

IDW

Sustainability Report

Reporting Year: 2024



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1. GENERAL INFORMATION

1.1. CEO Letter

Dear Reader,

It is with great pride that I present IDW's first Sustainability report that is prepared in line with the EU's Voluntary Sustainability Reporting Standard for non-listed Small and Medium Enterprises and the Global Reporting Initiative standard.

This marks an exciting chapter in our company's story. For more than three decades, we have been crafting high-quality mannequins and accessories for the world's leading fashion brands - and with this report, we are showing more detail how that craftsmanship goes together with a sustainable approach to production.

Sustainability is in our DNA. We use 100% recyclable materials, FSC-certified wooden products and packaging materials, and renewable electricity to power our production. As to our operations, since the beginning, our approach has always been to resist the trend of outsourcing, where supply chains are fragmented across multiple suppliers, with design in Europe and production in the Far East. Instead, we have focused on integrating all major processes under one roof in Lithuania and further expanding our capacity and in 2024 we have made further investments by launching our metal powder coating chambers and a new modern extruder.

But our work does not stop there. We are proud to provide a safe, inclusive workplace for all our colleagues. We uphold the highest human rights and labour standards, guided by the UN Global Compact principles.

Externally, in 2024 our sustainability performance was again evaluated by EcoVadis (earning us a Silver Medal and placing us among the top 10% of companies for sustainability). In addition, we also submitted our first annual UN Global Compact progress report highlighting our actions in this important area.

And, as before, we partner globally - from supporting Plastic Bank's fight against ocean plastic to investing in renewable energy projects - because big challenges demand collective action.

This report is a promise: to keep improving, keep innovating, and keep proving that responsible manufacturing is the future. 2025 will be another big year for investments to keep that promise and I cannot wait to share information on those with you.

Thank you for being part of the journey.

Tadas Milasius
CEO

1.2. Basis for Preparation

This sustainability report is developed on an individual basis, in line with the Voluntary Sustainability Reporting Standard for non-listed Small and Medium Enterprises (VSME), basic and comprehensive module. This is a voluntary framework for SMEs which includes disclosures on sustainability governance, strategy, and metrics.

By adopting the combined basic and comprehensive modules, IDW reaffirms its commitment to transparent, responsible, and accountable business practices across all aspects of sustainability.

The report provides a structured and comprehensive overview of the company's environmental, social, and governance (ESG) performance for the reporting period, aligning with the principles and disclosure requirements set out in the VSME framework.

Company Overview

IDW is a private limited liability undertaking established in 1991 and headquartered at Ukmerges g. 248, LT-06120 Vilnius, Lithuania. In addition to its production facility and main office, IDW rents a warehouse facility from UAB Transekspedicija, located at Galines str. 1, Galine Village, Avizieniai Rural Administration, LT-14247 Vilnius District, Lithuania, Building C.

The company specializes in the manufacturing of sustainable mannequins and display solutions for global fashion brands, aligning its operations with NACE classification C - 32.99: Other manufacturing.

In the year 2024, IDW recorded an annual turnover of EUR 15,264,045 and employed 181 people. The reporting period covered by this sustainability report spans from January 1, 2024, to December 31, 2024. All data shown in this report is based on internal records, verified operational indicators, and, where applicable, reasonable estimates. Unless otherwise stated, the disclosures pertain to its operations in Lithuania.

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1.3. Strategy: Business Model and Sustainability

IDW is one of the world's leading manufacturers of high-quality mannequins and visual-merchandising display solutions, driven by a deep commitment to sustainability. Our core product groups include fully finished mannequins, dress forms, bespoke display fixtures, and ancillary components such as wooden arms and metal bases. Beyond product supply, we offer rapid design-engineering services and flexible small-lot production that enable global fashion brands and retailers to refresh store concepts quickly and responsibly.

Our business relationships are built on local, vertically integrated manufacturing and a deliberately short supply chain. Key suppliers - polystyrene producers, FSC-certified cardboard producers, and suppliers of metal - are located in Lithuania or elsewhere in Europe, allowing close collaboration on quality and sustainability standards. Finished goods are shipped from our Vilnius production facility and the rented distribution warehouse in Galine Village (UAB Transekspedicija, Building C).

Sustainability is woven into every element of IDW's strategy:

- **Materials** - all mannequins are produced from 100 % recyclable polystyrene (with the exception of prototypes and small 3D printed runs) and; increasing shares of post-consumer and biomass-balanced polystyrene grades are introduced each year. Packaging uses only FSC-certified cardboard, and clients are encouraged to choose FSC-certified wooden components.
- **Circular Design** - we design for reuse, reduction, and eventual closed-loop recycling, offering take-back options on retired displays.
- **Climate & Energy** - since 2023, our main plant has run exclusively on renewable electricity; a 10 % Scope 1 & 2 emissions-intensity reduction target (2022 - 2027) is in place.
- **Local Footprint** - with 100 % in-house EU production, IDW minimises transport emissions and maintains strict social, health and safety standards for employees and suppliers alike.

Through this integrated model, IDW delivers premium visual-merchandising solutions while advancing economic, environmental, and social value across its markets and supply chain.

Description of Products Markets, Business Relationships

IDW's core product offering includes sustainable mannequins, dress forms, visual merchandising elements, and related display solutions tailored to retail environments. These products are developed with a strong focus on design flexibility, durability, and environmental performance. In addition to standard lines, the company provides custom design and rapid prototyping services to meet specific brand aesthetics.

We primarily serve premium fashion retailers, global brand chains, and visual merchandising agencies, operating under long-term business-to-business relationships. These partnerships are supported by direct sales representatives and regional agents. IDW's strategic relationships with key suppliers - particularly in materials, packaging, and logistics - ensure consistency in quality, sustainability, and supply chain transparency.

How We Manufacture: Production Overview

The production of mannequins begins with carefully selected plastic raw materials, with a strong focus on recyclability. We use extrusion blow molding technology, where extruded plastic is shaped into precise forms within aluminum molds using high-pressure air. This process ensures components that are both strong and lightweight.

Once molded, the components are transferred to the sanding area, where surfaces are refined for a smooth finish. Depending on the product specification, parts are either painted with various coatings, covered with fabric, or sent directly to the assembly department if made from color-infused material.

Each product undergoes a series of intermittent quality control checks before being assembled, checked for quality one last time and packed. Our production is optimized for material efficiency, minimal waste, and long product lifespan, supporting a circular and responsible approach to manufacturing.

Markets We Operate in

IDW is headquartered in Vilnius, Lithuania, and caters mainly to brands headquartered in Europe and the Americas. Sales are concentrated in the fashion, retail, and visual merchandising sectors, where clients (multinational brands operating a large store portfolio) prioritize both aesthetic value and sustainable product features. Products are manufactured in Lithuania and distributed globally through a central warehouse located in Galine Village, near Vilnius. This location, rented from UAB Transekspedicija, enables efficient order fulfillment and supports IDW's low-carbon logistics strategy.

The company's main suppliers relate to raw materials: plastic granular, metal, wooden parts, topcoats, packaging. The estimated number of suppliers during 2024 was 490. Out of the total spent in 2024, we spent 93% towards suppliers in Europe and 7% in Asia.

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1.4. Practices, Policies and Future Initiatives for Transitioning Towards a More Sustainable Economy

Creating amazing mannequins with sustainability in their hearts - this is more than a slogan at IDW. It is the foundation of how we do business. Sustainability is not an add-on, but a core value embedded in every aspect of our operations. We are deeply committed to looking after the environment by offering products that are 100% recyclable and made from ethically sourced materials.

Our flexible, transparent, and sustainable approach has earned the trust of many forward-thinking customers who value both innovation and integrity. As we grow, we continue to set higher standards for sustainable manufacturing in the visual merchandising industry, helping our clients reduce their impact while enhancing their brand presence.

To bring our sustainability commitment to life, IDW has implemented several key practices across materials, packaging, and energy management that collectively reduce our environmental impact and support a greener future. IDW implements a range of practices to reduce its impact and support a more sustainable economy:

Area	Sustainability Related Practices
Environmental	
Materials	IDW uses polystyrene, a 100% recyclable plastic with a lower environmental footprint (based on Higg MSI).
Responsible sourcing and local production	100% in-house and local production to reduce transport emissions and ensure quality. In 2024, in-house capabilities were further expanded to replace third-party sourcing, improving efficiency and lowering environmental impact.
Responsible packaging	Since 2021, IDW has been FSC® certified. All packaging uses FSC certified cardboard, and customers are encouraged to choose FSC certified wooden arms and bases.
Energy and emissions	Since 2019, IDW has calculated its Scope 1 and Scope 2 GHG emissions annually. In 2023, the company launched a 5-year reduction plan, aiming for: • 10% reduction in GHG emissions per mannequin (Scopes 1 and 2, without offsetting) • 10% reduction in electricity consumption per mannequin (vs. 2022 levels)
Transportation	IDW takes active steps to reduce its transportation footprint. Our European-based operations already offer a lower-emission advantage compared to overseas competitors. We further reduce impact by sourcing locally, prioritizing rail and sea transport over air, and selecting lower-emission cargo carriers when air travel is unavoidable. We also promote high cargo fill rates, use virtual meetings to avoid travel, and offset emissions from rail and air transport whenever possible.
Air and water pollution	We do not use water in our core production processes. All domestic wastewater is treated through municipal sewage treatment plants, ensuring responsible water management. In addition, we conduct regular air and water quality testing to comply with applicable environmental regulations, including the REACH Regulation, and to minimize any potential operational impact.
Partnerships for environmental impact	Since 2020, IDW has partnered with Plastic Bank, supporting a global initiative that allows the most vulnerable communities to exchange ocean plastic waste for essential goods and services. In 2024 we continued with our environmental commitment by investing in the Ceará Renewable Energy Project in Brazil - a Gold Standard certified

climate initiative that delivers long-term benefits to both the environment and local communities.

Social

Human rights and equal opportunities	IDW upholds international human rights standards and has a zero-tolerance policy toward any form of discrimination. In October 2023, the company joined the UN Global Compact and, as a first step, began assessing potential human rights risks and their impact on stakeholders.
Health and safety at work	All workplaces are risk-assessed, with preventive controls in place. Employees receive regular health checks to ensure well-being.
Freedom of association	Employees have the right to join trade unions. A works council represents their social and economic interests.
Ethical labour standards	We reject all forms of forced labour. Employment is fully voluntary and applies equally to our suppliers.

Governance

Supplier code of conduct	With a global supply chain, IDW is committed to ensuring that sustainability standards extend beyond our operations. This code is a key tool in reinforcing our values across the supply chain and aligning all partners with our sustainability goals.
Whistleblower policy	Our Whistleblower Procedure provides a secure and confidential mechanism for employees and stakeholders to report concerns related to misconduct, ensuring that ethical standards are upheld across all levels of the organization.

IDW Sustainability Policy

In addition to our daily practices, IDW has implemented a formal sustainability policy that guides our long-term commitment to environmental and social responsibility. This policy applies to UAB IDW and its subsidiaries.

Focus area	Commitments	Targets / KPIs
Social responsibility (People)	• Respect human rights and follow UN Global Compact principles • Ensure health and safety at work • Prohibit forced, child labor and human trafficking • Guarantee freedom of association and non-discrimination	• Zero confirmed human rights violations • Zero high-consequence work-related injuries

Sustainable materials	• Use 100% recyclable polystyrene in all products • Increase use of recycled polystyrene as supply becomes available • Use FSC-certified cardboard for packaging • Promote FSC-certified wood to clients	• Transition to 100% recycled polystyrene when commercially viable
Energy and climate	• Measure Scope 1 and Scope 2 GHG emissions annually • Use only renewable electricity • Apply energy-saving practices (LEDs, efficient appliances, switching off unused devices)	• Reduce GHG emissions per mannequin by 10% (2022-2027) • Reduce electricity use per mannequin by 10%
Air and water management	• Operate air filtration systems to reduce emissions • Maintain Pollution Permit (updated in 2022) and perform regular monitoring • No water used in core production	• Zero breaches of emission limits • Regular emissions monitoring as per permit
Responsible sourcing	• Apply nearshoring strategy (100% in-house production) • Prioritize local/EU suppliers • Ensure suppliers follow labor and safety standards • Maintain high product quality	• Local sourcing to reduce transport-related impact
Transportation	• Minimize emissions by sourcing locally • Encourage clients to maximize shipment filling • Promote public transport for employees • Prefer virtual meetings over business travel	• Maximize transport efficiency and minimize employee/business travel emissions

This Sustainability Policy forms the foundation of IDW's environmental and social responsibility efforts. It guides our day-to-day operations and long-term planning. We regularly monitor our performance against the outlined targets and remain committed to transparency, continuous improvement, and alignment with the principles of the VSME Sustainability Reporting Standard.

In 2023, IDW joined the United Nations Global Compact (UNGC), reinforcing our commitment to responsible business practices in the areas of human rights, labour, environment, and anti-corruption. In 2024, we submitted our first Communication on Progress to the UN Global Compact, outlining our contributions toward the UN Sustainable Development Goals (SDGs).

Future Initiatives and Sustainability Targets

IDW's transition toward a more sustainable economy is rooted in a long-term commitment to responsible manufacturing, ethical sourcing, and environmental stewardship. As outlined in the company's broader strategy (see above provided information), many of the sustainability practices are already embedded into our operations - from using recyclable materials to sourcing renewable energy.

To strengthen and structure this transition, IDW has identified the following key policies and forward-looking initiatives:

Area	Sustainability Related Practices
Carbon reduction target	IDW has set a GHG emissions reduction target of 10% per mannequin by 2027 (based on 2022 levels), focused on Scope 1 and Scope 2 emissions.
Scope 3 development	The company intends to expand its climate impact assessment by evaluating Scope 3 emissions, with actions planned by 2030. In 2023, in-house capabilities were expanded to replace third-party sourcing, improving efficiency and lowering environmental impact.
Energy and resource efficiency	Ongoing implementation of energy efficiency measures and exploration of innovations in circular product design and lower-impact materials.
Sustainable supply chain	Reinforced expectations for suppliers through a dedicated Code of Conduct that aligns with IDW's human rights, labour, and environmental standards.
Governance and accountability	The sustainability strategy is overseen by the CEO, with dedicated responsibilities assigned to the Specialist for Occupational Safety, Civil Protection, and Environmental Management; the Chief Operational Officer; and Head of HR; and further delegated to department heads to ensure cross-functional implementation.

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2. ENVIRONMENT

At IDW, environmental responsibility is a core value embedded in every aspect of our operations. We are committed to reducing our environmental footprint by improving resource efficiency, lowering emissions, and choosing sustainable materials and processes.



2.1. Energy and Greenhouse Gas Emissions

In 2024, our total energy consumption amounted to 2,296.47 MWh, comprising both renewable and non-renewable sources. This figure includes electricity, heat energy, and fuel types such as diesel, petrol, and natural gas, as reported in our internal energy inventory.

IDW sources 100% of its electricity from renewable sources, underscoring its commitment to reducing greenhouse gas emissions. The breakdown provided below reflects consumption by energy source and type, based on available utility billing data and fuel usage records.

Total Energy Consumption Breakdown (MWh)

	Units	Renewable		Non-Renewable	
		2023	2024	2023	2024
Electricity (as reflected in utility billings)	MWh	1,151.15	1,279.02		
Heat energy	MWh			455.37	398.83
Diesel	MWh			418.22	436.13
Petrol	MWh			142.71	152.28
Natural gas	MWh			24.39	30.21
Total	MWh	1,151.15	1,279.02	1,040.68	1,017.45

To evaluate the efficiency of our energy use, we calculated the energy intensity indicator, which shows how much energy is consumed per euro generated. It is determined by dividing total annual energy consumption by net revenue. In 2024, IDW energy intensity was 0.0002 MWh per €1 or 0.2 MWh per €1,000, providing insight into the energy performance of our operations.

Energy Consumption per Euro of Revenue

	Unit	2023	2024
Total energy consumed, divided by net revenue	MWh / €	0.0001	0.0002

Planned Energy Efficiency Measures (2023-2028)

As part of IDW's energy management strategy, we have adopted an Energy Efficiency Plan for 2023–2028 to reduce electricity consumption across operations. Our primary target is to reduce electricity use of existing equipment (per standard mannequin) by at least 10% compared to 2022 levels.

The plan includes both technical upgrades and organizational practices aimed at improving energy performance in production areas and company premises. The estimated reduction in total installed power is 63.6 kW. Summary of key measures are presented below:

Area	Planned Action	Estimated Impact
Sanding & mechanical departments	Group sanding workstations to eliminate one ventilation zone	~60 kW saved per shift

	• Disconnect a 37 kW fan; add frequency converter • Remove local polishing extractors and link to central system	
Outdoor premises & lighting	• Replace 400 W outdoor lamps with 80 W LED spotlights (5 units) • Disconnect facade lighting due to redundancy	• ~3.6 kW saved during dark hours
Compressed air management	• Conduct regular leakage checks and repairs • Document results in inspection reports	• Reduced compressor load
Ventilation systems	• Ensure timely filter replacement • Measure airflow/pressure; document in anemometry reports	• Improved airflow, reduced fan load
Energy management & awareness	• Develop written energy-saving guidelines • Conduct ongoing awareness activities and informal training	• Cultural shift toward efficiency

These actions contribute directly to IDW's broader climate and energy targets and are overseen by the Chief Energy Specialist. Progress toward the energy efficiency goal will be monitored annually, with adjustments made as needed.

Greenhouse Gas Emissions

In line with the GHG Protocol Corporate Standard, IDW monitors and reports its greenhouse gas (GHG) emissions to better understand and manage its environmental impact. The data below includes Scope 1 emissions from owned or controlled sources and Scope 2 emissions from purchased energy.

Scope 2 emissions are presented in two ways:

- **Market-based**, which reflects IDW's actual situation since it accounts for the purchase of renewable electricity.
- **Location-based**, which shows what the emissions would be if IDW used the average grid electricity mix instead of renewable energy.

Scope / Category	Unit	2021	2022	2023	2024
Scope 1 GHG emissions	tCO ₂ e	143.50	133.91	155.55	161.95
Scope 2 location-based GHG emissions	tCO ₂ e	329.51	347.23	218.21	231.74

Scope 2 market-based GHG emissions	tCO₂e	53.39	40.46	45.54	39.88
TOTAL Scope 1 and 2 GHG emissions (location-based)	tCO ₂ e	727.60	481.13	373.76	393.69
TOTAL Scope 1 and 2 GHG emissions (market-based)	tCO₂e	196.90	174.37	201.09	201.83

As part of its climate responsibility efforts, IDW has partially offset its Scope 1 and Scope 2 GHG emissions by purchasing 150 tCO₂e in carbon credits from the Ceará Renewable Energy Project in Brazil.

Greenhouse Gas Emissions Intensity Indicators

To assess the carbon efficiency of our operations, we also report GHG intensity, calculated by dividing total GHG emissions by certain activity parameters.

Activity	Unit	Main Production Site		Warehouse		Total	
		2023	2024	2023	2024	2023	2024
Average number of employees (neto)	number	174	178	3	3	177	181
	t CO ₂ eq / employee	1.13		1.96		1.14	1.12
Revenue	mln. EUR	-	-	-	-	15.46	15.26
	t CO ₂ eq / mln. EUR	-	-	-	-	13.07	13.23
Number of standard mannequins produced (relative 12 kg weight) ¹	t CO ₂ eq / standard mannequin	0.0078	0.0068	0,0003	0,0003	0.0080	0.0071

Solely for the purposes of GHG measurement and general reporting, a standard weight of 12 kg of plastic has been designated as equivalent to one mannequin/product, thereby ensuring methodological consistency and avoiding variations among different products.

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¹ *Solely for the purposes of GHG measurement and general reporting, a standard weight of 12 kg of plastic has been designated as equivalent to one mannequin/product, thereby ensuring methodological consistency and avoiding variations among different products.*

2.2. GHG Reduction Targets and Climate Transition

IDW has set a greenhouse gas (GHG) emissions reduction target as part of its commitment to environmental sustainability and climate transition. The target is focused on reducing emissions intensity, specifically the amount of GHG emissions per standard mannequin produced².

Disclosure Item	Details
Target year	2027
Target value	0.0073 t CO ₂ eq/mannequin (10% reduction from base year)
Base year	2022
Base year value	0.0081 t CO ₂ eq/mannequin
Unit of measure	Tonnes of CO ₂ equivalent per mannequin (t CO ₂ eq/mannequin)
Emissions scopes covered	• Scope 1: 161.95 t CO₂ eq (80.24%) • Scope 2: 39.88 t CO₂ eq (19.76%) – market-based method • Scope 3: Not evaluated
Reduction strategy / key actions	• Use 100% renewable (“green”) electricity • Implement energy-saving measures (LED lighting, energy-efficient appliances, powering down when not in use) • Explore fuel and production-related GHG reduction options
Scope 3 inclusion	Not yet assessed (n/d)

We will continue to track and evaluate its environmental performance, and plan to update its approach as more data becomes available - especially regarding Scope 3 emissions. As we gather more insights, we aim to strengthen our actions and improve the effectiveness of our reduction efforts.

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² See footnote above.

2.3. Climate risks

As of the reporting period, IDW has not found any specific climate-related physical or transition risks that could materially affect its operations, value chain, or financial performance. Accordingly, the company has not yet conducted a formal assessment of exposure or sensitivity to such risks, nor developed a climate change adaptation action plan.

IDW acknowledges the increasing relevance of climate-related risks and plans to monitor developments in this area more closely in the future. The company will consider integrating a risk assessment and adaptation planning process as part of its broader environmental strategy.

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2.4. Pollution of Air, Water and Soil

IDW is committed to reducing its environmental impact and complying with all relevant environmental regulations. We monitor our operations to ensure minimal emissions to air, water, and soil, and report on pollutants where required or relevant, either by law or through our internal environmental practices.

During the reporting period, IDW Display recorded no incidents of accidental pollution or breaches of emissions limits as set out in its Pollution Permit. All monitoring results remained within the legally permitted thresholds. The table below summarizes this information:

Incident Type	Number of Cases	Comments
Accidental pollution events (air, water, soil)	0	No environmental accidents reported
Breaches of emissions limits (Pollution Permit)	0	All emissions remained within legal limits

Emissions Overview

IDW is subject to national (Lithuanian) environmental regulations and holds a valid Pollution Permit. The company monitors and reports its emissions to air in accordance with legal requirements.

No emissions to water or soil occur as part of IDW's operations. Water is used solely for domestic and sanitary purposes, and all wastewater is discharged into the municipal sewage system. There are no direct discharges into natural water bodies or soil, and therefore, reporting of emissions to these media is not relevant.

Below is a summary of pollutants emitted to air during the company's operations:

Pollutant	Units	Emission to Air	Emission to Water
Non-methane volatile organic compounds (unspecified composition)	kg / year	16,046.0	-
Iron and its compounds (as iron)	kg / year	0.7	-
Manganese, manganese oxides and other compounds (as manganese dioxide)	kg / year	0.0	-
Particulate matter (organic and inorganic), excluding particulates from the combustion of solid, liquid or gaseous fuels or waste, and excluding asbestos-containing dust (C)	kg / year	1,540.1	-
Aluminum oxide	kg / year	2.5	-
Nitrogen oxides (NO _x) (B)	kg / year	120.0	-
Sulphur dioxide (SO ₂)	kg / year	18.2	-
Carbon monoxide (B)	kg / year	93.6	-
Nitrogen oxides (NO _x) (C)	kg / year	10.3	-
Sulphur dioxide (SO ₂) (C)	kg / year	14.4	-
Carbon monoxide (C)	kg / year	47.4	-
Particulate matter from the combustion of solid, liquid or gaseous fuels or waste (dust) (B)	kg / year	85.9	-
Total emissions to air	kg / year	17,979.1	-

Note: The estimated quantities of pollutants are regularly assessed and reported to competent authorities. Based on the results of air pollutant dispersion modeling, the concentration of pollutants in ambient air remains below the established limit values, and therefore no significant environmental or public health impact is expected.

In addition, based on the data provided by the National Public Health Center from the tests of the odor concentration in the ambient air, the odor concentration in the air at the territory of the production facility and the nearby areas (report dated December 2023):

Unit	Concentration Limit Value (Permitted by Law)	Concentration Limit Value (Test Result)
OUE/m ³ (European odor units)	8	1

Water Use and Wastewater Management

IDW does not use water in its core production processes. As a result, no industrial or processed wastewater is generated during production.

All domestic wastewater generated during daily operations is discharged into the municipal sewage system operated by UAB "Vilniaus vandenys", where it is treated in accordance with applicable regulations. Stormwater (surface runoff) from the site is discharged without treatment into the stormwater drainage network operated by UAB "Grinda". There are no industrial or chemical effluents associated with IDW's business operations.

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2.5. Biodiversity - Land Use

IDW does not own, lease, or operate any sites located in or near biodiversity-sensitive areas. Therefore, biodiversity-related impacts are not considered material to our operations at this time.

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2.6. Water Consumption

Although water is not used in IDW's core production processes, we do monitor and report our total water consumption. In 2024, our total water withdrawal amounted to 2,126 m³ and was used exclusively for domestic purposes, such as sanitation, hygiene and cooling.

All water used is discharged as domestic wastewater and treated at municipal sewage treatment facilities. As IDW does not operate in areas of high water stress and does not have water-intensive operations, water consumption remains a low-impact area for the company. However, we remain committed to monitoring our water use and ensuring responsible management practices.

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2.7. Resource Use, Circular Economy and Waste Management

At IDW, circularity is embedded in our product design and production processes. We apply circular economy principles by prioritizing recyclable materials, minimizing waste generation, and maximizing reuse and recycling throughout our operations.

Our mannequins are primarily made from 100% recyclable polystyrene, a material chosen not only for its durability but also for its excellent recyclability and low environmental impact. Depending on its further application, mechanically recycled polystyrene can be reused multiple times (typically 5-7 in our production) and chemically recycled polystyrene restores its original properties and hence can be reused over and over again.

In addition, we use FSC-certified packaging materials and continuously seek to reduce material waste by refining production methods and working with local suppliers to minimize surplus.

Circular Economy Application

- Use of recyclable raw materials (e.g. polystyrene);
- Design for disassembly and reuse;
- In-house production for better material control and waste reduction;
- Partnerships encouraging reuse of mannequins and components.

Waste Management

IDW applies circular economy principles by promoting waste segregation and maximizing material recovery across its operations. In 2024, the company generated various types of waste, both hazardous and non-hazardous, in the course of its production activities. A significant share of non-hazardous waste, such as metal filings and packaging materials, was diverted to recycling. Hazardous waste, including solvent-containing residues, was managed in compliance with legal requirements and directed to appropriate disposal channels. The table below outlines the waste types, their classification, and corresponding treatment paths.

EWC Code	Type of Waste	Unit	Waste Diverted to Recycle or Reuse	Waste Directed to Disposal
Hazardous Waste				
08 01 11*	Waste paint and varnish containing organic solvents or other hazardous chemicals	t	0	1.12
15 01 11*	Metal packaging, including compressed air tanks, containing hazardous solid porous binders (e.g. asbestos), including empty pressure containers	t	1	0
Total hazardous waste (t)				2.12
Non-Hazardous Waste				
12 01 03	Non-ferrous metal grinding and turning waste	t	0.4	0
15 01 01	Paper and cardboard packaging	t	2.8	0

17 04 02	Aluminum	t	1	0
20 01 99	Other fractions not otherwise specified from separately collected municipal waste	t	0	70.88
12 01 01	Waste from grinding and turning of ferrous metals	t	21.94	0
Total non-hazardous waste (t)				97.02

Material Flow

IDW operates in the manufacturing sector and therefore uses significant material flows as part of its production processes.

In line with the VSME Comprehensive Standard, we disclose the annual mass-flow of relevant materials used in production. To ensure clarity and relevance, only the most significant materials by weight are presented in the table below. These materials represent the largest share of total consumption and are critical to our manufacturing operations.

Number	Name of the key material	Mass/Volume per year	Unit of measurement (kg, t, m3, l)
1	Plastics	369,733	kg
2	Paints and coatings	16,802	l
3	Thinners and solvents	6,220	l
4	Primers and fillers	10,400	kg
5	Hydraulic oil	1,000	l
6	Gypsum	2,000	kg

B7

3. SOCIAL

At IDW, we believe that taking an ethical approach to business in all circumstances is essential to long-term success, and that begins with how we treat our people. The wellbeing of our colleagues and their families is a top priority as we strive to foster a strong sense of community within the workplace. We are committed to creating a supportive, inclusive, and safe environment where every employee feels valued, respected, and empowered to thrive.



3.1. Workforce – General Characteristics

As of the end of the reporting period, IDW employed a total of 181 people. All employees were employed under employment contracts in Lithuania. The table below presents the number of employees by citizenship.

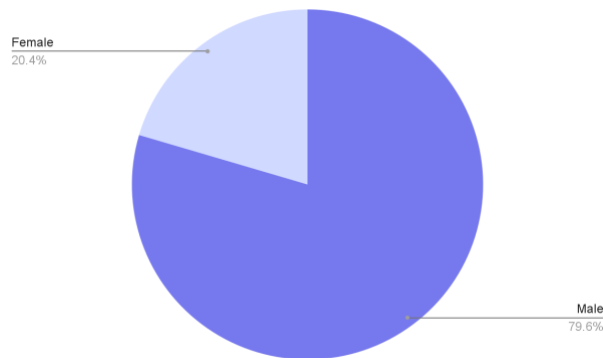
Breakdown of Employees by Country of Residence

Citizenship of Country	Number of Employees (Headcount or Full-Time Equivalents)
Lithuania	168
Belarus	2
Ukraine	8
Cameroon	1
Egypt	2

The vast majority of our workforce (179 employees) were engaged under permanent employment contracts, reflecting our commitment to job stability and long-term employee development. Only 2 employees held temporary contracts.

The workforce remains predominantly male, reflecting broader trends in the manufacturing sector. A visual breakdown of the gender distribution is provided in the chart below.

Employee Distribution by Gender (End of 2024)



Migrant workers³

IDW had 0 migrant workers during the reported period. All employees, who were not citizens of Lithuania during the reported period, either had permanent residence permits or temporary residence permits issued due to reasons not related directly to migration for employment (e.g. marriage to Lithuanian citizens, etc) and hence had full rights and protections as other employees.

Empowering through inclusion

At IDW, we believe that diversity and inclusion are not only ethical imperatives but also a source of strength and resilience for our organization. We are proud to actively support the employment of people with disabilities.

As of 2024, we employ 20 colleagues with hearing disabilities. They work primarily in the sanding department, which involves sanding and surface finishing tasks. We have been employing people with hearing disabilities since the company was founded, and the number of such employees varies over time.

This enables us to:

- Provide stable and meaningful employment to a socially vulnerable group;
- Foster a more inclusive and respectful workplace culture.

All employees at IDW are offered equal opportunities, appropriate training, and a safe working environment. For colleagues with hearing impairments, all trainings and meetings are conducted with the support of an external professional sign language interpreter. In addition, our workplace is equipped with accessibility measures such as perimeter warning lights on vehicles and visual fire alarms.

³ A migrant worker is someone who moves from one country to another for employment, not self-employment as defined by the ILO conventions.

To measure and promote inclusion, we track the representation of vulnerable groups across all organizational levels. The table below presents the relevant indicators for the reporting year:

Indicator	Value
Percentage of employees from a vulnerable group (overall workforce)	13%
Percentage of employees from a vulnerable group in top management	0

Employee turnover

As part of our workforce monitoring, we calculate the employee turnover rate annually to assess workforce stability and inform our HR strategies. For the reporting year, IDW's turnover rate stood at 22.71% (predominantly amongst new employees), reflecting natural workforce movements in a dynamic manufacturing environment. The detailed figures are presented in the table below:

Number of employees who left during the reporting period	41
Number of employees at the beginning of the reporting period	181
Number of employees at the end of the reporting period	180
Employee turnover rate [%] in the reporting period	22.71%
Employee absenteeism rate [%] in the reporting period	0.03%

B8

Management gender ratio

IDW monitors gender representation not only across the overall workforce but also at the management level. Understanding the proportion of women to men in leadership roles helps us track progress toward greater gender equality within the organization.

The gender ratio is calculated by dividing the number of female employees in management positions by the number of male employees in management positions. This provides a proportion indicating how many women hold management roles compared to men.

Gender distribution in management

Category	Number of employees	Gender ratio
Female managers	4	28.57%
Male managers	14	

C5

3.2. Workforce – Health and Safety

At IDW, we prioritize the health, safety, and well-being of our employees by maintaining high standards across all facilities. The CEO holds ultimate responsibility for health and safety, with daily oversight managed by department heads and an internal Specialist for Occupational Safety, Civil Protection, and Environmental Management.

Our key efforts and practices to ensure the highest standards of health and safety within our company include:

Area	Health and Safety Practices
Risk assessments	Our workplace is assessed with support from external experts; relevant measurements are conducted and documented.
Training	Employees receive ongoing H&S training, including emergency drills, first aid, and chemical safety.
Health monitoring	Regular medical checks are normally conducted every two years except for certain groups of employees where medical checks are conducted every year (e.g. employees above 55 years of age).
Governance	A H&S Committee meets regularly; internal inspections cover building, equipment, fire, and electrical safety.
Safe environment	Facilities are clean, ventilated, and equipped with proper signage, fire exits, PPE, and first aid kits.

Chemical safety	Hazardous materials are safely stored and labeled, with MSDS available.
Policies and communication	IDW ensures workplace safety through the following key documents: • IDW Group Code of Conduct • H&S Instructions tailored to specific roles and tasks • Additional H&S procedures covering workplace-specific risks

Health and Safety Indicators

Ensuring a safe and healthy work environment is a top priority. We continuously monitor, assess, and improve our occupational health and safety practices in compliance with applicable legislation and internal standards. As part of our commitment, we track key indicators such as work-related accident rates and hours worked to evaluate and enhance workplace safety performance.

Workforce Health and Safety Performance Indicators

Number of recorded work-related accidents in the reporting period	2
Number of recorded serious work-related accidents in the reporting period	0
Number of hours worked by one full-time employee in the reporting period	2,000
Total number of hours worked in a year by all employees in the reporting period	306,006
Rate of recordable work-related accidents in the reporting period	1.31
Number of fatalities as a result of work-related injuries and work-related ill health	0
Number of days lost to work-related injuries, fatalities or ill health	16
Number of employees trained on health and safety	181
Percentage of employees covered by health care ⁴ and accident insurance (FN)	100

B9

⁴ In Lithuania, healthcare is universal for all employees and funded through social security contributions. In addition, we provide all employees with 24/7 personal accident insurance coverage.

3.3. Workforce – Remuneration, Employee Representation and Training

At IDW we are committed to providing all employees with good working conditions by ensuring that they have adequate wages and working hours. We are committed to gender pay equity and provide ongoing training opportunities.

The information below presents the gender pay gap within the company, as well as the total annual remuneration ratio. The calculations are based on data covering all employees across the company.

Percentage gap in pay between the undertaking's female and male employees [%]	2.64
Number of employees covered by collective bargaining agreements	0

The current gender pay gap of 2.64% reflects a minor variation in gross hourly earnings between male and female employees. This slight difference can be attributed to the composition of gross pay, which may include base salary, bonuses, allowances, and other contractual benefits. Since these elements can vary depending on role, responsibilities, and tenure, small differences are expected. IDW remains committed to ensuring fair and equitable remuneration practices for all employees, regardless of gender.

Employee Training

All employees, regardless of gender, receive equal access to training and development opportunities. On average, both male and female employees completed 15 hours of training per year, reflecting our commitment to continuous learning and skills enhancement across the entire workforce.

In the reported period 2 employees have changed their positions internally due to promotions or horizontal mobility.

B10



Employee Representation

At IDW we are aimed at building constructive relationships with our employees and their representatives.

All employees are represented by an active employee elected Employee works council. Meetings of the council and top management are held regularly. During the reporting period, 3 such meetings took place.

In addition, top management has ad hoc meetings with employee groups outside of the Employee works council framework. Such meetings usually relate only to a specific employee group. During the reporting period 3 such meetings took place.

3.4. Additional Own Workforce Information - Human Rights Policies and Processes

At IDW, we are firmly committed to respecting and upholding human rights across all our operations and supply chains. Our Code of Conduct, applicable to both employees and suppliers, establishes clear standards that prohibit child labour, forced labour, and human trafficking, while promoting equality and non-discrimination in the workplace. The Code ensures that employment is freely chosen, that all workers receive fair remuneration, and that they operate in safe, hygienic, and respectful working conditions. It also supports the freedom of association and the right to collective bargaining and prohibits any form of harassment or inhumane treatment. By requiring adherence to these principles not only internally but also from our partners and suppliers, we work to embed ethical and responsible practices throughout our value chain.

In October 2023, IDW joined the United Nations Global Compact, reaffirming its commitment to upholding international human rights standards. As a first step, the company conducted an internal assessment to identify potential human rights risks and their possible impact on stakeholders. This exercise was based on the key human rights areas outlined by the UN and ILO, covering issues such as unequal treatment of part-time workers, fair remuneration, workplace safety, freedom of association, and protection against discrimination or exploitation. The results of this assessment will inform the development of preventive measures and internal processes to further strengthen human rights due diligence across IDW's operations and value chain.

Complaints-Handling Mechanism

IDW has established a formal Whistle-blower Procedure that provides a confidential and secure mechanism for employees and other stakeholders to raise concerns or report suspected misconduct. This mechanism covers a broad range of issues, including criminal or administrative misconduct, breaches of the Code of Ethics (such as discrimination, child or forced labour), health and safety violations, bribery, corruption, and other serious ethical or legal breaches.

Employees can submit their concerns through various reporting channels: directly to a supervisor or manager, to any member of the Audit Committee (which includes the Head of HR, the Company's Lawyer, the Chair of the Works Council, and the Employee H&S Representative), via email at pranesimas@idw.lt, or anonymously through designated drop boxes located in the administration and production premises.

All reports are received and reviewed by the Audit Committee, which determines the appropriate course of action—either conducting an internal investigation or assigning it to management, ensuring impartiality and confidentiality. The procedure strictly prohibits any retaliation against whistle-blowers and safeguards the anonymity of individuals who request it. Records related to complaints and investigations are securely retained for five years. The full process is outlined in IDW's internal *Whistle-blower Procedure*.

C6

3.5. Severe Human Rights Incidents

IDW confirms that there have been no confirmed incidents within its own workforce related to child labour, forced labour, human trafficking, discrimination, or any other severe human rights violations.

C7

4. GOVERNANCE



4.1. Convictions and Fines

IDW is committed to the prevention of corruption, conflicts of interest, and money laundering, and we are proud to maintain a track record of zero registered instances in these areas.

To date, IDW has not received any convictions, incurred any fines, or been notified of any instances related to corruption, conflicts of interest, or money laundering. This reflects our strong commitment to ethical business practices and full compliance with all applicable laws and regulations. We maintain internal policies and controls designed to prevent corruption and conflicts of interest across our operations, including regular risk assessments and training for relevant employees.

4.2. Revenues from Certain Sectors and Exclusion from EU Reference Benchmarks

IDW does not operate in any of the sectors identified as high-risk under the European Sustainability Reporting Standards, including the production of controversial weapons, cultivation and production of tobacco, fossil fuel activities (such as extraction, refining, or distribution of coal, oil, or gas), or the manufacture of pesticides and other agrochemical products. Accordingly, the company does not generate any revenues from these activities.

C8

4.3. Gender Diversity Ratio in the Governance Body

The undertaking does not have a formal governance body in place. The company is led by a CEO, and therefore, no gender diversity ratio for a governance body can be reported.

C9

4.4. IT Governance

IDW is committed to the responsible management of confidential information and ensuring the security and integrity of its IT systems. As part of our broader governance framework, we prioritize data protection, cybersecurity, and compliance with relevant data privacy regulations.

- **Qualitative objective:** Demonstrate a continuous commitment to the responsible handling and protection of confidential and business-critical information across all digital systems.
- **Quantitative target:** Complete an updated IT security risk assessment by 2027 to identify vulnerabilities, strengthen safeguards, and ensure alignment with evolving cybersecurity standards.

Annex 1. List of Disclosure Requirements under the VSME Standard

Code	Disclosure Title and Report Reference
General Information	
B1	Basis for preparation
B2	Practices, policies and future initiatives for transitioning towards a more sustainable economy
C1	Strategy: Business Model and Sustainability – Related Initiatives
C2	Description of practices, policies and future initiatives for transitioning towards a more sustainable economy
Environment Metrics	
B3	Energy and greenhouse gas emissions
B4	Pollution of air, water and soil
B5	Biodiversity
B6	Water consumption
B7	Resource use, circular economy and waste management
C3	GHG reduction targets and climate transition
C4	Climate risks
Social Metrics	
B8	Workforce – General characteristics
B9	Workforce – Health and safety
B10	Workforce – Remuneration, collective bargaining and training
C5	Additional (general) workforce characteristics
C6	Additional own workforce information - Human rights policies and processes
C7	Severe negative human rights incidents

Governance Metrics

- B11 [Convictions and fines for corruption and bribery](#)
- C8 [Revenues from certain sectors and exclusion from EU reference benchmarks](#)
- C9 [Gender diversity ratio in the governance body](#)

Annex 2. Mapping VSME Disclosure Requirements to GRI Standards

VSME Code	VSME Disclosure Title	GRI Alignment
B1	Basis for preparation	GRI 2-1 to 2-3: Organizational details, reporting period, and contact person
B2	Practices, policies and future initiatives for sustainability transition	GRI 2-22: Statement on sustainable development strategy
B3	Energy and greenhouse gas emissions	GRI 302: Energy GRI 305: Emissions
B4	Pollution of air, water and soil	GRI 303: Water and Effluents GRI 305-7: Nitrogen oxides (NOX), sulphur oxides (SOX), other air emissions
B5	Biodiversity	GRI 304: Biodiversity
B6	Water consumption	GRI 303: Water and Effluents
B7	Resource use, circular economy and waste management	GRI 301: Materials GRI 306: Waste
B8	Workforce – General characteristics	GRI 2-7: Employees GRI 401-1: New employee hires and employee turnover
B9	Workforce – Health and safety	GRI 403: Occupational Health and Safety
B10	Workforce – Remuneration, collective bargaining and training	GRI 402: Labor/Management Relations GRI 404: Training and Education GRI 405: Diversity and Equal Opportunity
B11	Convictions and fines for corruption and bribery	GRI 205-3: Confirmed incidents of corruption and actions taken
C1	Strategy: Business Model and Sustainability – Related Initiatives	GRI 2-22, GRI 2-6: Activities, value chain, and other business relationships
C2	Description of practices, policies and future initiatives for transitioning towards a more sustainable economy	GRI 2-22, GRI 201-2: Financial implications and other risks and opportunities due to climate change
C3	GHG reduction targets and climate transition	GRI 305-5: Reduction of GHG emissions GRI 201-2
C4	Climate risks	GRI 201-2: Financial implications and other risks and opportunities due to climate change
C5	Additional (general) workforce characteristics	GRI 2-7: Employees GRI 405: Diversity and Equal Opportunity
C6	Additional own workforce information - Human rights policies and processes	GRI 408: Child Labor GRI 409: Forced or Compulsory Labor GRI 412: Human Rights Assessment

C7	Severe negative human rights incidents	GRI 412-2: Employee training on human rights policies or procedures
B11	Convictions and fines for corruption and bribery	GRI 205-3: Confirmed incidents of corruption and actions taken
C8	Revenues from certain sectors and exclusion from EU reference benchmarks	GRI 207: Tax (if financial sector relevant) GRI 2-6: Activities and sectors
C9	Gender diversity ratio in the governance body	GRI 405-1: Diversity of governance bodies and employees