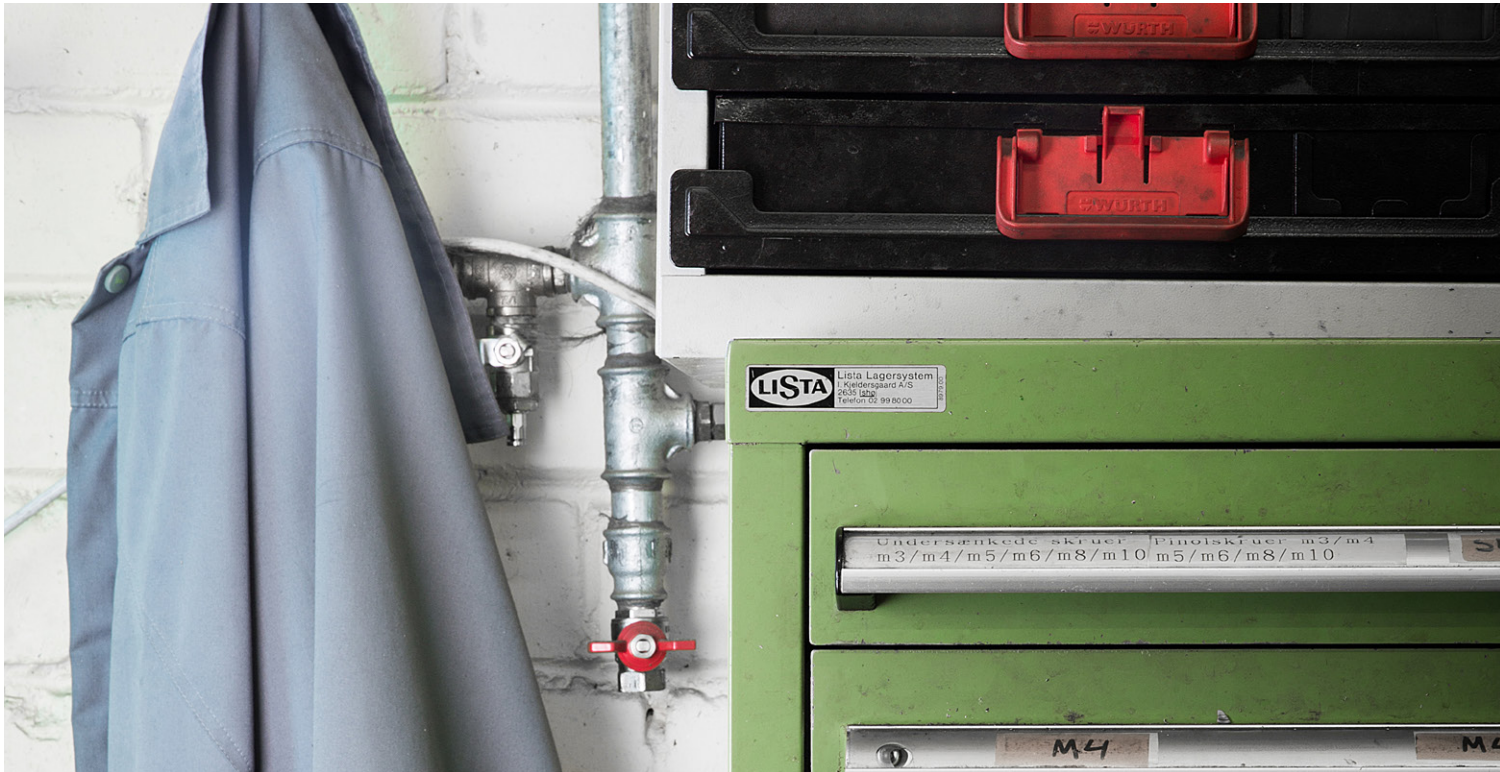
## B9: Workforce – Health and safety

### 41 (a) Work-related accidents

There were no work-related accidents that occurred in the 2024 reporting year.

### 41 (b) Work-related fatalities

There were no work-related fatalities that occurred in the 2024 reporting year.



## B10: Workforce – Remuneration, collective bargaining and training

### 42 (a) Employee Pay

This category is only required to be reported on if more than 50% of the organisation's staff earn the national minimum wage. d line reports all employees earn above national minimum wage, therefore this has not been disclosed for the current year of reporting.

### 42 (b) Gender Pay Gap

This category is only required if the organisation has 150+ employees, therefore this has not been disclosed for the current year of reporting.

## 42 (c) Collective Bargaining Agreements

| Region                     | Building Type         | Number of employees covered by a collective agreement |
|----------------------------|-----------------------|-------------------------------------------------------|
| Denmark                    | Office                | 12                                                    |
| People's Republic of China | Assembly & Production | 5                                                     |
|                            | Office                | 5                                                     |
| Lithuania                  | Office                | 0                                                     |
|                            | Warehouse 1           | 0                                                     |
|                            | Warehouse 2           | 0                                                     |
|                            | Production            | 0                                                     |
| United Kingdom             | Office                | 0                                                     |
|                            | Warehouse             | 0                                                     |
| Total                      |                       | 0                                                     |

## 42 (d) Training

This category has not been included in the current year of reporting.



# Governance Disclosures

B11: Convictions and fines for corruption and bribery



**43 Convictions and Fines**  
d line confirms no offences of corruption or bribery.

06





# Sign Off



Disclosing our first VSME report is a significant milestone in d line's commitment to transparent Environmental, Social, and Governance (ESG) practices. This report provides a clear baseline for our performance, and we're dedicated to improving our data availability and tracking our progress annually.

We are pleased to be an early adopter of the VSME Standard, as we believe it will become a market-wide standard for sustainability disclosure. By embracing this new approach, we are streamlining our own reporting and actively supporting the advancement of our ESG agendas.

**Leah Stace**  
Deputy Director

# Appendix

## Appendix A

| Defined term                         | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Biodiversity Sensitive Area          | Biodiversity sensitive areas include: Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas ('KBAs'), as well as other protected areas, as referred to in Appendix D                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Collective Bargaining                | All negotiations which take place between an employer, a group of employers or one or more employers' organisations, on the one hand, and one or more trade unions or, in their absence, the representatives of the workers duly elected and authorised by them in accordance with national laws and regulations, on the other, for: i) determining working conditions and terms of employment; and/or ii) regulating relations between employers and workers; and/or regulating relations between employers or their organisations and a workers' organisation or workers' organisations.                                                                                                       |
| Corruption                           | Abuse of entrusted power for private gain, which can be instigated by individuals or organisations. It includes practices such as facilitation payments, fraud, extortion, collusion, and money laundering. It also includes an offer or receipt of any gift, loan, fee, reward, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of the undertaking's business. This can include cash or in-kind benefits, such as free goods, gifts, and holidays, or special personal services provided for the purpose of an improper advantage, or that can result in moral pressure to receive such an advantage. |
| Circular Economy Principles          | The European circular economy principles are usability; reusability; repairability; disassembly; remanufacturing or refurbishment; recycling; recirculation by the biological cycle; other potential optimisation of product and material use.                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Employee                             | An individual who is in an employment relationship with the undertaking according to national law or practice.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Greenhouse Gases (GHG)               | For the purposes of this Standard, GHGs are the six gases listed in the Kyoto Protocol: carbon dioxide (CO2); methane (CH4); nitrous oxide (N2O); Nitrogen trifluoride (NF3); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); and sulphur hexafluoride (SF6).                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Governance                           | The governance is the system of rules, practices and processes by which a company is directed and controlled.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Gross greenhouse gas (GHG) emissions | Gross greenhouse gas (GHG) emissions are total GHG emissions released by the undertaking into the atmosphere, without considering any deductions for carbon removals or other adjustments.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Hazardous waste                      | Waste which displays one or more of the hazardous properties listed in Annex III of Directive 2008/98/ EC of the European Parliament and of the Council on waste.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Incident                             | A legal action or complaint registered with the undertaking or competent authorities through a formal process, or an instance of non-compliance identified by the undertaking through established procedures. Established procedures to identify instances of non-compliance can include management system audits, formal monitoring programs, or grievance mechanisms.                                                                                                                                                                                                                                                                                                                          |
| Indirect GHG emissions (Scope 2)     | Indirect emissions are a consequence of the operations of the undertaking but occur at sources owned or controlled by another company. Scope 2 GHG emissions are indirect emissions from the generation of purchased or acquired electricity, steam and heat, or cooling consumed by the undertaking.                                                                                                                                                                                                                                                                                                                                                                                            |

| Defined term                                                                       | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Impact                                                                             | Impact refers to the effect an organisation has or could have on the economy, environment, and people, including effects on their human rights, as a result of the organization's activities or business relationships. The impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, direct or indirect, and reversible or irreversible. These impacts indicate the organization's contribution, negative or positive, to sustainable development. The impacts on the economy, environment, and people are interrelated. The organization's impacts on the environment refer to the impacts on living organisms and non-living elements, including air, land, water, and ecosystems. An organization can have an impact on the environment through, for example, its use of energy, land, water, and other natural resources. The organization's impacts on people refer to the impacts on individuals and groups, such as communities, vulnerable groups, or society. This includes the impacts the organization has on people's human rights. An organization can have an impact on people through, for example, its employment practices (e.g. the wages it pays to employees), its supply chain (e.g. the working conditions of workers of suppliers), and its products and services (e.g. their safety or accessibility). |
| Land-use (change)                                                                  | The human use of a specific area for a certain purpose (such as residential; agriculture; recreation; industrial, etc.). Influenced by land cover (grass, asphalt, trees, bare ground, water, etc). Land-use change refers to a change in the use or management of land by humans, which may lead to a change in land cover.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Location-based Scope 2 emissions                                                   | Emissions from electricity, heat, steam and cooling purchased or acquired and consumed by the reporting company, calculated using the location-based 'allocating' method, which allocates generator emissions to end-users. They reflect the average emissions intensity of grids on which the energy consumption occurs and uses mostly grid-average emission factor data. Typical sources of Scope 2 emissions relate to any equipment that consumes electricity (electrical engines, lights, buildings, etc.), heat (heating in industrial processes, buildings, etc.), steam (industrial processes) and cooling (industrial processes, buildings, etc.).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Near (Biodiversity Sensitive Area)                                                 | Near, in the context of B5 – Biodiversity, shall refer to an area that is (partially) overlapping or adjacent to a biodiversity sensitive area.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Pay                                                                                | The ordinary basic or minimum wage or salary and any other remuneration, whether in cash or in kind which the worker receives directly or indirectly ('complementary or variable components'), in respect of his/her employment from his/her employer. 'Pay level' means gross annual pay and the corresponding gross hourly pay. 'Median pay level' means the pay of the employee that would have half of the employees earn more and half less than they do.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Policy                                                                             | A set or framework of general objectives and management principles that the undertaking uses for decision-making. A policy implements the undertaking's strategy or management decisions related to a sustainability issue. Each policy is under the responsibility of defined person(s), specifies its perimeter of application, and includes one or more objectives (linked when applicable to measurable targets). A policy is implemented through actions or action plans. For example, undertakings with less resources may have few (or no) policies formalised in written documents, but this does not necessarily mean they do not have policies. If the undertaking has not yet formalised a policy but has implemented actions or defined targets through which the undertaking seeks to address sustainability issues, it shall disclose them.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Recordable work related accident /<br>Recordable work related injury or ill health | A work-related accident is an event that leads to physical or mental harm therefore to injury or ill health. It happens whilst engaged in an occupational activity or during the time spent at work. Recordable means diagnosed by a physician or other licensed health care professionals. Work-related injury or ill health can result in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid or loss of consciousness. Injuries that do not require medical treatment beyond first aid are generally not recordable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |



# Appendix

## Appendix A

| Defined term          | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Recycling             | Any recovery operation by which waste materials are reprocessed into products, materials or substances whether for the original or other purposes. It includes the reprocessing of organic material but does not include energy recovery and the reprocessing into materials that are to be used as fuels or for backfilling operations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Sensitive Information | Sensitive information as defined in Regulation (EU) 2021/697 of the European Parliament and of the Council of 29 April 2021 establishing the European Defence Fund. Sensitive information means information and data, including classified information, that is to be protected from unauthorised access or disclosure because of obligations laid down in Union or national law or in order to safeguard the privacy or security of a natural or legal person.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Site                  | The location of one or more physical installations. If there is more than one physical installation from the same or different owners or operators and certain infrastructure and facilities are shared, the entire area where the physical installation are located may constitute a site.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Targets               | Measurable, outcome-oriented and time-bound goals that the SME aims to achieve in relation to sustainability issues. They may be set voluntarily by the SME or derive from legal requirements on the undertaking.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Training              | Initiatives put in place by the undertaking aimed at the maintenance and/or improvement of skills and knowledge of its own workers. It can include different methodologies, such as on-site training, and online training.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Value Chain           | The full range of activities, resources and relationships related to the undertaking's business model and the external environment in which it operates. A value chain encompasses the activities, resources and relationships the undertaking uses and relies on to create its products or services from conception to delivery, consumption and end-of- life. Relevant activities, resources and relationships include: a) those in the undertaking's own operations, such as human resources; b) those along its supply, marketing and distribution channels, such as materials and service sourcing and product and service sale and delivery; and c) the financing, geographical, geopolitical and regulatory environments in which the undertaking operates. Value chain includes actors upstream and downstream from the undertaking. Actors upstream from the undertaking (e.g. suppliers) provide products or services that are used in the development of the undertaking's products or services. Entities downstream from the undertaking (e.g. distributors, customers) receive products or services from the undertaking. |
| Wage                  | Gross wage, excluding variable components such as overtime and incentive pay, and excluding allowances unless they are guaranteed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Water consumption     | The amount of water drawn into the boundaries of the undertaking (or facility) and not discharged back to the water environment or a third party over the course of the reporting period.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Water withdrawal      | The sum of all water drawn into the boundaries of the undertaking from all sources for any use over the course of the reporting period.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

**Definition References:**  
EFRAG. (December 2024) EFRAG Voluntary Sustainability Reporting Standard for non-listed SMEs (VSME). Available online at: <https://www.efrag.org/sites/default/files/sites/webpublishing/SiteAssets/VSMES20Standard.pdf>



