Deutscher Nachhaltigkeits Kodex

DNK Checklist for voluntary sustainability reporting according to VSME

January 2026

The Sustainability Code

The German Sustainability Code (DNK) was developed in 2011 by the German Council for Sustainable Development (RNE) and has since supported companies in their sustainability reporting.

Since February 2024, the Federal Ministry for Economic Affairs and Energy (BMWE) has supported and financed the further development of the Sustainability Code. As part of the project, a new platform is being developed to support companies in the preparation of sustainability reports in accordance with the CSRD – both for companies reporting in accordance with ESRS Set 1 as well as for voluntarily reporting according to VSME. The aim is to provide companies with user-friendly sustainability reporting and to minimise the effort involved, particularly for SMEs. The development of the Sustainability Code is the German government´s response to the expansion of EU-wide reporting obligations. The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH is carrying out the further development of the Sustainability Code, while the RNE is supporting this work in an advisory capacity.

The new DNK Checklist provides the substantive basis of the new DNK platform for the VSME module for voluntarily reporting companies, which is intended to facilitate reporting in accordance with the VSME Standard. Prof Dr Alexander Bassen and Prof Dr Kerstin Lopatta developed the checklist on behalf of the German Sustainability Code, supported by Angelina Garweg, Mara Harms and Samuel Krieg. On the DNK side, Stephanie Kopp, Johanna Grimm, Florian Harrlandt and Isabelle Krahe were involved, while key stakeholders also took an active role in developing the checklist.

Note

The new DNK Checklist is based on the status of the documents published by the European Commission and the European Financial Reporting Advisory Group (EFRAG) available at the time of publication. This applies in particular to the draft VSME Standard of the European Financial Reporting Advisory Group (EFRAG) from December 2024, which is currently the most recent recommendation of the European Commission on voluntary sustainability reporting for small and medium-sized enterprises (SMEs) from July 2025, and the drafts of the VSME XBRL taxonomy from May 2025. Please note that the VSME Standard is still under development and is expected to be adopted in the form of a delegated act in 2026.

Copyright

Structure and remarks of the checklist

- The contents of the following checklist are integrated into the DNK Platform and form the basis for reporting.
- The data points of the VSME Standard are assigned in the VSME module to the **20 DNK topics** that also exist in the CSRD module for ESRS Set 1 for reporting companies.
- The information from the **Basic Module** (B1 – B11) and the **Comprehensive Module** (C1 – C11) will be presented together by topic and can be reported in a consolidated version.
- To begin with, the company selects on the platform whether it only wants to report on the **Basic Module** or also add information from the **Comprehensive Module**. As a result, the corresponding data points will be displayed. However, each item of information only needs to be provided if it applies to the specific circumstances of the company.
- The **Basic Module** is an entry-level module aimed at micro-companies (SMEs with fewer than 10 employees) and represents a minimum requirement for other companies.
- The **Comprehensive Module** contains further disclosures to comprehensively cover the information requested by business partners, such as investors, banks and corporate customers, which goes beyond the information contained in the Basic Module. The disclosures in this module reflect the respective obligations of financial market participants and corporate customers in accordance with the relevant laws and regulations. They also take into account the information that business partners, like (potential) suppliers or (potential) borrowers, need to assess the sustainability risk profile of your company.
- The requirements of the Basic and Comprehensive Modules are clearly formulated in the column **“DNK Checklist VSME”**. The column **“How to: (Practical Notes, Definitions, Examples, etc.)”** aids with both modules and further information. Key terms, for which definitions and explanations are provided, are highlighted in colour.
- The requirements of the VSME Standard are formulated in the column **“DNK Checklist VSME”** in the form of “**Aspects”**. These can be understood as tasks that reporting companies must complete to meet the reporting requirements. Thus, an “**Aspect”** in the DNK Checklist always marks information on data points and usually corresponds to a paragraph in the VSME Standard.
- The platform also provides the German translation of the VSME Standard.
- **“If applicable” Principle**: Under the VSME Standard, not every single item of information mentioned in the standard has to be provided, but only those for which your company meets the specified requirements. Information that only needs to be provided under certain conditions is highlighted and preceded by the word “if”. If one of these disclosures is omitted, it is assumed that it is not applicable.
- For reasons of readability the term “undertaking”, as defined in ANNEX 1 and 2 of the Commission Recommendation on a voluntary sustainability reporting standard for small and medium-sized undertakings [C(2025) 4984)], is replaced by “company”.

Contents of the DNK Checklist VSME

DNK 1 General Disclosures

In the following section you disclose the basis on which your sustainability report is built. This especially includes basic information about the company itself, the report structure and the scope of sustainability reporting.

BASIC MODULE | COMPREHENSIVE MODULE

DNK Checklist VSME	How to: (Practical Notes, Definitions, Examples, etc.)
Basis for Preparation (VSME B1) **What it's about (VSME par. 24 – 25, Basic Module):** This disclosure of key information for VSME sustainability reporting includes the choice of reporting module, possible exclusions, the scope of consolidation, basic information of the company and existing sustainability certifications.	
B-Aspect 1 (VSME par. 24 – Basic Module): Key Company and Reporting Figures Please specify the following: a. Which of the following options did you choose? i. Basic Module (only); ii. Basic Module and Comprehensive Module b. **If** you omit information on certain details because they are **classified** or **confidential** (see paragraph 19 in the section on objectives, structure, principles of the VSME Standard): What information is needed? c. Was the VSME sustainability report prepared on an **individual** basis (i.e. the VSME report is limited exclusively to information about your company) or on a **consolidated** basis (i.e. the VSME report	**Practical Notes for B-Aspect 1a. / par. 24a.: Module Options** As an introductory module, the Basic Module is aimed at micro-enterprises (SMEs with fewer than 10 employees) and represents the minimum requirement for other companies. It contains the most important sustainability information. The determining factor is the purpose of the information and who it is intended for. Companies that want or need to provide information to entities, like banks, investors or business partners, should also use the Comprehensive Module because it builds on the Basic Module and contains supplementary information. See reference: Commission Recommendation, Annex I, par. 5 (2025); Bassen, A.; Beiersdorf, K.; Fink, C. und Lopatta, K., in Freiberg/Lanfermann (Hrsg.), Haufe ESRS-Kommentar, 3. Auflage, 2025, Kapitel 3.5 Angabepflichten **Definition: Classified Information** EU classified information as defined in the Council Decision of 23 September 2013 on the security rules for protecting EU classified information (2013/488/EU) or classified by one of the Member States and marked as per Appendix B of that Council decision. EU classified information means any information designated by an EU security classification, of which the unauthorised disclosure could cause varying degrees of prejudice to the interests of the European Union or of one or

contains information about your company and its subsidiaries)?
d. **If** it is a consolidated VSME sustainability report, provide a list of the subsidiaries included in it, including their registered addresses;
e. Provide the following information:
- i. legal form;
- ii. **NACE code(s)** for classification of economic activities;
- iii. balance sheet total (in euros);
- iv. turnover (in euros);
- v. number of **employees** as headcount or full-time equivalents;
- vi. country of primary business activity and location of main asset(s);
- vii. geolocation of owned, leased or managed **sites**

more of its Member States. Classified information may be classified according to four levels: top secret, secret, confidential, restricted (based on the definition from the Council decision).
See reference: Commission Recommendation, Annex I, Appendix A (2025)

Definition: 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.
See reference: Commission Recommendation, Annex I, Appendix A (2025)

Practical Notes (VSME Guidance, par. 19) for B-Aspect 1b. / par. 24b.: Classified and/or Sensitive Information
It is permissible, in accordance with paragraph 19 (in the section on *objectives, structure and principles of the* VSME Standard), to omit certain information because it is considered confidential or classified within the aforementioned definitions. In this case, the report must indicate under B-Aspect 1b. / par. 24b. which information is affected due to its confidentiality or secrecy, because its disclosure is not permitted for legal or security reasons. This includes, for example, data that is subject to privacy protection, national security or protection against unauthorised access.
See reference: DNK (2025); Commission Recommendation, Annex I, par. 19 (2025)

Practical Notes for B-Aspect 1b. / par. 24b.: "If applicable" Principle
This information is only relevant if information has been deliberately omitted from the report because it is considered classified or sensitive within the meaning of paragraph 19 (in the section on *objectives, structure and principles of the* VSME Standard) and the definitions in Appendix A. This data point applies to you if disclosure requirements (e.g. regarding key figures, supply chains or governance structures) cannot be met for legal, security-related or data protection reasons. For example, if certain sales figures or locations are not disclosed because they relate to military business areas or could reveal trade secrets, this must be stated under B-Aspect 1b. / para. 24b. If this does not apply to your company, no disclosure is required.
See reference: DNK (2025)

Explanation for B-Aspect 1c. / par. 24c.: Consolidated and Individual Reporting
If a company has several subsidiaries, all data and information relating to these companies can be summarised in a consolidated report and presented together. This provides an overall picture of the group of companies.
In contrast, an individual report only shows what happened in the individual (parent) company but the subsidiaries are not taken into account.
See reference: DNK (2025)

Practical Note for B-Aspect 1d. / par. 24d.: "If applicable" Principle
This information is only relevant if you are preparing a consolidated sustainability report, i.e. if one or more subsidiaries are included in addition to the reporting company. In this case, the subsidiaries included must be listed along with their registered addresses. For example, if your company has a holding structure with several subsidiaries and reporting is consolidated, this information must be provided. If you have decided under B-Aspect 1c. / para. 24c. to prepare the report on an individual basis, no information is required.
See reference: DNK (2025)

Practical Note for B-Aspect 1e / par. 24e.: Integrated Group Disclosures
When preparing a consolidated sustainability report, only integrated group disclosures are made in B-Aspect 1e. / para. 24e. For example, only one legal form can be specified. This is typically that of the parent company, since it is considered the responsible reporting entity. For other report content where no separate presentation is provided, the information from the incorporated companies must be consolidated in advance and published as a collective report. However, voluntary breakdowns are still possible within the context of contextualisation via "Further information" on the data points.
See reference: DNK (2025)

Practical Note (VSME Guidance in par. 4) for B-Aspect 1e.i. / par. 24e.i.: Legal Form
When specifying the legal form of the company in accordance with national law under B-Aspect 1e.i. / para. 24e.i., you can select one of the following company structures. Under "Other", you can specify legal forms such as stock corporation, SE or other.

a. private limited liability company
b. sole proprietorship
c. partnership
d. cooperative
e. other (please specify in accordance with country-specific legal forms).

See reference: DNK (2025); Commission Recommendation, Annex II, par. 4 (2025)

Explanation (VSME Guidance, par. 5) for B-Aspect 1e.ii. / par. 24e.ii. : NACE Code(s)

When specifying the NACE Code(s) for your company in accordance with B-Aspect 1e.ii / par. 24e.ii., reference should be made to the Statistical Classification of Economic Activities in the European Community (Nomenclature statistique des Activités économiques dans la Communauté Européenne – NACE). The NACE Codes provide a standardised framework for classifying economic activities by economic sector, thus enabling comparability and a common understanding across the various EU countries.

See reference: Commission Recommendation, Annex II, par. 5 (2025)

Practical Note (VSME Guidance, par. 6) for B-Aspect 1e.ii. / par. 24e.ii.: Information on NACE Codes

NACE codes consist of a sequence of digits ranging from 2 to 5 digits in length, depending on the degree of specificity with which the economic activity is identified. The list of NACE Codes can be found in the following document: Regulation (EC) No. 1893/2006

Level No.	Identifier	Description
1	Section	Sections are identified by a letter of the alphabet and define 21 general economic areas such as agriculture, manufacturing industry or commerce.
2	Division	The division is identified by a two-digit numerical code

		and identifies a specific sector within the general economic area. There are a total of 88 divisions.
3	Group	The group is identified by a three-digit numerical code (also taking into account the division's two digits) and defines a specific area within the sector. There are about 270 groups.
4	Class	The class is identified by a four-digit numerical code (taking into account the digits of division and group) and defines a specific activity within the group. There are about 450 classes.

See reference: Commission Recommendation, Annex II, par. 6 (2025)

Practical Note for B-Aspect 1e.ii. / par. 24e.ii.: NACE Codes
Enter the NACE Code for your main business activity. If your company can be assigned to several main business activities, list all applicable codes.
See reference: Bassen, A.; Beiersdorf, K.; Fink, C. und Lopatta, K., in Freiberg/Lanfermann (Hrsg.), Haufe ESRS-Kommentar, 3. Auflage, 2025, Kapitel 3.5 Angabepflichten

Practical Note for B-Aspect 1e.iii. / par. 24e.iii.: Balance Sheet Total
If you do not have a balance sheet total because you do not prepare a balance, you can use a suitable alternative indicator instead that provides a similar overview of the economic scale of your company (e.g. an internal statement of assets or an estimation based on accounting

records). In this case, you can briefly explain which alternative indicator you are using and how it was determined.
See reference: Bassen, A.; Beiersdorf, K.; Fink, C. und Lopatta, K., in Freiberg/Lanfermann (Hrsg.), Haufe ESRS-Kommentar, 3. Auflage, 2025, Kapitel 3.5 Angabepflichten

Definition: Employee
An individual who is in an employment relationship with the company according to national law or practice.
See reference: Commission Recommendation, Annex I, Appendix A (2025)

Calculation Note (VSME Guidance, par. 7) for B-Aspect 1e.v. / par. 24 e.v.: Full-Time Equivalent
When specifying the number of employees in accordance with B-Aspect 1e.v. / par. 24e.v., the full-time equivalent (FTE) refers to the number of full-time positions in a company. It is calculated by dividing the planned working hours of an employee (actual hours worked per week) by the weekly hours specified by the company for a full-time position.

> **Example:** An employee who works 25 hours per week in a company where a full-time position comprises 40 hours corresponds to an FTE of 0.625 (25 hours/40 hours).

See reference: Commission Recommendation, Annex II, par. 7 (2025)

Calculation Note (VSME Guidance, par. 8) for B-Aspect 1e.v. / par. 24e.v.: Headcount
The headcount is the total number of people employed by the company. It is stated either as the figure at the end of the reporting period or as an average calculated over the reporting period.
See reference: Commission Recommendation, Annex II, par. 8 (2025)

Definition: 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

installations are located may constitute a site.
See reference: Commission Recommendation, Annex I, Appendix A (2025)

Practical Note: (VSME Guidance, par. 9) for B-Aspect 1e.vi. and vii. / par. 24e.vi. and vii.: Table Template for Site Information

Sites	Address	Postal code	City	Country	Coordinates (geolocation)
(e.g.) Registered Office					
(e.g.) Warehouse					
(e.g.) Industrial Plant					
...					
...					

See reference: Commission Recommendation, Annex II, par. 9 (2025)

Practical Note (VSME Guidance, par. 10-11) for B-Aspect 1 e.vii. / par. 24e.vii.: Geolocation Information
A company's geolocation is a valuable data point for stakeholders to assess the risks and opportunities associated with the SME, particularly in relation to sustainability aspects in the areas of climate change adaptation, water, ecosystems and biodiversity. Geopositioning is done using area points in the case of individual units or polygon points to mark the boundaries of a larger, less uniform area, such as a farm, mine or facility. Alternatively, you can specify a group of points to make it easier to identify the area concerned. The spatial points must be specified as coordinates with five decimal places (e.g. 0° 00' 0.036").
See reference: Commission Recommendation, Annex II, par. 10-11 (2025)

	Explanation for B-Aspect 11e.vii. / par. 24evii.: Spatial Points A spatial point is a single corner point in a polygon that represents an area on a map. In geopositioning, a polygon is used to delimit areas or properties, like a company site, a forest or a mine. Each spatial point consists of latitude and longitude and marks an edge or corner of the area. Connecting several of these points creates a closed outline of the area. See reference: Bassen, A.; Beiersdorf, K.; Fink, C. und Lopatta, K., in Freiberg/Lanfermann (Hrsg.), Haufe ESRS-Kommentar, 3. Auflage, 2025, Kapitel 3.5 Angabepflichten **Practical Note (VSME Guidance, par. 12) for B-Aspect 1e.vii. / par. 24e.vii.: Tools for Disclosing Geolocation** When disclosing the geolocation sites of owned, leased or managed locations, the coordinates of these locations must be specified in a table in accordance with the practical note "Table Template for Site Information" (VSME Guidance, par. 9). Suitable software tools or platforms (e.g. Google Maps, Apple Maps) may also be used to determine the coordinates. Alternatively, suitable software tools or platforms may also be used to determine the outline or area of larger locations more accurately. See reference: Commission Recommendation, Annex II, par. 12 (2025)
B-Aspect 2 (VSME par. 25 – Basic Module): Sustainability-related certifications **If** you received **sustainability-related certification** or a sustainability seal: How would you describe it (including [if relevant] the issuer, date, and rating)?	**Practical Note for B-Aspect 2 / par. 25: "If applicable" Principle** This disclosure is relevant if your company received a sustainability-related certification or label, which relates to its main business activity. This data point applies to you if you have a recognised environmental or sustainability-related label that has been awarded, for example, by an independent organisation, a government agency or as part of an industry-specific standard, such as the EU Ecolabel for a product. If you do not have such certification or a label, no information is required. See reference: DNK (2025) **Explanation (VSME Guidance, par. 13) for B-Aspect 2 / par. 25: Sustainability-related Certifications** In connection with B-Aspect 2 / par. 25, sustainability-related certification may include registered eco-labels from an EU, national or international labelling system that relate to the main business activity of an SME. **Example:** The EU Ecolabel covers certain product

	categories, such as textiles and footwear, floor coverings (e.g. wood flooring), cleaning and personal care products, electronic devices and furniture. Further information is available from the EU Ecolabel Product Groups and the Product Catalogue. See reference: Commission Recommendation, Annex II, par. 13 (2025)

DNK 3 Core Responsibilities

In this section you disclose information about your governance body. This relates in particular to gender diversity.

BASIC MODULE | COMPREHENSIVE MODULE

Sustainability Code Checklist VSME	How to: (Practical Notes, Definitions, Examples, etc.)
Gender Diversity Ratio in the Governance Body (VSME C9) **What it's about (VSME par. 65, Comprehensive Module):** This section is about revealing the gender ratio within the company's management and/or supervisory board.	
C-Aspect 1 (VSME par. 65 – Comprehensive Module): **If** there is a **governance body**: What is the gender diversity ratio?	**Practical Note for C-Aspect 1 / par. 65: "If applicable" Principle** This information is only relevant if your company has a governance body, such as a management board, executive board, advisory board or supervisory board with decision-making authority. This data point applies to you if such a body has been formally established, regardless of whether it is a legally required or voluntary structure. If your company does not have such a structure (e.g. sole proprietorships without formal bodies), you do not need to provide any information here. See reference: DNK (2025) **Explanation (VSME Guidance, par. 178) for C-Aspect 1 / par. 65: Governance Body** The **governance body** is the highest decision-making authority in a company. Depending on the legal system and legal form of the company, the **governance body** may have different structures. See reference: Commission Recommendation, Annex II, par. 178 (2025) Example for C-Aspect 1 / par. 65: Governance Body • In a **sole proprietorship** (e.g. a craft business), the governance body consists of the owner themselves.

- In a **German company constituted under civil law** (GbR), the governance body consists of a group of partners who make decisions jointly. A separate supervisory board typically does not exist (according to § 709 German Civil Code).
- In a **limited company**, the governance body normally consists of the management and, if applicable, the supervisory board (in accordance with Sections 6 and 52 of the German Limited Liability Companies Act (GmbHG).
- In a **cooperative**, the governance body typically consists of members of the executive board and, in most cases, the supervisory board (in accordance with Section 9 of the German Cooperatives Act (GenG).

See reference: Bassen, A.; Beiersdorf, K.; Fink, C. und Lopatta, K., in Freiberg/Lanfermann (Hrsg.), Haufe ESRS-Kommentar, 3. Auflage, 2025, Kapitel 3.5 Angabepflichten

Calculation Note (VSME Guidance, par. 179) for C-Aspect 1 / par. 65: Gender Diversity Ratio

In accordance with SFDR requirements, gender diversity in the governance body is calculated as the average numerical ratio of female to male members.

$$Gender\ ratio = \frac{Number\ of\ female\ members}{Number\ of\ male\ memebers}$$

See reference: Commission Recommendation, Annex II, par. 179 (2025)

Example (VSME Guidance, par. 180) for C-Aspect 1 / par. 65: Gender Diversity Ratio

The governance body of a particular SME consists of six members, including three women. The gender ratio is one to one – for every female member, there is a male member.

See reference: Commission Recommendation, Annex II, par. 244 (2025)

DNK 6 Strategy, Business Model and Value Chain

In this section you disclose how your business model and strategy are structured and whether they take sustainability aspects into account. You also provide information on existing practices, concepts and future initiatives relating to sustainability. In addition, you provide information on revenues in specific sectors and exclusions from EU benchmarks.

Sustainability Code Checklist VSME	**How to:** (Practical Notes, Definitions, Examples, etc.)
Strategy: Business Model and Sustainability – Related Initiatives (VSME C1) **What it's about (VSME par. 47, Comprehensive Module):** This section concerns the disclosure of the key elements of the company's business model and strategy, including the products and services offered, the relevant markets, significant business relationships and strategic aspects relating to sustainability issues.	
C-Aspect 1 (VSME par. 47 – Comprehensive Module) – Strategy: Business Model, Sustainability and Related Initiatives Describe the core elements of your **business model** and strategy: a. How would you describe your most important product group and/or service group? b. How would you describe the markets in which you operate, which are important to you (e.g. B2B, wholesale, retail, countries)? c. How would you describe your most important **business relations** (e.g. key suppliers, customers and distribution channels)? d. **If** the strategy contains core elements that relate to or influence sustainability issues: How would you describe these elements?	**Definition: Business Model** The company's system of transforming inputs through its activities into outputs and outcomes, with the aim of fulfilling its strategic purposes and creating value over the short-, medium- and long-term. ESRS use the term "business model" in the singular, although it is recognised that companies may have more than one business model. See reference: ESRS Set 1. Appendix II, Table 2 (2024) **Definition: Business Relationships** The relationships the company has with business partners, entities in its value chain and any other non-state or state entity directly linked to its business operations, products or services. Business relationships are not limited to direct contractual relationships. They include indirect business relationships in the company's value chain beyond the first tier, and shareholding positions in joint ventures or investments. See reference: ESRS Set 1. Appendix II, Table 2 (2024)

	Practical Note (VSME Guidance, par. 148) for C-Aspect 1c. / par. 47c.: Most Important Business Relationships When describing the most important consumer and supplier relationships in accordance with C-Aspect 1c. / par. 47c., disclose the estimated number of suppliers, sectors and geographical areas (i.e. countries) associated with them. See reference: Commission Recommendation, Annex II, par. 148 (2025) **Practical Note for C-Aspect 1d. / par. 47d.: "If applicable" Principle** This information is relevant if your corporate strategy includes elements that relate to or influence sustainability issues, e.g. in the areas of the environment, social affairs or corporate governance. If, for example, your company has formulated measures in its strategy to reduce CO_2 emissions, comply with social standards in the supply chain or introduce circular economy approaches, this should be stated here. If your strategy does not explicitly refer to sustainability, no information is required. See reference: DNK (2025)
Revenues from Certain Activities and Exclusion from EU Reference Benchmarks (VSME C8) **What it's about (VSME par. 63 – 64, Comprehensive Module):** This section concerns the disclosure of revenues in sensitive sectors and the possible exclusion of the company from EU benchmarks that are consistent with the Paris Agreement.	
C-Aspect 1 (VSME par. 63 – Comprehensive Module): Revenue from Specific Sectors **If** you are active in one or more of the following sectors: What are your corresponding revenues in this/these sector(s)? a. Controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons); b. Tobacco cultivation and production; c. **Fossil fuels** (coal, oil and gas) – i.e. you generate revenue from the exploration, extraction, production, manufacturing,	**Practical Note for C-Aspect 1 / par. 63: "If applicable" Principle** This information is only relevant if your company generates sales revenue in one or more of the sectors explicitly mentioned in C-Aspect 1 / par. 63. The data point applies to you if your company is active in one of these sectors and generates sales revenue from it, even if this only affects a part of your business. For example, if you are a trading company that trades in heating oil or a chemical company that produces pesticides, the corresponding sales must be broken down and reported. The mere trading or use of chemicals in accordance with C-Aspect 1d. / par. 63d. is not subject to this reporting obligation, but the manufacturing is. If you are not active in any of these sectors, no information is required here. See reference: DNK (2025)

processing, storage, refining or distribution, including transportation, storage and trading of fossil fuels as defined in Article 2(62) of Regulation (EU) 2018/1999 of the European Parliament and of the Council. This includes a breakdown of revenues from coal, oil and natural gas;

d. Manufacture of chemicals, if you are a manufacturer of pesticides and other agrochemical products.

C-Aspect 2 (VSME par. 64 – Comprehensive Module): Exclusion from EU Benchmarks
Indicate whether you are excluded from EU benchmarks that are consistent with the Paris Agreement (as described in the explanation "Exclusion from EU benchmarks" (VSME Guidance, par. 177) in the "How to:" column.

Definition (VSME Guidance, par. 175) for C-Aspect 1c. / par. 63.: Fossil Fuels
Non-renewable carbon-based energy sources such as solid fuels, natural gas and oil.
See reference: Commission Recommendation, Annex II, par. 175 (2025)

Explanation (VSME Guidance, par. 176) for C-Aspect 1d. / par. 63d.: Manufacturing of Chemicals
The production of chemicals refers to the activities listed in Annex Section C Division 20.2 of Regulation (EU) 2023/137, i.e. the manufacture of pesticides and other plant protection products.
See reference: Commission Recommendation, Annex II, par. 176 (2025)

Explanation (VSME Guidance, par. 177) for C-Aspect 2 / par. 64: Exclusion from EU Reference Benchmarks
In accordance with Articles 12.1 and 12.2 of Delegated Regulation (EU) 2020/1818, the following companies are excluded from the Paris-aligned EU benchmarks:

a. Companies that derive 1% or more of their revenue from the exploration, mining, extraction, distribution or processing of black coal and lignite;
b. Companies that generate 10% or more of their turnover from the exploration, extraction, distribution or processing of crude oil;
c. Companies that generate 50% or more of their turnover from the exploration, extraction, production or distribution of gaseous fuels;
d. Companies that generate 50% or more of their turnover from electricity generation with a GHG emission intensity of more than 100 g CO_2eq/kWh.

See reference: Commission Recommendation, Annex II, par. 177 (2025)

Practices, Policies and Future Initiatives for Transitioning towards a more Sustainable Economy (VSME B2)

What it's about (VSME par. 26 – 28, Basic Module: This section requires companies to disclose their existing practices, policies and future initiatives to promote a more sustainable economy, including measures to reduce negative environmental and social impacts and to enhance positive effects.

B-Aspect 1 (VSME par. 26 – Basic Module): Practices, Policies or Future Initiatives

If you have introduced specific practices, policies or future initiatives for the transition to a more sustainable economy, please indicate the sustainability issues for which you have introduced them and whether they are publicly available.

Consider the following questions:

a. Do you have **practices** in place? These may include efforts to reduce water and electricity consumption, reduce greenhouse gas (GHG) emissions or prevent pollution. They may also include initiatives to improve product safety, ongoing **measures** to improve working conditions and **equal treatment** in the workplace, training for your workforce in the area of sustainability and partnerships in connection with sustainability projects.
b. Do you have **policies** on sustainability issues and are they publicly available? Are there separate policies in the areas of environment, social or **governance** that are applied to sustainability issues?
c. Are there any **future initiatives** on sustainability issues or forward-looking

Practical Note for B1 / par. 26: "If applicable" Principle

This information is only relevant if your company has implemented specific practices, developed policies or is planning or implementing future initiatives. This data point applies to you if your company has taken measures in the environmental, social or governance realm, regardless of whether these have already been implemented, are currently being planned or are described in a policy. For example, if you have introduced energy-saving measures, published a company equality policy, conducted training on sustainability or defined a CO_2 reduction target, this must be disclosed. If you have decided under B-Aspect 1a / par. 24a (disclosure B1) to report in both the Basic Module and the Comprehensive Module, you should supplement the disclosures here with those to be reported under disclosure C2. If there are no specific practices, policies or planned initiatives on sustainability issues, no disclosure is required here.

See reference: DNK (2025)

Definition: Actions

Actions refer to (i) actions and action plans (including transition plans) that are undertaken to ensure that the company delivers against targets set and through which the company seeks to address material impacts, risks and opportunities; and (ii) decisions to support these with financial, human or technological resources.

See reference: Commission Recommendation, Annex I, Appendix A (2025)

Example for B-Aspect 1 / par. 26: Practices

There is no official, uniform definition of the term "practices". For the purposes of this report, however, "practices" can be understood as specific, regularly applied measures or procedures that a company uses to implement sustainability goals in its day-to-day operations. The following points are merely examples of possible practices that contribute to a transition to a more sustainable economy:

plans on sustainability aspects that are currently being implemented?

d. Have you defined **targets** to monitor the implementation of the guidelines and progress towards achieving these goals?

Note 1 (VSME par. 27 – Basic Module): Such practices, policies or future initiatives include measures to reduce negative **impacts** on people and the environment and enhance positive impacts to contribute to a more sustainable economy. Annex B (of the EU Commission's recommendation, Annex I) contains a list of possible sustainability aspects that can be taken into consideration in this disclosure. For presentation purposes, you can use the template provided in the "Table template for information on practices, policies and future initiatives" in the "How to" column (VSME Guidance, par. 14).

Note 2 (VSME par. 28 – Basic Module): If you also use the Comprehensive Module, supplement the information provided in Disclosure B2 with the data points from Disclosure C2. If you use the table mentioned above, you can add the information from C2 to it.

Note 3 (VSME Guidance, par. 15): Information for cooperatives
If your company is a cooperative, you can disclose the following information:

- Use of energy-efficient lighting or machines
- Waste separation and recycling in the office or factory
- Use of green electricity
- Training courses on sustainability and occupational safety for employees
- Preference for regional suppliers with environmental certifications
- Flexible working hours to improve work-life balance
- Regular monitoring of water or electricity consumption

See reference: Bassen, A.; Beiersdorf, K.; Fink, C. und Lopatta, K., in Freiberg/Lanfermann (Hrsg.), Haufe ESRS-Kommentar, 3. Auflage, 2025, Kapitel 3.5 Angabepflichten

Definition: Policy
A set or framework of general objectives and management principles that the company uses for decision-making. A policy implements the company'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, companies with fewer resources may have few (or no) policies formalised in written documents, but this does not necessarily mean they do not have policies. If the company has not yet formalised a policy but has implemented actions or defined targets through which it seeks to address sustainability issues, it should disclose them.
See reference: Commission Recommendation, Annex I, Appendix A (2025)

Example: The following points are merely illustrative examples of possible guidelines that contribute to a transition to a more sustainable economy:

- an internal environment with emission reduction targets;
- a diversity policy that promotes equal treatment;
- a publicly accessible code of conduct for suppliers;
- a social policy for the involvement of local communities;
- an energy efficiency policy with clear savings targets;
- an ESG policy paper that strategically anchors sustainability.

a. the actual participation of employees, other stakeholders or communities in the management of the company;
b. financial investment in capital or assets of social economy entities in accordance with the Council Recommendation of 29 September 2023 (excluding donations and grants);
c. any restrictions on profit distribution related to the cooperative nature or the type of activity as a service of general economic interest (SGEI)

See reference: Bassen, A.; Beiersdorf, K.; Fink, C. und Lopatta, K., in Freiberg/Lanfermann (Hrsg.), Haufe ESRS-Kommentar, 3. Auflage, 2025, Kapitel 3.5 Angabepflichten; Commission Recommendation, Annex I, Appendix A (2025)

Example for B-Aspect 1 / par. 26: Future Initiatives
There is no uniform, official definition of the term “future initiatives”. For the purposes of this report, however, they can be understood as planned measures or projects that a company intends to implement in the future to improve its sustainability performance. The following points are merely examples of possible initiatives that contribute to a transition to a more sustainable economy:

- Introduction of an environmental management system (e.g. EMAS or ISO 14001);
- Conversion of the vehicle fleet to e-mobility by 2030;
- Development of a sustainable product range;
- Investment in photovoltaic systems on the company building;
- Establishment of a partnership with a social organisation;
- Preparation of a first sustainability report starting next year;
- Implementation of CO_2 accounting and definition of reduction targets.

See reference: Bassen, A.; Beiersdorf, K.; Fink, C. und Lopatta, K., in Freiberg/Lanfermann (Hrsg.), Haufe ESRS-Kommentar, 3. Auflage, 2025, Kapitel 3.5 Angabepflichten

Definition: Equal Treatment
The principle of equal treatment is a general principle of European law which presupposes that comparable situations or parties in comparable situations are treated in the same way. In the context of ESRS S1, the term “equal treatment” also refers to the principle of non-discrimination, according to which there shall be no direct or indirect discrimination based on any ground such as sex, race, colour, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property, birth, disability, age or sexual orientation.
See reference: **ESRS Set 1, Annex 2. Table 2 (2024)**

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 organisation'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 organisation's contribution, negative or positive, to sustainable development. The impacts on the economy, environment and people are interrelated. The organisation's impacts on the environment refer to the impacts on living organisms and non-living elements, including air, land, water and ecosystems. An organisation can have an impact on the environment through, for example, its use of energy, land, water and other natural resources. The organisation's impacts on people refer to the impacts on individuals and groups, such as communities, vulnerable groups or society. This includes the impacts the organisation has on people's human rights. An organisation 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).
See reference: Commission recommendation, Annex I, Appendix A (2025)

Definition: Target
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 company.
See reference: Commission recommendation, Annex I, Appendix A (2025)

Practical Note (VSME Guidance, par. 14) for B-Aspect 1 / par. 26: Table Template for Information on Practices, Policies and Future Initiatives
You can use the following template to report on B2 data points:

	Do you have existing sustainability	Are they publicly available? [YES/NO]	Do the policies have any targets? [YES/NO]

	practices/ policies/ future initiatives that address any of the following sustainability issues? [YES/NO]
Climate Change	
Pollution	
Water and Marine Resources	
Biodiversity and Ecosystem	
Circular Economy	
Own Workforce	
Workers in Value Chain	
Affected Communities	
Consumers and End Users	
Business Conduct	

See reference: Commission recommendation, Annex II, par. 14 (2025)

Definition: Own Workforce/Own Workers
Employees, who are in an employment relationship with the company, and non-employees, who are either individual contractors supplying labour to the company ('self-employed people') or people provided by companies primarily engaged in 'employment activities' (NACE Code O78).
See reference: Commission recommendation, Annex I, Appendix A (2025)

Definition: Worker in the Value Chain
An individual performing work in the value chain of the company, regardless of the existence or nature of any contractual relationship with the company. In the ESRS, the scope of workers in the value chain includes all workers in the company's upstream and downstream value chain who are or can be materially impacted by the company. This includes impacts that are connected to the company's own operations and value chain, including through its products or services, as well as through its business relationships. This includes all workers who are not within the scope of 'Own Workforce' ('own workforce' includes people who are in an employment relationship with the company ('employees') and non-employees, who are either individual contractors supplying labour to the company ('self-employed people') or people provided by companies primarily engaged in 'employment activities' (NACE Code O78).
See reference: Commission recommendation, Annex I, Appendix A (2025)

Definition: Affected Communities
People or group(s) living or working in the same geographical area that have been or may be affected by a reporting company's operations or through its upstream and downstream value chain. Affected communities can range from those living adjacent to the company's operations (local communities) to those living at a distance. Affected communities include actually and potentially affected indigenous peoples.
See reference: Commission recommendation, Annex I, Appendix A (2025)

Definition: Consumer
Individuals who acquire, consume or use goods and services for personal use, either for themselves or for others, and not for resale, commercial or trade, business, craft or profession purposes.
See reference: Commission recommendation, Annex I, Appendix A (2025)

Definition: End User
Individuals who ultimately use or are intended to ultimately use a particular product or service.
See reference: Commission recommendation, Annex I, Appendix A (2025)

Definition: Business Conduct
The following matters are collectively referred to as 'business conduct or business conduct matters':
(a) business ethics and corporate culture, including anti-corruption and anti-bribery, the protection of whistleblowers and animal welfare;
(b) the management of relationships with suppliers, including payment practices, especially with regard to late payment to small and medium-sized enterprises.
(c) activities and commitments of the company related to exerting its political influence, including its lobbying activities.
See reference: Commission recommendation, Annex I, Appendix A (2025)

Practical Note (VSME Guidance, par. 16) for B-Aspect 1 / par. 26: Note on Taking Social and Human Rights Sustainability Aspects into Account
To better understand sustainability issues in relation to their social and human rights aspects, you can refer to Annex B (of the EU Commission's recommendation, Annex I). This includes a list of possible sustainability topics that can help identify whether practices, policies or future initiatives aim to comprehensively address negative human rights impacts or whether they are limited to specific groups of affected stakeholders (e.g. workers in the upstream value chain). As part of this disclosure, you can also indicate whether you have implemented a process for handling human rights-related complaints.
See reference: Commission recommendation, Annex II, par. 16 (2025)

Practical Note for B-Aspect 1 Note 3 / par. 15: "If applicable" Principle
This information is only relevant if your company is organised as a cooperative, i.e. as a registered cooperative (eG) or operates in a comparable cooperative form. In this case, you can voluntarily disclose information on member co-determination, financial participation in the social economy and restrictions on profit distribution. If your company is not a cooperative, no information is required here.
See reference: DNK (2025)

Description of Practices, Policies and Future Initiatives for Transitioning towards a more Sustainable Economy (VSME C2)

What it's about (VSME par. 48 – 49, Comprehensive Module): This section requires you to briefly describe the practices, policies and future initiatives related to sustainability already reported under B2 and, if applicable, to indicate the highest level of management responsible for implementation.

C-Aspect 1 (VSME par. 48 – Comprehensive Module):
Description of Practices, Policies and Future Initiatives for the Transition to a more Sustainable Economy
If you have introduced specific practices, policies and future initiatives for the transition to a more sustainable economy and these have already been reported under B2 of the basic module: How would you briefly describe each of them?

Note (VSME par. 48 – Comprehensive Module):
For presentation purposes, you can use the template in accordance with the practical note "Table template for information on practices, policies and future initiatives" in the "How to" column (VSME Guidance, par. 149).

Practical Note for C-Aspect 1 / par. 48: "If applicable" Principle
This information is only relevant if you have already reported specific practices, policies and future initiatives in response to question B2, "**If** you have introduced specific practices, policies and future initiatives for the transition to a more sustainable economy: What are they? […]" (B-Aspect 1/par. 26). This data point applies to you if you have measures in place for the transition to a more sustainable economy. In this case, the content already reported in the basic module should be briefly described in a structured form and presented systematically, e.g. using the template in the practical note "Table template for information on practices, policies and future initiatives" (VSME Guidance, para. 149). For example, if you have listed energy efficiency measures, an equality policy or a sustainability training programme under B-Aspect 1 / par. 26 (disclosure B2), these should be described here. If you have not already provided any information under B-Aspect 1 / par. 26 (disclosure B2) or are not using the Comprehensive Module, no information is required here.
See reference: DNK (2025)

Practical Note (VSME Guidance, par. 149) for C-Aspect 1-2 / par. 48-49: Table Template for Information on Practices, Policies and Future Initiatives
You can use the following template to report on C2 data points:

	If you answered YES to existing practices/ policies/ future initiatives in disclosure B2, please briefly describe them	**If** you answered YES to targets in disclosure B2, please specify them.	The company may indicate the most senior level within its employees that is accountable for implementing the policies when this

	along with their consequent actions. (If the practice/ policy/ future initiative covers suppliers or clients, the company shall mention it.)	has been determined by the company.
Climate Change		
Pollution		
Water and Marine Resources		
Biodiversity and Ecosystem		
Circular Economy		
Own Workforce		
Workers in the Value Chain		
Affected Communities		
Consumer and End Users		
Business Conduct		

See reference: Commission recommendation, Annex II, par. 149 (2025)

C-Aspect 2 (VSME par. 49 – Comprehensive Module):
Responsible Personnel Level
You can specify the highest level of management that is responsible for implementing the policies, **if** you have assigned such responsibility.

Practical Note for C-Aspect 2 / par. 49: "If applicable" Principle
These disclosures are only relevant if your company has a senior management level that is explicitly responsible for implementing sustainability-related practices, policies or initiatives, e.g. for developing, managing or monitoring sustainability issues, for example through a formal assignment, job description or internal documentation. This is the case, for example, if your management regularly deals with sustainability issues or if a person

	has been explicitly appointed to implement environmental and social goals. If no responsibility for implementation has been assigned, no information is required here. See reference: DNK (2025)

DNK 11 Climate Change

In the following section you disclose how your company is affected by climate change and how it is responding to it. This includes information on energy consumption and greenhouse gas emissions, reduction targets and planned measures, as well as climate-related risks, opportunities and adaptation strategies.

BASIC MODULE | COMPREHENSIVE MODULE

Sustainability Code Checklist VSME	How to: (Practical Notes, Definitions, Examples, etc.)

Energy and Greenhouse Gas Emissions (VSME B3)

What it's about (VSME par. 29 – 31, Basic Module): This section covers total energy consumption in MWh, estimated GHG emissions (Scope 1, site-based Scope 2, and Scope 3 where applicable), and GHG intensity, which reflects the ratio of total emissions to revenue.

B-Aspect 1 (VSME par. 29 – Basic Module): Energy Consumption
Present your total **energy consumption** in MWh and break down the figures according to the table below, **if** you can provide the information required for such a breakdown.

	renewable	non-renewable	total
Electricity (as stated on the bill of the utility company)			

Practical Note for B-Aspect 1 / par. 29: "If applicable" Principle
This information is only relevant if your company has the relevant energy consumption data, broken down by energy type (e.g. electricity, fuels) and origin (renewable/non-renewable). This data point applies to you if you have your energy bills, meter data or other internal records available in such a way that you can show your total energy consumption in megawatt hours (MWh) and differentiate between consumption from renewable and non-renewable sources. For example, if your electricity bill already distinguishes between green electricity and conventional electricity, or if you record gas consumption data separately, you can use this information for the breakdown. If you are unable to record or estimate energy consumption in the required granularity, you only need to provide as much information as your available data allows.
See reference: DNK (2025)

Example (VSME Guidance, par. 18) for B-Aspect 1 / par. 29: Disclosure of Climate-related Impacts
Climate-related impacts are significantly determined by energy consumption. It is therefore important to disclose both the quantity and type of energy used – e.g. fossil

Fuels (in the sense of energy sources such as petroleum, natural gas, biogas)	

Note 1 (VSME Guidance, par. 18):
You can specify further differentiations in the breakdown, e.g. self-generated electricity.

fuels such as coal, oil and gas compared to renewable energies – as well as the energy mix. Examples of relevant disclosures include total energy consumption broken down by fossil fuels and electricity. You can provide further differentiation here, such as the consumption of purchased or self-generated electricity from renewable sources. Below is an example of the information required in B-Aspect 1 / par. 29.

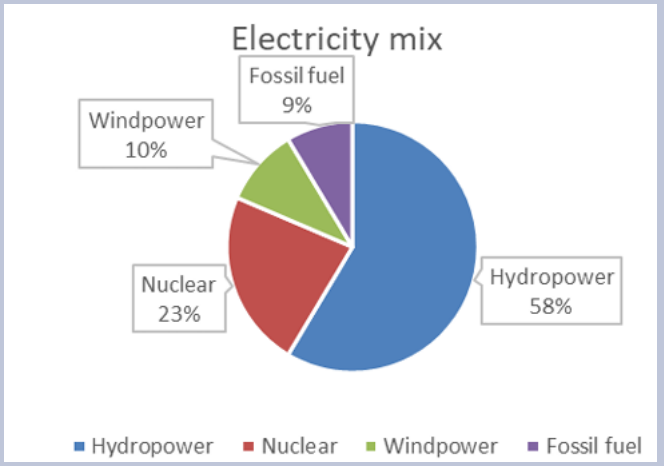
	Renewable Energy Consumption (MWh)	Non-renewable Energy Consumption (MWh)	Total 202(x) Energy Consumption (MWh)
Electricity (as reflected in utility bills)	300	186	486
Fuels	3	7	10

See reference: Commission recommendation, Annex II, par. 18 (2025)

Explanation (VSME Guidance, par. 19) for B-Aspect 1 / par. 29: Recording the Energy Content of Purchased Energy Sources
If you purchase fossil fuels (e.g. natural gas, oil) or renewable fuels (e.g. biofuels such as biodiesel and bioethanol) to generate electricity, heat or cooling for your own consumption, you must avoid double counting. Therefore, record the energy content of the purchased fuels exclusively as fuel consumption, while the electricity and heat consumption generated from them is not taken into account or reported again. When generating electricity from renewable energies such as solar or wind energy, which do not require the use of fuel, record the amount of electricity generated and consumed as electricity consumption.
See reference: Commission recommendation, Annex II, par. 19 (2025)

Explanation (VSME Guidance, par. 19) for B-Aspect 1 / par. 29: Recording Energy Consumption and Proof of Origin

If you generate energy on site and sell it to third parties, you may not offset your energy consumption against your energy production. In addition, you must avoid double-counting fuel consumption when disclosing the consumption of self-generated energy. If you generate electricity from a renewable or non-renewable fuel source and then consume it yourself, the energy consumption is only recorded once, under fuel consumption. The share of renewable energy consumption can be calculated using guarantees of origin, renewable energy certificates or the electricity mix according to your electricity bill. The electricity bill can show the electricity consumed in units and indicate the share of energy from renewable sources, similar to the following illustration:



See reference: Commission recommendation, Annex II, par. 20 (2025)

> **Example**: A manufacturing company purchases 150,000 kWh of natural gas to operate its own block-type thermal power station. This plant generates electricity and heat, which are used internally. The company should only report 150,000 kWh of fuel energy used, to avoid double counting.

See reference: Bassen, A.; Beiersdorf, K.; Fink, C. und Lopatta, K., in Freiberg/Lanfermann (Hrsg.), Haufe ESRS-Kommentar, 3. Auflage, 2025, Kapitel 3.5 Angabepflichten

Explanation (VSME Guidance, par. 21) for B-Aspect 1 / par. 29: Information on Energy Consumption
When compiling the energy consumption data required under B-Aspect 1 / par. 29, you must exclude input materials and fuels that are not burned for energy purposes. If you use fuels as input materials, you can provide information on that consumption separately from the required disclosures.
See reference: Commission recommendation, Annex II, par. 21 (2025)

Explanation (VSME Guidance, par. 22) for B-Aspect 1 / par. 29: Final Energy
You must report your energy consumption in terms of final energy, i.e. the amount of energy supplied to you, for example the amount of electricity measured in megawatt hours (MWh), steam purchased from a nearby industrial plant or diesel purchased at petrol stations. The term electricity explicitly includes heat, steam and cooling. Fuels include all combusted materials, e.g. gas, natural gas or biomass.
See reference: Commission recommendation, Annex II, par. 22 (2025)

Explanation (VSME Guidance, par. 23) for B-Aspect 1 / par. 29: Conversion to MWh
B-Aspect 1 / par. 29 specifies megawatt hours (MWh) as the preferred unit for measuring energy consumption. For fuels or biomass, conversion to MWh is required if the data is given in other units such as energy content (e.g. kJ, Btu), volume (e.g. litres, m^3) or mass (e.g. metric tons, short tons).
See reference: Commission recommendation, Annex II, par. 23 (2025)

Calculation Note (VSME Guidance, par. 24) for B-Aspect 1 / par. 29: Solid Fuels
For solid fuel consumption measured by mass (e.g. wood, coal), you should proceed as follows:

a. Determine the lower heating value of the fuel (e.g. kJ/metric ton, TJ/Gg). This can be obtained from reliable sources such as the IPCC, provided by suppliers or determined internally.
b. Convert the lower heating value to MWh per ton, e.g.:

$$1\text{TJ} = 10^{12}\text{J} = 277.78\ \text{MWh};\ 1\ \text{Gg} = 10^{9}\text{g} = 1{,}000\ \text{t}$$

$$11.9\,\frac{\text{TJ}}{\text{Gg}} = 11.9 * \frac{277.78\ \text{MWh}}{1{,}000\ \text{t}} = 3.31\ \text{MWh/ton}$$

c. Calculate the energy content of the mass, for example:

$$1{,}245{,}345\ \text{t x}\ 3.31\,\frac{\text{MWh}}{\text{ton}} = 4{,}117{,}111\ \text{MWh}$$

See reference: Commission recommendation, Annex II, par. 24 (2025)

Calculation Note (VSME Guidance, par. 25) for B-Aspect 1 / par. 29: Liquid Fuels

For liquid fuel consumption, you should proceed as follows:

a. Convert the volume to mass by multiplying the volume by the density of the fuel, for example:
diesel = 4,456,000 l; diesel density = 0.84 kg/l

$$4{,}456{,}000\ \text{l} * 0.84\,\frac{\text{kg}}{\text{l}} = 3{,}743{,}040\ \text{kg} = 3{,}743\ \text{t}$$

b. Calculate the energy content by multiplying the mass from step a. by the lower heating value (e.g. kJ/metric ton, TJ/Gg). The lower heating value can be obtained from reliable sources such as the IPCC, provided by suppliers or determined internally. Calculation example:

$$3{,}743\ \text{t x}\ 43\,\frac{\text{TJ}}{\text{Gg}} = 3{,}743\ \text{t x}\ \frac{43\ \text{TJ}}{1{,}000\ \text{t}} = 160.95\ \text{TJ}$$

c. Convert TJ to MWh, for example:

$$160.95\ \text{TJ x}\ 277.778\,\frac{\text{MWh}}{\text{TJ}} = 44{,}708\ \text{MWh}$$

Further information can be found in the CDP Technical Note: Conversion of fuel data to MWh.

See reference: Commission recommendation, Annex II, par. 25 (2025)

B-Aspect 2 (VSME par. 30 – Basic Module): Greenhouse Gas Emissions

What are your estimated **gross GHG emissions** in tons of CO_2 equivalent (tCO_2e) according to the **GHG Protocol** (2004 version)? Please also specify the following:

Practical Note for B-Aspect 2 / par. 52-53: "If applicable" Principle

If you use the Comprehensive Module, please note the following information on reporting greenhouse gas emissions in accordance with B-Aspect 2/par. 30. The information on C-Aspect 1/ (par. 51–53) is only relevant to you if your company records Scope 3 emissions and you wish to provide this key figure. For example, if your company regularly imports goods by air freight or manufactures products that cause high

a. **Scope 1 GHG emissions** in tCO_2e (from sources owned or controlled by your company);
b. **Location-based Scope 2 emissions** in tCO_2e (i.e. emissions from the generation of purchased energy such as electricity, heat, steam or cooling)

Note 1 (VSME Guidance, par. 45):
You can also disclose market-related Scope 2 emissions resulting from contractual agreements for energy supply.

Aspects from the Comprehensive Module when specifying greenhouse gas emissions

C-Aspect 1 (VSME par. 50 – Comprehensive Module):
Depending on the nature of your company's activities, it may be appropriate to quantify **Scope 3 greenhouse gas emissions** (see section 10 in the section on objectives, structure and principles of the VSME Standard) to provide relevant information about the impact of your **value chain** on climate change.

Note 1 (VSME par. 51 – Comprehensive Module): Scope 3 emissions are indirect GHG emissions (outside Scope 2) that arise from your company's value chain. They result from activities upstream of your company's operations (e.g. purchased goods and services, acquired fixed assets, emissions during operation (e.g. heating devices), relevant Scope 3 categories may be affected, which you can disclose. If Scope 3 emissions are only generated to a very limited extent for your business model or cannot be recorded at this time, disclosure may not be appropriate. If you do not wish to report Scope 3 emissions, you can disregard these notes.
See reference: DNK (2025)

Explanation (VSME Guidance, par. 26) for B-Aspect 2 / par. 30: Categories of GHG emissions
In relation to gross GHG emissions resulting from your activities, the requirement in B-Aspect 2 / par. 30 is based on the definitions and rules of the GHG Protocol, the leading standard for accounting for GHG emissions. According to B-Aspect 2 / para. 30, you must disclose your Scope 1 and Scope 2 emissions. Scope 1 emissions include direct emissions from sources that you own or control. Scope 2 emissions are indirect GHG emissions resulting from your activities because they are associated with the electricity, steam, heat or cooling you consume. These emissions are generated in facilities operated or controlled by another company. Further information on calculating Scope 1 and Scope 2 emissions can be found in the following sections.
See reference: Commission recommendation, Annex II, par. 26 (2025)

Explanation (VSME Guidance, par. 28) for B-Aspect 2 / par. 30: GHG Protocol
The GHG Protocol is a global standard for measuring, reporting and managing GHG emissions that ensures consistency and transparency. The corporate standard includes guidelines for Scope 1 emissions, Scope 2 emissions and Scope 3 emissions for companies and other organisations such as NGOs and government agencies.
See reference: Commission recommendation, Annex II, par. 28 (2025)

Practical Note for B-Aspect 2 / par. 30: Hybrid Vehicles
GHG emissions emitted by hybrid vehicles are classified as Scope 1. Since they mainly run on fuel, e.g. petrol, the emissions are generated directly in the vehicle and are therefore classified as Scope 1. In the case of a plug-in hybrid electric vehicle, the emissions are divided between Scope 1 and Scope 2. They have combustion engines but can be charged

transportation of purchased goods, etc.) as well as activities downstream of your operations (e.g. transportation and distribution of your products, use of sold products, investments, etc.).

Note 2 (VSME par. 52 – Comprehensive Module): If you wish to provide this metric, you should refer to the 15 categories of Scope 3 GHG emissions identified in the GHG Protocol Corporate Standard and described in detail in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. When reporting Scope 3 greenhouse gas emissions, you must report the most significant Scope 3 categories (as defined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard) based on your own assessment of the Scope 3 categories that are considered significant. For more information on the specific calculation methods for each category, please refer to the GHG Protocol's Technical Guidance for Calculating Scope 3 Emissions.

Note 3 (VSME par. 53 – Comprehensive Module): If you disclose company-specific information on your Scope 3 emissions when reporting your Scope 1 and Scope 2 emissions, present this information together via external power sources. If the electricity comes from the grid, indirect emissions are generated by the electricity provider (Scope 2). If the vehicle runs on petrol, these emissions are classified as Scope 1.
See reference: Bassen, A.; Beiersdorf, K.; Fink, C. und Lopatta, K., in Freiberg/Lanfermann (Hrsg.), Haufe ESRS-Kommentar, 3. Auflage, 2025, Kapitel 3.5 Angabepflichten

Definition: Greenhouse Gases (GHG)
For the purposes of the VSME 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).
See reference: Commission recommendation, Annex I, Appendix A (2025)

Definition: Gross Greenhouse Gas (GHG) Emissions
Gross greenhouse gas emissions are total GHG emissions released by the company into the atmosphere, without considering any deductions for carbon removals or other adjustments.
See reference: Commission recommendation, Annex I, Appendix A (2025)

Definition: Direct GHG Emissions (Scope 1)
Direct GHG emissions from sources that are owned or controlled by the company.
See reference: Commission recommendation, Annex I, Appendix A (2025)

Explanation (VSME Guidance, par. 34) for B-Aspect 2 / par. 30.: Direct GHG Emissions (Scope 1)
Typical Scope 1 emissions include CO_2 emissions (as well as CH_4 and N_2O emissions) released during the combustion of fuels (e.g. in boilers, furnaces, vehicles, etc.), as well as diffuse emissions from air-conditioning systems and industrial processes.
See reference: Commission recommendation, Annex II, par. 34 (2025)

with the information required under B3 – Energy and GHG Emissions.	**Definition: Indirect GHG Emissions (Scope 2)** Indirect emissions are a consequence of the operations of the company 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, heat or cooling consumed by the company. See reference: Commission recommendation, Annex I, Appendix A (2025) **Definition: 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 emission intensity of grids on which the energy consumption occurs and use 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.). See reference: Commission recommendation, Annex I, Appendix A (2025) **Explanation (VSME Guidance, par. 35) for B-Aspect 2 / par. 30: Indirect GHG Emissions (Scope 2)** Location-based Scope 2 emissions include emissions from purchased or sourced and consumed electricity, heat, steam and cooling of the reporting company. They reflect the average emission intensity of the electricity grids in which energy consumption takes place and are largely based on average grid emission factors. Typical sources of Scope 2 emissions are all systems that consume electricity (e.g. electric motors, lighting, buildings, etc.), heat (e.g. heating in industrial processes and buildings), steam (e.g. industrial processes) and cooling (e.g. industrial processes, buildings). See reference: Commission recommendation, Annex II, par. 35 (2025) **Definition: Indirect GHG Emissions (Scope 3)** Scope 3 emissions are all indirect emissions (outside of Scope 2) that arise in the reporting company's value chain, including upstream and downstream emissions.

See reference: GHG Protocol (2025) – Scope 3

Definition: Value Chain
The full range of activities, resources and relationships related to the company's business model and the external environment in which it operates. A value chain encompasses the activities, resources and relationships the company 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 company'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 company operates.

The value chain includes actors upstream and downstream from the company. Actors upstream from the company (e.g. suppliers) provide products or services that are used in the development of its products or services. Entities downstream from the company (e.g. distributors, customers) receive products or services from it.
See reference: Commission recommendation, Annex I, Appendix A (2025)

Practical Note (VSME Guidance, par. 150) for C-Aspect 1 / par. 50: Disclosure of Scope 3 Emissions:
To assess whether the disclosure of Scope 3 emissions is appropriate in accordance with C-Aspect 1 / par. 50, companies can make an initial assessment of their total Scope 3 greenhouse gas emissions based on the 15 Scope 3 categories defined by the GHG Protocol. This assessment can be based on well-founded estimates and supplemented by appropriate references. This enables companies to identify and disclose the most important Scope 3 categories based on the level of estimated GHG emissions and other criteria specified in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (version 2011, pp. 61 and 65–68) or in EN ISO 14064-1:2018, Annex H.3.2. These criteria include financial expenditure, influence, associated transition risks and opportunities, and stakeholder views.
See reference: Commission recommendation, Annex II, par. 150 (2025)

Practical Note (VSME Guidance, par. 151) for C-Aspect 1 / par. 50: Relevance of Scope 3 Emissions for Specific Sectors
SMEs operating in the manufacturing, agri-food, real estate construction and bottling/packaging sectors are likely to have significant Scope 3 categories (CDP Technical Note: Relevance of Scope 3 Categories by Sector, 2024) that are considered relevant for reporting in the company's industry.
See reference: Commission recommendation, Annex II, par. 151 (2025)

Practical Note for B-Aspect 2 / par. 52: Categories for Scope 3 GHG Emissions
The GHG Protocol identifies the following 15 categories of Scope 3 GHG emissions:
Upstream value chain, e.g. capital goods, business travel, operational waste, employee commuting, rented or leased properties, fuel and energy-related emissions, transport and distribution (upstream), purchased goods and services.
Downstream value chain, e.g. investments, franchise operations, rented or leased properties, use of sold products, transportation and distribution (downstream), further processing of sold intermediate products, disposal of sold products at the end of their useful life.
See reference: GHG Protocol (2025)

Practical Note (VSME Guidance, par. 27) for B-Aspect 2 / par. 30: Table Template for Information on GHG Emissions
Option to disclose Scope 1 and Scope 2 emissions in the following format:

	202(x) GHG emissions (tCO_2e)
Scope 1	45
Scope 2	6
Total	51

See reference: Commission recommendation, Annex II, par. 27 (2025)

Practical Note (VSME Guidance, par. 29) for B-Aspect 2 / par. 30: Reporting Principles
To ensure fair reporting of your GHG emissions, the GHG Protocol has established a list of reporting principles:

a. Relevance: ensure that the greenhouse gas inventory accurately reflects your organisation's GHG emissions.
b. Completeness: ensure that all GHG emission sources and activities within the chosen system boundary are included.
c. Consistency: ensure that the methodology used is consistent to enable comparisons over time.
d. Transparency: disclose the assumptions, references, and methodology used in calculating GHG emissions.
e. Accuracy: ensure that GHG emissions data is sufficiently accurate to enable third parties to make informed decisions.

See reference: Commission recommendation, Annex II, par. 29 (2025)

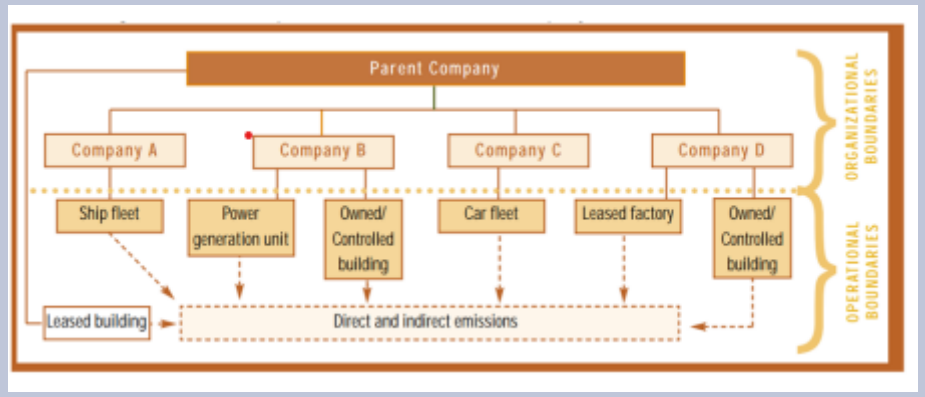
Practical Note (VSME Guidance, par. 30) for B-Aspect 2 / par. 30: ISO 14064-1 Standard
As an alternative to the GHG Protocol, you can use ISO 14064-1 if this standard better suits your reporting requirements.
See reference: Commission recommendation, Annex II, par. 30 (2025)

Practical Note (VSME Guidance, par. 31) for B-Aspect 2 / par. 30: System Boundaries
When reporting GHG emissions, it is important to define the appropriate system boundaries to ensure a correct GHG balance and avoid double counting of emissions. The GHG Protocol defines two main types of system boundary: organisational boundaries and operational boundaries.

a. Organisational boundaries: The GHG Protocol defines these as the boundaries that determine the operational activities owned or controlled by the reporting company, depending on the consolidation approach chosen. There are two approaches to consolidating emissions: the equity approach and the control approach. You choose the approach that reflects your situation best.

b. Equity approach: This approach allocates GHG emissions based on your share of an investment.
c. Control approach: Here, you report GHG emissions from activities over which you have either financial or operational control. Companies use either the criterion of operational control or the criterion of financial control to consolidate their emissions and include them in the report.
    i. Financial control: You have financial control over an activity if you have the ability to set the financial and operating policies of the activity in order to derive economic benefits from it.
    ii. Operational control: You have operational control over an activity if you or one of your subsidiaries has the unrestricted authority to set and implement operational policies.
d. Operational boundaries: According to the GHG Protocol, these are the boundaries used to determine the direct and indirect emissions associated with the activities you carry out or control. This assessment allows you to identify which activities and sources cause direct emissions (Scope 1 emissions) and indirect emissions (Scope 2 and Scope 3 emissions) and to decide which indirect emissions from your activities to include.

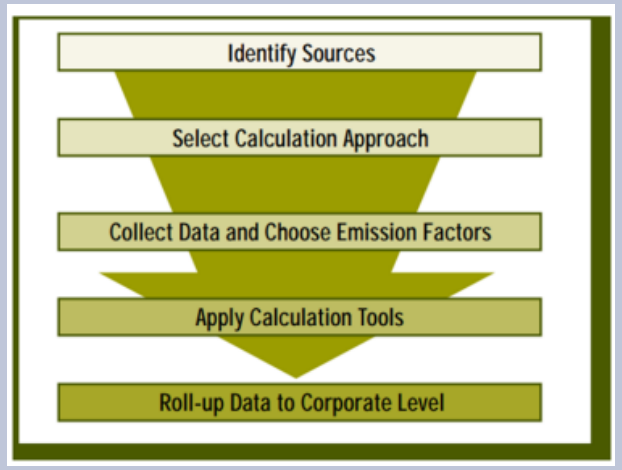
e. Consideration of system boundaries: The definition of boundaries must follow the principles mentioned above – consistency over time, transparency in the documentation of boundaries, and completeness – and is illustrated in the figure below.



See reference: Commission recommendation, Annex II, par. 31 (2025)

Practical Note (VSME Guidance, par. 32) for B-Aspect 2 / par. 30: GHG Protocol Guidelines

The GHG Protocol also provides guidelines and steps for identifying, calculating and tracking GHG emissions, as shown in the figure below.



See reference: Commission recommendation, Annex II, par. 32 (2025)

Practical Note (VSME Guidance, par. 33) for B-Aspect 2 / par. 30: Calculation Tools

a. Various tools have been developed as part of private and public initiatives to help companies compile their greenhouse gas inventories and overcome the associated challenges. EFRAG maintains a list of recommended greenhouse gas calculators on its website: GHG Protocol Calculation Tools and Guidance: https://ghgprotocol.org/calculation-tools-and-guidance
b. SME Climate Hub: https://smeclimatehub.org/start-measuring/
c. Normative's carbon calculator for businesses: https://businesscarboncalculator.normative.io/en/
d. Carbon Trust calculator for the carbon footprint of SMEs: https://www.carbontrust.com/our-work-and-impact/guides-reports-and-tools/sme-carbon-footprint-calculator

e. UK Business Climate Hub: https://businessclimatehub.uk/carbon-footprint-calculators/

See reference: Commission recommendation, Annex II, par. 33 (2025)

Practical Note (VSME Guidance, par. 36) for B-Aspect 2 / par. 30: Evaluation Methods
GHG emissions can be assessed in various ways, including using a calculation approach, measurement or a combination of both. A common approach is based on calculation using emission factors (EF) that can take into account the global warming potential (GWP) of greenhouse gases. Alternatively, direct measurement using sensors (flow and concentration) is also possible. The following table summarises the most common methods.

GHG Evaluation Method	Detail	Necessary Data
Measuring	Multiplying the quantities of gas directly measured by their respective global warming potential.	- Direct quantity of gas emitted, obtained from gas measurement (flow, concentration, volume) - Global warming potential (GWP) of the gases
Calculation	Multiplying the activity data by the emission factor (EF) that integrates the global warming potential (GWP)	- Activity data - Emission factors (EF)

See reference: Commission recommendation, Annex II, par. 36 (2025)

Explanation (VSME Guidance, par. 37) for Aspect 2 / par. 30: Terms Relating to Evaluation Methods
The table above introduces the following terms:

a. Activity data: typically corresponds to the amount of fuel consumed. It can be expressed in energy units (e.g. MWh), volume (e.g. m^3 or l) or mass (e.g. t or

kg). The data can be determined by checking fuel purchase receipts or utility bills.

b. Global warming potential: quantifies the impact of a particular greenhouse gas on the climate; the comparative value is an equivalent unit of carbon dioxide.
c. Emission factors: indicate how much greenhouse gas is emitted per unit of activity. Emission factors often already take into account the global warming potential of the greenhouse gas. This does not need to be included separately.

See reference: Commission recommendation, Annex II, par. 37 (2025)

Practical Note (VSME Guidance, par. 38) for B-Aspect 2 / par. 30: Sources for Emission Factors and Global Warming Potential

The following table summarises a non-exhaustive selection of sources from which you, as a company, can easily obtain both emission factors (EF) and global warming potential (GWP). You can also refer to authoritative national sources that may be more relevant to your specific circumstances.

Emission factors (EF)	ADME – Base Empreinte® (Fr.) IPCC – Emission Factor Database IPCC – Guidelines for National Greenhouse Gas Inventories Association of Issuing Bodies (AIB) – Residual Mix Grid Emission Factors JRC – Historical GHG emissions factor for electricity consumption IEA's Annual GHG emission factors for World countries from electricity and heat generation (2022 data set, paid data set) Ecoinvent
Global warming potential (GWP)	IPCC – global warming potentials

See reference: Commission recommendation, Annex II, par. 38 (2025)

Definition: IPCC List
Emission factors can be obtained from relevant public sources (e.g. ADEME: Bilant Carbonne, IPCC: Emission Factor Database, Guidelines for National Greenhouse Gas Inventories). It should be noted that emission factors usually depend on the technology used. The abbreviation "IPCC" stands for the Intergovernmental Panel on Climate Change (World Climate Council). The term "IPCC database" refers to the emission factors for greenhouse gases published by the World Climate Council. The IPCC is an intergovernmental body on climate change, whose task is to summarise and evaluate the current state of scientific research on climate change and to publish the results regularly in assessment reports.
See reference: Bassen, A.; Beiersdorf, K.; Fink, C. und Lopatta, K., in Freiberg/Lanfermann (Hrsg.), Haufe ESRS-Kommentar, 3. Auflage, 2025, Kapitel 3.5 Angabepflichten

Example (VSME Guidance, par. 41) for B-Aspect 2 / par. 30: Emission Factors – Diesel Oil and Residual Oil
By using the IPCC list of emission factors (Table 2.3, page 2.18), the company sets the emission factor for a 1:1 mixture of diesel oil and residual oil at 75.75 t CO_2/TJ. Based on published energy data, it determines the lower heating value of the fuel to be 0.03921 TJ/m³. Since the global warming potential of CO_2 is 1, the following CO_2 emissions result for this specific Scope 1 source:

$$1101.5\ \mathrm{m^3}\ \mathrm{x}\ 0.03921\ \frac{\mathrm{TJ}}{\mathrm{m^3}}\ \mathrm{x}\ 75.75\ \mathrm{t}\ \frac{\mathrm{CO_2}}{\mathrm{TJ}}\ \mathrm{x}\ 1\ =\ 301.5\ \mathrm{t\ CO_2}$$

See reference: Commission recommendation, Annex II, par. 41 (2025)

Practical Note (VSME Guidance, par. 39) for B-Aspect 2 / par. 30: SME Climate Hub
You can find further guidance and tools for planning actions and reporting on your greenhouse gas emissions and climate impacts at the SME Climate Hub https://smeclimatehub.org/.
See reference: Commission recommendation, Annex II, par. 39 (2025)

Example (VSME Guidance, par. 40) for B-Aspect 2 / par. 30: Calculation of Consumption

Company A burns No. 4 heating oil in an industrial boiler. It records its costs for financial accounting purposes and records the volume (m³) as stated on the fuel receipts for greenhouse gas accounting purposes. Based on the receipts, it determines the annual fuel purchases and also documents the heating oil inventory on the first calendar day of the year. In 2023, the company purchased 100 m³ of heating oil. According to its records, it had 2.5 m³ in its tanks on 01.01.2023 and 1 m³ on 01.01.2024. That means, based on a comparison of purchases and inventory levels, the company consumed a total of 101.5 m³ of heating oil in 2023.

See reference: Commission recommendation, Annex II, par. 40 (2025)

Example (VSME Guidance, par. 42) for B-Aspect 2 / par. 30: Emission Factors – CH_4 and N_2O Emissions

To complete the above example, CH_4 and N_2O emissions are also calculated. According to the IPCC list, the emission factors are 3 kg CH_4/TJ and 0.6 kg N_2O/TJ respectively. The emissions are calculated as follows:

$$\mathrm{CH^4 emissions} = 101.5\ \mathrm{m^3}\ \mathrm{x}\ 0.\frac{03921\mathrm{TJ}}{\mathrm{m^3}}\mathrm{x}\ 3\ \mathrm{kg}\frac{\mathrm{CH^4}}{\mathrm{TJ}}\mathrm{x}\ 29.8 = 0.36\ \mathrm{t\ CO_2e}$$

$$\mathrm{N^2O\ emissions} = 101.5\ \mathrm{m^3}\ \mathrm{x}\ 0.03921\frac{\mathrm{TJ}}{\mathrm{m^3}}\ \mathrm{x}\ 0.6\ \mathrm{kg}\frac{\mathrm{N^2O}}{\mathrm{TJ}}\ \mathrm{x}\ 273 = 0.65\ \mathrm{t\ CO_2e}$$

See reference: Commission recommendation, Annex II, par. 42 (2025)

Example (VSME Guidance, par. 43) for B-Aspect 2 / par. 30: Reporting Inaccuracies

As mentioned, CH_4 and N_2O emissions increase the CO_2 value of 301.5 t CO_2 by approximately 1 t CO_2e, which represents around 0.3% of the total amount. This is within the limits of acceptable reporting inaccuracy and therefore may not have needed to be calculated and reported. The global warming potential (GWP) values for CH_4 and N_2O are taken from the IPCC's Sixth Assessment Report, Chapter 7SM.

See reference: Commission recommendation, Annex II, par. 43 (2025)

Example (VSME Guidance, par. 44) for B-Aspect 2 / par. 30: Emission Factors – Electricity in kWh
Company A uses a 2,000 m² office building in Paris and pays for the electricity consumption of central heating and cooling, lighting, computers and other electrical equipment such as household appliances. Based on its utility bills, it has estimated the building's electricity consumption in 2022 at 282 MWh. By using the emission factor for France in 2022 provided by nowtricity.com, it has calculated its Scope 2 emissions for the building's electricity consumption as follows:

$$\text{GHG emissions} = 282{,}000\ \text{kWh}\ \text{x}73\text{g}\frac{\text{CO}_2\text{e}}{\text{kWh}} = 20.6\text{t}\ \text{CO}_2\text{e}$$

See reference: Commission recommendation, Annex II, par. 44 (2025)

Practical Note (VSME Guidance, par. 45) for B-Aspect 2 / par. 30: Market-related Scope 2 Emissions
Companies can also report their market-related Scope 2 emissions. Emission factors for market-related Scope 2 emissions are derived from the company's contractual agreements with its energy suppliers. They can be provided by electricity or heat suppliers and substantiated by the purchase of Energy Attribute Certificates, Power Purchase Agreements (PPAs), or the use of residual mix emission factors.
See reference: Commission recommendation, Annex II, par. 45 (2025)

Explanation for B-Aspect 2 / par. 50: CO_2 Equivalent
The unit of measurement CO_2 equivalent was created to enable the effects of different greenhouse gases to be compared. It is used to express the climate impact of different greenhouse gases in comparison to that of carbon dioxide.
See reference: BMZ / DNK (2025)

B-Aspect 3 (VSME par. 31 – Basic Module): Greenhouse Gas Intensity (GHG Intensity)
How high is your **greenhouse gas intensity**? It is calculated by dividing the reported gross GHG emissions (in accordance with B-Aspect 2 / par. 30 (disclosure B3)) by turnover (in euros) reported

Explanation for B-Aspect 3 / par. 31: Greenhouse Gas Intensity
Greenhouse gas intensity shows how many greenhouse gas emissions were caused per euro of turnover generated. To calculate this, total emissions are divided by annual turnover. This indicator shows how climate-friendly or climate-damaging your business activities are in relation to the company's economic performance.

under DNK 1 B-Aspect 1 / par. 24e.iv. (disclosure B1)).

Note 1 (VSME Guidance, par. 45): When specifying GHG emissions, you can differentiate between site-related and market-related emissions, depending on which you specified in B-Aspect 2 / par 30.

See reference: Bassen, A.; Beiersdorf, K.; Fink, C. und Lopatta, K., in Freiberg/Lanfermann (Hrsg.), Haufe ESRS-Kommentar, 3. Auflage, 2025, Kapitel 3.5 Angabepflichten

Example for B-Aspect 3 / par. 31: Greenhouse Gas Intensity
The gross emissions of Company A comprise Scope 1 and site-related Scope 2 emissions and amount to 1,200 tCO2e in the reporting year. Sales turnover totals EUR 24,000,000. This results in the following calculation for greenhouse gas intensity:

$$\text{GHG intensity} = \frac{1{,}200\text{tCO}^2\text{eq}}{24{,}000{,}000\ \text{EUR}} = 0.00005\frac{\text{tCO}_2\text{eq}}{\text{EUR}}$$

For a more meaningful indicator, the intensity per EUR 1 million in turnover can be shown: 0.00005 x 1,000,000 = 50 tCO2e per EUR 1 million in turnover.
See reference: DNK (2025)

GHG Reduction Targets and Climate Transition (VSME C3)

What it's about (VSME par. 54 – 56, Comprehensive Module): This section concerns the disclosure of reduction targets for GHG emissions (Scope 1, Scope 2 and, where applicable, Scope 3), including relevant baseline and target values as well as planned measures.

C-Aspect 1 (VSME par. 54 – Comprehensive Module): GHG Reduction Targets
If you have set **targets for reducing GHG emissions**: What are these targets for Scope 1 and Scope 2 emissions in absolute terms? **If** you have set targets for reducing Scope 3 emissions, specify the targets for significant Scope 3 emissions in accordance with C-Aspect 1 / par. 50–53 (disclosure B3). In particular, provide the following information:

a. What **target** year has been set and what is the target value for that year?
b. Which **base year** was used and what reference value was set in that year?

Practical Note for C-Aspect 1 / par. 54: "If applicable" Principle
This information is only relevant if your company has set specific targets for reducing greenhouse gas emissions (Scope 1, Scope 2 and, if applicable, Scope 3), e.g. as part of a climate strategy or sustainability planning – regardless of whether these targets have been communicated internally or publicly. For example, if you have set yourself the goal of reducing your Scope 1 and Scope 2 emissions by 30% by 2030 compared to the base year 2020 and have introduced specific measures (e.g. switching to green electricity, electrifying your vehicle fleet) to achieve this, this information must be provided here. If you do not have any GHG reduction targets, you do not need to provide any information here.
See reference: DNK (2025)

c. Which units were used for the targets?
d. What is the proportion of Scope 1, Scope 2 and, if applicable, Scope 3 emissions to which the target relates?
e. Provide a list of the most important measures to be implemented to achieve the targets.

Note 1 (VSME Guideline, par. 45):
When specifying the proportions of GHG emissions under C-Aspect 1d. / par. 54d., you can differentiate between site-related and market-related emissions.

Explanation (VSME Guidance, par. 152) for C-Aspect 1 / par. 54: Challenges and Opportunities of Reducing GHG Emissions
Reducing GHG emissions can be both a challenge and an opportunity for a company, as it often requires changes in strategic and operational direction. The goal of reducing emissions might require a review of strategic and financial priorities. Decarbonisation may require significant initial investments, such as electrifying a vehicle fleet, implementing new technologies to reduce energy consumption or developing new product lines that rely less on carbon-intensive materials. At the same time, implementing low-carbon solutions to reduce GHG emissions can significantly lower the cost of purchased energy and materials. Companies implementing their decarbonisation strategy often face significant adjustments to their business models or daily operations. For example, a logistics and delivery service may need to redesign its fleet management to minimise potential operational disruptions caused by regular vehicle charging times. A consumer goods manufacturer seeking to replace a product component with a sustainable, low-carbon alternative may need to invest time and resources in product innovation and sourcing new suppliers. These measures can in turn lead to cost reductions, access to new markets, the creation of new jobs and the acquisition of additional financial resources, making the reduction of GHG emissions not only a challenge but also a strategic business opportunity. In this context, GHG emission reduction targets are an important tool for making the transition to greater sustainability systematic, controlled and orderly.
See reference: Commission recommendation, Annex II, par. 152 (2025)

Explanation (VSME Guidance, par. 153) for C-Aspect 1 / par. 54: GHG Emissions Reduction Target
A GHG emissions reduction target is a commitment to reduce a company's GHG emissions in a future year compared to those measured in the base year. Actions to reduce emissions can include electrification, the use of renewable energies or the development of sustainable products. Disclosure under C3 requires the company to specify reduction targets for its Scope 1 and Scope 2 emissions.
See reference: Commission recommendation, Annex II, par. 153 (2025)

Practical Note (VSME Guidance, par. 154) for C-Aspect 1 / par. 54: Avoided GHG Emissions
GHG removals and avoided emissions are not allowed to be counted as reductions in a company's gross GHG emissions. This is justified by the important distinction between accounting for gross GHG emissions (inventory accounting) and accounting for GHG removals and avoided emissions (project- or intervention-based accounting). Your gross GHG emissions record the emissions actually released into the environment and serve as a consistent and comparable basis for setting GHG targets. Avoided emissions and GHG removals, on the other hand, relate to specific project activities of a company and are therefore accounted for separately from gross GHG emissions.
See reference: Commission recommendation, Annex II, par. 153 (2025)

Practical Note (VSME Guidance, par. 155) for C-Aspect 1 / par. 54: GHG Removals
To follow this practice, you must distinguish between your gross GHG emissions and other impacts that are not included in them, such as GHG removals and avoided emissions. GHG removals refer to the active removal of GHGs from the atmosphere through deliberate human activities. Examples include plant growth (the uptake of atmospheric CO_2 through photosynthesis) or direct CO_2 capture from the air, which is typically associated with subsequent CO_2 storage. Avoided GHG emissions are emissions that would have occurred without a specific action by the company but were prevented by its activities. This includes, for example, the introduction of new products and technologies that reduce the need for carbon-intensive alternatives, such as insulation materials in buildings that reduce the energy required for heating and cooling services. For more information on the concepts of GHG removals and avoided emissions, please refer to the GHG Protocol Land Sector and Removals Guidance and the WBCSD Guidelines.
See reference: DNK (2025), Commission recommendation, Annex II, par. 155 (2025)

Explanation (VSME Guidance, par. 156) for C-Aspect 1 / par. 54: Base Year
A base year is a previous year that you can use to compare your current GHG emissions. In general, you should choose a recent year that is representative of your GHG emissions and for which verifiable data is available.

See reference: Commission recommendation, Annex II, par. 156 (2025)

Explanation (VSME Guidance, par. 157) for C-Aspect 1 / par. 54: Target Year
The target year is the future year in which you want to achieve a specific, absolute or percentage reduction in your GHG emissions. You should set a period of one to three years from the base year for short-term targets. Long-term targets can also be pursued, for example for periods of twenty or thirty years (e.g. 2040 or 2050). It is recommended that you set at least one short-term target for 2030 and, if possible, a long-term target for 2050. From 2030 onwards, you should update the base year and target year for reducing your GHG emissions every five years.
See reference: Commission recommendation, Annex II, par. 157 (2025)

Practical Note (VSME Guidance, par. 158) for C-Aspect 1 / par. 54: Scientific Sources on GHG Reduction Targets
When setting a target, companies should take into account existing scientific findings on GHG reduction. The SBTi (Science Based Targets initiative) recommends a cross-sector target of a 42% reduction in GHG emissions by 2030 and a 90% reduction by 2050 (base year 2020). The SBTi additionally proposes a simplified approach to setting targets for small and medium-sized enterprises (it also offers SMEs resources for setting science-based targets). There are also industry-specific pathways that companies can consider when setting their GHG emission reduction targets.
See reference: Commission recommendation, Annex II, par. 158 (2025)

Practical Note (VSME Guidance, par. 159) for C-Aspect 1 / par. 54: Measures to Reduce GHG Emissions
There are a number of simple actions that can be deployed to achieve a rapid reduction in both direct and indirect emissions. Some of these measures are easy to implement and can still result in significant emission reductions, helping you to achieve your targets. Electrifying your vehicle fleet by replacing fossil fuel-powered vehicles with electric vehicles leads to an immediate reduction in emissions after the switch, especially for companies that rely heavily on transportation. Similarly, replacing commuting and business travel by car with low-carbon alternatives such as bicycles or public transport

	can be an effective, simple and feasible decarbonisation measure. Further savings potential lies in optimising internal energy management, like switching to energy-efficient equipment and integrating regular maintenance into everyday business operations. Regular replacement and maintenance of equipment such as boilers, telecommunications systems, heat pumps or air-conditioning systems can reduce energy consumption. Well-maintained equipment operates more efficiently, reduces wear and tear and cuts waste. By automating systems and using timers to set usage times, the company can further reduce emissions from equipment. See reference: Commission recommendation, Annex II, par. 159 (2025)
C-Aspect 2 (VSME par. 55 – Comprehensive Module): Transition Plan **If** you operate in a **climate-intensive sector** and have introduced a **transition plan** for climate protection, you can provide information about this, including an explanation of how the transition plan contributes to reducing GHG emissions.	**Practical Note for C-Aspect 2 / par. 55: "If applicable" Principle** This information is only relevant if your company operates in a climate-intensive sector and has introduced a transition plan for climate protection. According to ESRS Set 1, climate-intensive sectors are all sectors listed in Annex I, Sections A to H and Section L of Regulation (EC) No. 1893/2006 (in accordance with Delegated Regulation (EU) 2022/1288). These include agriculture and forest management, fishing, mining and quarrying, manufacturing/production of goods, energy supply, water supply, sewage and waste disposal, mining/construction, trade, maintenance and repair of motor vehicles, transport and storage, and real estate and housing. This data point applies to you if your company has already drawn up a transition plan that includes strategic measures for the gradual reduction of greenhouse gas emissions, e.g. through technological changes, efficiency improvements or changes to business models. If, for example, you are a transport company and have developed a transition plan to electrify your vehicle fleet, this plan should be described and explained here, particularly with regard to the expected emission reductions. If your company is not active in a climate-intensive sector and has not developed a transition plan, you do not need to provide any information here. See reference: DNK (2025) **Definition: Climate-intensive Sectors** Sectors listed in Annex I, Sections A to H and Section L of Regulation (EC) No. 1893/2006 of the European Parliament and of the Council (in accordance with Commission Delegated Regulation (EU) 2022/1288).

These include: agriculture and forestry, fishing, mining and quarrying, manufacturing/production of goods, energy supply, water supply; sewage and waste disposal, mining/construction, trade, maintenance and repair of motor vehicles, transport and storage, and real estate and housing.
See reference: ESRS Set 1. Appendix II, Table 2 (2024)

Explanation (VSME Guidance, par. 160) for Aspect 2 / par. 55: Climate Transition Plan
A climate transition plan is a set of current and future actions that align your business model, strategy and operations with the overarching global goal of limiting global warming to 1.5°C. Such a plan is based on a GHG reduction target that is consistent with this goal. The importance of such a transition plan lies in clearly defining how you will make the transition to a low-carbon economy while tracking your progress. A transition plan serves as a tool for accountability and transparency, prompting companies to develop and implement credible strategies for mitigating climate change.
See reference: Commission recommendation, Annex II, par. 160 (2025)
Practical Note (VSME Guidance, par. 161) for C-Aspect 2 / par. 55: Elements of a Transition Plan
The creation of a credible transition plan should be supported by the following elements:

a. clear identification of responsibilities and roles;
b. integration of the plan into corporate strategy and financial planning;
c. inclusion of decarbonisation measures and pathways, as well as quantifiable indicators that can be monitored within predefined time frames;
d. enabling regular review and updating after stakeholder consultations, where appropriate;
e. covering all of the company's own business activities and, where possible, the entire value chain, or otherwise explaining existing limitations.

See reference: Commission recommendation, Annex II, par. 161 (2025)

Practical Note (VSME Guidance, par. 162) for C-Aspect 2 / par. 55: EMAS Regulation
If you disclose targets in accordance with Annex IV B (d) of the EMAS Regulation, you can use your GHG reduction targets to meet the VSME requirements, provided that such targets have been set. You can also support this disclosure by implementing the EMAS

	environmental management system and establishing a link to EN ISO 14001:2015, as described in Annex II B A.6.2.1 and B.5 of the EMAS Regulation on environmental objectives. See reference: Commission recommendation, Annex II, par. 162 (2025) **Practical Note (VSME Guidance, par. 163) for C-Aspect 2 / par. 55: Manufacturing, Construction and/or Packaging Processes** To identify processes in the areas of manufacturing, construction and/or filling/packaging, you can refer to the activities listed in Section C – "Manufacturing/Production of Goods", Section F – "Construction" and Section N Class 82.92 "Filling and packaging" of Annex I to Regulation (EC) No. 1893/2006. See reference: Commission recommendation, Annex II, par. 163 (2025)
C-Aspect 3 (VSME par. 56 – Comprehensive Module): Absence of a Transition Plan **If** you operate in **climate-intensive sectors** and do not have a transition plan for climate protection: Will you introduce such a plan, and if so, when will you introduce it?	**Practical Note for C-Aspect 3 / par. 56: "If applicable" Principle** This information is only relevant if your company operates in a climate-intensive sector but has not yet introduced a transition plan for climate protection. According to ESRS Set 1, climate-intensive sectors are all sectors listed in Annex I, Sections A to H and Section L of Regulation (EC) No. 1893/2006 (in accordance with Delegated Regulation (EU) 2022/1288). These include agriculture and forest management, fishing, mining and quarrying, manufacturing/production of goods, energy supply, water supply, sewage and waste disposal, mining/construction, trade, maintenance and repair of motor vehicles, transport and storage, and real estate and housing. If you operate in one of these sectors and have not yet introduced a plan to reduce GHG emissions, you should indicate here whether and when such a plan will be introduced. For example, if you operate in the energy sector but have not yet drawn up a transition plan, you should indicate here whether one is planned, e.g. "A transition plan is under development and will be published by the end of 2026". If your company operates in a climate-intensive sector and already has a transition plan, or if you do not operate in a climate-intensive sector, you do not need to provide any information here. See reference: DNK (2025)

Climate Risks (VSME C4)

What it's about (VSME par. 57 – 58, Comprehensive Module): This section concerns the identification of climate-related risks and transition events and their impact on the company. In addition, the assessment of the exposure and sensitivity of the company's assets, activities and value chain, the relevant time horizons and any adaptation measures taken should be disclosed, including possible financial implications and a risk assessment.

C-Aspect 1 (VSME par.57 – Comprehensive Module): Climate-related Dangers and Transition Events

If you have identified **climate-related hazards** and **climate-related transition events** that, when viewed in **aggregate**, represent **climate-related** risks to your business, please provide a description of the following:

a. How would you briefly describe the climate-related dangers and transition events?

b. How do you assess the exposure (impact) and vulnerability of your assets, activities and value chain to these dangers and transition events?

c. What **time horizons** can be set for the identified climate-related dangers and transition events?

d. Have you taken measures to **adapt to climate change** for these hazards and transition events?

Practical Note for C-Aspect 1 / par. 57: "If applicable" Principle

This information is only relevant if your company has identified physical climate-related hazards (e.g. extreme weather events, temperature changes) or climate-related transition events (e.g. new regulatory requirements, technological changes) that pose risks to your company (e.g. assets, business activities, value chain). For example, if you have identified that your production sites could be affected by flooding or your business strategy by stricter CO_2 requirements, information on the nature, exposure, time horizon and adaptation measures is required. If your company has not identified any significant climate-related hazards or transition events, you do not need to provide any information here.

See reference: DNK (2025)

Explanation (VSME Guidance, par. 164) for C-Aspect 1 / par. 57: Climate-related Dangers

Climate-related hazards are drivers of climate-related physical risks that arise from the effects of climate change on the company. They can be divided into acute hazards that occur as a result of specific events (e.g. droughts, floods, heavy rainfall and forest/wildfires) and chronic hazards that occur as a result of longer-term climate changes (e.g. temperature changes, sea level rise and soil erosion) (Commission Delegated Regulation (EU) 2021/2139). Physical risks are derived from climate-related dangers, the exposure of the company's assets and activities to these hazards, and the company's sensitivity to them.

Example: Examples of climate-related hazards include heatwaves, increasing frequency of extreme weather events, sea level rise, glacial lake outburst floods and changes in precipitation and wind patterns. Climate-related physical risks can be identified and modelled using climate scenarios such as the IPCC scenario SSP5-8.5, which takes into account high emission trajectories.
See reference: Commission recommendation, Annex II, par. 164 (2025)

Practical Note (VSME Guidance, par. 165) for C-Aspect 1 / par. 57: Climate-related Transition Events
Climate-related transition events (also known as transition risks) can be policy- and law-based (e.g. stricter reporting requirements for GHG emissions), technology-based (e.g. costs of transitioning to lower-emission technologies), market-based (e.g. rising raw material costs) or reputation-based (e.g. increasing stakeholder concerns).
See reference: DNK (2025); Commission recommendation, Annex II, par. 165 (2025)

Practical Note (VSME Guidance, par. 166) for C-Aspect 1 / par. 57: Gross Climate-related Risks
Gross climate-related risks refer to gross physical risks and gross transition risks that may arise as a result of the exposure of the company's assets and business activities to climate-related dangers.
See reference: DNK (2025); Commission recommendation, Annex II, par. 166 (2025)

Definition: Gross Risk
Gross risk means that you should not take into account the effects of measures and resources to mitigate climate-related risks when assessing them.
See reference: EFRAG ESRS Q&A Platform (2024)

Definition: Time Horizons
When preparing your sustainability report, the company shall adopt the following time horizons:

a. for the short-term time horizon, one year;

	b. for the medium-term time horizon, from two to five years; and c. for the long-term time horizon, more than five years. See reference: Commission recommendation, Annex I, Appendix A (2025) **Definition: Climate Change Adaptation** The process of adjustment to actual and expected climate change and its impacts. See reference: Commission recommendation, Annex I, Appendix A (2025)
C-Aspect 2 (VSME par. 58 – Comprehensive Module): Potential Negative Impacts of Climate Risks You can indicate the negative impacts on your financial performance or business activities that could result from **climate-related risks** in the short, medium or long term, and indicate whether you assess the risks as high, medium or low.	**Definition: Climate-related Physical Risks** Risks resulting from climate change that can be event-driven (acute) or due to longer-term (chronic) shifts in climate patterns. Acute physical risks arise from particular hazards, especially weather-related events such as storms, floods, fires or heatwaves. Chronic physical risks arise from longer-term changes in the climate, such as temperature changes, and their effects on rising sea levels, reduced water availability, biodiversity loss and changes in land and soil productivity. See reference: Commission recommendation, Annex I, Appendix A (2025)

DNK 12 Pollution

In this section you disclose whether your company emits pollutants into the air, water or soil and whether it already reports on this voluntarily or is required to do so by law.

BASIC MODULE | COMPREHENSIVE MODULE

Sustainability Code Checklist VSME	How to: (Practical Notes, Definitions, Examples, etc.)
Pollution of Air, Water and Soil (VSME B4) **What it's about (VSME par. 32, Basic Module):** This section concerns the disclosure of pollutant emissions into the air, water and soil, provided that there is a legal reporting obligation or that voluntary reporting has already taken place.	
B-Aspect 1 (VSME par. 32 – Basic Module): Air, Water and Soil Pollution **If** you are required by law or other national regulations to report your pollutant emissions to the relevant authorities, or **if** you report them voluntarily as part of an environmental management system: What pollutants do you emit into the air, water and soil as part of your activities? In what quantities do you emit the respective pollutants? **If** this information is already publicly available, you can alternatively refer to the relevant document, e.g. by providing the relevant URL link or an embedded hyperlink.	**Practical Note for B-Aspect 1 / par. 32: "If applicable" Principle** This information is only relevant if corresponding information on emitted pollutants is already available. If, for example, you regularly compile emission figures or already submit them to an environmental register, you can use this information directly or alternatively refer to a public source (e.g. by providing the URL) if you have already made it publicly available. If you are not yet required to report your emissions and do not collect them voluntarily, you do not need to provide any information here. See reference: DNK (2025) **Practical Note (VSME Guidance, par. 46) for B-Aspect 1 / par. 32: Requirements for Application** B-Aspect 1 / par. 32 stipulates that you must disclose the air, water and soil emissions you cause, provided that this information is already required to be reported to the relevant authorities by law or as part of an environmental management system. This means that you should first check whether you already collect such information, either due to legal requirements or on a voluntary basis. If you already report emissions data (or you are legally required to do so), you must provide additional information on these emissions in accordance with the requirements in B-Aspect 1 / par. 32. However, if you do not report

such information (and are not legally required to do so), it is sufficient to state this accordingly.
See reference: Commission recommendation, Annex II, par. 46 (2025)

> **Examples of Environmental Management Systems:** EMAS (Eco-Management and Audit Scheme) is a voluntary environmental management system of the EU that enables companies to submit regular environmental statements. The ISO 14001 standard (in German; only applicable for companies that operate in Germany) specifies the requirements for environmental management systems and is applicable to companies of all types and sizes.

See reference: Bassen, A.; Beiersdorf, K.; Fink, C. und Lopatta, K., in Freiberg/Lanfermann (Hrsg.), Haufe ESRS-Kommentar, 3. Auflage, 2025, Kapitel 3.5 Angabepflichten

Practical Note (VSME Guidance, par. 47) for B-Aspect 1 / par. 32: Emissions Reporting for IED-relevant Activities
This aspect generally applies to operators of industrial installations or intensive livestock farms that fall under the Industrial Emissions Directive (IED 2.0), which supplements the Industrial Emissions Directive (IED). IED 2.0 affects around 75,000 installations in Europe and covers activities such as the combustion of fuels in boilers with a rated capacity exceeding 50 MW, casting in metal foundries, processing of non-ferrous metals, lime production, manufacture of ceramic products by firing, manufacture of plant protection products or biocides, rearing of pigs or poultry as of 380 livestock units, tanning of hides or the operation of slaughterhouses, etc. In these cases, operators must already report emissions to air, water and soil to the relevant authorities, with the data being publicly available via the Industrial Emissions Portal Regulation (IEPR) (Regulation 2024/1244/EU), which replaced the former European Pollutant Release and Transfer Register (E-PRTR) (Regulation 166/2006/EC). If you operate multiple facilities, you do not need to report your consolidated, company-wide emissions in the E-PRTR, as reporting there is only at the site level. However, the VSME requires disclosure of the total amount of pollutants from all operating sites. Similarly, if you are the owner but not the operator of a facility, you do not need to report to the E-PRTR, but you should include the emissions from your facilities in your sustainability report.

See reference: Commission recommendation, Annex II, par. 47 (2025)

Practical Note (VSME Guidance, par. 48) for B-Aspect 2 / par. 32: Reporting Requirements for EMAS/ISO 14001 Certification
You should include monitoring and reporting on pollutants listed in the E-PRTR in your sustainability report if you are required to do so under an environmental management system such as EMAS or ISO 14001 certification. These aspects are generally considered relevant for your reporting.
See reference: Commission recommendation, Annex II, par. 48 (2025)

Practical Note (VSME Guidance, par. 49) for B-Aspect 1 / par. 32: Avoiding Double Reporting
If you only have or operate in one operating facility and your environmental data is already publicly available, you do not need to report this data again. Instead, you can refer to the relevant document. Similarly, if you publish a company-wide report that contains environmental data, such as an EMAS report, you can include it in your sustainability report by reference.
See reference: Commission recommendation, Annex II, par. 49 (2025)

Practical Note (VSME Guidance, par. 50) for B-Aspect 1 / par. 32: Specification of Pollutants and Emission Quantities
When disclosing information on pollutants in the sustainability report, you should specify the type of pollutant and the quantity of emissions into the air, water and soil in a suitable unit of measurement, e.g. tons (t) or kilograms (kg).
See reference: Commission recommendation, Annex II, par. 50 (2025)

Example (VSME Guidance, par. 51) for B-Aspect 1 / par. 32: Table Template for Information on Pollutants
Below is an example of how you can present your emissions into the air, water and soil, broken down by pollutant type:

Pollutant	Emissions (kg)	Medium of Release (Air, Water, Soil)
e.g. Cadmium and compounds	10	Water
Type of pollutant 2		
Type of pollutant 3		

See reference: Commission recommendation, Annex II, par. 51 (2025)

Practical Note (VSME Guidance, par. 52) for B-Aspect 1 / par. 32: Types of Pollutants
With regard to the types of pollutants that must be taken into account in reporting in accordance with B-Aspect 1 / par. 32, you can refer to the essential pollutants that are currently covered by EU law. However, you should also check the specific pollutants that are regulated in the legal requirements of your respective jurisdiction.
See reference: Commission recommendation, Annex II, par. 52 (2025)

Example (VSME Guidance, par. 53) for B-Aspect 1 / par. 32: Significant Air Pollutants according to EU Regulations
Examples of significant air pollutants (Directive 2024/299; Regulation 2024/1244; EC, 2024; EEA, 2022) include: sulphur oxides (SO_x/SO_2, e.g. from energy production and industrial heating), nitrogen oxides (NO_x/NO_2, e.g. from transport), non-methane volatile organic compounds (NMVOC, e.g. from agricultural activities), carbon monoxide (CO, e.g. from the combustion of fossil fuels), ammonia (NH_3, e.g. from the storage and spreading of manure), particulate matter (PM_{10}, e.g. from combustion processes in industry, transport or agriculture), heavy metals (Cd, Hg, Pb, As, Cr, Cu, Ni, Zn), persistent organic pollutants (POPs) such as polycyclic aromatic hydrocarbons (PAHs), hexachlorobenzene (HCB), polychlorinated biphenyls (PCBs), dioxins/furans, ozone-depleting substances (ODS) such as chlorofluorocarbons (CFCs), hydrochlorofluorocarbons (HCFCs) and halons, and black carbon (BC, e.g. from energy consumption).
See reference: Commission recommendation, Annex II, par. 53 (2025)

Practical Note (VSME Guidance, par. 54) for B-Aspect 1 / par. 32: Main Sources of Air Pollutant Emissions in the Private Sector

According to the Guidance for companies on air pollutant emissions, which was adopted by the Clean Air Alliance, the most important sources of air pollutant emissions in the private sector (which also have a significant impact on the entire value chain) include: (a) Electricity generation from fossil fuels or biomass combustion (generated externally, distributed via a national grid and consumed along the value chain), (b) Direct stationary combustion of fossil fuels or biomass within your operations or industrial processes, as well as the operation of stationary machinery or other activities that require fuel combustion, (c) Transportation (freight, road, rail, marine and air transport, as well as off-road vehicles such as those used in agriculture or construction), (d) Industrial processes (all emissions not resulting from fuel combustion that arise during industrial processes), (e) Agriculture (livestock farming and manure management, agricultural production such as the burning of crop residues and the application of manure and fertilisers), and (f) Waste disposal (e.g. landfilling, incineration or open fires and composting).
See reference: Commission recommendation, Annex II, par. 54 (2025)

Practical Note (VSME Guidance, par. 55) for B-Aspect 1 / par. 32: Methodology for Preparing an Air Pollutant Emissions Inventory

Below is an example of a simple method that can be used to inventory a company's air pollutant emissions and calculate the emissions of the respective air pollutants. This method is divided into the following steps (without creating an overview of the value chain, as the VSME Standard requires that the information needed for this disclosure obligation be provided only at the level of the reporting company): 1) Identification of emission sources within the value chain, 2) Identification of methods for quantifying emissions, 3) Collection of activity data, 4) Identification of emission factors, and 5) Quantification of emissions. The table below assigns pollution sources to methods that can be used to calculate emissions of key air pollutants (see also Guidance for companies on air pollutant emissions).

Sources of pollution	Methodology for quantifying emissions (Section in guidance)

Electricity	Section 4.1
Fuel combustion	Section 4.2
Transport	Section 4.3
Industrial processes	Section 4.4
Agriculture	Section 4.5
Waste	Section 4.6

See reference: Commission recommendation, Annex II, par. 55 (2025)

Example (VSME Guidance, par. 56) for B-Aspect 1 / par. 32: Illustrative Emission Calculation from Production

Below is an example of a calculation method for air pollutant emissions based on the method described in the above-mentioned guide for manufacturing. In this example: Mp = quantity of material M used or produced in the company's value chain (in tons, litres), EFk,p = emission factor for pollutant k for process p (g per production unit), Emk,p = emissions of specific pollutant k for process p (g).

$$\mathrm{Em}_{k,p} = \mathrm{M}_{p} \times \mathrm{EF}_{k,p}$$

See reference: Commission recommendation, Annex II, par. 56 (2025)

Example (VSME Guidance, par. 57) for B-Aspect 1 / par. 32: Calculation of Emissions from Production Processes

A medium-sized chocolate manufacturer producing 1,750 tons of chocolate in 2022 would apply the standard emission factor of 2 to calculate its NMVOC emissions. The calculation is as follows:

$$1{,}750 \text{ tons of chocolate} \times 2 \text{ (emission factor for NMVOCs)} = 3{,}500 \text{ tons NMVOC emissions}$$

See reference: Commission recommendation, Annex II, par. 57 (2025)

Practical Note (VSME Guidance, par. 58) for B-Aspect 1 / par. 32: Calculation of transport-related emissions

Transport can be a significant source of air pollution, both within a company's own operations and along the value chain. To calculate the emissions of a specific pollutant from road transport, use the following formula: $FC_{v,f}$ = fuel consumption of vehicle type v with fuel f (kg), $EF_{k,v,f}$ = emission factor for pollutant k for vehicle type v and fuel f (g per vehicle kilometre), $Em_{k,v,f}$ = emissions of the specific pollutant k for vehicle type v and fuel f (g).

$$Em_{k,v,f} = FC_{v,f} \; x \; EF_{k,v,f}$$

See reference: Commission recommendation, Annex II, par. 58 (2025)

Example (VSME Guidance, par. 59) for B-Aspect 1 / par. 32: Particulate Emissions from Diesel Vehicle Operation

A light commercial vehicle that travelled 2,800 km on diesel in 2022 generated the following amount of PM10 emissions (PM10 emission factor: 1.52 g/km):

$$2{,}800 \text{ km x } \frac{1.52 \text{ g}}{\text{km}} = \; 4{,}256 \text{ g PM10 emissions}$$

See reference: Commission recommendation, Annex II, par. 59 (2025)

Practical Note (VSME Guidance, par. 60) for B-Aspect 1 / par. 32: Emissions from Fuel Combustion

Fuel combustion is another important source of air pollutant emissions. In this case, the following formula can be used: FC_n = consumption of fuel n within the source category (GJ), EF_k = emission factor for pollutant k (g/GJ), E_{mk} = emissions of specific pollutant k(g).

$$Em_k = FC_n \; x \; EF_k$$

See reference: Commission recommendation, Annex II, par. 60 (2025)

Example (VSME Guidance, par. 61) for B-Aspect 1 / par. 32: Calculation of SO_2 Emissions from Fuel Consumption
A company that consumed 3,000,000 grams of fuel in 2020 and applies an emission factor (EF) of 0.67 for SO_2 calculates emissions as follows:

$$3{,}000{,}000 \text{ x } 0.67 = 2{,}010{,}000 \text{ grams of } SO^2 \text{emissions from fuel combustion in 2020}$$

See reference: Commission recommendation, Annex II, par. 61 (2025)

Example (VSME Guidance, par. 62) for B-Aspect 1 / par. 32: Significant Water Pollutants
Examples of significant water pollutants (Regulation 2024/1244; Directive 2000/60/EC; Directive 2006/118/EC; Directive 91/676/EEC; Directive 2010/75/EU and amendment Directive 2024/1785; EEA, 2024) are: nitrogen (N), phosphorus (P), heavy metals (Cd, Hg, Pb, As, Cr, Cu, Ni, Zn), persistent organic pollutants (POPs) and pesticides, BTEX (benzene, toluene, ethylbenzene, xylenes) and other volatile organic compounds (VOCs), substances that negatively affect the oxygen balance (measured by parameters such as BOD, COD, etc.), total organic carbon (TOC), etc.
See reference: Commission recommendation, Annex II, par. 62 (2025)

Explanation (VSME Guidance, par. 63) for B-Aspect 1 / par. 32: Sources and Indicators of Water Pollutants
Pesticides and nutrients (e.g. nitrogen (N) and phosphorus (P)) can be released through agricultural activities (see EEA, 2023; UNEP, 2023), e.g. through the application of manure or mineral fertilisers. Heavy metal concentrations can originate from mining activities or wastewater discharges. Total organic carbon (TOC) is a general indicator of water pollution by organic substances and indicates the presence of living material, e.g. in wastewater, surface water and groundwater (normal concentrations are less than 10 mg/l and 2 mg/l respectively). Chemical oxygen demand (COD) indicates the presence of industrial wastewater or domestic sewage, with typical values below 20 mg/l in unpolluted water and up to 60,000 mg/l in industrial wastewater. Biochemical oxygen demand (BOD) is used to determine the organic pollution of surface waters and to

measure the efficiency of sewage treatment plants, and is typically around 2 mg/l in unpolluted water and 10 mg/l or more in polluted water. Volatile organic compounds (VOCs) can be released into water through leaks.
See reference: Commission recommendation, Annex II, par. 63 (2025)

Calculation Note (VSME Guidance, par. 64) for B-Aspect 1 / par. 32: Estimation Method for Calculating Water Pollutant Emissions
The EEA (European Environment Agency) recommends a simple estimation method for measuring water pollutant emissions, which is similar to the method described above for air pollutants. In the following formula: AR_a = activity rate for activity a (based on the specific activity or process, e.g. comparable to M_p in the calculation of air emissions), $EF_{p,a}$ = emission factor for pollutant p in activity a, and $Em_{p,a}$ = emissions of the specific pollutant p in activity a.

$$Emissions_{p,a} = AR_a \; x \; EF_{p,a}$$

See reference: Commission recommendation, Annex II, par. 64 (2025)

Example (VSME Guidance, par. 65) for B-Aspect 1 / par. 32: Significant Pollutants in Soil
Examples of significant pollutants in soil (Regulation 2024/1244; Directive 86/278/EEC) include: nitrogen (N), phosphorus (P), heavy metals (e.g. from the application of sewage sludge to soil), BTEX (benzene, toluene, ethylbenzene, xylenes) and other volatile organic compounds (VOCs), persistent organic pollutants (POPs) and pesticides.
See reference: Commission recommendation, Annex II, par. 65 (2025)

Explanation (VSME Guidance, par. 66) for B-Aspect 1 / par. 32 Main Sources of Soil Pollution
The main sources of soil pollution in the private sector are primarily products or by-products of industrial processes (e.g. chemical manufacturing, energy production, textile production), accidental spills of petroleum-based products, agricultural and livestock activities (e.g. irrigation with untreated wastewater, poultry farming), production and

treatment of wastewater, extraction and processing of metals and minerals, and transportation (FAO, 2021).
See reference: Commission recommendation, Annex II, par. 66 (2025)

Practical Note (VSME Guidance, par. 67) for B-Aspect 1 / par. 32: International Calculation Approaches for Environmental Emissions
Several national guidelines have been developed to help companies calculate their emissions into the air, water and soil. In Australia and South Africa, for example, companies have various estimation methods at their disposal, depending on their capabilities: direct measurement (e.g. sampling, continuous monitoring systems), mass balance, engineering calculations, emission factors (same formula as above for air and water emissions), etc. The general approach to calculating such emissions involves the following steps: (1) Identification of emission sources within the facility (combustion, production, solvent evaporation, storage, fugitive emissions), (2) Inventory of available information, (3) Selection of the most appropriate estimation method for the specific process based on the available data and measurement instruments, (4) Collection of the data required for the selected method, and (5) Calculation of emissions. The guidelines contain various formulas and examples for each of the emission calculation methods.
See reference: Commission recommendation, Annex II, par. 67 (2025)

Practical Note (VSME Guidance, par. 68) for B-Aspect 1 / par. 32: Data Sources for Emission Factors
A list of emission factors for air pollutants is available on the EEA (European Environment Agency) website. While emission factors are mainly used for air pollution, certain factors for surface water discharges and soil contamination in specific processes have been provided by the WHO. Additional emission factors for POPs are available here.
See reference: Commission recommendation, Annex II, par. 68 (2025)

Practical Note (VSME Guidance, par. 69) for B-Aspect 1 / par. 32: Industry-specific Relevance of the Disclosure Requirement
The requirements under disclosure B4 B-Aspect 1 / par. 32 only apply to SMEs operating in certain sectors. Companies that offer services (e.g. in co-working spaces, shared

facilities or remote operations) are generally not subject to this disclosure requirement. In contrast, companies with production-related activities (e.g. chemical industry) are usually affected by environmental pollution and must therefore report under this disclosure. The following table (taken and adapted from the EMAS User Guide) shows examples of industry-specific impacts, including office services where environmental aspects may not be significant.

Activity	Environmental Aspect	Environmental Impact
Transport	- consumed machine oils, fuel consumption - vehicle emissions - tyre abrasion (fine dust)	- soil, water, air pollution - greenhouse effect, noise
Construction	- primary raw material (resource) consumption - air emissions, noise, vibrations, etc. from construction machinery - land use	- raw material availability - noise, soil, water, air pollution - destruction of ground cover - biodiversity loss
Office services	- consumption of materials, (e.g. paper, toner) - electricity consumption (leads to indirect CO_2 emissions)	- generation of mixed municipal waste - greenhouse effect
Chemical industry	- primary raw material (resource) consumption - wastewater - emissions of volatile organic compounds - emissions of o zone-depleting substances	- raw material availability - water pollution - photochemical ozone - destruction of the ozone layer

See reference: Commission recommendation, Annex II, par. 69 (2025)

DNK 13 Water and Marine Resources

In this section you disclose how much water your company withdraws and, in the case of water-intensive processes, consumes. Provide separate information for sites located in areas with high water shortage.

BASIC MODULE | COMPREHENSIVE MODULE

Sustainability Code Checklist VSME	How to: (Practical Notes, Definitions, Examples, etc.)
Water (VSME B6) **What it's about (VSME par. 35 – 36, Basic Module):** This section concerns the disclosure of your company's total water withdrawal, including a separate presentation for sites in areas with high water shortage. In addition, companies with water-intensive production processes should disclose their water consumption.	
B-Aspect 1 (VSME par. 35 – Basic Module): Water Withdrawal What is your total **water withdrawal**, i.e. the amount of water withdrawn within the boundaries of your company (or facility)? How much of this water is withdrawn from locations in areas with high water stress? Please report this separately.	**Definition: Water Withdrawal** The sum of all water drawn into the boundaries of the company from all sources for any use over the course of the reporting period. See reference: Commission recommendation, Annex I, Appendix A (2025) **Explanation (VSME Guidance, par. 77) for B-Aspect 1 / par. 35: Water Withdrawal** Water withdrawal refers to the amount of water you introduce into your operational processes from any source during the reporting period. In practice, for most companies this corresponds to the amount of water from the public supply network as shown on the utility bills. However, water withdrawal may also include water from other sources, such as groundwater from your own wells, water from rivers or lakes, or water purchased from other companies. For agricultural companies, water withdrawal would also include rainwater if it is collected and stored directly. See reference: Commission recommendation, Annex II, par. 77 (2025)

Practical Note (VSME Guidance, par. 78) for B-Aspect 1 / par. 35: Recording Data on Water Withdrawal

Data on water withdrawal can be recorded by flow meters or water bills. In practice, for most companies, water withdrawal corresponds to the amount of water from the public supply network shown on their utility bills. If direct measurements are not possible or insufficient and therefore need to be supplemented, water withdrawal can be estimated using calculation models and industry standards.

See reference: Commission recommendation, Annex II, par. 78 (2025)

Calculation Note (VSME Guidance, par. 79) for B-Aspect 1 / par. 35: Total Water Withdrawal (if water bill available)

To calculate water withdrawal in a shared office or co-working space, you could, for example, determine the total water withdrawal of the building from the water bill and calculate the water withdrawal in litres (l) per employee using the following formula.

$$Daily\ water\ withdrawal\ per\ employee\ (l) = \frac{Annual\ water\ withdrawal\ (l)}{Number\ of\ employees\ in\ the\ whole\ building\ x\ Number\ of\ workdays}$$

You can then multiply the daily water withdrawal per employee by the number of employees and the actual number of days worked to determine the total water withdrawal for your company in the reporting year. A numerical example using this formula: the annual water withdrawal of a co-working space is 1,296 m³ (1,296,000 l), with 100 employees from different companies working there and 240 working days per year. The assumption for the average number of working days can be based on national statistics, for example. In this case, the daily water withdrawal per employee would be calculated as follows:

$$\text{Daily water withdrawal per employee (l)} = \frac{1{,}296{,}000\ \text{l}}{100\ \text{x}\ 240} = 54\ \text{l}$$

See reference: Commission recommendation, Annex II, par. 79 (2025)

Example (VSME Guidance, par. 80) for B-Aspect 1 / par. 35: Sample Calculation of Water Withdrawal (based on available water bill)
Assuming your company has 25 employees who use the co-working space 220 days a year. Your company's annual water withdrawal is calculated by multiplying the daily water withdrawal per employee by the number of employees and the number of working days, i.e.: 54 l x 25 x 220 = 297,000 l (equivalent to 297 m^3).
See reference: Commission recommendation, Annex II, par. 79 (2025)

Practical Note (VSME Guidance, par. 81) for B-Aspect 1 / par. 35: Limitations to the Calculation Method
This calculation method is useful if you have access to the water bill for the shared building. It is a simple method, but it has limitations, as it does not take into account differences in the use of different parts of the building (e.g. a seven-storey building could have six office floors and one floor with a cafeteria or restaurant). If additional data is available, you can still use the method by further adjusting the basic calculation.
See reference: Commission recommendation, Annex II, par. 81 (2025)

Calculation Note (VSME Guidance, par. 82) for B-Aspect 2 / par. 35: Alternative Calculation Method for Determining Water Withdrawal (if no water bill is available)
An alternative method for determining water withdrawal in shared offices, when no water bill is available, is to calculate the data based on the flow rates of the water fixtures and occupancy figures. One possible formula is:

$$Total\ water\ withdrawal = \sum (Flow\ rate\ x\ Number\ of\ uses\ per\ day\ x\ Days\ per\ year\ x\ Occupancy)$$

The following applies:

a. Flow rates for individual fixtures can be determined from project documentation or fixture labels or, if more precise information is not available, estimated using publicly available average values.
b. The number of uses per day can be estimated using publicly available average values.

c. The number of days represents the reporting company's operating days per year.
d. Occupancy refers to the number of employees who use the office, often calculated as full-time equivalents (FTEs).
e. The summation sign (∑) means that the calculations for the individual water withdrawals must be added together to determine the total water withdrawal of the reporting company in the shared office.

See reference: Commission recommendation, Annex II, par. 82 (2025)

Practical Note (VSME Guidance, par. 83) for B-Aspect 1 / par. 35: Data Sources and Tools for Calculating Water Withdrawal in Office Buildings

Another possible data source to support reporting on water withdrawal for companies in shared offices is the JRC Level(s) Indicator 3.1: Use Stage Water Consumption User Manual, as well as additional relevant documents and calculation sheets (see PG Section Documents | Product Bureau (europa.eu). In addition, you can consult the EMAS Reference Document for the Public Sector and the EMAS Reference Document for the Construction Sector. Assessment systems and certifications such as the National Australian Built Environment Rating System (NABERS), the Building Research Establishment Environmental Assessment Method (BREEAM), Leadership in Energy and Environmental Design (LEED) and the DGNB (German Sustainable Building Council) system for buildings in operation can also provide valuable information that can be used to further refine the calculation of water withdrawal for offices and shared spaces.

See reference: Commission recommendation, Annex II, par. 83 (2025)

Practical Note (VSME Guidance, par. 84) for B-Aspect 1 / par. 35: Sector-specific Methods for Determining Water Withdrawal

Sector-specific methods and indicators for determining water withdrawal can be found in the EMAS Sectoral Reference Documents (SRDs) as well as industry standards and benchmark data. The examples given for determining water withdrawal in shared offices can be applied to companies in other sectors, although adjustments may be necessary to reflect the specific situation of the industry and company.

See reference: Commission recommendation, Annex II, par. 84 (2025)

B-Aspect 2 (VSME par. 36 – Basic Module): Significant Water Consumption

If you operate production processes that consume significant amounts of water (e.g. thermal energy processes such as drying or power generation, goods production, agricultural irrigation, etc.): How high is your **water consumption**? This is calculated as the difference between the water withdrawal and the **discharge of water** from your production processes.

Practical Note for B-Aspect 2 / par. 36: "If applicable" Principle

This information is only relevant if you operate production processes that consume significant amounts of water. For example, if you use water for drying processes, cooling, as a production component or for agricultural irrigation, this can result in significant water consumption. At least for the time being, it is still up to you to decide what constitutes "significant". The ratio of water consumption to water withdrawal should be considered as a deciding factor. The higher the ratio, the more likely it is that water consumption is significant. If you conclude that you do not operate any production processes with significant water consumption, you do not need to provide any information here.
See reference: DNK (2025)

Definition (VSME Guidance, par. 85) for B-Aspect 2 / par. 36: Water Consumption

Water consumption is the amount of water drawn into the boundaries of the company that is not discharged or planned to be discharged back into the water environment or to a third party. This typically relates to water that is evaporated (e.g. in thermal energy processes like drying or power production), embedded in products (e.g. in food production) or used for irrigation purposes (e.g. in agriculture or for watering company premises).
See reference: Commission recommendation, Annex II, par. 85 (2025)

Definition (VSME Guidance, par. 86) for B-Aspect 2 / par. 36: Water Discharge

Water discharge means, for example, the amount of water transferred directly to receiving water bodies such as lakes or rivers, public sewers or to other companies for cascading water use. It can be seen as the company's water output.
See reference: Commission recommendation, Annex II, par. 86 (2025)

Calculation Note (VSME Guidance, par. 87) for B-Aspect 2 / par. 36: Water Consumption

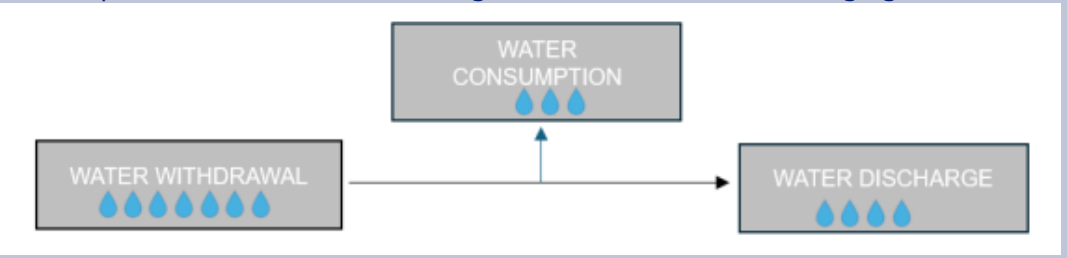
Water consumption can therefore be calculated as follows:

Water consumption = Water inputs - Water outputs

or, in other words:
Water consumption = (Water withdrawal) - Water discharges

For companies that only withdraw water from the public network and discharge it into the sewage system, water consumption will be close to zero and therefore does not need to be reported. In general, the application of the disclosure requirement for water consumption depends on whether this information is already required by law, already reported or relevant to the sector in question.
See reference: Commission recommendation, Annex II, par. 87 (2025)

Practical Note (VSME Guidance, par. 88) for B-Aspect 1-2 / par. 35-36: Schematic Representation for Water
A schematic representation of the relationship between water withdrawal, water consumption and wastewater discharge can be seen in the following figure.



See reference: DNK (2025), Commission recommendation, Annex II, par. 88 (2025)

Practical Note (VSME Guidance, par. 89) for B-Aspect 1-2 / par. 35-36: Contextualizing Water Withdrawal
You can provide additional explanations to contextualize your water withdrawal or water consumption. For example, you can indicate when rainwater is collected and used instead of tap water, or when water is supplied to third parties for reuse.
See reference: Commission recommendation, Annex II, par. 89 (2025)

Example (VSME Guidance, par. 90) for B-Aspect 1-2 / par. 35-36: Contextualizing Water Withdrawal

Below is an example of how you can break down quantitative information on water withdrawal, wastewater discharge, and water consumption divided by site location.

	Water Withdrawal e.g. m3	Water Consumption e.g. m3 (if applicable)
All sites		
Sites in areas with water stress		

See reference: DNK (2025), Commission recommendation, Annex II, par. 90 (2025)

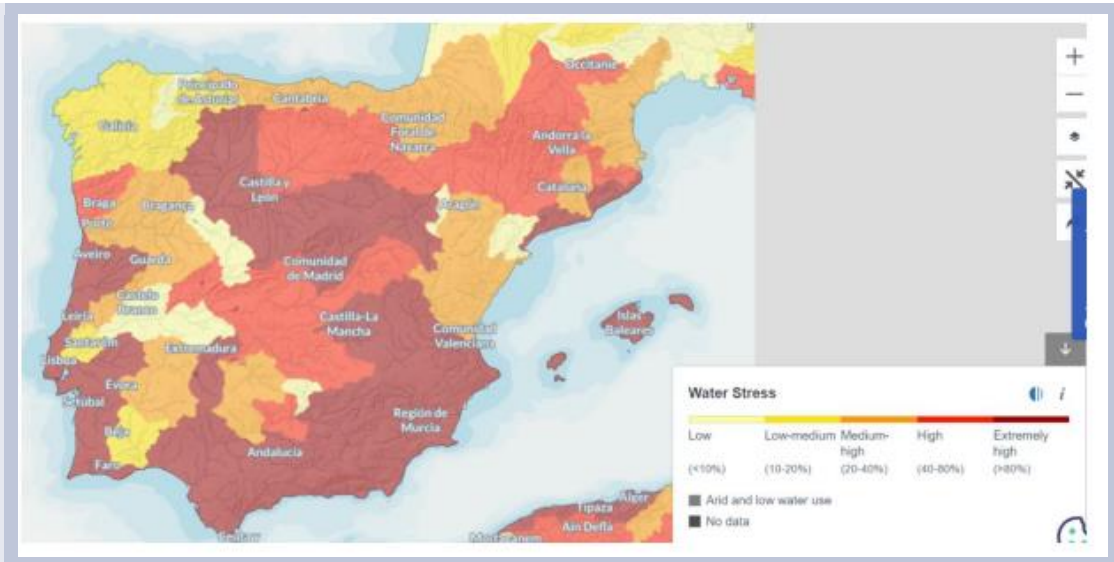
Practical Note (VSME Guidance, par. 91) for B-Aspect 1-2 / par. 35-36: Assessment of Local Water Availability and Water Stress

The company can obtain the necessary information from the local (e.g. national, regional) water authorities at its place(s) of business to assess water resources at each location, including identifying areas of high water stress. The company can also use publicly available, free tools that track water scarcity worldwide. One such tool is the WRI's Aqueduct Water Risk Atlas, which provides an interactive map with a water stress indicator at the watershed level (the "baseline water stress", which measures the ratio of total water demand to available renewable surface and groundwater resources). This tool allows companies to access the baseline value for water stress for various river basins around the world. A baseline water stress indicator of more than 40% indicates an area with high water stress.

See reference: DNK (2025), Commission recommendation, Annex II, par. 91 (2025)

Practical Note (VSME Guidance, par. 92) for B-Aspect 1-2 / par. 35-36: Assessment of Local Water Availability and Water Stress

For illustrative purposes, the map below shows the main river basins of the Iberian Peninsula and their water stress classification according to the WRI Aqueduct.



The figure shows various river basins on the Iberian Peninsula and their water stress classification. Most of the southern part of the peninsula is located in a region with significant water stress, with the exception of the Guadiana basin (marked yellow). If you operate in the Guadalquivir region (e.g. in Andalusia, which is under high water stress), you would need to report your water consumption for this region or river basin separately. If, on the other hand, your activities are located in the southern region of the Guadiana river basin, where water stress is low, there is no need to provide a separate breakdown of your water consumption.
See reference: DNK (2025), Commission recommendation, Annex II, par. 92 (2025)

Practical Note (VSME Guidance, par. 93) for B-Aspect 1-2 / par. 35-36: Tools for Assessing Water Stress
Other tools you can use to determine whether your sites are located in areas at risk of water stress include a static map provided by the European Environment Agency (EEA) and the associated data set on the Water Exploitation Index plus (WEI+) for summer and Urban Morphological Zones (UMZ). In addition, an interactive map of the Water Exploitation Index plus (WEI+) for river basins (1990–2015) is available. Both maps show

	the WEI+ water stress indicator, which measures total water consumption as a percentage of renewable freshwater resources at the subregional level. WEI+ values above 40% indicate high water stress. It is important to note that the WRI Aqueduct calculates its baseline water stress indicator based on water demand, while the EEA water stress indicator WEI+ is based on water consumption. See reference: Commission recommendation, Annex II, par. 93 (2025)

DNK 14 Biodiversity and Ecosystems

In this section you disclose whether your company's sites are located in biodiversity-sensitive areas. You also provide information on land use, in particular on sealed and near-natural areas.

BASIC MODULE | COMPREHENSIVE MODULE

Sustainability Code Checklist VSME	How to: (Practical Notes, Definitions, Examples, etc.)
Biodiversity (VSME B5) **What it's about (VSME par. 33 – Basic Module):** In this section you disclose the number and area of your sites in biodiversity-sensitive areas, as well as key figures on land use, including sealed and near-natural areas.	
B-Aspect 1 (VSME par. 33 – Basic Module): Biodiversity-Sensitive Areas Indicate the number and area (in hectares or square metres) of sites that you own, lease or manage in or near a **biodiversity-sensitive area.** **B-Aspect 2 (VSME par. 34 – Basic Module): Land Use** You can disclose key figures on **land use** (in hectares or square metres), including: a. total land use; b. total **sealed area**; c. total **near-natural area** on the site premises; and d. total near-natural area off-site.	**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 of Annex II to Commission Delegated Regulation (EU) 2021/2139. See reference: Commission recommendation, Annex I, Appendix A (2025) **Practical Note for B-Aspect 1 / par. 33: Biodiversity-Sensitive Areas** You only need to provide this information if you own, lease or manage business sites near a biodiversity-sensitive area (as defined). If necessary, the interactive map of protected areas in Germany from the Federal Agency for Nature Conservation can provide assistance. Further information on biodiversity is available in the guide published by the Biological Diversity for SMEs programme (in German; only applicable for companies that operate in Germany), among other sources. See reference: DNK (2025)

Explanation (VSME Guidance, par. 70) for B-Aspect 1 / par. 33: Disclosure Requirement for Sites in or near Biodiversity-Sensitive Areas
B-Aspect 1 / par. 33 stipulates that you must disclose the sites where you operate that are located in or near biodiversity-sensitive areas. These areas are protected at European or international level by specific nature conservation regulations. These include areas in the Natura 2000 network, UNESCO World Heritage Sites and Key Biodiversity Areas (KBAs), as well as other protected areas designated by government agencies as particularly worthy of protection (e.g. forest reserves or areas within river basins).
See reference: Commission recommendation, Annex II, par. 70 (2025)

Definition: 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.
See reference: Commission recommendation, Annex I, Appendix A (2025)

Definition (VSME Guidance, par. 74) for B-Aspect 1 / par. 33: Sealed Area
A sealed area is an area where the original soil has been covered (e.g. roads, buildings, car parks), making it impermeable and resulting in an impact on the environment.
See reference: Commission recommendation, Annex II, par. 74 (2025)

Definition: Near-natural Area
A “near-natural area” is an area dedicated primarily to nature preservation or restoration. They can be located on-site and include elements like roofs, façades and water drainage systems designed to promote biodiversity. Near-natural areas can also be located outside the organisation site, provided that the area is owned or (co-)managed by the organisation and is primarily dedicated to promoting biodiversity.
See reference: Commission recommendation, Annex I, Appendix A (2025)

Practical Note (VSME Guidance, par. 71) for B-Aspect 1 / par. 33: Identifying Protected and Vulnerable Areas
To identify protected areas and those with vulnerable biodiversity, you can refer to databases such as the World Database on Protected Areas (WDPA), which records marine and terrestrial protected areas worldwide. Other relevant sources include the World Database on Key Biodiversity Areas and the IUCN Red List of Threatened Species. In addition, you can use tools such as the Integrated Biodiversity Assessment Tool (IBAT).
See reference: Commission recommendation, Annex II, par. 71 (2025)

Explanation (VSME Guidance, par. 72) for B-Aspect 1 / par. 33: "Near"
"Near in the context of B5 – Biodiversity refers to an area that is (partially) overlapping or adjacent to a biodiversity-sensitive area.
See reference: Commission recommendation, Annex II, par. 72 (2025)

Example (VSME Guidance, par. 73) for B-Aspect 1 / par. 33: Table Template for Information on Biodiversity-Sensitive Areas
The following table shows how you can present information on locations in or near biodiversity-sensitive areas. In column 3, specify the specific type of biodiversity-sensitive area; in column 4, describe any more specific characteristics of the area, such as its relationship to the location.

Location	Area (hectares)	Biodiversity-sensitive area	Specification (located in/near biodiversity-sensitive area)
Country – Site name 1			
Country – Site name 2			
Country – Site name 3			
....			

Additional useful sources:
Natura 2000 Network of protected areas: https://natura2000.eea.europa.eu/
Key Biodiversity Areas – IUCN: https://www.keybiodiversityareas.org/sites/search
UNESCO – World Heritage Centre: https://whc.unesco.org/en/list/
See reference: Commission recommendation, Annex II, par. 73 (2025)

Explanation (VSME Guidance, par. 75) for B-Aspect 1 / par. 33: Green or Near-natural Areas
A green space or "near-natural area" is an area that primarily serves to preserve or restore nature. Near-natural/green areas can be located on the company's premises and include, for example, roofs, facades, drainage systems or other elements that promote biodiversity. Near-natural areas can also be located outside your company premises, provided that they are owned or managed by you and serve primarily to promote biodiversity.
See reference: Commission recommendation, Annex II, par. 75 (2025)

Practical Note (VSME Guidance, par. 76) for B-Aspect 2 / par. 34: Table Template for Land Use Information
The following table shows how you can present land-use information.

Land-use Type	Area (hectares or m²)
Total sealed area	
Total near-natural area on-site	
Total near-natural area off-site	
Total use of land	

Additional useful sources:
EMAS Guidance: EU Commission Regulation 2018/2026 (https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018R2026&rid=2);

User's Guide (https://green-business.ec.europa.eu/document/download/98357f3d-f891-416e-81ea-a26f3ff3c61f_en?filename=PDF%20version%20C_2023_7207EN_annexe_acte_autonome_cp_part1_0.pdf).
See reference: Commission recommendation, Annex II, par. 76 (2025)

Practical Note for B-Aspect 2 / par. 34: Land Use in the Case of Proportional Building Use
In the case of proportional use of a building, an appropriate estimate based on the ratio of the area used to the total area of the building can be used to determine the land-use indicators.
See reference: Bassen, A.; Beiersdorf, K.; Fink, C. und Lopatta, K., in Freiberg/Lanfermann (Hrsg.), Haufe ESRS-Kommentar, 3. Auflage, 2025, Kapitel 3.5 Angabepflichten

DNK 15 Resource Use and Circular Economy

In this section you disclose whether your company applies circular economy principles and how these are implemented. You also provide information on your annual waste volume, reuse, recycling and material use in resource-intensive sectors.

BASIC MODULE | COMPREHENSIVE MODULE

Sustainability Code Checklist VSME	How to: (Practical Notes, Definitions, Examples, etc.)
Resource Use, Circular Economy and Waste Management (B7) **What it's about (VSME par. 37 – 38, Basic Module):** This section concerns the principles of circular economy applied, as well as the annual amount of recycled or reused waste and the mass flow of relevant materials used in resource-intensive sectors.	
B-Aspect 1 (VSME par. 37 – Basic Module): Circular Economy Do you apply the **principles of a circular economy**, and **if** so: How are they implemented?	**Practical Note for B-Aspect 1 / par. 37: "If applicable" Principle** This information is only relevant if your company applies circular economy principles as defined in the Commission's recommendation, Annex I, Appendix A. This data point applies to you if, for example, you implement measures aimed at reusability, reparability, reprocessing, dismantlability, recycling or returning products and materials to the biological cycle. If you take such principles into account in your business processes or product design, for example, you should describe how you implement them. If your company does not apply any of the above principles of a circular economy, you do not need to provide any information here. See reference: DNK (2025) **Definition: Circular Economy Principles** The European circular economy principles are usability, reusability, repairability, disassembly, remanufacturing or refurbishment, recycling, recirculation by the biological cycle, and other potential optimisations of product and material use. See reference: Commission recommendation, Annex I, Appendix A (2025)

	Explanation (VSME Guidance, par. 94) for B-Aspect 1-2 / par. 37-38: Circular Economy Principles When disclosing information on products, material consumption and waste management, you can provide details relating to the principles of a circular economy. These principles are outlined below. The key principles of the Ellen MacArthur Foundation are underlined, while the essential principles of the European Commission are highlighted in italics. Eliminate waste and pollution – This can be achieved through process optimisation and design considerations relating to *usability, reusability, reparability, disassembly* and *reprocessing*. Circularity of products and materials (at highest value) – *Reusability* and recycling are crucial for product circulation. These are improved when attention is paid to recyclability as early as the design phase, particularly with regard to usability, reusability, reparability, reprocessing and disassembly. The integration of biomaterials and their *return to the biological cycle* can also be taken into account, for example through the use of biodegradable mulch films instead of plastic in agriculture. Regenerating nature – Whenever possible, human activities should aim to regenerate nature and improve or restore essential ecological functions (e.g. water drainage, habitat creation, temperature regulation) that have been lost due to previous interventions. See reference: Commission recommendation, Annex II, par. 94 (2025)
B-Aspect 2 (VSME par. 38 – Basic Module): Disclose the following information: a. What is your total annual waste generation, broken down by type (non-hazardous and **hazardous**)? b. What is your total annual amount of waste sent for **recycling** or reuse? c. **If** you operate in a sector with significant material flows (e.g. manufacturing, construction,	**Practical Note for B-Aspect 2c / par. 38c "If applicable" Principle** B-Aspect 2c. / par. 38c. is only relevant if your company operates in a sector where there are significant material flows. The data point applies to you if your business activities typically involve a high use of materials, e.g. in manufacturing, construction, the packaging industry or similar sectors. If, for example, you regularly use large quantities of raw materials, semi-finished products or packaging materials, you should provide information on the annual mass flow of the relevant materials used (i.e. the total amount of material used in a year, measured in weight units). If your company does not operate in a particularly material-intensive sector, you do not need to provide any information here. See reference: DNK (2025)

filling/packaging or others): What is your annual mass flow of relevant materials used?

Note 1 (VSME Guidance, para. 103): The information on waste generation should be given in weight units (mass) such as kilograms or tons, but can alternatively also be given in volume units such as cubic metres or litres.

Practical Note (VSME Guidance, par. 95) for B-Aspect 2 / par. 38: Exception for Exclusive Generation of Household Waste
You may omit the requirements in B-Aspect 2 / para. 38 if you exclusively generate household waste. In this case, it is sufficient to state that your company only produces this type of waste.
See reference: Commission recommendation, Annex II, par. 95 (2025)

Practical Note (VSME Guidance, par. 96) for B-Aspect 2 / par. 38: SFDR Indicator for Hazardous Waste
When reporting on hazardous waste in accordance with paragraph 38(a), you meet the requirements for radioactive waste as specified in indicator number 9 in Table #1 of Annex 1 of the Sustainable Finance Disclosure Regulation (SFDR). This SFDR indicator (ratio of tons of radioactive to hazardous waste) can be calculated by relating the types of waste to the total annual amount of waste in accordance with paragraph 38(a).
See reference: Commission recommendation, Annex II, par. 96 (2025)

Definition: Radioactive Waste
Any radioactive material in gaseous, liquid or solid form, for which no further use is foreseen, as per Article 3(7) of Council Directive 2011/70/Euratom.
See reference: Commission recommendation, Annex I, Appendix A (2025)

Practical Note (VSME Guidance, par. 97) for B-Aspect 2 / par. 38: Disclosure Requirements for Hazardous or Radioactive Waste
SMEs must disclose hazardous and radioactive waste if their business activities result in the generation of such waste. Whether or not this requirement applies depends on whether hazardous or radioactive materials are used in the business processes.
See reference: Commission recommendation, Annex II, par. 97 (2025)

Practical Note (VSME Guidance, par. 98) for B-Aspect 2 / par. 38: Classification of Hazardous Waste according to EWC

Companies are advised to classify their hazardous waste according to the European Waste Catalogue (EWC), which categorises waste by type. Any waste marked with an asterisk (*) is considered hazardous in the EWC, usually with the note “contains hazardous substances”.

Example:

a. Medical sector: Contaminated sharp objects such as needles and syringes from medical facilities (“Waste whose collection and disposal are subject to special requirements in order to prevent infection”, EWC code 18 01 03*), cytotoxic and cytostatic drugs (EWC code 18 01 08*), used radiopharmaceuticals, and certain diagnostic devices containing radioactive materials.
b. Manufacturing sector: Used lubricants and oils classified as hazardous (EWC code 13 02 05*).
c. Construction sector: Materials containing asbestos (EWC code 17 09 03*), soil and stones containing hazardous substances (EWC code 17 05 03*).
d. Batteries and accumulators: Lead batteries (EWC code 16 06 01*), Ni-Cd batteries (EWC code 16 06 02*), mercury-containing batteries (EWC code 16 06 03*).

See reference: Commission recommendation, Annex II, par. 98 (2025)

Explanation (VSME Guidance, par. 99) for B-Aspect 2 / par. 38: Hazardous Waste according to Annex II of the Waste Framework Directive

Waste is considered hazardous if it exhibits one or more of the hazardous properties listed in Annex II of the Waste Framework Directive. For a better overview, they are shown together with the corresponding pictograms. These help to quickly identify hazardous properties such as flammability, toxicity and corrosiveness, and to classify the waste as hazardous.

See reference: Commission recommendation, Annex II, par. 99 (2025)

Practical Note (VSME Guidance, par. 100) for B-Aspect 2 / par. 38: Special Regulations for Radioactive Waste in the EU
Radioactive waste also has or may have hazardous properties, in particular carcinogenic, mutagenic or reprotoxic effects. However, radioactive substances are subject to specific regulations within the EU. Companies that use radioactive materials and generate radioactive waste that falls under EU regulations should be aware of these requirements. Radioactive waste is identified based on the presence of radionuclides above the legal exemption limits.
See reference: Commission recommendation, Annex II, par. 100 (2025)

Practical Note (VSME Guidance, par. 101) for B-Aspect 2 / par. 38: Typical Sources of Radioactive Waste
Radioactive waste can be found in various objects and materials, including medical, research-related and industrial equipment, smoke detectors and sludge.
See reference: Commission recommendation, Annex II, par. 101 (2025)

Practical Note (VSME Guidance, par. 102) for B-Aspect 2 / par. 38: Hazard Pictograms
Hazard pictograms for each hazard class can be found here:
https://echa.europa.eu/regulations/clp/clp-pictograms
See reference: Commission recommendation, Annex II, par. 102 (2025)

Practical Note (VSME Guidance, par. 103) for B-Aspect 2 / par. 38: Units for Presenting Waste Data
Information on waste generation or diversion should preferably be given in weight units (e.g. kilograms (kg) or tons (t)). If weight units are not appropriate, an alternative unit may be used.
See reference: Commission recommendation, Annex II, par. 103 (2025)

Practical Note (VSME Guidance, par. 104) for B-Aspect 2 / par. 38: Disclosure of Waste Quantities Transferred for Recovery
When disclosing the annual quantity of waste that has been recycled or reused, you should take into account the quantity of waste that has actually been separated and delivered to

recycling or reuse facilities (e.g. waste placed in recycling bins or sorted by material category and delivered to waste treatment facilities), but not the amount of waste actually recycled or reused.
See reference: Commission recommendation, Annex II, par. 104 (2025)

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.
See reference: Commission recommendation, Annex I, Appendix A (2025)

Definition: 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.
See reference: Commission recommendation, Annex I, Appendix A (2025)

Example (VSME Guidance, par. 106) for B-Aspect 2 / par. 38: Hazardous Waste
Examples of hazardous waste generated by small businesses include batteries, used oils, pesticides, mercury-containing devices and fluorescent lamps.
See reference: Commission recommendation, Annex II, par. 106 (2025)

Practical Note (VSME Guidance, par. 107) for B-Aspect 2 / par. 38: Breakdown of Hazardous and Non-Hazardous Waste according to EWC
You can provide a more detailed breakdown by specifying further types of non-hazardous and hazardous waste. You can use the list of waste descriptions in the European Waste Catalogue (EWC) as a guide.
See reference: Commission recommendation, Annex II, par. 107 (2025)

Practical Note (VSME Guidance, par. 105) for B-Aspect 2 / par. 38: Table Template for Information on Waste Generation
You can use the following table when disclosing waste information.

	Waste Generated (e.g. tons)		
	Total Waste Generated, of Which:		
		Waste diverted to recycle or reuse	Waste directed to disposal
Non-hazardous waste			
Type of waste1			
Type of waste2			
...			
Hazardous waste			
Type of waste1			
...			

See reference: Commission recommendation, Annex II, par. 105 (2025)

Calculation Note (VSME Guidance, par. 108) for Aspect N2 / par. 38: Calculation and Disclosure of the Annual Mass Flow of Materials Used

The annual mass flow is an indicator that complies with EMAS requirements for material efficiency and illustrates your company's dependence on certain materials in its business processes (e.g. wood and steel in the construction industry). This includes both materials sourced from suppliers and those originating from internal production.

To calculate the annual mass flow of materials used, you must first identify the significant materials on which your operations depend and for which a material efficiency assessment is required (e.g. material efficiency of wood).

	If different types of material are used, you must report the annual mass flow for each relevant material separately (e.g. tons of wood purchased) and ideally subdivide it according to its intended use (EMAS, 2023). The mass flow of the materials used is then calculated as the sum of the weight of all materials used, including raw materials, auxiliary materials, input materials, semi-finished products or others (excluding energy sources and water). The mass-flow indicator should preferably be expressed in units of weight (e.g. kilograms or tons), units of volume (e.g. m^3) or other units of measurement customary in the industry. See reference: Commission recommendation, Annex II, par. 108 (2025) **Practical Note (VSME Guidance, par. 109) for B-Aspect 2 / par. 38: Process Identification based on the NACE Classification** To identify manufacturing, construction and/or packaging processes, you can refer to the activities listed in Annex I to Regulation (EC) No. 1893/2006, in particular Section C – Manufacturing, Section F – Construction, and Class N82.92 “Packaging activities” of Annex I to Regulation (EC) No. 1893/2006. See reference: Commission recommendation, Annex II, par. 109 (2025)

DNK 16 Own Workforce

In the following section, you disclose how your company treats its own workforce. This includes information on the employment structure, staff turnover, remuneration, collective bargaining agreements, training, health and safety, and gender distribution. You also provide information on self-employed persons, temporary workers, human rights-related concepts and confirmed incidents related to this topic.

BASIC MODULE COMPREHENSIVE MODULE

Sustainability Code Checklist VSME	How to: (Practical Notes, Definitions, Examples, etc.)
Workforce – General Characteristics (VSME B8) **What it's about (VSME par. 39 – 40, Basic Module):** This disclosure concerns the number of employees by type of employment, gender and country, as well as any employee turnover during the reporting period.	
B-Aspect 1 (VSME par. 39 – Basic Module): Number of Employees How many **employees** do you have according to the following indicators (either as headcount or full-time equivalents)? Break down as follows: a. by type of employment contract (temporary or permanent); b. by gender; c. by country of employment contract, **if** your company operates in more than one country.	**Practical Note for B-Aspect 1c / par. 39: "If applicable" Principle** B-Aspect 1c / par. 39c is only relevant if your company operates in more than one country and therefore has employment contracts in several countries. If, for example, you employ staff in different countries, you should break down the number of employees by country. If your company operates exclusively in one country, no information is required here. See reference: DNK (2025) **Explanation for Commission Recommendation, Annex I, Appendix A: "Company Workforce" and "Employees"** Based on ESRS Set 1 S1, the term "company workforce" essentially combines two groups of employees: on the one hand, people who are in an employment relationship with the company ('employees') and, on the other, "external workers", which primarily includes self-employed people and workers with temporary employment contracts. Furthermore, "employees" are defined more specifically as individuals who are in an employment relationship with the company in accordance with national legislation and customs. It can therefore be assumed that this also includes working students, interns, trainees and

temporary workers, provided that a contractually agreed and legally binding employment relationship exists.
See reference: DNK (2025); Bassen, A.; Beiersdorf, K.; Fink, C. und Lopatta, K., in Freiberg/Lanfermann (Hrsg.), Haufe ESRS-Kommentar, 2. Auflage, 2024, §12, RZ 1

Calculation Note (VSME Guidance, par. 110) for B-Aspect 1 / par. 39: Full-time Equivalent
Full-time equivalent (FTE) refers to the number of full-time positions in a company. It is calculated by dividing the planned working hours of an employee (actual hours worked per week) by the weekly hours specified by the company for a full-time position.

> **Example:** An employee who works 25 hours per week in a company where a full-time position comprises 40 hours corresponds to an FTE of 0.625 (i.e. 25/40 hours).

See reference: Commission recommendation, Annex II, par. 110 (2025)

Explanation (VSME Guidance, par. 111) for B-Aspect 1 / par. 39: Headcount
Headcount is the total number of people employed by the company reported either at the end of the reporting period or as an average across the reporting period.
See reference: Commission recommendation, Annex II, par. 111 (2025)

Practical Note (VSME Guidance, par. 112) for B-Aspect 1a / par. 39a.: Table Template for Information on the Type of Employment Contract
The following table shows how you can present information about employees by type of employment contract:

Type of Contract	Number of Employees (Headcount or Full-Time Equivalents)
Temporary Contract	
Permanent Contract	
Total Employees	

See reference: Commission recommendation, Annex II, par. 112 (2025)

Practical Note (VSME Guidance, 113) for B-Aspect 1b / par. 39b.: Table Template for Information on Employees by Gender

The following table shows how you can present information on employees by gender:

Gender	Number of Employees (Headcount or Full-Time Equivalents)
Male	
Female	
Other	
Not reported	
Total employees	

See reference: Commission recommendation, Annex II, par. 113 (2025)

Practical Note (VSME Guidance, par. 114) for B-Aspect 1b / par. 39b.: Note on gender specification

In some European Union Member States, it is possible for people to legally register themselves as having a third gender, often neutral, which is to be categorised as ‘other’ in the table above. If the company is disclosing data about employees where this is not possible, it may explain this and indicate that the ‘other’ category is not applicable. The ‘not reported’ category applies to employees who do not disclose their gender identity.
See reference: Commission recommendation, Annex II, par. 114 (2025)

Practical Note (VSME Guidance, par. 115) for B-Aspect 1c / par. 39c.: Table template for information on employees by country

The following table shows how information on employees may be presented by countries.:

Country (of Employment Contract)	Number of Employees (Headcount or Full-Time Equivalents)
Country A	
Country B	
Country C	
Country D	
Total employees	

	See reference: Commission recommendation, Annex II, par. 115 (2025) **Practical Note (VSME Guidance, par. 116) for B-Aspect 1c / par. 39c.: Calculation of Country-Specific Data** The definitions and types of employment contract may vary from country to country. If your company employs people in several countries, use the legal definitions in accordance with the national law of each country to calculate the country-specific data. The country-specific data is then added together to determine the total data, without taking into account differences in national legal definitions. See reference: Commission recommendation, Annex II, par. 116 (2025)
B-Aspect 2 (VSME par. 40 – Basic Module): Employee Turnover **If** you have 50 or more employees: What is the turnover rate for the reporting period?	**Explanation (VSME Guidance, par. 117) for Aspect 2 / par. 40: Employee Turnover** Employee turnover refers to employees who leave the company voluntarily or due to termination/dismissal, retirement or a fatal accident at work. See reference: Commission recommendation, Annex II, par. 117 (2025) **Calculation Note (VSME Guidance, par. 118) for B-Aspect 2 / par. 40: Turnover Rate** To calculate the turnover rate, use the following formula: $$\frac{Number\ of\ employees\ who\ left\ during\ the\ reporting\ period}{Average\ number\ of\ employees\ during\ the\ reporitng\ year}\ x\ 100$$ See reference: Commission recommendation, Annex II, par. 118 (2025) **Practical Note for B-Aspect 2 / par. 40: Turnover Rate** The formula for calculating the turnover rate shows the percentage of employees who left the company during the reporting year. Since the number of employees can change during the year (e.g. due to new hires or resignations), it makes sense to clearly indicate the date of the survey when reporting the turnover rate in accordance with specification B8, for example by specifying the reporting date or the period to which the information relates. See reference: Bassen, A.; Beiersdorf, K.; Fink, C. und Lopatta, K., in Freiberg/Lanfermann (Hrsg.), Haufe ESRS-Kommentar, 3. Auflage, 2025, Kapitel 3.5 Angabepflichten

	Practical Note for B-Aspect 2 / par. 40: Reporting Period The reporting period is the time frame for which the information in the sustainability report is provided. As a rule, this is the calendar year or the company's financial year, i.e. the annual financial statements (e.g. 1 January to 31 December). See reference: Bassen, A.; Beiersdorf, K.; Fink, C. und Lopatta, K., in Freiberg/Lanfermann (Hrsg.), Haufe ESRS-Kommentar, 3. Auflage, 2025, Kapitel 3.5 Angabepflichten
Additional (general) Workforce Characteristics (VSME C5) **What it's about (VSME par. 59 – 60, Comprehensive Module)**: This section concerns the disclosure of gender ratios at management level and the number of self-employed and temporary workers.	
C-Aspect 1 (VSME par. 59 – Comprehensive Module): Gender Ratio **If** you have 50 or more employees, you can specify the numerical female-to-male ratio at management level for the reporting period.	**Explanation for C-Aspect 1 / par. 59: Management Level** In the context of this report, the management level generally refers to senior positions within the company that are responsible for decision-making, employee management or strategic tasks. See reference: Bassen, A.; Beiersdorf, K.; Fink, C. und Lopatta, K., in Freiberg/Lanfermann (Hrsg.), Haufe ESRS-Kommentar, 3. Auflage, 2025, Kapitel 3.5 Angabepflichten **Practical Note for C-Aspect 1 / par. 59: Management Level** To help understand your own management level, it can be helpful to define in advance which positions in your company belong to the management level, e.g. based on criteria such as employee leadership, decision-making responsibility or classification within the company structure. See reference: Bassen, A.; Beiersdorf, K.; Fink, C. und Lopatta, K., in Freiberg/Lanfermann (Hrsg.), Haufe ESRS-Kommentar, 3. Auflage, 2025, Kapitel 3.5 Angabepflichten **Calculation Note (VSME Guidance, par. 167) for C-Aspect 1 / par. 59: Female-to-Male Ratio** The female-to-male ratio at management level is determined by dividing the number of female employees by the number of male employees at that level.

	$$female - to - male\ ratio = \frac{number\ of\ female\ employees\ at\ management\ level}{number\ of\ male\ employees\ at\ management\ level}$$ See reference: Commission recommendation, Annex II, par. 167 (2025) **Practical Note (VSME Guidance, par. 168) for C-Aspect 1 / par. 59: Management Level** The management level is considered to be the level below the management/supervisory body, unless the company applies its own definition. See reference: Commission recommendation, Annex II, par. 168 (2025) **Example (VSME Guidance, par. 169) for C-Aspect 1 / par. 59: Female-to-Male Ratio** For example, if there are 28 female and 84 male employees at management level, the gender ratio is 1:3. This means that for every woman at management level, there are three men. See reference: Commission recommendation, Annex II, par. 169 (2025)
C-Aspect 2 (VSME par. 60 – Comprehensive Module): Self-employed People and Temporary Workers **If** you have 50 or more employees, you can specify the number of self-employed people who work exclusively for your company and do not have their own staff, and the number of temporary workers provided by companies that primarily offer (temporary) employment services.	**Explanation (VSME Guidance, par. 170) for C-Aspect 2 / par. 60: Disclosure of the Number of Self-employed and Temporary Workers** Relevant factors for a company to consider in deciding whether or not to disclose the number of self-employed workers and temporary workers under paragraph 60 would be: (1) the ratio of employees to self-employed and temporary workers, especially in case of significant and/or increasing reliance or (2) when the risk of negative social impacts on EN 39 EN self-employed or temporary workers is greater compared to the company's own employees. See reference: Commission recommendation, Annex II, par. 170 (2025) **Practical Note (VSME Guidance, par. 171) for C-Aspect 2 / par. 60: Table Template for Information on the Number of Self-employed People and Temporary Workers** The following table shows how you can present information on self-employed people who work exclusively for your company and do not have any employees of their own, as well as on temporary workers provided by companies that primarily engage in the placement and supply of workers:

Types of Workers	Number of Self-Employed People and Temporary Workers
Total self-employed without personnel that are working exclusively for your company	
Total temporary workers provided by companies primarily engaged in employment activities	

See reference: Commission recommendation, Annex II, par. 171 (2025)

Practical Note (VSME Guidance, par. 172) for C-Aspect 2 / par. 60: Reference to NACE
You can use NACE code O78 for temporary workers provided by companies that are primarily active in the field of 'employment activities'.
See reference: Commission recommendation, Annex II, par. 172 (2025)

Workforce – Health and Safety (VSME B9)
What it's about (VSME par. 41, Basic Module): This section concerns the reporting of occupational accidents and health impairments, including the number and rate of recordable occupational accidents and deaths resulting from work-related injuries or illnesses.

B-Aspect 1 (VSME par. 41 – Basic Module): Company Workforce – Health and Safety at Work
Answer the following questions about your employees:

a. What is the number and rate of **recordable work-related accidents**?
b. What is the number of fatalities resulting from **work-related injuries and illnesses**?

Definition: Recordable Work-related Accident / Recordable work-related Injury or Ill Health
A work-related accident is an event that leads to physical or mental harm and 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 professional.
Work-related injury or ill health can result in any of the following: death, days off 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.
See reference: Commission recommendation, Annex I, Appendix A (2025)

Calculation Note (VSME Guidance, par. 119-120) for B-Aspect 1a / par. 41a.: Rate of recordable work-related accidents
Assuming that a full-time employee works 2,000 hours per year, the rate indicates the number of accidents per 100 full-time employees within a year. If your company cannot directly calculate the actual hours worked, the estimate can be based on regular or agreed working hours. To calculate the rate of recordable accidents at work for employees, use the following formula:

$$\frac{\text{Number of work} - \text{related accidents in the reporting year}}{\text{Total number of hours worked in a year by all employees}} \; x \; 200{,}000$$

Example (VSME Guidance, par. 121) for B-Aspect 1a. / par. 41a.: Company A reported three workplace accidents in the reporting year. The company has 40 employees with a total working time of 80,000 hours per year (40 × 2,000). The rate of recordable workplace accidents is: 3 / 80,000 × 200,000 = 7.5

See reference: Commission recommendation, Annex II, par. 119-121 (2025)

Explanation (VSME Guidance, par. 122) for B-Aspect 1b. / par. 41b.: Occurrence of Work-related Injuries and Illnesses
Work-related injuries and illnesses result from dangers in the workplace.
See reference: Commission recommendation, Annex II, par. 122 (2025)

Explanation (VSME Guidance, par. 123) for B-Aspect 1b. / par. 41b.: Work-related Injuries and Illnesses when Working from Home
When working from home, injuries and illnesses are considered work-related if they are directly related to the performance of work and not to the general environment of the place of residence.
See reference: Commission recommendation, Annex II, par. 123 (2025)

	Explanation (VSME Guidance, par. 124) for B-Aspect 1b. / par. 41b.: Work-related Injuries and Illnesses during Business Trips Injuries and illnesses that occur during a business trip are considered work-related if the employee was performing activities in the interest of the employer at the time of the incident. Accidents on the way to work that are outside the company's responsibility (i.e. regular commuting to and from work) are subject to applicable national legislation governing their classification as work-related. See reference: Commission recommendation, Annex II, par. 124 (2025) **Explanation (VSME Guidance, par. 125) for B-Aspect 1b. / par. 41b.: Work-related Mental Illness** Mental illness is considered work-related if it has been voluntarily reported by the employee concerned and an assessment by a licensed medical professional confirms that the illness is indeed work-related. Health problems caused by smoking, drug and alcohol abuse, lack of exercise, unhealthy diet or psychosocial factors unrelated to work are not considered work-related. See reference: Commission recommendation, Annex II, par. 125 (2025) **Practical Note (VSME Guidance, par. 126) for B-Aspect 1b. / par. 41b: Reporting Deaths** You can report deaths resulting from work-related injuries and illnesses separately from each other. See reference: Commission recommendation, Annex II, par. 126 (2025)
Additional Own Workforce Information – Human Rights Policies and Processes (VSME C6) **What it's about (VSME par. 61 – Comprehensive Module):** This section concerns the publication of a code of conduct or guidelines on compliance with human rights, as well as complaint mechanisms for the company's own workforce.	
C-Aspect 1 (VSME par. 61 – Comprehensive Module): Human Rights-related Policies and Processes Answer the following questions (Yes/No):	**Practical Note (VSME Guidance, par. 173) for C-Aspect 1a.b. / par. 61a.b.:** If you have implemented a code of conduct or a concept for compliance with human rights (due diligence process in the area of human rights), you can answer this question with "yes" and use the drop-down menu to explain the content of the concepts and/or processes in more detail. See reference: Commission recommendation, Annex II, par. 173 (2025)

a. Does your company have a code of conduct or guidelines for respecting human rights for its own workforce?
b. **If** so, do these cover aspects such as:
   i. **child labour**;
   ii. forced labour;
   iii. human trafficking;
   iv. **discrimination**;
   v. **accident prevention**; or
   vi. other human rights issues?

If yes, please specify.

c. Does your company have a **procedure for handling complaints** from its own workforce?

Practical Note for C-Aspect 1b. / par. 61b.: "If applicable" Principle
Disclosure C6 C-Aspect 1b. / par. 61b. is only relevant if your company has a code of conduct or policy on human rights compliance for its own workforce, for example if you have already formulated and introduced human rights-related principles, guidelines or regulations. If, for example, you have an internal code of conduct that addresses human rights issues, you should indicate whether it covers topics such as child labour, forced labour, human trafficking, discrimination, accident prevention or others (if so, which ones?). If your company has not introduced a corresponding code of conduct or concept, no information is required here.
See reference: DNK (2025)

Definition: Child Labour
Work that deprives children of their childhood, potential and dignity and harms their physical and mental development. It includes work that is mentally, physically, socially or morally dangerous and/or interferes with their schooling (by preventing them from the opportunity to attend school).
See reference: Commission recommendation, Annex I, Appendix A (2025)

Definition: Forced Labour
All work or service which is exacted from any person under the threat of penalty and for which the person has not offered themselves voluntarily according to the ILO Forced Labour Convention, 1930 (No.29). The term encompasses all situations in which persons are coerced by any means to perform work.
See reference: Commission recommendation, Annex I, Appendix A (2025)

Definition: Accident Prevention
Accident prevention refers to the policies and initiatives to prevent workplace accidents and ensure the safety and wellbeing of employees. This not only includes measures to reduce physical risks but also involves fostering a safe and inclusive work environment free from discrimination and harassment.
See reference: Commission recommendation, Annex I, Appendix A (2025)

Definition: Discrimination
Discrimination can occur directly or indirectly. Direct discrimination occurs when an individual is treated less favourably than others who are in a similar situation. Indirect discrimination occurs when an apparently neutral rule disadvantages a person or a group sharing the same characteristics.
See reference: Commission recommendation, Annex I, Appendix A (2025)

Definition: Grievance Mechanism
Any routinised, state-based or non-state-based, judicial or non-judicial processes through which stakeholders can raise grievances and seek remedy. Examples of state-based judicial and non-judicial grievance mechanisms include courts, labour tribunals, national human rights institutions, National Contact Points under the OECD Guidelines for Multinational Enterprises, ombudsperson offices, consumer protection agencies, regulatory oversight bodies and government-run complaints offices. Non-state-based grievance mechanisms include those administered by the company, either alone or together with stakeholders, such as operational-level grievance mechanisms and collective bargaining, including the mechanisms established by collective bargaining. They also include mechanisms administered by industry associations, international organisations, civil society organisations or multi-stakeholder groups. Operational-level grievance mechanisms are administered by the organisation either alone or in collaboration with other parties and are directly accessible by the organisation's stakeholders. They allow for grievances to be identified and addressed early and directly, thereby preventing both harm and grievances from escalating. They also provide important feedback on the effectiveness of the organisation's due diligence from those who are directly affected. According to UN Guiding Principle 31, effective grievance mechanisms are legitimate, accessible, predictable, equitable, transparent, rights-compatible and a source of continuous learning. In addition to these criteria, effective operational-level grievance mechanisms are also based on engagement and dialogue. It can be more difficult for the organisation to assess the effectiveness of grievance mechanisms that it participates in compared to those it has established itself.
See reference: Commission recommendation, Annex I, Appendix A (2025)

Severe Negative Human Rights Incidents (VSME C7)
What it's about (VSME par. 62, Comprehensive Module): This section concerns confirmed incidents involving the company's own workforce or along the value chain in relation to child labour, forced labour, human trafficking, discrimination or other human rights violations. It also covers measures taken to address such incidents.

C-Aspect 1 (VSME par. 62 – Comprehensive Module):
Answer the following questions (Yes/No):

a. Have there been any **confirmed incidents** involving your own workforce in relation to:
   i. child labour;
   ii. forced labour;
   iii. human trafficking;
   iv. discrimination; or
   v. other human rights issues?

If yes, please specify

b. **If** yes, can you explain the measures taken to remedy the **incidents** described above?
c. Are you aware of any confirmed incidents involving workers in the value chain, affected communities, consumers and/or end users?

If yes, please specify.

Practical Note for C-Aspect 1a.v. / par. 62 a.v.: "If applicable" Principle
C-Aspect 1a.v. / Para. 62a.v. is only relevant if your company has identified confirmed human rights incidents that do not fall under child labour, forced labour, human trafficking or discrimination. Therefore, if you have identified other human rights violations, you should disclose them here. If there are no other incidents of this kind, no information is required here.
See reference: DNK (2025)

Practical Note for C-Aspect 1b. / par. 62b.: "If applicable" Principle
C-Aspect 1b. / par. 62b. is only relevant if your company has identified confirmed human rights-related incidents in accordance with C-Aspect 1a and you have taken action to remedy them and implemented appropriate measures. For example, if you have conducted internal investigations or introduced structural preventive measures, you can explain these here. If there are no confirmed incidents or no measures have been taken, no information is required here.
See reference: DNK (2025)

Practical Note for C-Aspect 1c. / par. 62c.: "If applicable" Principle
C-Aspect 1c. / par. 62c. is only relevant if your company is aware of confirmed human rights incidents outside its own workforce, particularly in relation to workers in the value chain, affected communities, consumers and/or end users. This data point applies to you if such identified incidents are related to your business activities or products, e.g. discrimination, exploitation or other human rights violations in your supply chain or among end users. If you are not aware of any such incidents, no information is required here.
See reference: DNK (2025)

Definition: Incident
A legal action or complaint registered with the company or relevant authorities through a formal process, or an instance of non-compliance identified by the company through established procedures. Established procedures to identify instances of non-compliance can include management system audits, formal monitoring programmes or grievance mechanisms.
See reference: Commission recommendation, Annex II, par. 173 (2025)

Explanation (VSME Guidance, par. 174) for C-Aspect 1 / par. 62: Confirmed Incident
A “confirmed incident” is defined as a complaint or grievance received by the company or the relevant authorities through a formal process, or a case of non-compliance identified by the company through established procedures. Established procedures for identifying non-compliance may include management system audits, formal monitoring programmes or grievance mechanisms.
See reference: Commission recommendation, Annex II, par. 174 (2025)

Definition: Confirmed Case (of Child or Forced Labour or Human Trafficking)
A case is considered to be child or forced labour or human trafficking if it has been proven as such. Cases of child or forced labour or human trafficking that are still under investigation during the reporting period are not considered confirmed cases.
See reference: ESRS Set 1, Appendix II, Table 2 (2024)

Definition: Human Trafficking
The recruitment, transportation, transfer, harbouring or reception of persons, including the exchange or transfer of control over those persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation.
See reference: Commission recommendation, Annex I, Appendix A (2025)

Workforce – Remuneration, Collective Bargaining and Training (VSME B10)
What it's about (VSME par. 42, Basic Module): This section concerns key aspects of working conditions, including remuneration in relation to the statutory minimum wage, gender-specific pay differences, coverage by collective agreements, and average annual training hours per employee, broken down by gender.

B-Aspect 1 (VSME par. 42 – Basic Module): Own Workforce – Remuneration, Collective Bargaining and Training
Please answer the following questions:

a. Do your employees receive **pay** that is at least equal to the applicable minimum wage in the country you are reporting on (either set by national minimum wage law or by collective bargaining agreement)?
b. What is the **percentage wage gap** between female and male employees? This disclosure may be omitted if your company has fewer than 150 employees (in terms of headcount). This threshold will be lowered to 100 employees as of 7 June 2031.
c. What is the percentage of employees covered by collective bargaining agreements?
d. What is the average number of annual **training** hours per employee, broken down by gender?

Definition: 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 one or more workers' organisations.
See reference: Commission recommendation, Annex I, Appendix A (2025)

Definition: 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 their employment from their employer. 'Pay level' means gross annual pay and the corresponding gross hourly pay. 'Median pay level' means the level at which half of the employees earn more and half less.
See reference: Commission recommendation, Annex I, Appendix A (2025)

Definition: Wage
Gross wage, excluding variable components such as overtime and incentive pay, and excluding allowances unless they are guaranteed.
See reference: Commission recommendation, Annex I, Appendix A (2025)

Definition: Training
Initiatives put in place by the company aimed at the maintenance and/or improvement of skills and knowledge of its own workers. This can include different methodologies, such as on-site training and online training.
See reference: Commission recommendation, Annex I, Appendix A (2025)

Explanation (VSME Guidance, par. 127) for B-Aspect 1a. / par. 42a.: Remuneration in Relation to the Minimum Wage
The term “minimum wage” refers to the minimum remuneration per hour or other time units. Depending on the country, the minimum wage may be set by law or in collective agreements. The company bases its calculations on the minimum wage applicable in the country to which its information relates.
See reference: Commission recommendation, Annex II, par. 127 (2025)

Practical Note (VSME Guidance, par. 128) for B-Aspect 1a / par. 42a.: Calculation of Entry-Level Wage
The minimum wage serves as the basis for calculating the entry-level wage, which is the lowest pay category excluding interns and trainees. Therefore, the entry-level wage is equal to the minimum wage plus fixed payments guaranteed to employees in this category.
See reference: Commission recommendation, Annex II, par. 128 (2025)

Explanation (VSME Guidance, par. 129) for B-Aspect 1b. / par. 42b.: The Percentage Wage Gap between Female and Male Employees
The percentage wage gap between female and male employees refers to the principle of gender equality, which stipulates equal pay for work of equal value. The pay gap is defined as the difference between the average wage levels of female and male employees and is expressed as a percentage in relation to the average wage level of male employees.
See reference: Commission recommendation, Annex II, par. 129 (2025)

Calculation Note (VSME Guidance, par. 130) for B-Aspect 1b. / par. 42b.: Calculation of the Pay Gap
To calculate this indicator, include all employees. In addition, two separate average salaries must be determined, one for female and one for male employees:

$$\left(\frac{\text{Average gross hourly pay level of male employees} - \text{average gross hourly pay level of female employees}}{\text{Average gross hourly pay level of male employees}}\right) x\ 100$$

See reference: Commission recommendation, Annex II, par. 130 (2025)

Explanation (VSME Guidance, par. 131) for B-Aspect 1b. / par. 42b.: Gross Pay
Depending on the company's remuneration policy, gross pay comprises all of the following components:

a. Base salary: the sum of guaranteed, short-term, non-variable cash payment;
b. Cash benefits: the sum of basic salary and cash allowances, bonus payments, commissions, cash profit sharing and other variable cash remuneration;
c. Benefits in kind: e.g. company car, private health insurance, life insurance, health programmes.

See reference: Commission recommendation, Annex II, par. 130 (2025)

Calculation Note (VSME Guidance, par. 132) for B-Aspect 1b. / par. 42b.: Gross Pay
The gross pay is calculated as the sum of all applicable components listed above.
See reference: Commission recommendation, Annex II, par. 132 (2025)

Calculation Note (VSME Guidance, par. 133) for B-Aspect 1b. / par. 42b.: Average Gross Hourly Pay
The average gross hourly pay is calculated by dividing the weekly/annual gross pay by the average number of hours worked per week/year.

Example (VSME Guidance, par. 134) for B-Aspect 1b. / par. 42b.: Company A has a total of X male and Y female employees. The gross hourly pay for male employees is $15, while the gross hourly pay for female employees is $13.

Calculation Note (VSME Guidance, par. 135) for B-Aspect 1b. / par. 42b.: Calculation of Average Gross Hourly Pay by Gender
The average gross hourly pay for male employees is calculated by dividing the total gross hourly pay of all male employees by the total number of male employees.
The average gross hourly pay for female employees is calculated in the same way

by dividing the total gross hourly pay of all female employees by the total number of female employees.

Calculation Note (VSME Guidance, par. 136) for B-Aspect 1b. / par. 42b.: Percentage Pay Gap
The formula for calculating the percentage pay gap between male and female employees is:

$$\frac{15 - 13}{15} \text{ x } 100 = 13.3\%$$

See reference: Commission recommendation, Annex II, par. 133-136 (2025)

Explanation (VSME Guidance, par. 137) for B-Aspect 1c. / par. 42c.: Coverage by Collective Agreements
Employees covered by collective agreements are those for whom the company is obliged to apply the collective agreement. If more than one collective agreement applies to an employee, they are only counted once. If no employees are covered by collective agreements, the proportion is zero percent.
See reference: Commission recommendation, Annex II, par. 137 (2025)

Calculation Note (VSME Guidance, par. 138) for B-Aspect 1c. / par. 42c.: Percentage of Employees covered by Collective Agreements
Calculate the percentage of employees covered by collective agreements using the following formula:

$$\frac{Number\ of\ employees\ covered\ by\ collective\ bargaining\ agreements}{Number\ of\ employees}\ x\ 100$$

See reference: Commission recommendation, Annex II, par. 138 (2025)

Practical Note (VSME Guidance, par. 139) for B-Aspect 1c. / par. 42.: Disclosure of Coverage Rates in Percentage Ranges
The information required for this disclosure may be provided as a coverage rate, using the following ranges: 0–19%, 20–39%, 40–59%, 60–79% or 80–100%.
See reference: Commission recommendation, Annex II, par. 139 (2025)

Explanation (VSME Guidance, par. 140) for B-Aspect 1c. / par. 42c.: Distinction between Employees Covered by Collective Agreements and Union Membership
This information is not intended to capture the percentage of employees who are represented by a works council or belong to a union; these figures may differ. If the collective agreements apply to both union members and non-members, the proportion of employees covered by collective agreements may be higher than the proportion of unionised employees.
See reference: Commission recommendation, Annex II, par. 140 (2025)

DNK 20 Business Conduct

In this section you disclose whether there have been any convictions or fines for violations of corruption or bribery regulations during the reporting period.

BASIC MODULE | COMPREHENSIVE MODULE

Sustainability Code Checklist VSME	How to: (Practical Notes, Definitions, Examples, etc.)
Convictions and Fines for Corruption and Bribery (VSME B11) **What it's about (VSME par. 43, Basic Module):** This section concerns convictions and fines imposed for violations of corruption and bribery regulations during the reporting period.	
B-Aspect 1 (VSME par. 43 – Basic Module): **Convictions and Fines for Corruption and Bribery** **If** convictions and fines were imposed during the reporting period: What is the number of convictions and the total amount of fines imposed for violations of corruption and bribery regulations?	**Practical Note for B-Aspect 1 / par. 43: "If applicable" Principle** This information is only relevant if convictions or fines for violations of corruption and bribery regulations have been imposed during the reporting period. This data point applies to you if your company has been subject to corresponding court or administrative decisions; for example, if you have been convicted of bribery, accepting bribes or similar offences, or if you have had to pay fines. If there were no such convictions or fines during the reporting period, no information is required here. See reference: DNK (2025) **Definition: 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 the 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 company'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. See reference: Commission recommendation, Annex I, Appendix A (2025)

Definition: Bribery
Dishonestly persuading someone to act in your favour by giving them a gift of money or another inducement.
See reference: Commission recommendation, Annex I, Appendix A (2025)

Explanation (VSME Guidance, par. 141) for B-Aspect 1 / par. 43: Corporate Policy
Corruption and bribery fall under the sustainability issue of business conduct. See reference: Commission recommendation, Annex II, par. 141 (2025)

Explanation (VSME Guidance, par. 142) for B-Aspect 1 / par. 43: Reporting on Corruption and Bribery
Report, in accordance with B-Aspect 1 /par. 43, on the total number of convictions and the total amount of fines imposed for violations of corruption and bribery regulations.
See reference: Commission recommendation, Annex II, par. 142 (2025)

Explanation (VSME Guidance, par. 143) for B-Aspect 1 / par. 43: Convictions
Convictions for violations of corruption and bribery regulations are defined as all judgements handed down by a criminal court against individuals or companies for criminal offences related to corruption and bribery, e.g. if these court decisions are entered in the criminal record of the convicting Member State of the European Union.
See reference: Commission recommendation, Annex II, par. 143 (2025)

Explanation (VSME Guidance, par. 144) for B-Aspect 1 / par. 43: Fines
Fines for violations of corruption and bribery regulations are mandatory fines imposed by a court, authority, commission or other government agency for such violations and paid to a public treasury.
See reference: Commission recommendation, Annex II, par. 143 (2025)

Practical Note for B-Aspect 1 / par. 43: Corruption Prevention
Practical assistance such as guidelines on preventing corruption and bribery is provided by the German Global Compact Network, for example.
See reference: Global Compact Network Germany (2025)

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