



## VSME [Draft] Supporting Guide on Disclosure C2- Comprehensive Module (Practices, Policies, and Future Initiatives) - VSME

### DRAFT FOR EFRAG SRB AND EFRAG SR TEG AFTER TARGETED CONSULTATION

This paper has been prepared by the EFRAG Secretariat for discussion at a public joint meeting of the EFRAG SR TEG and SRB. The paper does not represent the official views of EFRAG or any individual member of the EFRAG SRB or EFRAG SR TEG. The paper is made available to enable the public to follow the discussions in the meeting. Tentative decisions are made in public and reported in the EFRAG Update. EFRAG positions, as approved by the EFRAG SRB, are published as comment letters, discussion or position papers, or in any other form considered appropriate in the circumstances.

#### Disclaimer

The European Commission in the Omnibus proposal released on 26 February 2025 proposes, to use the VSME Standard as the basis of a future voluntary standard for undertakings up to 1000 employees. The VSME Standard has been developed for use by non-listed SMEs including micro-enterprises and has not been tested for use by other larger and more complex companies. It is important to note that on 30 July 2025 the European Commission officially adopted EFRAG's VSME as a Recommendation. With regard to the endorsement of the VSME as a Delegated Act, at the moment, no information is available on the proposed Delegated Act of a voluntary standard to be used by companies with 250 to 1000 employees, besides the European Commission's 26 February Omnibus proposal. The VSME supporting guides currently being developed are to be understood as supporting the application of the VSME Standard for undertakings with less than 250 employees. The content of the VSME supporting guides under discussion has been developed in line with the scope of the VSME. Should the VSME be destined to a different group of undertakings, their current content could be different and less simplified.

#### Introduction

- 1 This supporting guide complements disclosure C2 - Description of practices, policies and future initiatives for transitioning towards a more sustainable economy (paragraph 48, 49) of the VSME.
- 2 Disclosure C2 builds upon disclosure B2 (Basic Module). In disclosure B2, the undertaking is asked to say whether it has practices, policies and future initiatives that tackle the list of sustainability issues (Annex B of the VSME). In disclosure C2, undertakings are asked to describe this information. An extract of both disclosures is displayed below.

<p><b>B2 – Practices, policies and future initiatives for transitioning towards a more sustainable economy</b></p> <p>26. If the undertaking has put in place specific practices, policies or future initiatives for transitioning towards a more sustainable economy, it shall state so. The undertaking shall state whether it has:</p> <ul style="list-style-type: none"> <li>(a) <b>practices</b>. Practices in this context may include, for instance, efforts to reduce the undertaking's water and electricity consumption, to reduce GHG emissions or to prevent pollution, and initiatives to improve product safety as well as current initiatives to improve working conditions and equal treatment in the workplace, sustainability <b>training</b> for the undertaking's workforce and partnerships related to sustainability projects;</li> <li>(b) <b>policies</b> on sustainability issues, whether they are publicly available, and any separate environmental, social or governance policies for addressing sustainability issues;</li> <li>(c) any future initiatives or forward-looking plans that are being implemented on sustainability issues; and</li> <li>(d) <b>targets</b> to monitor the implementation of the <b>policies</b> and the progress achieved towards meeting such targets.</li> </ul> <p>27. Such practices, policies and future initiatives include what the undertaking does to reduce its negative <b>impacts</b> and to enhance its positive impacts on people and the environment, in order to contribute to a more sustainable economy. Appendix B provides a list of possible sustainability issues that could be covered in this disclosure. The undertaking may use the template found in paragraph 14 of Annex II of this Recommendation to report this information.</p> <p>28. If the undertaking also reports on the Comprehensive module, it shall complement the information provided under B2 with the datapoints found in C2.</p>	<p><b>C2 – Description of practices, policies and future initiatives for transitioning towards a more sustainable economy</b></p> <p>48. If the undertaking has put in place specific practices, <b>policies</b> or future initiatives for transitioning towards a more sustainable economy, which it has already reported under disclosure B2 in the Basic Module, it shall briefly describe them. The undertaking may use the template found in paragraph 149 of Annex II of this Recommendation for this purpose.</p> <p>49. The undertaking may indicate the most senior level within its employees that is accountable for implementing the policies when this has been determined by the undertaking.</p>
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### Structure and aim of the supporting guide

The content of this supporting guide is not mandatory, not exhaustive, not-binding, nor prescriptive. This supporting guide does not set any expectations for the specific content to be reported, but aims to help SMEs by providing possible elements for their disclosures.

- 3 This supporting guide is composed of two parts:
  - a. list of examples of practices, policies and future initiatives by sustainability topics
  - b. case studies

## Definitions of practices, policies, future initiatives, and targets (VSME Standard):

- 4 **Practices** (paragraph 26(a)): Practices in this context may include, for instance, efforts to reduce the undertaking's water and electricity consumption, to reduce GHG emissions or to prevent pollution, and initiatives to improve product safety as well as current initiatives to improve working conditions and equal treatment in the workplace, sustainability training for the undertaking's workforce and partnerships related to sustainability projects.

[Link Annex 1 of the VSME](#)

- Policies** (Appendix A: Defined terms): 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.

[Appendix A: Defined terms](#)

**Policies (clarifications based on definition above and par. 48, 49 VSME and related guidance):** The definition of **policy** clarifies that formalised policies in SMEs are written. Policies can also be "unwritten" i.e. informal. In this case they coincide with a practices. In both forms (written or unwritten) they stem from management decisions or from the undertaking's strategy/operations. In both forms policies can be associated or not to targets. Written policies have a defined person responsible for it. In both cases (written or unwritten policy /practices) there may be or not be a senior management among employees accountable for it.

- 6 **Future initiatives** (paragraph 26(c)): future initiatives or forward-looking plans that are being implemented on sustainability issues.

[Link Annex 1 of the VSME](#)

- 7 **Targets** (paragraph 26(d)): 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.

- 8 Many SMEs already have practices, policies (written or unwritten) and future initiatives in place, either due to legal requirements (national and/ or European legal requirements such as the European Energy Performance for Buildings Directive, the EU Whistleblowing Directive, health and safety-related national laws, etc.), management of business risks, or as part of their value proposition.

## Sectors chosen for Case Studies

- 9 This supporting guides contains 5 case studies are based on the list of examples of practices, policies, and future initiatives (see the tab with the list of examples).
- 10 The case studies cover different business sectors, each giving an example for small (12 employees) and a medium (200 employees) undertakings. The case studies are given in the form of mock-up disclosure. The aim of these case studies is to show how SMEs could disclose C2-related information.
- 11 The sectors of the case studies below have been chosen according to the distribution of the main SME sectors in the EU (Eurostat's Structural Business Statistics (2022)). See the breakdown on the below:

Case Study	Reference Sector	Sector share (%) of total SMEs
<b>Case Study 1 - Food &amp; beverage: Ready-made meals shop or chain</b>	Wholesale & Retail Trade	18%
<b>Case Study 2 - Manufacturing: Automotive parts producer</b>	Manufacturing	7%
<b>Case study 3 - Agriculture: Milk and dairy producer</b>	Others	<9%
<b>Case Study 4 - Construction: Housing construction company</b>	Constructions	12%
<b>Case Study 5 - E-commerce / Digital services: Online retailer</b>	Wholesale & Retail Trade	18%



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## List of examples practices, policies, and future initiatives listed by sustainability topic

The examples are order specific and do not take into account the specifications of orders, which could increase in business models. IMOs are encouraged to add the examples in Part 1 to their specific orders, either on a group basis or to provide particular details that will inform a Merchant understanding. IMOs are encouraged to use dropdown or dropdown (current or past), which will inform a Merchant understanding. The aim is to provide clarity (order location, size, price, etc.) that could increase with IMOs' current information. Other IMOs may already set, without being aware of it, therefore, this list does not set any expectations for the content but requested, business to help IMOs understand the type of content that they could request.

To note that the examples are not to be used as a template, even though understandings between IMOs and a group are not expected to be the Comprehensive Module. They may look at the initial part of the list (not compiled), which examples at the end of the list are better suited for merchant understanding.

We list the examples of policies, actions, and business initiatives provided in this supporting guide that it can be arranged to meet specific merchant increasing complexity.

[illegible]

## Case Study 1 - Food & beverage: Ready-made meals shop or chain

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Small undertaking version (12 employees)	Medium undertaking version (200 employees)
<p>[CONTEXT, illustrative, not to be disclosed under C2]:</p> <ul style="list-style-type: none"> <li>Provides ready-made meals to employees from surrounding offices and schools</li> <li>Prioritises quality products and information to grow trust and loyalty of (Academics) customer base.</li> </ul>	<p>[CONTEXT, illustrative, not to be disclosed under C2] - This case study builds upon the practices, policies, and future initiatives outlined in the case study of the small undertaking. Any additional practices, policies, or initiatives not included in the small undertaking are highlighted in blue.</p> <ul style="list-style-type: none"> <li>Prioritises quality products and information to grow trust and loyalty of the (Academics) customer base</li> <li>Supplies ready-made meals from multiple production locations to a large variety of customers with a broad variety of dietary needs</li> <li>Has been focusing on process standardisation, resource efficiency and personnel expertise</li> </ul>
The small undertaking discloses that it has practices, policies or future initiatives for the following issues (B2):	The medium undertaking discloses that it has practices, policies or future initiatives for the following issues (B2):
<p>As mentioned in B2 we have practices, policies and future initiatives on</p> <p>Climate Change Circular Economy Consumers and End-users Own Workforce Business Conduct (supplier relations and corruption)</p>	<p>As mentioned in B2 we have practices, policies and future initiatives on</p> <p>Climate Change Circular Economy Own Workforce Affected Communities Consumers and End-users Business Conduct</p>
<p>We are conscious about our energy use, by (Climate change):</p> <ul style="list-style-type: none"> <li>Using closed-door refrigerators</li> <li>Buying renewable electricity backed by green energy certificates</li> <li>Planning to invest in an electric delivery van (2028) to electrify our last mile deliveries</li> <li>Improve staff workplace habits to reduce energy use via targeted trainings</li> </ul> <p>To reduce our food waste, we (Circular economy):</p> <ul style="list-style-type: none"> <li>Are offering a day-ahead ordering discount</li> </ul> <p>We offer menu transparency and accuracy for all our meals (Consumers and End-users, Own Workforce):</p> <ul style="list-style-type: none"> <li>We are including clear ingredient lists and allergen information in printed and digital menus</li> <li>We use standardised icons to indicate dietary restrictions or preferences (e.g. allergens, + vegetarian, vegan)</li> </ul> <p>We aim to provide our customers with access to certificates, sourcing information and nutritional facts (2026-2027) (Consumers and End-users, Own Workforce):</p> <ul style="list-style-type: none"> <li>We have engaged a local software provider to develop a QR code system for our meals to link ingredient sourcing and nutritional facts.</li> <li>Our shop's website will include interactive allergen filters for meals</li> </ul> <p>We train our employees on communication of food information (Consumers and End-users, Own Workforce):</p> <ul style="list-style-type: none"> <li>To inform consumers on menu items accurately (i.e. allergens) and nutrition information</li> <li>To refresh food safety (including date marking) and allergen handling rules</li> </ul> <p>We take care of how we purchase our ingredients (Business Conduct):</p> <ul style="list-style-type: none"> <li>For our certified ingredients, we request updated certification from suppliers to verify organic, local, or ethical sourcing claims</li> <li>We constantly look to buy directly from family-owned farmers and producers, as well as from cooperatives</li> </ul>	<p>We are conscious about our energy use and about our impact on climate change, by (Climate change):</p> <ul style="list-style-type: none"> <li>Based on our energy audit of 2024 we are investing in energy-efficient cooking and freezing equipment, as well as heat recuperation via ventilation</li> <li>Using closed-door refrigerators</li> <li>Buying renewable electricity backed by green energy certificates</li> <li>Are drafting a green delivery and low-carbon employee mobility plan to optimise employee mobility and to achieve a fully electric delivery fleet by 2026</li> <li>Are proposing climate-friendly meals based on majority local &amp; plant-based sourced ingredients</li> </ul> <p>To reduce the emissions of our deliveries and of food and packaging waste, we (Circular economy):</p> <ul style="list-style-type: none"> <li>Apply meal forecasting</li> <li>Donate unsold ready meals</li> <li>Use fully recyclable packaging while offering a takeback system for our packaged products to ensure correct disposal</li> </ul> <p>We offer menu transparency and accuracy for all our meals in compliance with our Food Safety Policy (Own Workforce, Consumers and End-users):</p> <ul style="list-style-type: none"> <li>We use standardised icons to indicate dietary restrictions or preferences (e.g. allergens + vegetarian, vegan)</li> <li>We are standardising food preparation protocols across branches, including labelling on allergens and date marking</li> </ul> <p>By next year, we plan to:</p> <ul style="list-style-type: none"> <li>Establish an in-house quality assurance team to monitor compliance with labelling law</li> <li>Ensure labelling includes ingredient, allergen, and origin information is accessible in multiple languages</li> </ul> <p>We aim to provide our customers with access to certificates, sourcing information and nutritional facts (2026-2027) (Own Workforce, Consumers and End-users):</p> <ul style="list-style-type: none"> <li>Our shop's website will include interactive allergen filters for meals</li> <li>We are establishing an in-house quality assurance team to monitor compliance with labelling law</li> <li>We are ensuring labelling includes ingredient, allergen, and origin information is accessible in multiple languages</li> </ul>

<p>Given our regular interactions with public authorities, such as food inspectors, <b>we recognise the importance of managing corruption risks in our operations (Business Conduct):</b></p> <ul style="list-style-type: none"> <li>Any visits from inspectors or officials must be logged. We never give gifts or favours to get better treatment. If an employee feels pressured by an official, they should immediately report the situation to the manager or owner</li> </ul>		<ul style="list-style-type: none"> <li>Our customers can reach us via several communication channels</li> </ul>
<p><b>Description of target related to a policy (B2):</b> The small undertaking discloses under B2 that it does not have targets</p>	<no disclosure>	<p>In order to ensure full compliance with our <b>Food Safety Policy we aim to (Own Workforce, Consumers and End-users):</b></p> <ul style="list-style-type: none"> <li>Providing employees with training on food safety regulations and best practices including:</li> <li>Refreshing food safety (including date marking) and allergen handling rules</li> <li>Additionally, we are establishing a yearly safety training schedule for all kitchen and service</li> </ul> <p>We take care of <b>how we purchase our ingredients, for this we have implemented the following policies and consequent practices (Affected communities, Business Conduct):</b></p> <ul style="list-style-type: none"> <li>For our certified ingredients, we request updated certification from suppliers to verify organic, local, or ethical sourcing claims</li> <li>We constantly look to buy directly from family-owned farmers and producers, as well as from cooperatives</li> <li>Our Supplier Code of Conduct includes specific sections on food safety (hygienic and safe production practices, transparent ingredient sourcing etc.)</li> <li>We engage with our suppliers and conduct audits</li> <li>We provide our kitchen staff training opportunities on catering as well as additional learning opportunities to improve purchasing, processing, and the sustainability of our sourced ingredients</li> </ul> <p>Given our regular interactions with public authorities, such as food inspectors, <b>we recognise the importance of managing corruption risks in our operations (Affected communities, Business Conduct):</b></p> <ul style="list-style-type: none"> <li>Any visits from inspectors or officials must be logged. We never give gifts or favours to get better treatment. If an employee feels pressured by an official, they should immediately report the situation to the manager or owner</li> <li>To fight corruption, employee functions that entail risk of corruption are required to follow yearly anti-corruption training.</li> </ul> <p><b>We use effective communication channels to capture feedback from customers, our workforce and communities affected by our suppliers or other stakeholders (Affected communities, Business Conduct):</b></p> <ul style="list-style-type: none"> <li>Any visits from inspectors or officials must be logged. We never give gifts or favours to get better treatment. If an employee feels pressured by an official, they should immediately report the situation to the manager or owner</li> <li>Via a third-party whistleblowing channel concerns can be reported such as expired food reuse or sanitation breaches.</li> <li>The channel is available internally and externally, an annual communication campaign ensures that all stakeholders are aware and know how to use it.</li> </ul>
<p><b>Description of target related to a policy (B2):</b> The medium undertaking discloses under B2 that it has targets</p>		<p>We aim to reduce food waste across our meal production operations by 50% by 2030, compared to 2025, through improved forecasting and redistribution of surplus food. Due to our standardization efforts, we project this to be budget-neutral within the year.</p>

Key:

Black:	Practices, policies, future initiatives for small and medium SMEs
Blue:	Practices, policies, future initiatives that are present only in case studies for medium SMEs

## Case Study 2 - Manufacturing: Automotive parts producer

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Small undertaking version (12 employees)	Medium undertaking version (200 employees)
<p>[CONTEXT, illustrative, not to be disclosed under C2]</p> <ul style="list-style-type: none"> <li>Supplies second hand car parts to repair workshops</li> <li>Applies systematic repairing and refurbishing of used parts</li> </ul>	<p>[CONTEXT, illustrative, not to be disclosed under C2] - This case study builds upon the practices, policies, and future initiatives outlined in the case study of the small undertaking. Any additional practices, policies, or initiatives not included in the small undertaking are highlighted in blue.</p> <ul style="list-style-type: none"> <li>Supplies to several large car manufacturers</li> <li>Needs to comply with clients' Code of Conducts</li> <li>Careful reputation management related to public representatives and local communities</li> </ul>
The small undertaking discloses that it has practices, policies or future initiatives for the following issues (B2):	The medium undertaking discloses that it has practices, policies or future initiatives for the following issues (B2):
<p>As mentioned in B2 we have practices, policies and future initiatives on</p> <p>Climate Change Pollution Water and Marine Resources Own Workforce Business Conduct</p>	<p>As mentioned in B2 we have practices, policies and future initiatives on</p> <p>Climate change Water and Marine Resources Circular Economy Pollution Own Workforce Business Conduct</p>
<p>To ensure <b>clean operations</b>, we (Climate change, Pollution, Water and Marine Resources):</p> <ul style="list-style-type: none"> <li>Are using renewable electricity via a dedicated supplier (through a power purchasing agreement - PPA)</li> <li>Optimise our electricity consumption by using our own solar photovoltaic and battery storage system while at the same time continuing to systematically invest in energy efficient appliances</li> <li>Are using low-aerosol paints to improve air quality</li> <li>Are protecting the soil from oils, paints and metal scraps by spill containment systems</li> <li>Are ensuring that all wastewater is treated to permit standards</li> </ul> <p><b>Additionally</b>, we plan to (Climate change, Pollution, Circular Economy):</p> <ul style="list-style-type: none"> <li>Improve our interior air quality control (by 2026)</li> <li>Expand our components quality testing and repair services to electric vehicle motors and batteries and provide adequate training to our workers (by 2030)</li> </ul> <p>We ensure <b>good working conditions</b> (Own workforce):</p> <ul style="list-style-type: none"> <li>We apply non-discrimination or harassment rules, and we ensure a mechanism to report any violations</li> <li>We provide training for all employees fostering a safe and supportive work environment that prioritises their health and safety and, ultimately, well-being</li> <li>We conduct workplace inspections to ensure health and safety rules are followed</li> </ul> <p>We are driven by <b>our values and partners</b> (Business conduct):</p> <ul style="list-style-type: none"> <li>We implement our sustainability-driven mission and values by providing the used car markets with circular components and communicate our mission and values to our clients via dedicated social media channels</li> <li>We signed the automotive's sector code of conduct as requested by one of our large brands and are supported by them for its implementation</li> </ul>	<p>We <b>adopted the automotive sector's sustainability guidance</b> to ensure compliance with our clients expectations, and which sets the following objectives covering various sustainability issues:</p> <ul style="list-style-type: none"> <li>Strive for net zero GHG emissions (Climate change)</li> <li>Implement responsible chemical management (Climate change)</li> <li>Minimise water consumption (Water and Marine Resources)</li> <li>Increase reuse and recycling, reduce waste (Circular Economy)</li> <li>Respect human rights and working conditions (Own Workforce)</li> <li>Provide workers a safe and healthy working environment (Own Workforce)</li> <li>Uphold highest integrity standards (Own Workforce)</li> <li>Select business partners with similar standards (Business Conduct)</li> </ul> <p><b>Consequent actions to achieve this (Climate change, Pollution, Circular economy):</b></p> <ul style="list-style-type: none"> <li>Using renewable electricity via a dedicated supplier and additional renewable Power Purchase agreements (PPA)</li> <li>Optimise our electricity consumption by using our own solar photovoltaic and battery storage system while at the same time continuing to systematically invest in energy efficient appliances + energy assessments and monitoring</li> <li>We use low-aerosol paints to improve air quality</li> <li>We protect the soil from oils, paints and metal scraps by spill containment systems</li> <li>We will improve our interior air quality control (by 2026)</li> <li>We comply with good environmental risk management practices as defined in our industry's standard</li> <li>We launched a Net Zero Action Plan which commits us to net zero production sites by 2040 (<a href="#">see our transition plan under disclosure C3</a>)</li> <li>(by 2030) We will redesign key products to reduce GHG footprint, improve recyclability and increase the share of recycled metals in our product</li> </ul> <p><b>Consequent actions to achieve this (Water and Marine Resources):</b></p> <ul style="list-style-type: none"> <li>We ensure that all wastewater is treated to permit standards</li> <li>We are assessing our water use to understand where we can reduce consumption</li> </ul> <p><b>Consequent actions to achieve this (Own workforce, Business Conduct):</b></p> <ul style="list-style-type: none"> <li>We apply non-discrimination or harassment rules, and we ensure a mechanism to report any violations</li> <li>We provide training for all employees fostering a safe and supportive work environment that prioritises their health and safety and, ultimately, well-being</li> <li>We conduct workplace inspections to ensure health and safety rules are followed in line with our sector's standard</li> <li>We signed the automotive's sector code of conduct as requested by one of our large brands and are supported by them for its implementation</li> <li>We offer targeted training programmes to interested workers to improve our employees digital skills</li> <li>We provide health and safety training to our workers</li> <li>We respect legal and sectoral agreements, we also invest in employee wellbeing</li> <li>Our Employee Handbook guarantees a structured grievance mechanism where employees can voice concerns anonymously</li> <li>In accordance with national law, we pay invoices within 30 days unless agreed otherwise in writing (not to exceed 60 days)</li> </ul>
<p><b>Description of target related to a policy (B2):</b> The small undertaking discloses under B2 that it does not have targets</p> <p>&lt;no disclosure&gt;</p>	<p><b>Description of target related to a policy (B2):</b> The medium undertaking discloses under B2 that it has targets</p> <ul style="list-style-type: none"> <li>We aim to achieve carbon-neutral production by 2040, please refer to our plan in disclosure C3.</li> <li>We aim to increase the recycled content for steel in our products to at least 50% by 2030 through ecodesign and certification. Up to 10% of our profits are allocated to product redesign.</li> </ul>

Key:

Black:	Practices, policies, future initiatives for small and medium SMEs
Blue:	Practices, policies, future initiatives that are present only in case studies for medium SMEs

## Case study 3 - Agriculture: Milk and dairy producer

27

Small undertaking version (12 employees)		Medium undertaking version (200 employees)	
<p>[CONTEXT, illustrative, not to be disclosed under C2]:</p> <ul style="list-style-type: none"> <li>• Operates as a farm with 200 cows, producing a variety of artisanal cheeses and other dairy products</li> <li>• Embraces nature-friendly farming practices to restore soil health, better adapt to climate change and ensure long-term business continuity</li> </ul>		<p>[CONTEXT, illustrative, not to be disclosed under C2] - This case study builds upon the practices, policies, and future initiatives outlined in the case study of the small undertaking. Any additional practices, policies, or initiatives not included in the small undertaking are highlighted in blue.</p> <ul style="list-style-type: none"> <li>• Encourages its farmers to adopt nature-friendly farming practices to restore soil health, to better adapt to climate change and ensure long-term business continuity,</li> <li>• Offers climate-friendly and high-quality dairy, a variety of artisanal cheeses and other dairy products to its farmer-members</li> <li>• Operates as a cooperative, in close collaboration between farmers, employees, and partners</li> </ul>	
The small undertaking discloses that it has practices, policies or future initiatives for the following issues (B2):		The medium undertaking discloses that it has practices, policies or future initiatives for the following issues (B2):	
<p>As mentioned in B2 we have practices, policies and future initiatives on</p> <p>Climate Change Water and Marine Resources Business Conduct Biodiversity Own Workforce</p>		<p>As mentioned in B2 we have practices, policies and future initiatives on</p> <p>Circular Economy Water and Marine Resources Climate Change Biodiversity Business Conduct Own Workforce</p>	
<p>We focus on <b>adapting to climate change by strengthening our resilience to water scarcity and extreme weather events by (Climate change, Water and Marine Resources, Business Conduct):</b></p> <ul style="list-style-type: none"> <li>• Investing in rainwater harvesting and in storage reservoirs to ensure water availability for our cows the production of our own high-quality cow feed</li> <li>• Investing in our herd's welfare by providing shelter to ensure forage for the cows and protection against adverse weather conditions such as heatwaves, frost, wind</li> <li>• Reducing runoff and improving infiltration through soil-friendly land management practices</li> </ul> <p>We contribute to <b>reducing our GHG emissions by (Climate Change, Circular Economy, Water):</b></p> <ul style="list-style-type: none"> <li>• Enhancing the protein self-sufficiency of our farm by improving our own cow feed production</li> <li>• Continually improve our livestock system, including reducing the age at first calving, increasing cow longevity and adapting feed rations</li> <li>• Using a renewable electricity provider</li> <li>• Retrofitting our milk and dairy production machines to decrease energy consumption</li> <li>• Convert dairy by-products and farm waste into natural fertilisers</li> <li>• Reusing water left after use in the milk coolers as drinking water for cows and for cleaning</li> </ul> <p>We maintain <b>biodiverse and productive land (Biodiversity):</b></p> <ul style="list-style-type: none"> <li>• by producing certified organic products as shown in our product certification overview in disclosure B1</li> <li>• by expanding the share of agricultural land with green cover to all erosion-sensitive soils by 2027</li> </ul> <p>We focus on <b>our workforce and treat them fairly (Own workforce):</b></p> <ul style="list-style-type: none"> <li>• A reliable workforce and the capacity to attract and retain workforce in this sector is key, which is why in collaboration with the team via our annual worker meeting, we set our common approach to working hours and regular breaks, working conditions and, particularly, health and safety.</li> </ul>		<p>To ensure the <b>resilience of the cooperative's members and</b> we commit to providing support when they apply following practices: <b>(Circular Economy, Water and Marine Resources, Business Conduct):</b></p> <ul style="list-style-type: none"> <li>• Investing in rainwater harvesting and in storage reservoirs to ensure water availability for the production of their own high-quality cow feed</li> <li>• Investing in the welfare management of cooperative members' herds by providing shelter to ensure forage for the cows and protection against adverse weather conditions such as heatwaves, frost, wind</li> <li>• Reducing runoff and improving infiltration through soil-friendly land management practices</li> <li>• Convert dairy by-products and farm waste into natural fertilisers</li> <li>• Reusing water left after use in the milk coolers as drinking water for cows and for cleaning</li> <li>• Responsibly manage waste and wastewater</li> <li>• Using packaging that is durable, recyclable or biodegradable</li> </ul> <p>The cooperative's members and our own dairy facilities contribute to <b>reducing GHG emissions by (Climate Change)</b></p> <ul style="list-style-type: none"> <li>• Enhancing the protein self-sufficiency of their farm by improving their own cow feed production and adding our methane-emission reducing additives containing red algae</li> <li>• Continually improve the cooperative member's livestock system, including reducing the age at first calving, increasing cow longevity and adapting feed rations</li> <li>• Using a renewable electricity provider</li> <li>• Retrofitting the milk and dairy production machines at our facilities to decrease energy consumption</li> </ul> <p>We maintain <b>biodiverse and productive land (Biodiversity):</b></p> <ul style="list-style-type: none"> <li>• By enhancing the natural environment and biodiversity (including insects) of our facilities by adding hedges, ponds and other natural constructions to promote the development of our local ecosystem by 2027</li> </ul> <p>We additionally support our farmers with <b>(Biodiversity, Business Conduct):</b></p> <ul style="list-style-type: none"> <li>• Improving animal welfare management, including through pasture access whenever conditions allow, and by reducing reliance on antibiotics</li> <li>• Applying grass-based grazing methods that reduce emissions and enrich carbon in soils</li> <li>• Support pollinator margins, and species-rich pastures to boost biodiversity.</li> <li>• Partnerships with research institutions, to improve our impact on environment and society.</li> <li>• Healthy and nutritious dairy production that reduces chemical residues in the food chain</li> <li>• To align with our clients' requirements on the correct treatment of animals, our farms are certified for Animal Welfare Management.</li> </ul>	
<p>Description of target related to a policy (B2): The small undertaking disclosed that it has targets</p>		<p>We focus on <b>our workforce and treat them fairly and prioritise product safety (Own workforce, Consumers and End-users):</b></p>	
Expand the share of agricultural land with green cover to all erosion-sensitive soils by 2027 (60% today). Labour and planting material costs are estimated at € 500 per hectare.			



<ul style="list-style-type: none"><li>• A reliable workforce and the capacity to attract and retain workforce in this sector is key, which is why, in collaboration with the team via our annual worker meeting, we set our common approach to working hours and regular breaks, decent working conditions and, particularly, health and safety</li><li>• We offer farmer training &amp; knowledge sharing on sustainable livestock farming including tailored modules on climate adaptation</li><li>• Provide ergonomic risks assessment to prevent musculoskeletal disorders and to reduce fatigue: mapping repetitive tasks, heavy lifting techniques, prolonged standing and/or awkward positions</li><li>• We apply food safety standards as laid out in our product quality guidance</li><li>• We apply our good hygiene practices including proper hand washing and regular cleaning of surfaces</li><li>• We use Personal Protective Equipment (PPE) ensuring employees consistently use them correctly (visual cues, capturing feedback and suggestions to address reluctance or discomfort)</li></ul>	
<b>Description of target related to a policy (B2):</b> The medium undertaking disclosed that it has targets	We aim to provide access to local biogas installations to treat all manure by 2040, for all our farmers. Our cooperative additionally commits to achieve by 2035 net zero in milk transport and processing. We will invest up to € 250k annually converting production facilities and vehicle park (6 trucks, 10 vans).

Key:

Black:	Practices, policies, future initiatives for small and medium SMEs
Blue:	Practices, policies, future initiatives that are present only in case studies for medium SMEs

## Case Study 4 - Construction: Housing construction company

28

Small undertaking version (12 employees)	Medium undertaking version (200 employees)
<p>[CONTEXT, illustrative, not to be disclosed under C2]</p> <ul style="list-style-type: none"> <li>• Small residential construction contractor, focusing on operational efficiency and safety</li> <li>• Considers clean operations and the use of low-emitting machinery as good practice</li> </ul>	<p>[CONTEXT, illustrative, not to be disclosed under C2] - This case study builds upon the practices, policies, and future initiatives outlined in the case study of the small undertaking. Any additional practices, policies, or initiatives not included in the small undertaking are highlighted in blue.</p> <ul style="list-style-type: none"> <li>• Contractor for larger residential housing projects, requiring it to streamline operational processes</li> <li>• Focus on reducing the amounts of energy, water and materials used as part of their mission</li> </ul>
The small undertaking discloses that it has practices, policies or future initiatives for the following issues (B2):	The medium undertaking discloses that it has practices, policies or future initiatives for the following issues (B2):
<p>As mentioned in B2 we have practices, policies and future initiatives on</p> <ul style="list-style-type: none"> <li>Climate change</li> <li>Pollution</li> <li>Own workforce</li> <li>Affected communities</li> <li>Business conduct (corruption &amp; bribery)</li> </ul>	<p>As mentioned in B2 we have practices, policies and future initiatives on</p> <ul style="list-style-type: none"> <li>Climate Change</li> <li>Pollution</li> <li>Circular Economy</li> <li>Own Workforce</li> <li>Workers in the value chain</li> <li>Affected Communities</li> <li>Business Conduct</li> </ul>
<p>We consider the <b>environment and the community where we work</b> (Climate change, circular economy, pollution):</p> <ul style="list-style-type: none"> <li>• We avoid extended use of diesel generators and request temporary power grid connections</li> <li>• We use battery-powered tooling where possible to minimise fossil fuel use and reduce worksite noise</li> <li>• We clean our sites daily to avoid soil or water pollution incidents and to ensure all materials and waste are stored safely</li> <li>• All employees are trained to identify and separate waste streams, and dispose of hazardous waste correctly</li> </ul> <p>In addition to applying <b>health and safety regulation</b> (Own workforce, affected communities):</p> <ul style="list-style-type: none"> <li>• We conduct employee training for heat stress risks, on extreme weather events, and emergency/first aid response</li> <li>• Use of Personal Protective Equipment (PPE)</li> <li>• Machinery instructions are available in multi-language format</li> <li>• Site managers are responsible for conducting regular risk assessments to identify potential hazards on the construction site and document them by type and by location</li> <li>• We engage with our employees to evaluate risks based on their experience</li> <li>• Display clear and visible safety signs around the construction site to warn of hazards."</li> </ul> <p><b>Onboarding/training and building experience</b> (Own workforce, affected communities):</p> <ul style="list-style-type: none"> <li>• We will start a training track on good construction practices for energy-efficiency upgrades for buildings</li> <li>• Our site managers are trained to engage with neighbours in case of complaints</li> </ul> <p>We work with <b>integrity and transparency</b> (Business conduct):</p> <ul style="list-style-type: none"> <li>• We do not tolerate that our employees are involved in undeclared or inappropriate works, such as the</li> </ul>	<p>We consider the <b>environment and the community where we work</b> (Climate change, circular economy, pollution):</p> <ul style="list-style-type: none"> <li>• By avoiding extended use of diesel generators and request temporary power grid connections and use battery-powered tooling where possible to minimise fossil fuel use and reduce worksite noise</li> <li>• By reducing the material intensity of our operations, as we demand engagement with architects and designers during the design phase to streamline material selection and design optimization</li> <li>• By improving our recovery and recycling rates, thanks to the implementation of on-site waste separation</li> <li>• By successfully piloting the collection of specific demolition waste streams to repurpose for reuse</li> <li>• By aiming to apply our waste stream repurposing activities to all projects by the end of 2026</li> <li>• By encouraging the use of certified materials in our negotiations with architects and clients, preferably from regionally sourced origins</li> </ul> <p>In addition to applying <b>health and safety regulation</b> (Own workforce, workers in the value chain):</p> <ul style="list-style-type: none"> <li>• We conduct employee training for heat stress risks, on extreme weather events, and emergency/ first aid response</li> <li>• Use of Personal Protective Equipment (PPE)</li> <li>• Machinery instructions are made available in multi-language format</li> <li>• Site managers are responsible for conducting regular risk assessments to identify potential hazards on the construction site and document them by type and by location</li> <li>• We engage with our employees to evaluate risks based on their experience</li> <li>• We display clear and visible safety signs around the construction site to warn of hazards.</li> <li>• Our site managers are trained to engage with neighbours in case of complaints.</li> <li>• All employees are trained to identify and separate waste streams, and dispose of hazardous waste correctly</li> </ul> <p><b>To ensure safe operations and working conditions, we developed an Employee Handbook, which sets rules on</b> (Own workforce, workers in the value chain):</p> <ul style="list-style-type: none"> <li>• Safe work environment, available in the languages of the workforce on, amongst others, protection gear and working at height rules, handling of machines, and extreme weather measures.</li> <li>• Non-discrimination policy</li> <li>• Remuneration and promotion structures, like fair and timely payment of wages and clear rules on working hours</li> <li>• Working hours and breaks</li> <li>• Employee training and participation in apprentice schemes</li> <li>• All suppliers providing on-site activities are required to sign and apply our Employee Handbook rules to their workers. For parties unwilling to sign, additional controls are enacted.</li> </ul> <p>We work with <b>integrity and transparency</b> (Business conduct):</p>

<p>provision or services to third parties during their work time, as this could expose the company to legal or ethical risks</p> <ul style="list-style-type: none"><li>• We do not offer any gifts to public officials, be it monetary, products or labour</li><li>• Permit delays or work disruptions shall be reported in a timely and transparent manner</li></ul>		<ul style="list-style-type: none"><li>• We do not tolerate that our employees are involved in undeclared or inappropriate works, such as the provision of services to third parties during their work time, as this could expose the company to legal or ethical risks</li><li>• We do not offer any gifts to public officials, be it monetary, products or labour</li><li>• Permit delays or work disruptions shall be reported in a timely and transparent manner</li></ul>
<p><b>Description of target related to a policy (B2):</b> Company 9 discloses under B2 that it does not have targets</p>	<p>&lt;no disclosure&gt;</p>	<p>Our workers encounter many different stakeholders and interested parties, we therefore apply a <b>business conduct policy</b> that addresses both conflicts of interest and corruption (<b>Business conduct</b>):</p> <ul style="list-style-type: none"><li>• We expect leadership and employees to avoid situations where personal interests, external activities, financial interests, or relationships conflict (or risk conflicting) with the company's interests</li><li>• Employees who believe they may face a conflict of interest must inform their manager or HR so the company can assess and address it</li><li>• A whistleblowing hotline is available in relevant languages to report concerns such as bribery, undeclared work, or permit fraud</li><li>• From 2025, employees will be briefed before major projects to help them recognize and handle conflicts of interest and understand the negative impacts of policy breaches</li></ul>
<p><b>Description of target related to a policy (B2):</b> Company 10 discloses under B2 that it has targets</p>		<p>Employee training for all employees on conflict of interest by end-2026.</p> <p>To expand our waste stream repurposing to all projects by the end of 2026, we plan a one-time investment in sorting and cleaning machinery. A € 150,000 investment has been allocated, partially government supported.</p>

Key:

Black:	Practices, policies, future initiatives for small and medium SMEs
	Practices, policies, future initiatives that are present only in case studies for medium SMEs
Blue:	SMEs

## Case Study 5 - E-commerce / Digital services: Online retailer

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Small undertaking version (12 employees)		Medium undertaking version (200 employees)	
<p>[CONTEXT, illustrative, not to be disclosed under C2]:</p> <ul style="list-style-type: none"> <li>Depends on customer trust and online security</li> <li>Employs mainly workers on a flexible basis</li> <li>Is driven to reduce return packages and actively engaging with customers minimise these</li> </ul>		<p>[CONTEXT, illustrative, not to be disclosed under C2] - This case study builds upon the practices, policies, and future initiatives outlined in the case study of the small undertaking. Any additional practices, policies, or initiatives not included in the small undertaking are highlighted in blue.</p> <ul style="list-style-type: none"> <li>Is driven to reduce return packages and actively engaging with customers minimise these</li> <li>Fast-growing platform delivering large quantities of packages</li> <li>Brands itself as a sustainable packages delivery service embedded in local communities</li> </ul>	
<p>The small undertaking discloses that it has practices, policies or future initiatives for the following issues (B2):</p>		<p>The medium undertaking discloses that it has it has practices, policies or future initiatives for the following issues (B2):</p>	
<p>As mentioned in B2 we have practices, policies and future initiatives on</p> <ul style="list-style-type: none"> <li>Climate Change</li> <li>Circular Economy</li> <li>Own workforce</li> <li>Consumers &amp; End-users</li> <li>Business Conduct</li> </ul>		<p>As mentioned in B2 we have practices, policies and future initiatives on</p> <ul style="list-style-type: none"> <li>Climate change</li> <li>Circular Economy</li> <li>Own workforce</li> <li>Consumer &amp; Ends-Users</li> <li>Business Conduct</li> </ul>	
<p>We are conscious about the environment (Climate change, Circular economy):</p> <ul style="list-style-type: none"> <li>Thanks to our third-party delivery options that offer bicycle-based deliveries as the first option</li> <li>By engaging with customers on reducing product returns, launch an auction platform for returned products</li> <li>Thanks to the use paper or biodegradable packaging where possible to reduce plastic waste</li> <li>As we purchase FSC-certified paper products to minimize our impact on deforestation</li> <li>By putting in place a waste separation system in our warehouse to sort and recycle packaging waste</li> <li>By replacing conventional lighting with LED systems and installing motion or daylight sensors in appropriate areas</li> </ul>		<p>We designed an environmental policy with the objective to (Climate change, Circular economy):</p> <ul style="list-style-type: none"> <li>We use paper or biodegradable packaging where possible to reduce plastic waste</li> <li>We purchase FSC-certified paper products to minimize our impact on deforestation</li> <li>We have put in place a waste separation system in our warehouse to sort and recycle packaging waste</li> <li>Our low carbon-delivery services include the use of EV-vans and cargo-bikes in cities</li> <li>Rent warehouses supplied with renewable energy</li> <li>Minimise waste streams from product returns and packaging</li> <li>Implement lean packaging practices</li> </ul>	
<p>We want to support our workers (office and remote working), therefore we (Own workforce):</p> <ul style="list-style-type: none"> <li>Ensure the workspace is ergonomically friendly: comfortable chairs with proper back support, adjustable and standing desks, adjustable computer height</li> <li>Inform employees of remuneration terms and structure and any flexibilities provided (i.e. working hours, work/life balance)</li> <li>From this year on, we will be initiating quarterly meetings on workload and work life balance</li> </ul>		<p>We plan to further increase (Climate change):</p> <ul style="list-style-type: none"> <li>Low carbon deliveries in cities with low emission zones (see targets below)</li> <li>Maximise the share of cloud-based services hosted in green data centres</li> </ul>	
<p>We offer secure and inclusive services (Consumers &amp; End-users):</p> <ul style="list-style-type: none"> <li>A secure online platform: we selected a local platform provider dedicated to customer privacy, cybersecurity and safe transactions</li> <li>Accessibility to all: Our sales channels are designed to be accessible to all, including well-labelled content, screen-reader compatibility, and the avoidance of exclusively visual or colour-based cues</li> <li>Customer feedback: our platform enables customers to send feedback and suggestions on product offering</li> </ul>		<p>We want to support our workers (office and remote working), therefore we (Own workforce):</p> <ul style="list-style-type: none"> <li>Ensure the workspace is ergonomically friendly: comfortable chairs with proper back support, adjustable and standing desks, adjustable computer height</li> <li>Inform employees of remuneration terms and structure and any flexibilities provided (i.e. working hours, work/life balance)</li> <li>From this year on, we will be initiating quarterly meetings on workload and work life balance</li> </ul>	
<p>To foster corporate culture, we (Business Conduct):</p> <ul style="list-style-type: none"> <li>Maintain regular online meetings where team members can share feedback, celebrate team successes, and contribute ideas to strengthen a positive and inclusive corporate culture</li> </ul>		<p>We aim to foster an equitable work environment and we are committed to (Own workforce):</p> <ul style="list-style-type: none"> <li>Address gender pay gap by conducting a remuneration analysis, communicating the outcome to our employees and adjusting inequalities</li> <li>Training managers on unconscious bias in hiring and promotion to facilitate bias-free screening and interviewing</li> <li>Provide mentorship and coaching programs that supports the growth, advancement, and leadership of women (i.e. STEM programmes that could be anchored to public policy initiatives)</li> <li>Offer a broad range of training, for example disconnection or stress management training</li> </ul>	
<p>Description of target related to a policy (B2): The small undertaking discloses under B2 that it does not have targets</p>		<p>&lt;no disclosure&gt;</p>	
		<p>When we use delivery services, we ask our suppliers to (Workers in the value chain):</p> <ul style="list-style-type: none"> <li>collaborate on the use of our mobile platforms to collect anonymous feedback from delivery workers on safety, wages, and treatment</li> <li>adopt our Guidelines on Safe &amp; Healthy Deliveries to minimise road safety risks, the impacts of demanding physical work and psychosocial conditions like time pressure and continuous monitoring</li> </ul>	

<p>We offer <b>secure and inclusive services</b> (Consumers &amp; End-users):</p> <ul style="list-style-type: none"><li>• A secure online platform: we selected a local platform provider dedicated to customer privacy, cybersecurity and safe transactions</li><li>• Accessibility to all: Our sales channels are designed to be accessible to all, including well-labelled content, screen-reader compatibility, and the avoidance of exclusively visual or colour-based cues</li><li>• Customer engagement on delivery design and product return</li><li>• Our compliance team continuously monitors EU regulations, proposed laws, and industry trends in relation to data privacy.</li></ul> <p>Additionally, to <b>foster corporate culture</b>, we (Business conduct):</p> <ul style="list-style-type: none"><li>• Maintain regular online meetings where team members can share feedback, celebrate team successes, and contribute ideas to strengthen a positive and inclusive corporate culture</li><li>• Organise two teambuilding activities per year to foster connections between employees and leadership, ensuring that the leadership team remains approachable and accessible</li></ul>	
<p><b>Description of target related to a policy (B2):</b> The medium undertaking discloses under B2 that it has targets</p>	<p>Low-carbon deliveries: provide 100% carbon-free delivery services in cities with low emission zones by 2030. We expect a moderate increase in leasing and contracting costs, exact information omitted as considered sensitive.</p>

Key:

Black:	Practices, policies, future initiatives for small and medium SMEs
Blue:	Practices, policies, future initiatives that are present only in case studies for medium SMEs